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BUSINESS PROPERTY TAX

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

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LOCAL BOUNDARY COMMISSION LISTING

MUNICIPALITY OF ANCHORAGE

CITY OF FAIRBANKS

HAINES BOROUGH

PETERSBURG

SKAGWAY

VILLAGE POLICE

INPUT FROM V.C. OUTSIDE MUNICIPALITIES

INPUT FROM V.C. WITHIN MUNICIPALITIES

UPDATED MATERIAL ON 14 (C) 3 AND 4
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SB 86

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE / POUCH B – JUNEAU 99811

February 7, 1977

The Honorable Joseph L. Orsini, Chairman
Senate Community and Regional Affairs
Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

Re: Senior Citizen Property Tax Exemption.

In view of recent erroneous Associated Press releases, the following data is provided for your information.

Currently all senior citizens are eligible for 1977 property tax exemption up to an assessed value of $40,000 on their home under the formula limitation criteria.

Statutes now in effect provide total exemption to 75% of Alaska's senior citizen homeowners. It is estimated that less than 2 1/2% of those who applied will receive a tax bill of $500 or more in 1977.

Enclosed is a packet of data prepared by the Department of Community and Regional Affairs relative to current proposals affecting the program. You may be especially interested in the analysis of senior citizen properties valued at more than $40,000, this data was prepared as 'back up' material for the 'circuit breaker' proposal. Also, the analysis of senior citizen properties valued at over $100,000 may be valuable, this tabulation was provided with the fiscal note for SB 86.

Thank you for your attention.

Sincerely,

Lee McAnerney
Commissioner

S. Robert Dozier

By: S. Robert Dozier
State Assessor

LMcA:SRD:il
Enclosures
cc: Milt Barker
Dan Plotnick
Jesse Dodson

APPENDIX B

SENIOR CITIZEN
PROPERTY TAX EXEMPTION
AS 29.53.020(e)-(i)

APPENDIX B

SENIOR CITIZEN PROPERTY TAX EXEMPTION
AS 29.53.020(e)-(i)

Effective January 1, 1973, the first Senior Citizen Property Tax Exemption Program was enacted. (ch 118 SLA 1972) Effective January 1, 1974, the $10,000 gross annual income limitation as a prerequisite to eligibility was deleted. (Sec. 1 ch 60 SLA 1974) Effective January 1, 1975, an extension of the filing date deadline for good cause shown was authorized. (Sec. 1 ch 65 SLA 1975) Effective January 1, 1977, a formula was adopted for determining an assessed value exemption limit each year. (Sec. 1 ch 217 SLA 1976)

> AS 29.53.020(e): "... the assessed value limit is the upper limit of the third quartile class in a frequency distribution of previous year assessed values in the state..."

The property tax exemption limit for the 1977 tax year has been determined to be the assessed value of the real property up to and including 40,000 in assessed value. The frequency distribution of assessed values approved for exemption in the 1976 program is illustrated in Table B-2.

In response to objections to the assessed value limit, a "circuit breaker" assistance amendment is proposed. The amendment is a favorable and acceptable measure intended to relieve disproportionate impact to senior citizen income affected by tax values over the exemption limit.

The property tax exemption application form 21-400 has been expanded to allow senior citizen homeowners to renew special assessment deferments, AS 29.63.065, on the same form; in order to avoid duplicate verification of qualifying criteria each year. (See Appendix C, Senior Citizen Special Assessment Exemption)

A breakdown of the 1976 program impact listed by participating municipalities, is illustrated in Table B-1.

A four-year performance summary of the property tax exemption program is outlined below:

Tax Year	Number of Applications Approved	Assessed Value Exempt	Total Revenue Reimbursement	Average Value Per Application	Average Tax Per Application
1973	911	12,960,993	$ 197,050	14,227	$216
[1]1974	1,887	40,842,657	631,891	21,644	335
[2]1975	2,426	59,918,061	930,915	24,698	384
1976	2,608	76,737,060	1,171,227	29,424	449

[1] *$10,000 income limit deleted*

[2] *Extended filing deadline*

TABLE B-1

SENIOR CITIZEN PROPERTY TAX EXEMPTION, AS 29.53.020(e)

1976 PROGRAM SUMMARY

BOROUGHS	NUMBER OF APPLICATIONS APPROVED	ASSESSED VALUE EXEMPT	TAX EXEMPT	AVERAGE VALUATION PER APPLICATION	AVERAGE TAX PER APPLICATION
Anchorage, Municipality	886	29,560,962	$ 552,525.42	33,365	$624
Bristol Bay	7	83,925	1,173.55	11,975	168
Fairbanks North Star	334	9,954,475	130,318.05	29,804	390
Haines	23	434,086	4,780.11	18,873	208
Juneau, City & Borough	254	10,052,250	149,737.84	39,576	590
Kenai Peninsula	247	5,135,050	74,140.10	20,790	300
Ketchikan Gateway	208	5,367,165	91,003.58	25,804	438
Kodiak Island	68	1,522,622	22,659.52	22,392	333
Matanuska-Susitna	212	5,453,020	50,316.29	25,722	237
North Slope	19	305,410	3,145.73	16,074	166
Sitka, City & Borough	95	3,598,790	17,993.95	37,882	189
TOTAL BOROUGHS	2,353	71,467,655	$1,097,749.14	30,373	$467
CITIES					
Cordova	33	670,380	$ 12,402.07	20,315	$376
Craig	8	96,010	1,056.11	12,001	132
Dillingham	16	423,702	7,838.60	26,481	490
Nenana	1	3,700	37.00	3,700	37
Nome	49	390,960	6,992.11	7,979	143
Pelican	3	16,941	237.16	5,647	79
Petersburg	59	1,611,790	19,341.50	27,318	328
Skagway	19	467,467	8,414.40	24,604	443
Unalaska	3	72,100	1,261.76	24,033	421
Valdez	10	337,640	3,374.89	33,764	337
Wrangell	54	1,178,715	12,477.49	21,828	231
TOTAL CITIES	255	5,269,405	$ 73,433.09	20,664	$288
BOROUGHS	2,353	71,467,655	$1,097,749.14	30,373	$467
CITIES	255	5,269,405	73,433.09	20,664	288
STATEWIDE TOTAL	2,608	76,737,060	$1,171,227.23	29,424	$449

TABLE B-2

SENIOR CITIZEN PROPERTY TAX EXEMPTION
1976 TAX YEAR PROGRAM

FREQUENCY DISTRIBUTION: INTERVALS IDENTIFIED BY LOWER LIMITS

BOROUGHS	Range Low	Range High	Frequencies of Assessed Value (in thousands) in Intervals of 5,000 0	5	10	15	20	25	30	35	40	45	50	55	60	65	70	75	80	85	90	95+	To
Anchorage	0.4	230	63	38	27	88	98[1]	102	131[2]	89	64[3]	53	39	26	17	14	7	3	4	4	4	15	
Bristol Bay*	11.9	26			2[1]	1	2[2]	1[3]	1														
Fairbanks	0.3	109	7	28	44	32[1]	50	41[2]	24	20	19[3]	19	15	9	7	9	1	3	2	1	1	2	
Haines	2.3	49	5	1	2[1]	6[2]	4	1[3]		2	1	1											
Juneau	1.0	142	6	8	13	17	22[1]	20	21	32[2]	28	24	12[3]	18	7	9	3	2	1	3	2	6	
Kenai	2.5	70	13	48	37[1]	41[2]	33	19[3]	18	16	10	6	1	1	1	1	2						
Ketchikan	2.0	93	8	16	21	38[1]	30[2]	26	26[3]	22	6	4	1	3		1	2	1		2	1		
Kodiak	0.6	48	7	14[1]	4	4	8[2]	11	6[3]	7	6	1											
Matanuska-Susitna	0.5	88	19	14	25[1]	19	30[2]	29	27[3]	16	10	10	3	4	1	2	1		1	1			
North Slope*	10.5	51			4	1[1]	1	7[2]	4[3]			1	1										
Sitka	1.0	122	4	7	5	8[1]	10	12	7[2]	7	7	2	4[3]	5	2	3	2	2	1	1	—	6	—
TOTAL	0.4	230	132	174	184	255[1]	288	269[2]	265	211[3]	151	121	76	66	35	39	18	11	9	12	8	29	
CITIES																							
Cordova			5	6	8	1	2	5			1	1	2	1	1								
Craig			1	2	1		1																
Dillingham					2	2	3	3	2	3		1											
Kenana			1																				
Nome			21	15	5	3	2	3															
Pelican			1	2																			
Petersburg			1	1	5	13	12	5	5	6	3	3	3	1	1								
Skagway				2	2	3	3	3	3	1	2												
Unalaska			1	1											1								
Valdez			1		1			2		1	1	3	1										
Wrangell			4	9	7	8	7	5	5	3	2	2	—	—	2								—
TOTAL	0.5	68	36	38[1]	34	30[2]	30	26[3]	15	14	9	10	6	2	5								2
STATEWIDE TOTAL	0.4	230	168	212	218	285[1] (15,945)	318	295[2] (26,745)	280	225[3] (39,020)	160	131	82	68	40	39	18	11	9	12	8	29	2

[1] *First Quartile* [2] *Median* [3] *Third Quartile*

* *Includes 10,000 Value Municipal Residential Property Exemption, AS 29.53.026(a)*

ALASKA ADMINISTRATIVE CODE TITLE 19
DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

CHAPTER 40
SENIOR CITIZEN PROPERTY TAX EXEMPTION

19 AAC 40.010. METHOD OF APPLICATION. Applications for the senior citizen property tax exemption shall be on forms provided by the Department of Community and Regional Affairs. (Eff. 1/28/73, Reg. 45)

Authority: AS 29.53.020(f)
AS 44.47.160

19 AAC 40.020. FORMS. Form 21-400 is hereby adopted by the department for use in the application for senior citizen property tax exemptions. (Eff. 1/28/73, Reg. 45; am 1/27/74, Reg. 48)

Authority: AS 29.53.020(f)
AS 44.47.160

19 AAC 40.030. OBTAINING FORMS. Application forms are available only from the office of the clerk or assessor of the municipality. (Eff. 1/28/73, Reg. 45)

Authority: AS 29.53.020(f)
AS 44.47.160

19 AAC 40.040. SUBMISSION OF APPLICATION. Exemption applications filed after January 15 in accordance with AS 29.53.020 must be accompanied by written notice from the governing body of the municipality granting waiver of filing date for good cause shown. (Eff. 1/28/73, Reg. 45; am 3/31/76, Reg. 57; Eff. / / , Reg.)

Authority: AS 29.53.020(f)
AS 44.47.160

19 AAC 40.050. SUBMISSION OF AMENDED APPLICATION. Repealed. (Eff. 1/27/74, Reg. 48)

19 AAC 40.060. SUPPLEMENTARY INFORMATION. Repealed. (Eff. 1/27/74, Reg. 48)

19 AAC 40.070. CONFIDENTIALITY. Repealed (Eff. 1/27/74, Reg. 48) 48)

19 AAC 40.080. APPLICABILITY OF INCOME CRITERIA. (a) Repealed. (Eff. 1/27/74, Reg. 48)

(b) When an eligible person and his or her spouse occupy the same permanent place of abode, the exemption applies to the entire value of their property, regardless of whether the property is held in the name of the husband, wife, or both.

(c) When the standard of eligibility is met, the exemption is that portion of the tax equal to the percent of ownership of the eligible owner or owners. (Eff. 1/28/73, Reg. 45; am 1/27/74, Reg. 48)

Authority: AS 29.53.020(f)
AS 44.47.160

19 AAC 40.090. APPLICABILITY OF LIENS. Notwithstanding qualification or exemption under AS 29.53.020, property remains subject to the lien provisions of AS 29.53.200-29.53.390. (Eff. 1/28/73, Reg. 45)

Authority: AS 29.53.020(f)
AS 44.47.160

19 AAC 40.100. PENALTY. Repealed. (Eff. 1/27/74, Reg. 48)

19 AAC 40.110. APPEAL. (a) An applicant aggrieved by any determination of the local assessor, except a decision as to the purpose of a transfer, may appeal under AS 29.53.130-29.53.135 to his local board of equalization.

(b) The determination of the Board of Equalization is appealable under AS 44.62.560-44.62.570. (Eff. 1/28/73, Reg. 45)

Authority: AS 29.53.020(f)
AS 44.47.160

19 AAC 40.120. DEFINITIONS. In this chapter:

(1) repealed (Eff. 1/27/74, Reg. 48);

(2) "exemption year" means the calendar year for which the exemption is sought;

(3) "real property" includes, but is not limited to, mobile homes, whether classified as real or personal property for municipal tax purposes;

(4) "permanent place of abode" means a dwelling, or a dwelling unit in a multiple dwelling, including lots and outbuildings, or an appropriate portion thereof, which are necessary to convenient use of the dwelling unit;

(5) "resident" includes applicants who have a fixed habitation in the State of Alaska, and, when absent, intend to return to the State of Alaska;

(6) "ownership" means that an applicant is possessed of an interest, other than a leasehold, in real property, including a mobile home, which interest is recorded in the office of the district recorder, or, if unrecorded, is attested by a contract, bill of sale, deed of trust, or other proof in a form satisfactory to the local assessor;

(7) "department" means the Department of Community and Regional Affairs;

(8) "senior citizen" means an applicant who is 65 years of age or older on January 1 of the exemption year. (Eff. 1/28/73, Reg. 45; am 4/18/73, Reg. 45; am 1/27/74, Reg. 48, am 3/31/76, Reg. 57)

Authority: AS 29.53.020(f)
AS 44.47.160

SENIOR CITIZEN APPLICATION FOR PROPERTY TAX EXEMPTION

AS 29.53.020(e)

Application must be filed on or before January 15 of each assessment year

MUNICIPALITY_____ ACCOUNT NUMBER_____

NAME OF APPLICANT_____ NAME OF SPOUSE_____

SOCIAL SECURITY NUMBER_____ SOCIAL SECURITY NUMBER_____

MAILING ADDRESS_____ STREET ADDRESS_____

CITY_____ STATE_____ ZIP CODE_____ TELEPHONE: HOME_____ OFFICE_____

PROPERTY DESCRIPTION, TYPE AND LOCATION

City or Service Area_____ ☐ Single Family ☐ Apartment Subdivision_____

Parcel Number_____ ☐ Condominium ☐ Duplex Block_____ Lot_____ Survey_____

Recording District_____ Date_____ ☐ Mobile Home ☐ Farm Section_____ Township_____ Range_____

Instrument_____ Vol._____ Page_____ Name of Trailer Park_____ Space Number_____

RESIDENCE AND OWNERSHIP: Verified By:_____ Assessor or Clerk

AGE: Verified By:_____ Assessor or Clerk

☐ Owner or Purchaser of Record ☐ Life Estate

☐ Part Owner of Record: ½_____ of Ownership

Is your home on land your own? ☐ Yes ☐ No

I will be _____ years of age prior to January 1

☐ Proof filed with prior years application or, the following is submitted as proof of my date of birth:

_____

DATE OF BIRTH: Month_____ Day_____ Year_____

☐ I hereby apply for the Senior Citizen Property Tax Exemption on my property as provided in AS 29.53.020(e) for the 19_____ assessment year. The above described property is my permanent residence and I am residing thereon.

I the undersigned certify that I have read this application and the answers given are true and correct to the best of my knowledge. I understand that willful misstatement is subject to punishment by fine or imprisonment under AS 11.30.270.

DATE_____ SIGNATURE OF APPLICANT_____

Renewal must be verified annually SPECIAL ASSESSMENT DEFERMENT RENEWAL *AS 29.63.065*

☐ I hereby apply for renewal of the Senior Citizen Special Assessment Deferment on my property as provided in AS 29.63.065.

☐ Original Applicant ☐ Spouse of Original Applicant ☐ Minor Heir of Original Applicant (to age 25)

I the undersigned certify that I have read this application and the answers given are true and correct to the best of my knowledge. I understand that willful misstatement is subject to punishment by fine or imprisonment under AS 11.30.270.

DATE_____ SIGNATURE OF APPLICANT_____

THIS SPACE FOR [illegible] ASSESSORS USE ONLY

PROPERTY TAX EXEMPTION

☐ New Filing ☐ Filed Last Year ☐ Approved ☐ Denied: ____ ____

	LAND	BUILDING	TOTAL
TOTAL PROPERTY VALUE			
MUNICIPALLY MANDATED EXEMPTION, AS 29.53.025(a)	Less		
ADJ. FOR DWELLING UNIT:			
DWELLING UNIT VALUE			
ADJ. FOR PART OWNER:	Less ____ %		
TOTAL TAXABLE VALUE			

TOTAL EXEMPT ____
(Total adjusted value or limit)

TAX CODE AREA ____ MILL RATE ____ TOTAL TAX EXEMPT $ ____

LATE FILING

☐ Approved ☐ Certification or Minutes Attached

☐ Denied

SPECIAL ASSESSMENT DEFERMENT RENEWAL

☐ No more than one sewer connection

☐ No more than one water connection

☐ Municipal Verification (Form attached)

☐ Approved ☐ Denied: ____

$ ____
TOTAL DEFERRED

Local Assessor's copy - white Department of Community & Regional Affairs' copy - yellow Taxpayer's copy - pink
Form 21-400

PUBLIC WORKS VERIFICATION FORM

SENIOR CITIZEN SPECIAL ASSESSMENT DEFERMENT

AS 29.63.065.

Name of Applicant _____ Parcel Numbe _____

Local Improvement District Number _____ City or Service Area _____

☐ Spouse or original applicant ☐ Minor heir of original applicant

☐ No more than one sewer connection

Prepared by: _____ Date: _____
Service Area or Public Works Department Personnel

Form 21-400a

PROPOSED LEGISLATION

AN ACT

Relative to providing property tax relief in addition to exemption provided for senior citizens under AS 29.53.020(e)-(i).

Be it enacted by the legislature of the State of Alaska:

AS 29.73 is amended to read:

AS 29.73.070: Serior Citizen Property Tax Circuit Breaker Assistance.

(a) The owner of a dwelling unit that is exempt from payment of property taxes upon their dwelling unit for the assessment year under AS 29.53.020(e)-(i) and whose annual income from all sources does not exceed $20,000 may be entitled to a grant payment from the State through the Department of Community and Regional Affairs for a portion of property taxes paid by the applicant upon that dwelling unit which exceeds the exemption allowed by AS 29.53.020(e)-(i) as evidenced by a tax payment receipt in accordance with the following schedule:

Annual Modified Adjusted Gross Income	Percent of Nonexempt Property Tax Eligible for Assistance
Not over	
8,000	90%
9,500	80%
11,000	70%
12,500	60%
14,000	50%
15,500	40%
17,000	30%
18,500	20%
20,000	10%
over 20,000	-0-

(b) No exemption may be granted except upon written application for the grant payment on a form prescribed by the Department of Community and Regional Affairs. Application must be filed with the Department prior to the July 1 immediately following the assessment year for which the grant payment is sought. A separate application must be filed annually for each assessment year in which the grant payment is sought.

(c) "Modified Adjusted Gross Income of applicant and spouse" means the sum of "adjusted gross income" as defined in Section 62 of the Internal Revenue Code (26 U.S.C.62), alimony, support money, public assistance, and relief (not including relief granted under this section), cost of living allowance paid to federal employees, allowances received by dependents of servicemen, the gross amount of any pension or annuity (including railroad retirement benefits, all payments received under the Federal Social Security Act, the Alaska Longevity Bonus, and all benefits under the Veterans's Acts), nontaxable interest received from the state or federal government or any of its instrumentalities, workmen's compensation, the gross amount of "loss of time" insurance, and the amount of capital gains excluded from adjusted gross income. It does not include gifts from nongovernmental sources, or surplus food or other relief in-kind supplied by a governmental agency (property tax exemption under AS 29.53.020(e)-(i) is considered in-kind relief for purposes of this section).

Community and Regional Affairs
Division of Local Government Assistance
State Assessor Office
January 26, 1977

SENIOR CITIZEN PROPERTY TAX EXEMPTION
FISCAL YEAR 1977 PROGRAM

TABLE I

	Number of Applicants			Property Tax Levy		
	Total	Value to 40,000	% of Total	on Total Value	on Value to 40,000	% of Total
Anchorage, Municipality	886	637	72	$ 552,525	$ 465,784	84
Fairbanks North Star	334	247	74	130,318	114,271	88
Juneau, City & Borough	254	141	56	149,738	119,916	80
Kenai Peninsula	247	225	91	74,140	71,590	97
Ketchikan Gateway	208	187	90	91,004	85,547	94
Kodiak Island	68	61	90	22,660	22,277	98
Matanuska-Susitna	212	179	84	50,316	46,583	93
Sitka, City & Borough	95	60	63	17,994	13,491	75
Other	304	269	88	82,532	78,140	95
TOTAL	2,608	2,006	77	$1,171,227	$1,017,598	87
	(@ 8% increase)			(@ 27% increase)		
PROJECTED TOTALS FOR FY 1978 PROGRAM	2,817	2,166		$1,487,458	$1,292,349	

TABLE II
PROPERTIES VALUED AT OVER 40,000

	Number of Applicants	Property Tax Levy on Total Value	on Value to 40,000	over 40,000 value	Range of Individual Levy on Value to 40,000
Anchorage, Municipality	249	269,490	182,749	86,741	506.60 to 817.60
Fairbanks North Star	87	61,691	45,644	16,047	252.00 to 652.00
Juneau, City & Borough	113	97,034	67,212	29,822	563.20 to 614.40
Kenai Peninsula	22	15,294	12,744	2,549	208.00 to 760.00
Ketchikan Gateway	21	17,818	12,361	5,457	384.00 to 856.00
Kodiak Island	7	4,435	4,052	383	292.80 to 653.20
Matanuska-Susitna	33	15,990	12,257	3,733	307.00 to 520.00
Sitka, City & Borough	35	11,504	7,000	4,504	200.00 to 200.00
*Other	75	22,526	18,134	4,392	304.00 to 740.00
TOTAL	602	515,782	362,153	153,629	200.00 856.00
% of Total			70	30	
	(@ 8% increase)			(@ 27% increase)	
PROJECTED TOTALS FOR FY 1978 PROGRAM	650			195,109	

*The Bristol Bay, Haines and North Slope Boroughs plus all participating cities.

TABLE III
TAX LEVY ON VALUE OVER 40,000

	Number of Properties					
	under $100	$500	$1,000	$2,000	to $4,000	Total
Anchorage, Municipality	65	139	27	13	5	249
Fairbanks North Star	38	47	2			87
Juneau, City & Borough	36	63	9	5		113
Kenai Peninsula	13	8	1			22
Ketchikan Gateway	6	13	1	1		21
Kodiak Island	6	1				7
Matanuska-Susitna	19	14				33
Sitka, City & Borough	18	17				35
*Other	19	15	1			35
TOTAL	220	317	41	19	5	602

TABLE IV
TAX LEVY ON VALUE OVER 40,000

	Tax Revenue by Tax Category					
	under $100	$500	$1,000	$2,000	to $4,000	Total
Anchorage, Municipality	2,975	34,277	17,620	16,862	15,007	86,741
Fairbanks North Star	2,055	12,465	1,497			16,047
Juneau, City & Borough	1,907	15,243	6,287	6,385		29,822
Kenai Peninsula	573	1,402	575			2,549
Ketchikan Gateway	224	3,493	596	1,144		5,457
Kodiak Island	255	128				383
Matanuska-Susitna	742	2,991				3,733
Sitka, City & Borough	800	3,703				4,504
*Other	909	2,956	527			4,392
TOTAL	10,470	76,658	27,102	24,391	15,007	153,629
AVERAGE PER PROPERTY	$48	$242	$661	$1,284	$3,001	

Funding Required for Administration of the Senior Citizen Circuit Breaker:

100 Personal Services			
Clerk Typist III, 8-A, $957	$11,484		
21% benefits	2,412		
		13,896	
Contractual			
Postage	150		
Printing	1,150		
Advertising	500		
Data Processing	500		
Telephone	204		
		2,504	
Equipment			
Calculator @ 440	440		
Desk	360		
Chair	195		
Lamp	60		
Typewriter	795		
		1,850	
			18,250

Department of Community & Regional Affairs
Divison of Local Government Assistance
Office of the State Assessor
January 26, 1977

Department of Community and Regional Affairs
Division of Local Government Assistance
State Assessor Office
February 2, 1977

Senior Citizen Property Tax Exemption

SB 86, 100,000 Assessed Value Limit

The attached analysis was prepared to illustrate the citizen impact of SB 86 which proposes raising the current formula limitation to a 100,000 assessed value limit.

Table I

Illustrates a comparison of alternative program totals:

The total reimbursement for the FY 77 unlimited program is approximately $1,171,227 for 2,608 applicants, stipulating an 8% increase in applicants and a 27% increase in total property tax, a FY 78 unlimited reimbursement would be about $1,487,458 for 2,817 applicants.

From Table II, the 100,000 limit would reduce an unlimited program by about $25,000, for a total reimbursement of $1,462,950 in FY 78.

The formula assessed value limit has been established to be 40,000 in FY 78 and it is estimated to require a $1,292,349 reimbursement, therefore, raising the assessed value limit from 40,000 to 100,000 will require about $170,500 in additional funds.

The FY 78 BRU grant for the formula limitation program is $1,375,000, SB 86 would increase the total grant requirement to $1,545,500.

Table II

Table II is a list of the 26, FY 77 applications showing a value over 100,000 and the corresponding total tax levy on those properties of $56,532.81. Also, a list of 22 applications showing a FY 77 value of over 85,000 has been compiled with a total tax levy on those properties of $28,355.09. These 22 properties are projected to reach or exceed 100,000 in FY 78. Stipulaton of a 27% increase in total tax levy projects a total FY 78 tax of $107,807.63 on the 48 properties listed. At an average rate of 17 mills, $83,300 of the total value would be exempt under SB 86. This leaves approximately $25,000 that would not be eligible for reimbursement.

TABLE I
TOTAL PROGRAM SUMMARY

	Number of Applications	Assessed Value	Tax Levy
Total Senior Citizens Property			
FY 77	2608	76,737,060	$1,171,227
Projected increase	[@ 8%]	[@ 27%]	[@ 27%]
FY 78 projected	2817	97,456,066	1,487,458
Per 100,000 values analysis below		(1,946,234)	(24,508)
100,000 Value Limit Program Total	2817	95,509,832	$1,462,950
*Formula limit program	2817		(1,292,349)
FY 78 Additional Grant Required for SB 86			$ 170,601

*FY 78 BRU Grant	$1,375,000
SB 86	170,500
Total FY 78 Grant Requirement - SB 86	$1,545,500

TABLE II
ANALYSIS OF SENIOR CITIZEN PROPERTIES VALUED AT OVER 100,000

	Number of Applications	FY 77 Values Over 100,000	FY 77 Tax	Number of Applications	Values Projected To Exceed 100,000 in FY 78	FY 77 Tax
Juneau, City & Borough of		127,000	$ 1,950.72		94,200	$ 1,446.91
		142,400	2,004.99		86,900	1,334.78
		137,300	1,933.18		86,400	1,327.10
		115,500	1,675.91		92,400	1,300.99
		110,700	1,722.34		87,600	1,283.34
					97,700	1,500.67
FY 77	5	640,900	$ 9,287.14	6	545,200	$ 8,193.79
Anchorage, Municipality of		234,500	$ 4,793.18		84,925	$ 1,735.66
		106,325	2 173.28		92,900	1,898.88
		105,640	2,147.02		86,200	1,227.48
		144,225	2,933.54		93,975	1,920.84
		113,725	2,324.54		85,000	1,737.40
		105,250	2,151.30		93,000	1,900.92
		141,550	2,893.28		89,625	1,851.94
		136,025	2,780.34		93,300	1,479.74
		262,300	5,361.40		85,150	1,740.46
		152,150	3,109.94			
		107,075	1,524.74			
		111,400	2,277.02			
		105,300	2,152.31			
		139,348	2,848.27			
		109,350	1,557.14			
		110,800	1,577.78			
		112,675	2,303.08			
FY 77	17	2,297,038	$ 44,908.16	9	804,075	$15,473.52
Sitka, City & Borough of		122,030	$ 610.15		98,700	$ 493.50
		101,790	508.95		98,080	490.40
		106,310	531.55		86,080	430.40
					99,260	496.30
FY 77	3	330,130	$ 1,650.65	4	382,120	$ 1,910.60
Fairbanks North Star Borough		109,025	$ 686.86		99,900	$ 1,628.37
					94,700	596.61
					87,650	552.20
FY 77	1	109,025	$ 686.86	3	282,250	$ 2,777.18
Total FY 77	26	3,377,093	$ 56,532.81	22	2,013,645	$28,355.09
Projected increase		[@ 27%]	[@ 27%]		[@ 27%]	[@ 27%]
FY 78 projected	26	4,288,908	71,796.67		2,557,329	36,010.96
	22	2,557,329	36,010.96			
Total FY 78	48	6,846,234	$107,807.63			
Average Mill Rate .017						
49 applications @100,000 each		4,900,000	$ 83,300			
Not reimbursed per SB 86		1,946,234	$ 24,507.63			

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB No. 5 - SB No. 6
Title An act relating to exemption from real property taxes for senior citizens
Requested by House & Senate C&RA Committees Date 1/24/77

II. FISCAL DETAIL
Agency Affected Community & Regional Affairs
Program Category Affected Social Services
Budget Request Unit(s) Affected State Assessor 21 22-3-08-00-00

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.			247.8	314.7	399.7	
TOTAL			247.8	314.7	399.7	

FUNDING (Thousands of Dollars)

GENERAL FUND			247.8	314.7	399.7	
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Governors Request FY 78 (AS 29.53.029(e)) - $1,375.0 - (est. FY 79 - $1,746.2)
Number of applicants 2817 = 8% increase over FY 77 - 2608.
77% of applicants 2167 have assessed property values 40,000 and less and pay no taxes.
23% of applicants 650 have assessed property values above 40,000 and pay taxes ranging from $5.00 to $4000 totaling $195.1, with arbitrary 5 acre land limitation.

HB #5 - SB #6 - Amends AS 29.53.020(e, and provides full exemption FY 79.
Assumption: The 5 acre land limitation remains in effect.
Number of applicants 3042 = Average tax per applicant $655.5
Increased FY 79 grant for full funding $247.8 = Total FY 79 Grant $1,994.0

DATE 2-2-77 PREPARED BY R. Richard Dozier, State Assessor
AGENCY Community & Regional Affairs
PHONE 465-4730

cc: Legislative Finance
Budget and Management

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CS HB No. 5
Title An act relating to exemption from real property taxes for senior citizens
Requested by House & Senate C&RA Committees Date 1/24/77

II. FISCAL DETAIL
Agency Affected Community & Regional Affairs
Program Category Affected Social Services
Budget Request Unit(s) Affected State Assessor 21 22-3-08-00-00

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		195.1	247.8	314.7	399.7	
TOTAL		195.1	247.8	314.7	399.7	

FUNDING (Thousands of Dollars)

GENERAL FUND		195.1	247.8	314.7	399.7	
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Governors Request FY 78 (AS 29.53.029(e)) - $1,375.0 - (40,000 assessed value limitation.)
Number of applicants 2817 = 8% increase over FY 77 - 2608.
77% of applicants 2167 have assessed property values 40,000 and less and pay no taxes.
23% of applicants 650 have assessed property values above 40,000 and pay taxes ranging from $5.00 to $4000 totaling $195.1, with arbitrary 5 acre land limitation.

CS HB #5 - Amends AS 29.53.020(e) by providing full exemption FY 78 -
Assumption: The 5 acre land limitation remains in effect.
Number of applicants 2817 = Average tax per applicant $557.3
Increased FY 78 grant for full funding $195.1 = Total FY 78 Grant $1570.1

Administrative Costs: No additional funds requested FY 78.
No additional funds requested or provided to implement the limitation formula Sec. 1, ch 217, SLA 1976.

IV. DATE 2-2-77 PREPARED BY Community & Regional Affairs
AGENCY
PHONE 465-4730

Original: Legislative Finance
Budget and Management
Prime Sponsor (First Legislator Named)

Department of Community & Regional Affairs
Division of Local Government Assistance
State Assessor Office
January 25, 1977

SENIOR CITIZEN - PROPERTY TAX EXEMPTION - "CIRCUIT BREAKER" ASSISTANCE

The attached analysis of the FY 77 senior citizen property tax reimbursement has been prepared to illustrate the fiscal and citizen impact of the assessed value limit in effect for the FY 78 program and to show the probable scope of proposed 'circuit breaker' assistance legislation.

The 'circuit breaker' offers assistance in addition to the basic 'homestead' exemption. The additional assistance is based on proof of disproportionate property tax levy relative to income and assumes that any homeowner at whatever income level should support his property to the extent of a minimum of 10% above the basic 'homestead' exemption.

Based on Bureau of Labor Statistics, a moderately comfortable annual income for an Alaskan senior citizen household in FY 76 was $8,800 and a high income was placed at $12,500. The ' circuit breaker' allows 90% assistance for remaining property tax after the basic 40,000 value to all income levels up to $8,000. The exemption is reduced by 10% for each additional $1,500 in annual income. Annual income of over $20,000 would not be eligible for 'circuit breaker' assistance.

TABLE I:

Is a comparison of the actual reimbursement and the impact of a 40,000 value limit, if such had been in effect.

There were 2,508 senior citizens receiving full forgiveness of property tax in FY 77; had the limit been in effect, 2,006 (77%) would have continued to receive 100% exemption.

Of the $1,171,227 reimbursed to municipalities in FY 77, $1,017,598 (87%) would have been reimbursed, notwithstanding the 40,000 value limit.

Projections for the FY 78 program are based on an estimated increase of 8% in the number of applicants and an increase of 27% in total revenue reimbursed.

TABLE II:

Is an analysis of properties that would have been involved in the proposed 'circuit breaker' assistance legislation, had it been in effect.

There were 602 properties valued in excess of 40,000. The total tax on those properties was $515,782, of which $362,153 (70%) would have been reimbursed in full.

The tax on the value over 40,000 was $153,629 which would have been subject to 'circuit breaker' assistance income level criteria.

Individual properties would have had a minimum tax exemption of $200 in Sitka to a maximum exemption of $856 in Ketchikan.

TABLE III:

Is a comparison of the number of properties subject to a tax levy above the exempt limit by tax levy categories.

Of the 602 properties subject to additional taxes after the exemption limit, 220 would have been liable for less than $100 each and 5 for more than $2,000 each.

TABLE IV:

Is a comparison of the total revenue levied on values over 40,00 by tax levy category.

Approximately 50% ($76,658) of the total revenue that would effect the proposed 'circuit breaker' relief, involved 317 properties liable for less than $500 each or an average levy of $242 above the exempt value tax of between $200 to $856 .

Basic Homestead Exemption = 40,000

PROPOSED LEGISLATION - 40,000 limit is in operation now- Last year there was blanket exemption.

AN ACT

Relative to providing property tax relief in addition to exemption provided for senior citizens under AS 29.53.020(e)-(i).

Be it enacted by the legislature of the State of Alaska:

AS 29.73 is amended to read:

AS 29.73.070: Senior Citizen Property Tax Circuit Breaker Assistance.

(a) The owner of a dwelling unit that is exempt from payment of property taxes upon their dwelling unit for the assessment year under AS 29.53.020(e)-(i) and whose annual income from all sources does not exceed $20,000 may be entitled to a grant payment from the State through the Department of Community and Regional Affairs for a portion of property taxes paid by the applicant upon that dwelling unit which exceeds the exemption allowed by AS 29.53.020(e)-(i) as evidenced by a tax payment receipt in accordance with the following schedule:

The 1st 40,000 is exempt

Then this goes into effect.

Annual Modified Adjusted Gross Income	Percent of Nonexempt Property Tax Eligible for Assistance
Not over	
8,000	90%
9,500	80%
11,000	70%
12,500	60%
14,000	50%
15,500	40%
17,000	30%
18,500	20%
20,000	10%
over 20,000	-0-

only applies to those having assessed property over $40,000. So if the property owner paid a tax bill of $100 + his income was not over 8,0 then the state would pay $90 + the property owner would pay $10.

(b) No exemption may be granted except upon written application for the grant payment on a form prescribed by the Department of Community and Regional Affairs. Application must be filed with the Department prior to the July 1 immediately following the assessment year for which the grant payment is sought. A separate application must be filed annually for each assessment year in which the grant payment is sought.

602

SB6

RESOLUTION No. I

WHEREAS the last State Legislature passed an amendment to a bill which placed an assessed property valuation limitation on the tax forgiveness for senior citizens, and,

WHEREAS, this bill containing this amendment was signed into law by the Governor of Alaska, and

WHEREAS, this change in law does serious economic damage to the senior citizens of Alaska making it more difficult for them to maintain their residency in Alaska during their retirement years,

NOW, THEREFORE BE IT RESOLVED that this 60th Convention of the Grand Igloo of the Pioneers of Alaska, assembled here in Ketchikan, Alaska, this 9th day of October, 1976, go on record as requesting the next legislature to rescind that part of the law limiting the tax forgiveness on the homes of Alaska's Senior Citizens, and

That a copy of this resolution be forwarded to the Governor of Alaska and each State Legislator by the Grand Secretary.

Approved: /s/ E. G. BARBER, Chairman, RESOLUTION COMMITTEE
/s/ MAX W. DORMAN
/s/ CLIFFORD SWAP
/s/ MARIE GUNDERSON
/s/ ODDIE JOHANSEN

Matanuska-Susitna Borough, Inc.

BOX B, PALMER, ALASKA 99645 • PHONE 745-3246

DEPARTMENT OF ADMINISTRATION

January 27, 1977

The Honorable Joseph L. Orsini, Chairman
Community and Regional Affairs Committee
The Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

Subject: Senate Bill 6

As long as municipalities are fully reimbursed all revenues lost due to property tax exemptions, we do not object to such exemptions.

However, some means should be in effect to limit property tax exemptions. For example, if a senior citizen lives in a $500,000 residence on 160 acres, does the bill provide that the total value is exempt?

Very truly yours,

Wesley M. Howe

Wesley M. Howe
Borough Manager

WMH:er

cc: Senator Jalmar Kerttula

Mr. Donald E. Berry, Alaska Municipal League

Community and Regional Affairs
Division of Local Government Assistance
State Assessor Office
January 26, 1977

SENIOR CITIZEN PROPERTY TAX EXEMPTION
FISCAL YEAR 1977 PROGRAM

TABLE I

	Number of Applicants			Property Tax Levy		
	Total	Value to 40,000	% of Total	on Total Value	on Value to 40,000	% of Total
Anchorage, Municipality	886	637	72	$ 552,525	$ 465,784	84
Fairbanks North Star	334	247	74	130,318	114,271	88
Juneau, City & Borough	254	141	56	149,738	119,916	80
Kenai Peninsula	247	225	91	74,140	71,590	97
Ketchikan Gateway	208	187	90	91,004	85,547	94
Kodiak Island	68	61	90	22,660	22,277	98
Matanuska-Susitna	212	179	84	50,316	46,583	93
Sitka, City & Borough	95	60	63	17,994	13,491	75
*Other	304	269	88	82,532	78,140	95
TOTAL	2,608	2,006	77	$1,171,227	$1,017,598	87
	(@ 8% increase)			(@ 27% increase)		
PROJECTED TOTALS FOR FY 1978 PROGRAM	2,817	2,165		$1,487,458	$1,292,349	

TABLE II
PROPERTIES VALUED AT OVER 40,000

	Number of Applicants	Property Tax Levy on Total Value	Property Tax Levy on Value to 40,000	Property Tax Levy over 40,000 value	Range of Individual Levy on Value to 40,000
Anchorage, Municipality	249	269,490	182,749	86,741	506.60 to 817.60
Fairbanks North Star	87	61,691	45,644	16,047	252.00 to 652.00
Juneau, City & Borough	113	97,034	67,212	29,822	563.20 to 614.40
Kenai Peninsula	22	15,294	12,744	2,549	208.00 to 760.00
Ketchikan Gateway	21	17,818	12,361	5,457	384.00 to 856.00
Kodiak Island	7	4,435	4,052	383	392.80 to 653.20
Matanuska-Susitna	33	15,990	12,257	3,733	307.00 to 520.00
Sitka, City & Borough	35	11,504	7,000	4,504	200.00 to 200.00
*Other	35	22,526	18,134	4,392	304.00 to 740.00
TOTAL	602	515,782	362,153	153,629	200.00 856.00
% of Total			70	30	
	(@ 8% increase)		(@ 27% increase)		
PROJECTED TOTALS FOR FY 1978 PROGRAM	650		195,109		

*The Bristol Bay, Haines and North Slope Boroughs plus all participating cities.

TABLE III
TAX LEVY ON VALUE OVER 40,000

	Number of Properties					
	under $100	$500	$1,000	$2,000	to $4,600	Total
Anchorage, Municipality	65	139	27	13	5	249
Fairbanks North Star	38	47	2			87
Juneau, City & Borough	36	63	9	5		113
Kenai Peninsula	13	8	1			22
Ketchikan Gateway	6	13	1	1		21
Kodiak Island	6	1				7
Matanuska-Susitna	19	14				33
Sitka, City & Borough	18	17				35
*Other	19	15	1			35
TOTAL	220	317	41	19	5	602

65 people in Anch will pay 2,975 in taxes

TABLE IV
TAX LEVY ON VALUE OVER 40,000

	Tax Revenue by Tax Category					
	under $100	$500	$1,000	$2,000	to $4,600	Total
Anchorage, Municipality	2,975	34,277	17,620	16,862	15,007	86,741
Fairbanks North Star	2,085	12,165	1,497			16,047
Juneau, City & Borough	1,907	15,243	6,287	6,385		29,822
Kenai Peninsula	573	1,402	575			2,549
Ketchikan Gateway	224	3,493	596	1,144		5,457
Kodiak Island	255	128				383
Matanuska-Susitna	742	2,991				3,733
Sitka, City & Borough	800	3,703				4,504
*Other	909	2,956	527			4,392
TOTAL	10,470	76,658	27,102	24,391	15,007	153,629
AVERAGE PER PROPERTY	$48	$242	$661	$1,284	$3,001	

c.b. tax bill

people would have to pay, but eligible b/c c.b. value of the property to the 40,000

but it is still exempt

PROPOSED LEGISLATION

AN ACT

Relative to providing property tax relief in addition to exemption provided for senior citizens under AS 29.53.020(e)-(i).

Be it enacted by the legislature of the State of Alaska:

AS 29.73 is amended to read:

AS 29.73.070: Senior Citizen Property Tax Circuit Breaker Assistance.

(a) The owner of a dwelling unit that is exempt from payment of property taxes upon their dwelling unit for the assessment year under AS 29.53.020(e)-(i) and whose annual income from all sources does not exceed $20,000 may be entitled to a grant payment from the State through the Department of Community and Regional Affairs for a portion of property taxes paid by the applicant upon that dwelling unit which exceeds the exemption allowed by AS 29.53.020(e)-(i) as evidenced by a tax payment receipt in accordance with the following schedule:

Annual Modified Adjusted Gross Income	Percent of Nonexempt Property Tax Eligible for Assistance
Not over	
8,000	90%
9,500	80%
11,000	70%
12,500	60%
14,000	50%
15,500	40%
17,000	30%
18,500	20%
20,000	10%
over 20,000	-0-

100
90
10

(b) No exemption may be granted except upon written application for the grant payment on a form prescribed by the Department of Community and Regional Affairs. Application must be filed with the Department prior to the July 1 immediately following the assessment year for which the grant payment is sought. A separate application must be filed annually for each assessment year in which the grant payment is sought.

Community and Regional Affairs
Division of Local Government Assistance
State Assessor Office
January 26, 1977

SENIOR CITIZEN PROPERTY TAX EXEMPTION
FISCAL YEAR 1977 PROGRAM

TABLE I

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TOTAL	2,608	2,006	77	$1,177,227	$1,017,598	87
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PROJECTED TOTALS FOR FY 1978 PROGRAM	2,817	2,166		$1,487,458	$1,292,349	

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Matanuska-Susitna	33	15,990	12,257	3,733	307.00 to 520.00
Sitka, City & Borough	35	11,504	7,000	4,504	200.00 to 200.00
*Other	35	22,526	18,134	4,392	304.00 to 740.00
TOTAL	602	515,782	362,153	153,629	200.00 856.00
% of Total			70	30	
	(@ 8% increase)		(@ 27% increase)		
PROJECTED TOTALS FOR FY 1978 PROGRAM	650		195,109		

*The Bristol Bay, Haines and North Slope Boroughs plus all participating cities.

TABLE III

TAX LEVY ON VALUE OVER 40,000

	Number of Properties					
	under $100	$500	$1,000	$2,000	to $4,600	Total
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TOTAL	220	317	41	19	5	602

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TOTAL	10,470	76,658	27,102	24,391	15,007	153,629
AVERAGE PER PROPERTY	$48	$242	$661	$1,284	$3,001	

Community and Regional Affairs
Division of Local Government Assistance
State Assessor Office
January 26, 1977

SENIOR CITIZEN PROPERTY TAX EXEMPTION
FISCAL YEAR 1977 PROGRAM

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Anchorage, Municipality	886	637	72	$ 552,525	$ 465,784	84
Fairbanks North Star	334	247	74	130,318	114,271	88
Juneau, City & Borough	254	141	56	149,738	119,916	80
Kenai Peninsula	247	225	91	74,140	71,590	97
Ketchikan Gateway	208	187	90	91,004	85,547	94
Kodiak Island	68	61	90	22,660	22,277	98
Matanuska-Susitna	212	179	84	50,316	46,583	93
Sitka, City & Borough	95	60	63	17,994	13,491	75
*Other	304	269	68	82,532	78,140	95
TOTAL	2,608	2,006	77	$1,171,227	$1,017,598	87
	(@ 8% increase)			(@ 27% increase)		
PROJECTED TOTALS FOR FY 1978 PROGRAM	2,817	2,166		$1,487,458	$1,292,349	

TABLE II
PROPERTIES VALUED AT OVER 40,000

	Number of Applicants	Property Tax Levy on Total Value	on Value to 40,000	over 40,000 value	Range of Individual Levy on Value to 40,000
Anchorage, Municipality	249	269,490	182,749	86,741	506.60 to 817.60
Fairbanks North Star	87	61,691	45,644	16,047	252.00 to 652.00
Juneau, City & Borough	113	97,034	67,212	29,822	563.20 to 614.40
Kenai Peninsula	22	15,294	12,744	2,549	208.00 to 760.00
Ketchikan Gateway	21	17,818	12,361	5,457	384.00 to 856.00
Kodiak Island	7	4,435	4,052	383	392.80 to 652.20
Matanuska-Susitna	33	15,990	12,257	3,733	307.00 to 520.00
Sitka, City & Borough	35	11,504	7,000	4,504	200.00 to 200.00
*Other	35	22,526	18,134	4,392	304.00 to 740.00
TOTAL	602	515,782	362,153	153,629	200.00 856.00
% of Total			70	30	
	(@ 8% increase)			(@ 27% increase)	
PROJECTED TOTALS FOR FY 1978 PROGRAM	650			195,109	

*The Bristol Bay, Haines and North Slope Boroughs plus all participating cities.

TABLE III
TAX LEVY ON VALUE OVER 40,000

	Number of Properties					
	under $100	$500	$1,000	$2,000	to $4,500	
Anchorage, Municipality	65	139	27	13	5	
Fairbanks North Star	38	47	2			
Juneau, City & Borough	36	63	9	5		
Kenai Peninsula	13	8	1			
Ketchikan Gateway	6	13	1	1		
Kodiak Island	6	1				
Matanuska-Susitna	19	14				
Sitka, City & Borough	18	17				
*Other	19	15	1			
TOTAL	220	317	41	19	5	

TABLE IV
TAX LEVY ON VALUE OVER 40,000

	Tax Revenue by Tax Category					
	under $100	$500	$1,000	$2,000	to $4,500	Total
Anchorage, Municipality	2,975	34,277	17,620	16,852	15,007	86,741
Fairbanks North Star	2,085	12,465	1,497			16,047
Juneau, City & Borough	1,907	15,243	6,287	6,385		29,822
Kenai Peninsula	573	1,402	575			2,549
Ketchikan Gateway	224	3,493	596	1,144		5,457
Kodiak Island	255	128				383
Matanuska-Susitna	742	2,991				3,733
Sitka, City & Borough	800	3,703				4,504
*Other	909	2,956	527			4,392
TOTAL	10,470	76,658	27,102	24,391	15,007	153,629
AVERAGE PER PROPERTY	$48	$242	$661	$1,284	$3,001	

Category: DEVELOPMENT

Agency: COMMUNITY AND REGIONAL AFFAIRS

Program: COMMUNITY PLANNING

BRU: MUNICIPAL SERVICES REVENUE SHARING

The Municipal Services Revenue Sharing Program provides grants to communities based on services provided and population. The following table shows the amount granted for each type of service and the amounts disbursed to FY 76 program participants.

CATEGORY OF SERVICE	RATE	ESTIMATED POPULATION	APPROVED ENTITLEMENTS
Police Protection	$ 12/per capita	236,795	2,841,540
Fire Protection	7.50/per capita	308,118	2,310,882
Air and/or Water Pollution Control	2/per capita	315,559	631,118
Land Use Planning	2/per capita	313,027	626,054
Parks and Recreation	5/per capita	304,386	1,521,929
Transportation	5/per capita	335,886	1,679,430
Road Maintenance	1,500/900 per mile		1,718,376
Health Facilities	1,000/per bed/4,000 per facility		685,000
Hospital Construction Matching Funds	2,500/per be		939,116
Hospitals	1,000 per be 25,000-75,000 per hospital		1,062,000
Total Entitlements			14,015,445
Cost-of-Living			906,924
Prepayments to municipalities later determined ineligible			(654)
Total Disbursed to Participants			14,921,715

The objectives of this BRU are:

- To allocate State Revenue Sharing Funds to local governments in accordance with the provisions of AS 43.18.010-045
- To provide financial and budgeting assistance to 8 communities to assure that sound and fiscally attainable levels of municipal services can be provided.
- Encourage the organization of 5 volunteer fire departments outside municpalities.

Service Measures	FY 76		FY 77	FY 78	
	Plan	Actual	Plan	Maintenance	Total
Workload Measures					
Number of applications					
a. Distributed	186	189	190	200	200
b. Received	173	179	184	194	194
c. Approved	170	168	180	190	190
Number of applicants individually Assisted	65	65	70	75	75
Number of Program inquires answered	115	120	120	125	125
Number of individual disbursements made, including final disbursements	335	331	350	360	360
Effectiveness Measures					
Fiscal and Budgeting Systems Established or Maintained	6	4	8	10	10
Volunteer Fire Departments organized outside Municipalities	5	5	5	5	5

BUDGET OPERATING EXPENDITURES SUMMARY

BUDGET REQUEST UNIT 21 73-3-02-01-01 AGENCY COMMUNITY REG AFFAIR

CATEGORY DEVELOPMENT | PROGRAM COMMUNITY DEVELOPMNT | SUB-PROGRAM GRANTS TO COMMUNITIS | ELEMENT REVENUE SHARING | SUB-ELEMENT MUNIC SVCS REV SHRNG

COMPONENT STRUCTURE	COMPONENT DESCRIPTION	FISCAL YEAR 1976 LEG.APPROP.	FINAL AUTH.	ACTUAL	FISCAL YEAR 1977 AUTHORIZED	REVISED	FISCAL YEAR 1978 GOV.BUDGET	LEG.ALLOW.
73-3-02-01-01	MUNIC SVCS REV SHRNG	15,177.4	15,192.3	15,178.8	16,673.8	3.5	17,654.7	

Called Palmer + inquired about the funding data per your request. He said the CEA requested the amount of $19,527,300 as the total amount necessary to operate their program. The Governor (in his budget) pared this amount down to 90% of that figure which amounts to the $17,574.6 (underlined in red).

TOTAL	MUNIC SVCS REV SHRNG	15,177.4	15,192.3	15,178.8	16,673.8	3.5	17,654.7
BUDGET PERCENTAGE CHANGE OVER 1977							5.9
OBJECT EXPENDITURE DESCRIPTION							
PERSONAL SERVICES		34.8	49.7	41.1	51.5	3.5	62.6
TRAVEL		3.0	3.0	.2	4.4		5.5
CONTRACTUAL SERVICES		9.0	9.0	7.3	15.7		11.0
COMMODITIES		.5	.5	.1	.5		.5
EQUIPMENT					.9		.3
LANDS, BUILDINGS, IMPROVEMENTS					--		.2
GRANTS, CLAIMS, SHARED REVENUE		15,130.1	15,130.1	15,130.1	16,600.4		17,574.6
MISCELLANEOUS							
FUNDING SOURCE							
FEDERAL RECEIPTS							
REQUIRED GEN.FUND MATCHING							
OTHER GENERAL FUND		15,177.4	15,192.3	15,178.8	16,673.8	3.5	17,654.7
INTER-AGENCY RECEIPTS							
GEN.FUND PERCNTGE CHANGE OVER 1977							5.9
POSITIONS							
PERMANENT FULL TIME		2.0	2.0	2.0	2.0		2.0
PERMANENT PART TIME							1.0
TEMPORARY (FULL TIME EQUIV.)							
NUMBER OF MAN MONTHS		24.0	24.0	24.0	24.0		30.0

February 7, 1977

The Honorable Joseph L. Orsini, Chairman
Senate Community and Regional Affairs
Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

Re: Senior Citizen Property Tax Exemption.

In view of recent erroneous Associated Press releases, the following data is provided for your information.

Currently all senior citizens are eligible for 1977 property tax exemption up to an assessed value of $40,000 on their home under the formula limitation criteria.

Statutes now in effect provide total exemption to 75% of Alaska's senior citizen homeowners. It is estimated that less than 2 1/2% of those who applied will receive a tax bill of $500 or more in 1977.

Enclosed is a packet of data prepared by the Department of Community and Regional Affairs relative to current proposals affecting the program. You may be especially interested in the analysis of senior citizen properties valued at more than $40,000, this data was prepared as 'back up' material for the 'circuit breaker' proposal. Also, the analysis of senior citizen properties valued at over $100,000 may be valuable, this tabulation was provided with the fiscal note for SB 86.

Thank you for your attention.

Sincerely,

Lee McAnerney
Commissioner

By: S. Robert Dozier
State Assessor

LMcA:SRD:ll
Enclosures
cc: Milt Barker
Dan Plotnick
Jesse Dodson

APPENDIX B

SENIOR CITIZEN
PROPERTY TAX EXEMPTION
AS 29.53.020(e)-(i)

APPENDIX B

SENIOR CITIZEN PROPERTY TAX EXEMPTION
AS 29.53.020(e)-(i)

Effective January 1, 1973, the first Senior Citizen Property Tax Exemption Program was enacted. (ch 118 SLA 1972) Effective January 1, 1974, the $10,000 gross annual income limitation as a prerequisite to eligibility was deleted. (Sec. 1 ch 60 SLA 1974) Effective January 1, 1975, an extension of the filing date deadline for good cause shown was authorized. (Sec. 1 ch 65 SLA 1975) Effective January 1, 1977, a formula was adopted for determining an assessed value exemption limit each year. (Sec. 1 ch 217 SLA 1976)

> AS 29.53.020(e): "... the assessed value limit is the upper limit of the third quartile class in a frequency distribution of previous year assessed values in the state..."

The property tax exemption limit for the 1977 tax year has been determined to be the assessed value of the real property up to and including 40,000 in assessed value. The frequency distribution of assessed values approved for exemption in the 1976 program is illustrated in Table B-2.

In response to objections to the assessed value limit, a "circuit breaker" assistance amendment is proposed. The amendment is a favorable and acceptable measure intended to relieve disproportionate impact to senior citizen income affected by tax values over the exemption limit.

The property tax exemption application form 21-400 has been expanded to allow senior citizen homeowners to renew special assessment deferments, AS 29.63.065, on the same form; in order to avoid duplicate verification of qualifying criteria each year. (See Appendix C, Senior Citizen Special Assessment Exemption)

A breakdown of the 1976 program impact listed by participating municipalities, is illustrated in Table B-1.

A four-year performance summary of the property tax exemption program is outlined below:

Tax Year	Number of Applications Approved	Assessed Value Exempt	Total Revenue Reimbursement	Average Value Per Application	Average Tax Per Application
[1]1973	911	12,960,993	$ 197,050	14,227	$216
[2]1974	1,887	40,842,657	631,891	21,644	335
1975	2,426	59,918,061	930,915	24,698	384
1976	2,608	76,737,060	1,171,227	29,424	449

[1] *$10,000 income limit deleted*

[2] *Extended filing deadline*

TABLE B-1

SENIOR CITIZEN PROPERTY TAX EXEMPTION, AS 29.53.020(e)

1976 PROGRAM SUMMARY

BOROUGHS	NUMBER OF APPLICATIONS APPROVED	ASSESSED VALUE EXEMPT	TAX EXEMPT	AVERAGE VALUATION PER APPLICATION	AVERAGE TAX PER APPLICATION
Anchorage, Municipality	886	29,560,962	$ 552,525.42	33,365	$624
Bristol Bay	7	83,825	1,173.55	11,975	168
Fairbanks North Star	334	9,954,475	130,318.05	29,804	390
Haines	23	434,086	4,780.11	18,873	208
Juneau, City & Borough	254	10,052,250	149,737.84	39,576	590
Kenai Peninsula	247	5,135,050	74,140.10	20,790	300
Ketchikan Gateway	208	5,367,165	91,003.58	25,804	438
Kodiak Island	68	1,522,622	22,659.52	22,392	333
Matanuska-Susitna	212	5,453,020	50,316.29	25,722	237
North Slope	19	305,410	3,145.73	16,074	166
Sitka, City & Borough	95	3,598,790	17,993.95	37,882	189
TOTAL BOROUGHS	2,353	71,467,655	$1,097,749.14	30,373	$467
CITIES					
Cordova	33	670,380	$ 12,402.07	20,315	$376
Craig	8	96,010	1,056.11	12,001	132
Dillingham	16	423,702	7,838.60	26,481	490
Nenana	1	3,700	37.00	3,700	37
Nome	49	390,960	6,992.11	7,979	143
Pelican	3	16,941	237.16	5,647	79
Petersburg	59	1,611,790	19,341.50	27,318	328
Skagway	19	467,467	8,414.40	24,604	443
Unalaska	3	72,100	1,261.76	24,033	421
Valdez	10	337,640	3,374.89	33,764	337
Wrangell	54	1,178,715	12,477.49	21,828	231
TOTAL CITIES	255	5,269,405	$ 73,433.09	20,664	$288
BOROUGHS	2,353	71,467,655	$1,097,749.14	30,373	$467
CITIES	255	5,269,405	73,433.09	20,664	288
STATEWIDE TOTAL	2,608	76,737,060	$1,171,227.23	29,424	$449

TABLE B-2

SENIOR CITIZEN PROPERTY TAX EXEMPTION

1976 TAX YEAR PROGRAM

FREQUENCY DISTRIBUTION: INTERVALS IDENTIFIED BY LOWER LIMITS

	Range		Frequencies of Assessed Value (in thousands) in Intervals of 5,000																				
BOROUGHS	Low	High	0	5	10	15	20	25	30	35	40	45	50	55	60	65	70	75	80	85	90	95+	To
Anchorage	0.4	230	63	38	27	88	98[1]	102	131[2]	89	64[3]	53	39	26	17	14	7	3	4	4	4	15	
Bristol Bay*	11.9	26			2[1]	1	2[2]	1[3]	1														
Fairbanks	0.3	109	7	28	44	32[1]	50	41[2]	24	20	19[3]	19	15	9	7	9	1	3	2	1	1	2	
Haines	2.3	49	5	1	2[1]	6[2]	4	1[3]		2	1	1											
Juneau	1.0	142	6	8	13	17	22[1]	20	21	32[3]	28	24	12[3]	18	7	9	3	2	1	3	2	6	
Kenai	2.5	70	13	48	37[1]	41[2]	33	19[3]	18	16	10	6	1	1	1	1	2						
Ketchikan	2.0	93	8	16	21	38[1]	30[2]	26	26[3]	22	6	4	1	3		1	2	1		2	1		
Kodiak	0.5	48	7	14[1]	4	4	8[2]	11	6[3]	7	6	1											
Matanuska-Susitna	0.5	98	19	14	25[1]	19	30[2]	29	27[3]	16	10	10	3	4	1	2	1		1	1			
North Slope*	10.6	51			4	1[1]	1	7[2]	4[3]			1	1										
Sitka	1.0	122	4	7	5	8[1]	10	12	7[2]	7	7	2	4[3]	5	2	3	2	2	1	1		6	
TOTAL	0.4	230	132	174	184	255[1]	288	269[2]	265	211[3]	151	121	76	66	35	39	18	11	9	12	8	29	
CITIES																							
Cordova			5	6	8	1	2	5			1	1	2	1	1								
Craig			1	2	4		1																
Dillingham					2	2	3	3	2	3		1											
Kenana			1																				
Nome			21	15	5	3	2	3															
Pelican			1	2																			
Petersburg			1	1	5	13	12	5	5	6	3	3	3	1	1								
Skagway				2	2	3	3	3	3	1	2												
Unalaska			1	1											1								
Valdez			1		1			2		1	1	3	1										
Wrangell			4	9	7	8	7	5	5	3	2	2			2								
TOTAL	0.5	68	36	38[1]	34	30[2]	30	26[3]	15	14	9	10	6	2	5								
STATEWIDE TOTAL	0.4	230	168	212	218	285[1]	318	295[2]	280	225[3]	160	131	82	68	40	39	18	11	9	12	8	29	2
					(15,945)		(26,745)		(39,020)														

[1] First Quartile [2] Median [3] Third Quartile

[4] Includes 10,000 Value Municipal Residential Property Exemption, AS 29.53.025(a)

ALASKA ADMINISTRATIVE CODE TITLE 19
DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

CHAPTER 40
SENIOR CITIZEN PROPERTY TAX EXEMPTION

19 AAC 40.010. METHOD OF APPLICATION. Applications for the senior citizen property tax exemption shall be on forms provided by the Department of Community and Regional Affairs. (Eff. 1/28/73, Reg. 45)

Authority: AS 29.53.020(f)
AS 44.47.160

19 AAC 40.020. FORMS. Form 21-400 is hereby adopted by the department for use in the application for senior citizen property tax exemptions. (Eff. 1/28/73, Reg. 45; am 1/27/74, Reg. 48)

Authority: AS 29.53.020(f)
AS 44.47.160

19 AAC 40.030. OBTAINING FORMS. Application forms are available only from the office of the clerk or assessor of the municipality. (Eff. 1/28/73, Reg. 45)

Authority: AS 29.53.020(f)
AS 44.47.160

19 AAC 40.040. SUBMISSION OF APPLICATION. Exemption applications filed after January 15 in accordance with AS 29.53.020 must be accompanied by written notice from the governing body of the municipality granting waiver of filing date for good cause shown. (Eff. 1/28/73, Reg. 45; am 3/31/76, Reg. 57; Eff. / / , Reg.)

Authority: AS 29.53.020(f)
AS 44.47.160

19 AAC 40.050. SUBMISSION OF AMENDED APPLICATION. Repealed. (Eff. 1/27/74, Reg. 48)

19 AAC 40.060. SUPPLEMENTARY INFORMATION. Repealed. (Eff. 1/27/74, Reg. 48)

19 AAC 40.070. CONFIDENTIALITY. Repealed (Eff. 1/27/74, Reg. 48) 48)

19 AAC 40.080. APPLICABILITY OF INCOME CRITERIA. (a) Repealed. (Eff. 1/27/74, Reg. 48)

(b) When an eligible person and his or her spouse occupy the same permanent place of abode, the exemption applies to the entire value of their property, regardless of whether the property is held in the name of the husband, wife, or both.

(c) When the standard of eligibility is met, the exemption is that portion of the tax equal to the percent of ownership of the eligible owner or owners. (Eff. 1/28/73, Reg. 45; am 1/27/74, Reg. 48)

Authority: AS 29.53.020(f)
AS 44.47.160

19 AAC 40.090. APPLICABILITY OF LIENS. Notwithstanding qualification for exemption under AS 29.53.020, property remains subject to the lien provisions of AS 29.53.200-29.53.390. (Eff. 1/28/73, Reg. 45)

Authority: AS 29.53.020(f)
AS 44.47.160

19 AAC 40.100. PENALTY. Repealed. (Eff. 1/27/74, Reg. 48)

19 AAC 40.110. APPEAL. (a) An applicant aggrieved by any determination of the local assessor, except a decision as to the purpose of a transfer, may appeal under AS 29.53.130-29.53.135 to his local board of equalization.

(b) The determination of the Board of Equalization is appealable under AS 44.62.560-44.62.570. (Eff. 1/28/73, Reg. 45)

Authority: AS 29.53.020(f)
AS 44.47.160

19 AAC 40.120. DEFINITIONS. In this chapter:

(1) repealed (Eff. 1/27/74, Reg. 48);

(2) "exemption year" means the calendar year for which the exemption is sought;

(3) "real property" includes, but is not limited to, mobile homes, whether classified as real or personal property for municipal tax purposes;

(4) "permanent place of abode" means a dwelling, or a dwelling unit in a multiple dwelling, including lots and outbuildings, or an appropriate portion thereof, which are necessary to convenient use of the dwelling unit;

(5) "resident" includes applicants who have a fixed habitation in the State of Alaska, and, when absent, intend to return to the State of Alaska;

(6) "ownership" means that an applicant is possessed of an interest, other than a leasehold, in real property, including a mobile home, which interest is recorded in the office of the district recorder, or, if unrecorded, is attested by a contract, bill of sale, deed of trust, or other proof in a form satisfactory to the local assessor;

(7) "department" means the Department of Community and Regional Affairs;

(8) "senior citizen" means an applicant who is 65 years of age or older on January 1 of the exemption year. (Eff. 1/28/73, Reg. 45; am 4/18/73, Reg. 45; am 1/27/74, Reg. 48, am 3/31/76, Reg. 57)

Authority: AS 29.53.020(f)
AS 44.47.160

SENIOR CITIZEN APPLICATION FOR PROPERTY TAX EXEMPTION

AS 29.53.020(e)

Application must be filed on or before January 15 of each assessment year

MUNICIPALITY_____ ACCOUNT NUMBER_____

NAME OF APPLICANT_____ NAME OF SPOUSE_____

SOCIAL SECURITY NUMBER_____ SOCIAL SECURITY NUMBER_____

MAILING ADDRESS_____ STREET ADDRESS_____

CITY_____ STATE_____ ZIP CODE____ TELEPHONE: HOME_____ OFFICE_____

PROPERTY DESCRIPTION, TYPE AND LOCATION

City or Service Area_____ ☐ Single Family ☐ Apartment Subdivision_____

Parcel Number_____ ☐ Condominium ☐ Duplex Block_____ Lot_____ Survey_____

Recording District_____ Date_____ ☐ Mobile Home ☐ Farm Section_____ Township_____ Range_____

Instrument_____ Vol._____ Page_____ Name of Trailer Park_____ Space Number_____

RESIDENCE AND OWNERSHIP:

Verified By:_____
Assessor or Clerk

AGE:

Verified By:_____
Assessor or Clerk

☐ Owner or Purchaser of Record ☐ Life Estate

☐ Part Owner of Record: %_____ of Ownership

Is your home on land your own? ☐ Yes ☐ No

I will be _____ years of age prior to January 1.

☐ Proof filed with prior years application or, the following is submitted as proof of my date of birth:

_____

DATE OF BIRTH: Month_____ Day_____ Year_____

☐ I hereby apply for the Senior Citizen Property Tax Exemption on my property as provided in AS 29.53.020(e) for the 19_____ assessment year. The above described property is my permanent residence and I am residing thereon.

I the undersigned certify that I have read this application and the answers given are true and correct to the best of my knowledge. I understand that willful misstatement is subject to punishment by fine or imprisonment under AS 11.30.270.

DATE_____ SIGNATURE OF APPLICANT_____

Renewal must be verified annually SPECIAL ASSESSMENT DEFERMENT RENEWAL *AS 29.63.065*

☐ I hereby apply for renewal of the Senior Citizen Special Assessment Deferment on my property as provided in AS 29.63.065.

☐ Original Applicant ☐ Spouse of Original Applicant ☐ Minor Heir of Original Applicant (to age 25)

I the undersigned certify that I have read this application and the answers given are true and correct to the best of my knowledge. I understand that willful misstatement is subject to punishment by fine or imprisonment under AS 11.30.270.

DATE_____ SIGNATURE OF APPLICANT_____

[illegible] FOR USE BY ASSESSORS USE ONLY

PROPERTY TAX EXEMPTION

☐ New Filing ☐ Filed Last Year ☐ Approved ☐ Denied: ____ . ____

	LAND	BUILDING	TOTAL
TOTAL PROPERTY VALUE			
MUNICIPALLY MANDATED EXEMPTION, AS 29.53.025(a)	Less		
ADJ. FOR DWELLING UNIT:			
DWELLING UNIT VALUE			
ADJ. FOR PART OWNER:	Less ____ %		
TOTAL TAXABLE VALUE			

TOTAL EXEMPT ____
(Total adjusted value or limit)

TAX CODE AREA ____ MILL RATE ____ TOTAL TAX EXEMPT $ ____

LATE FILING

☐ Approved ☐ Certification or, Minutes Attached

☐ Denied

SPECIAL ASSESSMENT DEFERMENT RENEWAL

☐ No more than one sewer connection

☐ No more than one water connection

☐ Municipal Verification (Form attached)

☐ Approved ☐ Denied: ____

$ ____
TOTAL DEFERRED

Local Assessor's copy - white Department of Community & Regional Affairs' copy - yellow Taxpayer's copy - pink
Form 21-400

PUBLIC WORKS VERIFICATION FORM

SENIOR CITIZEN SPECIAL ASSESSMENT DEFERMENT

AS 29.63.065.

Name of Applicant _____ Parcel Number _____

Local Improvement District Number _____ City or Service Area _____

☐ Spouse or original applicant ☐ Minor heir of original applicant

☐ No more than one sewer connection

Prepared by: _____ Date: _____
Service Area or Public Works Department Personnel

Form 21-400a

PROPOSED LEGISLATION

AN ACT

Relative to providing property tax relief in addition to exemption provided for senior citizens under AS 29.53.020(e)-(i).

Be it enacted by the legislature of the State of Alaska:

AS 29.73 is amended to read:

AS 29.73.070: Senior Citizen Property Tax Circuit Breaker Assistance.

(a) The owner of a dwelling unit that is exempt from payment of property taxes upon their dwelling unit for the assessment year under AS 29.53.020(e)-(i) and whose annual income from all sources does not exceed $20,000 may be entitled to a grant payment from the State through the Department of Community and Regional Affairs for a portion of property taxes paid by the applicant upon that dwelling unit which exceeds the exemption allowed by AS 29.53.020(e)-(i) as evidenced by a tax payment receipt in accordance with the following schedule:

Annual Modified Adjusted Gross Income	Percent of Nonexempt Property Tax Eligible for Assistance
Not over	
8,000	90%
9,500	80%
11,000	70%
12,500	60%
14,000	50%
15,500	40%
17,000	30%
18,500	20%
20,000	10%
over 20,000	-0-

(b) No exemption may be granted except upon written application for the grant payment on a form prescribed by the Department of Community and Regional Affairs. Application must be filed with the Department prior to the July 1 immediately following the assessment year for which the grant payment is sought. A separate application must be filed annually for each assessment year in which the grant payment is sought.

(c) "Modified Adjusted Gross Income of applicant and spouse" means the sum of "adjusted gross income" as defined in Section 62 of the Internal Revenue Code (26 U.S.C.62), alimony, support money, public assistance, and relief (not including relief granted under this section), cost of living allowance paid to federal employees, allowances received by dependents of servicemen, the gross amount of any pension or annuity (including railroad retirement benefits, all payments received under the Federal Social Security Act, the Alaska Longevity Bonus, and all benefits under the Veterans's Acts), nontaxable interest received from the state or federal government or any of its instrumentalities, workmen's compensation, the gross amount of "loss of time" insurance, and the amount of capital gains excluded from adjusted gross income. It does not include gifts from nongovernmental sources, or surplus food or other relief in-kind supplied by a governmental agency (property tax exemption under AS 29.53.020(e)-(i) is considered in-kind relief for purposes of this section).

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Proposed Legislation
Title Senior Citizen Property Tax Circuit Breaker Assistance
Requested by Sponsor Date 1/26/77

II. FISCAL DETAIL
Agency Affected Community & Regional Affairs
Program Category Affected Local Government Assistance
Budget Request Unit(s) Affected

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES		13.9				
200 TRAVEL						
300 CONTRACTUAL		2.5				
400 COMMODITIES						
500 EQUIPMENT		1.9				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		100.0				
TOTAL		118.3				

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		12 Mo.				
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

A final estimate of the grant fund requirement for the operation of the circuit breaker is based on the analysis of the current senior citizen property tax exemption program. To fully fund complete exemption would require $195,000 in addition to the formula established limitation. By the recommended graduated circuit breaker, approximately 50% of this amount, or $100,000 grant would fund the additional payments to eligible applicants. Operation of the program will require the addition of a full time clerk typist III position.

Funding Required for Administration of the Senior Citizen Circuit Breaker:

100 Personal Services			
Clerk Typist III, 8-A, $957	$11,484		
21% benefits	2,412		
		13,896	
Contractual			
Postage	150		
Printing	1,150		
Advertising	500		
Data Processing	500		
Telephone	204		
		2,504	
Equipment			
Calculator @ 440	440		
Desk	360		
Chair	195		
Lamp	60		
Typewriter	795		
		1,850	
			18,250

Department of Community & Regional Affairs
Divison of Local Government Assistance
Office of the State Assessor
January 26, 1977

Department of Community & Regional Affairs
Division of Local Government Assistance
State Assessor Office
January 25, 1977

SENIOR CITIZEN - PROPERTY TAX EXEMPTION - "CIRCUIT BREAKER" ASSISTANCE

The attached analysis of the FY 77 senior citizen property tax reimbursement has been prepared to illustrate the fiscal and citizen impact of the assessed value limit in effect for the FY 78 program and to show the probable scope of proposed 'circuit breaker' assistance legislation.

The 'circuit breaker' offers assistance in addition to the basic 'homestead' exemption. The additional assistance is based on proof of disproportionate property tax levy relative to income and assumes that any homeowner at whatever income level should support his property to the extent of a minimum of 10% above the basic 'homestead' exemption.

Based on Bureau of Labor Statistics, a moderately comfortable annual income for an Alaskan senior citizen household in FY 76 was $8,800 and a high income was placed at $12,500. The ' circuit breaker' allows 90% assistance for remaining property tax after the basic 40,000 value to all income levels up to $8,000. The exemption is reduced by 10% for each additional $1,500 in annual income. Annual income of over $20,000 would not be eligible for 'circuit breaker' assistance.

TABLE I:

Is a comparison of the actual reimbursement and the impact of a 40,000 value limit, if such had been in effect.

There were 2,608 senior citizens receiving full forgiveness of property tax in FY 77; had the limit been in effect, 2,006 (77%) would have continued to receive 100% exemption.

Of the $1,171,227 reimbursed to municipalities in FY 77, $1,017,598 (87%) would have been reimbursed, notwithstanding the 40,000 value limit.

Projections for the FY 78 program are based on an estimated increase of 8% in the number of applicants and an increase of 27% in total revenue reimbursed.

TABLE II:

Is an analysis of properties that would have been involved in the proposed 'circuit breaker' assistance legislation, had it been in effect.

There were 602 properties valued in excess of 40,000. The total tax on those properties was $515,782, of which $362,153 (70%) would have been reimbursed in full.

The tax on the value over 40,000 was $153,629 which would have been subject to 'circuit breaker' assistance income level criteria.

Individual properties would have had a minimum tax exemption of $200 in Sitka to a maximum exemption of $856 in Ketchikan.

TABLE III:

Is a comparison of the number of properties subject to a tax levy above the exempt limit by tax levy categories.

Of the 602 properties subject to additional taxes after the exemption limit, 220 would have been liable for less than $100 each and 5 for more than $2,000 each.

TABLE IV:

Is a comparison of the total revenue levied on values over 40,00 by tax levy category.

Approximately 50% ($76,658) of the total revenue that would effect the proposed 'circuit breaker' relief, involved 317 properties liable for less than $500 each or an average levy of $242 above the exempt value tax of between $.00 to $856 .

Community and Regional Affairs
Division of Local Government Assistance
State Assessor Office
January 26, 1977

SENIOR CITIZEN PROPERTY TAX EXEMPTION
FISCAL YEAR 1977 PROGRAM

TABLE I

blanket

	Number of Applicants			Property Tax Levy		
	Total	Value to 40,000	% of Total	on Total Value	on Value to 40,000	% of Total
Anchorage, Municipality	886	637	72	$ 552,525	$ 465,784	84
Fairbanks North Star	334	247	74	130,318	114,271	88
Juneau, City & Borough	254	141	56	149,738	119,916	80
Kenai Peninsula	247	225	91	74,140	71,590	97
Ketchikan Gateway	208	187	90	91,004	85,547	94
Kodiak Island	68	61	90	22,660	22,277	98
Matanuska-Susitna	212	179	84	50,316	46,583	93
Sitka, City & Borough	95	60	63	17,994	13,491	75
*Other	304	269	88	82,532	78,140	95
TOTAL	2,608	2,006	.77	$1,171,227	$1,017,598	87
	(@ 8% increase)			(@ 27% increase)		
PROJECTED TOTALS FOR FY 1978 PROGRAM	2,817	2,166		$1,487,458	$1,292,349	

TABLE II
PROPERTIES VALUED AT OVER 40,000

	Number of Applicants	Property Tax Levy on Total Value	on Value to 40,000	over 40,000 value	Range of Individual Levy on Value to 40,000
Anchorage, Municipality	249	269,490	182,749	86,741	506.60 to 817.60
Fairbanks North Star	87	61,691	45,644	16,047	252.00 to 652.00
Juneau, City & Borough	113	97,034	67,212	29,822	563.20 to 614.40
Kenai Peninsula	22	15,294	12,744	2,549	203.00 to 760.00
Ketchikan Gateway	21	17,818	12,361	5,457	384.00 to 856.00
Kodiak Island	7	4,435	4,052	383	392.80 to 653.20
Matanuska-Susitna	33	15,990	12,257	3,733	307.00 to 520.00
Sitka, City & Borough	35	11,504	7,000	4,504	200.00 to 200.00
*Other	35	22,526	18,134	4,392	304.00 to 740.00
TOTAL	602	515,782	362,153	153,629	200.00 856.00
% of Total			70	30	
	(@ 8% increase)			(@ 27% increase)	
PROJECTED TOTALS FOR FY 1978 PROGRAM	650			195,109	

*The Bristol Bay, Haines and North Slope Boroughs plus all participating cities.

TABLE III
TAX LEVY ON VALUE OVER 40,000

	Number of Properties					
	under $100	$500	$1,000	$2,000	to $4,600	Total
Anchorage, Municipality	65	139	27	13	5	249
Fairbanks North Star	38	47	2			87
Juneau, City & Borough	36	63	9	5		113
Kenai Peninsula	13	8	1			22
Ketchikan Gateway	6	13	1	1		21
Kodiak Island	6	1				7
Matanuska-Susitna	19	14				33
Sitka, City & Borough	18	17				35
*Other	19	15	1			35
TOTAL	220	317	41	19	5	602

TABLE IV
TAX LEVY ON VALUE OVER 40,000

	Tax Revenue by Tax Category					
	under $100	$500	$1,000	$2,000	to $4,600	Total
Anchorage, Municipality	2,975	34,277	17,620	16,862	15,007	86,741
Fairbanks North Star	2,085	12,465	1,497			16,047
Juneau, City & Borough	1,907	15,243	6,287	6,385		29,822
Kenai Peninsula	573	1,402	575			2,549
Ketchikan Gateway	224	3,493	596	1,144		5,457
Kodiak Island	255	128				383
Matanuska-Susitna	742	2,991				3,733
Sitka, City & Borough	800	3,703				4,504
*Other	909	2,956	527			4,392
TOTAL	10,470	76,658	27,102	24,391	15,007	153,629
AVERAGE PER PROPERTY	$48	$242	$661	$1,284	$3,001	

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB No. 86
Title An act relating to real property tax exemptions for senior citizens
Requested by Senate C&RA Date 1/24/77

II. FISCAL DETAIL
Agency Affected Community & Regional Affairs
Program Category Affected Social Services
Budget Request Unit(s) Affected State Assessor 21 22-3-08-00-00

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.			216.8	275.3	349.6	
TOTAL			216.8	275.3	349.6	

FUNDING (Thousands of Dollars)

GENERAL FUND			216.8	275.3	349.6	
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Grant General Fund
Number of applicants FY 78 - 2817 = 8% increase over FY 77 - 2608
Full Exemption: FY 78 Grant 1,570.1 = Ø senior citizens required to pay Ø.Ø
$30,000 limitation: FY 78 Grant 1,546.5 = 48 senior citizens required to pay 23.5
$20,000 limitation: FY 78 Grant 1,375.0 = 650 senior citiznes required to pay 195.1
SB No. 86 additional FY 79 Grant 216.8 = Total funding FY 79 1964.0

Administrative Costs
No additional funding required.

Bill Analysis attached: The figures used above reflect a 5% BRU Grant increase over the historic trend factor used in the attached analysis.

DATE 2/2/77 PREPARED BY [signature], State Assessor
AGENCY Community & Regional Affairs
cc: Legislative Finance PHONE 465-4730
Budget and Management
Prime Sponsor (First Legislator Named)

Division of Local Government Assistance
State Assessor Office
February 2, 1977

Senior Citizen Property Tax Exemption

SB 86, 100,000 Assessed Value Limit

The attached analysis was prepared to illustrate the citizen impact of SB 86 which proposes raising the current formula limitation to a 100,000 assessed value limit.

Table I

Illustrates a comparison of alternative program totals:

The total reimbursement for the FY 77 unlimited program is approximately $1,171,227 for 2,608 applicants, stipulating an 8% increase in applicants and a 27% increase in total property tax, a FY 78 unlimited reimbursement would be about $1,487,458 for 2,817 applicants.

From Table II, the 100,000 limit would reduce an unlimited program by about $25,000, for a total reimbursement of $1,462,950 in FY 78.

The formula assessed value limit has been established to be 40,000 in FY 78 and it is estimated to require a $1,292,349 reimbursement, therefore, raising the assessed value limit from 40,000 to 100,000 will require about $170,500 in additional funds.

The FY 78 BRU grant for the formula limitation program is $1,375,000, SB 86 would increase the total grant requirement to $1,545,500.

Table II

Table II is a list of the 26, FY 77 applications showing a value over 100,000 and the corresponding total tax levy on those properties of $56,532.81. Als . a list of 22 applications showing a FY 77 valu.e of over 85,000 has been compiled with a total tax levy on those prop rti s of $28,355.09. These 22 properties are projected to reach or exceed 100,000 n FY 78. Stipulaton of a 27% increase in total tax levy projects a total FY 78 tax of $107,807.63 on the 48 properties listed. At an average rate of 17 mills, $83,300 of the total value would be exempt under SB 86. This leaves approximately $25,000 that would not be eligible for reimbursement.

SENIOR CITIZEN PROPERTY TAX EXEMPTION
SB 86; 100,000 ASSESSED VALUE LIMIT

TABLE I
TOTAL PROGRAM SUMMARY

	Number of Applications	Assessed Value	Tax Levy
Total Senior Citizens Property			
FY 77	2608	76,737,060	$1,171,227
Projected increase	[@ 8%]	[@ 27%]	[@ 27%]
FY 78 projected	2817	97,456,066	1,487,458
Per 100,000 values analysis below		(1,946,234)	(24,508)
100,000 Value Limit Program Total	2817	95,509,832	$1,462,950
*Formula limit program	2817		(1,292,349)
FY 78 Additional Grant Required for SB 86			$ 170,601

*FY 78 BRU Grant	$1,375,000
SB 86	170,500
Total FY 78 Grant Requirement - SB 86	$1,545,500

TABLE II
ANALYSIS OF SENIOR CITIZEN PROPERTIES VALUED AT OVER 100,000

	Number of Applications	FY 77 Values Over 100,000	FY 77 Tax	Number of Applications	Values Projected To Exceed 100,000 in FY 78	FY 77 Tax
Juneau, City & Borough of		127,000	$ 1,950.72		94,200	$ 1,446.91
		142,400	2,004.99		86,900	1,334.78
		137,300	1,933.18		86,400	1,327.10
		115,500	1,675.91		92,400	1,300.99
		118,700	1,722.34		87,600	1,283.34
					97,700	1,500.67
FY 77	5	640,900	$ 9,287.14	6	545,200	$ 8,193.79
Anchorage, Municipality of		234,500	$ 4,793.18		84,925	$ 1,735.86
		106,325	2,173.28		92,900	1,898.88
		105,040	2,147.02		86,200	1,227.48
		144,225	2,933.54		95,975	1,920.84
		113,725	2,324.54		85,000	1,737.40
		105,250	2,151.30		93,000	1,900.92
		141,550	2,893.28		89,625	1,851.94
		136,025	2,780.34		93,300	1,479.74
		262,300	5,361.40		85,150	1,740.46
		152,150	3,109.94			
		107,075	1,524.74			
		111,400	2,277.02			
		105,300	2,152.31			
		139,348	2,848.27			
		109,350	1,557.14			
		110,800	1,577.78			
		112,675	2,303.08			
FY 77	17	2,297,038	$ 44,908.16	9	804,075	$15,473.52
Sitka, City & Borough of		122,030	$ 610.15		98,700	$ 493.50
		101,790	508.95		98,080	490.40
		106,310	531.55		86,080	430.40
					99,260	496.30
FY 77	3	330,130	$ 1,650.65	4	382,120	$ 1,910.60
Fairbanks North Star Borough		109,025	$ 686.86		99,900	$ 1,628.37
					94,700	596.61
					87,650	552.20
FY 77	1	109,025	$ 686.86	3	282,250	$ 2,777.18
Total FY 77	26	3,377,093	$ 56,532.81	22	2,013,645	$28,355.09
Projected increase		[@ 27%]	[@ 27%]		[@ 27%]	[@ 27%]
FY 78 projected	26	4,288,908	71,796.67		2,557,329	36,010.96
	22	2,557,329	36,010.96			
Total FY 78	48	6,846,234	$107,807.63			
Average Mill Rate .017						
49 applications @100,000 each		4,900,000	$ 83,300			
Not reimbursed per SB 86		1,946,234	$ 24,507.63			

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CS HB No. 5
Title An act relating to exemption from real property taxes for senior citizens
Requested by House & Senate C&RA Committees Date 1/24/77

II. FISCAL DETAIL
Agency Affected Community & Regional Affairs
Program Category Affected Social Services
Budget Request Unit(s) Affected State Assessor 21 22-3-08-00-00

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		195.1	247.8	314.7	399.7	
TOTAL		195.1	247.8	314.7	399.7	

FUNDING (Thousands of Dollars)

GENERAL FUND		195.1	247.8	314.7	399.7	
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Governors Request FY 78 (AS 29.53.029(e)) - $1,375.0 - (40,000 assessed value limitation.)
Number of applicants 2817 = 8% increase over FY 77 - 2608.
77% of applicants 2167 have assessed property values 40,000 and less and pay no taxes.
23% of applicants 650 have assessed property values above 40,000 and pay taxes ranging from $5.00 to $4000 totaling $195.1, with arbitrary 5 acre land limitation.

CS HB #5 - Amends AS 29.53.020(e) by providing full exemption FY 78 -
Assumption: The 5 acre land limitation remains in effect.
Number of applicants 2817 - Average tax per applicant $557.3
Increased FY 78 grant for full funding $195.1 = Total FY 78 Grant $1570.1

Administrative Costs: No additional funds requested FY 78.
No additional funds requested or provided to implement the limitation formula Sec. 1, ch 217, SLA 1976.

IV. DATE 2-2-77 PREPARED BY J. Robert Dosier
AGENCY Community & Regional Affairs
PHONE 465-4730

Original: Legislative Finance
Budget and Management
Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB No. 5 - SB No. 6
Title An act relating to exemption from real property taxes for senior citizens
Requested by House & Senate C&RA Committees Date 1/24/77

II. FISCAL DETAIL
Agency Affected Community & Regional Affairs
Program Category Affected Social Services
Budget Request Unit(s) Affected State Assessor 21 22-3-03-00-00

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.			247.8	314.7	399.7	
TOTAL			247.8	314.7	399.7	

FUNDING (Thousands of Dollars)

GENERAL FUND			247.8	314.7	399.7	
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Governors Request FY 78 (AS 29.53.029(e)) - $1,375.0 - (est. FY 79 - $1,746.2)
" mber of applicants 2817 = 8% increase over FY 77 - 2608.
% of applicants 2167 have assessed property values 40,000 and less and pay no taxes.
23% of applicants 650 have assessed property values above 40,000 and pay taxes ranging from $5.00 to $4000 totaling $195.1, with arbitrary 5 acre land limitation.

HB #5 - SB #6 - Amends AS 29.53.020(e) and provides full exemption FY 79.
Assumption: The 5 acre land limitation remains in effect.
Number of applicants 3042 = Average tax per applicant $655.5
Increased FY 79 grant for full funding $247.8 = Total FY 79 Grant $1,994.0

DATE 2-2-77 PREPARED BY Richard Ozier, State Assessor
AGENCY Community & Regional Affairs
PHONE 465-4730

*: Legislative Finance
Budget and Management

SB

19

copy

CITY OF SOLDOTNA

Resolution 77-6

WHEREAS, The costs of providing services for which aid is received under AS 43.18 has increased substantially, and

WHEREAS, The provision of police services by municipalities relieves the need for expanding State Police protection costs, therefore be it

RESOLVED, By the City Council that it be recommended that Senate Bill 19 be enacted into law.

Adopted this 17th day of February, 1977.

Lorraine Knight
Mayor

ATTEST:

Barbara H. Erickson
City Clerk

SB 19

City of Delta Junction

Box 229

Delta Junction, Alaska 99737

The North End of the Alaska Highway

February 23, 1977

Senate Community and Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Sir;

The City of Delta Junction has studied and discussed the following Senate Bills, with these comments:

Bill #8 nothing to comment

Bill #19 yes in favor

Bill #40 yes in favor

Bill #32 no, provides only service for a few

Bill #35 that unimproved land be taxed at true appraised value

Sincerely

Estelle Schrumpf

Estelle Schrumpf

City clerk

SB19

STATE OF ALASKA

DEPARTMENT OF PUBLIC SAFETY

DIVISION OF STATE TROOPERS / *POUCH N – JUNEAU 99811*

JAY S. HAMMOND, GOVERNOR
RICHARD L. BURTON
Commissioner

PUBLIC SAFETY ACADEMY
P.O. Box 119
Sitka, Alaska 99835

February 14, 1977

Mr. Paul Conger
Community & Regional Affairs Committee
Pouch Y
Juneau, Alaska 99811

Dear Mr. Conger:

Enclosed please find the list of communities eligible for training under Law Enforcement Assistance Agency, Indian desk discretionary funding.

Those communities marked with asterisks have police officers trained by the Department of Public Safety under an LEAA grant.

Because only 45% of the native communities are eligible to benefit under the LEAA grant, the department submitted a CETA proposal as a test and trained 22 additional police officers without regard to LEAA eligibility. A feature of the CETA program was paying the students minimum wages for 12 weeks after graduation and requiring a commitment from the student's village or home city to agree to continue to pay at least the minimum wage for one year.

Communities which took part in this program are as follows: Kwethluk, Gambell, Buckland, Allakaket, Tyonek, Selawik, New Stuyahok, Tununak, Shishmaref, Savoonga, Wales, Stebbins, Kiana, Palmer, Haines and St. Michael.

If I can be of further assistance please contact me.

Sincerely,

Tom Williamson

Tom Williamson
Training Coordinator

Enclosures

cc: Larry W. Talbert, Deputy Commissioner

ELIGIBLE VILLAGES

First Class Cities

Barrow *
Dillingham *
Galena
Hoonah
Hydaburg
Kake
Klawock
Saint Mary's*
Selawik *
Yakutat

Second Class Cities

Akiak
Akolmuit
Alakanuk
Ambler *
Anaktuvuk Pass
Angoon
Anvik
Bethel
Brevig Mission *
Buckland *
Chevak
Deering *
Diomede
Eagle *
Emmonak *
Fortuna Ledge *
Fort Yukon *
Gambell *
Golovin *
Grayling
Holy Cross
Hooper Bay *
Huslia
Kachemak
Kaltag *
Kiana *
Kivalina *
Kotlik
Kotzebue *
Koyuk
Lower Kalskag
Manokotak *
Metlakatla
Mt. Village *
Napakiak *
Napaskiak
Newhalen
Noorvik *
Point Hope
Russian Mission *
Saint Michael *
Saint Paul Island *
Savoonga *
Saxman
Scammon Bay *
Shageluk
Shaktoolik
Shishmaref *
Shungnak
Teller *
Wales *
White Mountain

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2525

GEORGE M. SULLIVAN, MAYOR

OFFICE OF THE MAYOR

February 25, 1977

Senator Joe Orsini
Pouch V
Juneau, Alaska 99811

Dear Joe:

Possibly the Department of Community and Regional Affairs may be correct in reference to their decision on the Port of Anchorage but it certainly can create additional problems if they are and possibly legislation should be introduced to correct it.

The Port of Anchorage has served the entire Municipality for many years. It was only after we unified in 1975 that I was able to implement the Port of Anchorage on an areawide basis. For many years before that, the City of Anchorage people supported the Port which benefited everyone. It seems unfair that we could not expand the power of the Port areawide and receive revenue sharing for same.

What bothers me additionally is that if we expand Police power to Muldoon, Sand Lake or even areawide, is the indication then that we would not receive revenue sharing? If this is the case I can assure you and Commissioner McAnerney there will not be any move to expand and enlarge any type of services if revenue sharing would not be available. It wouldn't make sense to! Additionally, if we went areawide with Police it would be a substantial help to the State of Alaska.

I would appreciate your review of this and if you feel as I do, introduction of legislation to correct what I consider to be a serious inequity. Many thanks for your past, present and future help.

Most sincerely,

George M. Sullivan
Mayor

Enclosures
GMS:lo

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

JAY S. HAMMOND, GOVERNOR

OFFICE OF THE COMMISSIONER / POUCH B – JUNEAU 99811

Bruce requested to see Draft proper Dept heads get copies of this.

February 2, 1977

CERTIFIED/RETURN RECEIPT REQUESTED

RECEIVED
FEB 7 1977
MAYOR'S OFFICE

The Honorable George M. Sullivan
Mayor, Municipality of Anchorage
Pouch 6-650
Anchorage, Alaska 99502

Dear Mayor Sullivan:

RE: Appeal of The 1977 Entitlement
for State Aid to Local Government

Careful consideration has been given to your letter of appeal dated January 13, 1977 requesting that the Municipality of Anchorage be considered eligible to receive additional State Aid funds under the categories of transportation, health facilities, hospital construction aid, road maintenance and parks and recreation.

Under the category of transportation, your letter states that the notice of entitlement does not consider the Port of Anchorage which was made areawide as of July 1, 1976. However, the notice of entitlement does include the Port of Anchorage for a per capita population figure taken within the former boundaries for the City of Anchorage. Your letter further states that with the legislation passed, you were not aware that this particular service would be prohibited from expansion for additional areawide service.

Enclosed is a copy of Chapter 265 which repealed Alaska Statute 43.18.050 and became effective July 1, 1976. Chapter 265 states, in part, that the amount of Revenue Sharing to which a successor municipality is entitled shall be computed for the first year and each year thereafter as if the merger, consolidation or unification had not occurred, and the successor municipality shall receive not less than the amount so computed. The Municipality of Anchorage could not receive an amount greater than if the Greater Anchorage Area Borough and the City of Anchorage had not unified. The port facility would not be entitled to receive $5 per capita based on the boundaries of the former Greater Anchorage Area Borough since the Port of Anchorage was a transportation facility for the former City of Anchorage.

Under the category of health facilities, we have approved a total of 323 beds. The difference claimed by the Municipality of Anchorage is a reduction of 62 beds

disapproved by the Department of Health and Social Services, and consisted of the following facilities:

Health Facilities	Approved Beds	Disapproved Beds	Beds Requested
Booth Memorial Maternity Home	12 beds		12 beds
Booth Memorial Home	14 beds		14 beds
Hope Cottage	10 beds		10 beds
Sunrise Cottage	8 beds		8 beds
Hope Park	36 beds		36 beds
Karluk	8 beds		8 beds
Bering Program	10 beds	4 beds	14 beds
McKinnel Residence Home for Women	15 beds		15 beds
Social Development Center	53 beds		53 beds
Alaska Family House	25 beds	25 beds	50 beds
Future House	25 beds	7 beds	32 beds
Anchorage Halfway House	Disapproved	-0-	-0-
Phoenix House	15 beds		15 beds
Studio Club	25 beds	15 beds	40 beds
Jessee Lee Home	40 beds	5 beds	45 beds
Alaska Children Services Recovery Home	5 beds		5 beds
Alaska Baptist Family Services Center	12 beds	6 beds	18 beds
Alaska Children Services Youth Center	10 beds		10 beds
	323 beds	62 beds	385 beds

The Studio Club was initially disapproved pending an on-site visit by a staff person of the Department of Health and Social Services. Subsequent to your letter of appeal, the Studio Club was approved for 25 beds which is a reduction from your initial request for 40 beds.

Under the category of hospital construction aid, the total number of beds claimed on the summary application was 327 beds and the notice of entitlement dated December 31, 1976 allowed for 277 beds, a difference of 50 beds. The recap sheet for the Municipality of Anchorage showed 150 beds for the Alaska Hospital and Medical Center, Inc., which should have been 200 beds as supported by Attachments B and C. However, the Department of Health and Social Services is only able to approve for 197 beds. We would be able to approve a total of 324 beds based upon the supporting data on the initial application.

Under the category of road maintenance, the appeal is allowed for an additional 4.63 miles of road. The initial mileage figures approved by the Department of Highways did not include the fiscal 77 total road mileage information which was later mailed on November 24, 1976.

Under the category of parks and recreation, the computation error in the initial notice of entitlement should be corrected to read $822,100 as shown on the summary sheet of the application form submitted. The corrected computation is reflected in the final entitlement.

According to 19 Alaska Administrative Code 30.050(b), you are notified that the final entitlement for the Municipality of Anchorage under the State Aid to Local Government Municipal Revenue Sharing shall include the following entitlement:

Municipal Services	Rate	Basis	Amount
Police Protection	12 per capita	106,690 pop.	$1,280,280
Military	6 per capita	18,897 pop.	113,382
Fire Protection	7.50 per capita	175,189 pop.	1,313,918
Air/Water	2 per capita	175,603 pop.	351,206
Land Use Planning	2 per capita	175,603 pop.	351,206
Parks & Recreation	5 per capita	164,420 pop.	822,100
Military	1.25 per capita	18,897 pop.	23,621
Transportation	5 per capita	245,454 pop.	1,227,270
Military	2.50 per capita	37,794 pop.	94,485
Road Maintenance	1,500 per mile	359.48 mi.	539,220
Hospitals			
	2 per capita	175,603 pop.	351,206
	1,000 per bed	235 beds	235,000
Health Facilities			
	1,000 per bed	323 beds.	323,000
	4,000 per fac.	12 fac.	48,000
Construction Aid	2,500 per bed	324 beds	810,000
		Entitlement	$7,883,894
		Cost-of-Living @ -0-	-0-
		Total Entitlement	$7,883,894

The total entitlement for your municipality will be prorated. Proration is necessary when the value of all approved applications exceeds the appropriation of the program funded by the Legislature. The proration factor will be determined after each program participant has received its notice of entitlement and all appeals have been reviewed.

If you desire additional information, I welcome the opportunity to discuss this matter with you.

Sincerely,

Lee McAnerney
Commissioner

LMcA:EJS:jd
Enclosure

LAWS OF ALASKA

1976

Source

FCCS SCS CSHB 687

Chapter No.

265

AN ACT

Relating to municipal revenue sharing; and providing for an effective date.

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

* Section 1. AS 43.18 is amended by adding a new section to read:

Sec. 43.18.045. UNIFICATION, MERGER OR CONSOLIDATION OF MUNICIPALITIES. If a borough and the cities within the borough merge, consolidate or unify in accordance with AS 29.68, the amount of revenue sharing to which the successor municipality is entitled shall be computed for the first year and each year thereafter as if the merger, consolidation or unification had not occurred, and the successor municipality shall receive not less than the amount so computed.

* Sec. 2. AS 43.18.010(h)(1), (2) and (4) are repealed and re-enacted to read:

(1) $2 per capita to a municipality which has the power to provide health facilities and services and in which a hospital is located;

(2) in addition to the payment made under (1) of this subsection

(A) the state shall make payments to a municipality which has the power to provide hospital facilities and services and which exercises the power on the basis of $1,000 per bed for each bed actually used for patient care limited to the number of beds provided for in the construction design of the hospital, or $75,000 a hospital for those hospitals with 10 or more beds, or $25,000 a hospital for those

hospitals with less than 10 beds, as the municipality may elect; funds received under this subparagraph may be used only for hospitals and shall be apportioned among qualifying hospitals as the municipality determines;

(B) the state shall make payments on the basis set out in (A) of this paragraph to a municipality for nonprofit hospitals not operated by a municipality if the municipality first certifies to the department that the hospital is in compliance with all standards for hospitals which have been adopted by the municipality; in the absence of this certification the funds which would have gone to the hospital lapse into the state general fund; payments to the municipality shall be transferred to the hospital in accord with the basis by which the entitlement was generated by the hospital and shall be applied to the annual cost of operation and maintenance of the hospital or for the provision of health care service at the hospital as the directors of the hospital determine;

(C) a hospital may not receive payment under both (A) and (B) of this paragraph;

(4) funds received by a municipality under (1) or (3) of this subsection shall be used for expenses of health services or operation and maintenance of facilities as the municipality determines;

* Sec. 3. AS 43.18.050 is repealed.

* Sec. 4. This Act takes effect July 1, 1976.

Approved by governor: June 28, 1976
Actual effective date: July 1, 1976

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2525

GEORGE M. SULLIVAN,
MAYOR

OFFICE OF THE MAYOR

January 13, 1977

Commissioner Lee McAnerney
State of Alaska
Department of Community & Regional Affairs
Pouch B
Juneau, Alaska 99811

Dear Commissioner McAnerney:

Re: State Revenue Sharing Grant Entitlement

Pursuant to State Revenue Sharing regulations, the Municipality of Anchorage is exercising the appeal procedure.

1. The December 30, 1976 letter from your Department will require updating in certain categories based on your January 4, 1977 Notification of Population. (copies attached)

2. Transportation:

   The entitlement provided does not consider the Port of Anchorage which has been made areawide as of 1/1/76. Although the legislature passed legislation to guarantee no loss of State Revenue Sharing because of unification in this category, we are not aware that this particular service was prohibited from expansion. Currently all residents of the Municipality of Anchorage pay taxes to support debt service on the Port, let alone its known value over and beyond the boundaries of Anchorage. The action does not appear to be an equitable one.

   The difference of computation means a possible loss of $528,760 to Anchorage for Transportation support.

3. Health Facilities: $1,000 per bed

   The Municipality's application was for 385 beds. The entitlement computation was for 298 or a difference of 87 beds for a total value of $87,000.

   The total reduction does not agree with the application:

Total beds outlined in the application	385
(1) Disallowance for Studio Club (1976)	-40
Disallowance for Native Halfway House (1976)	-0-
Total	345
Entitlement on December 30th letter	298
Difference	47

There is no justification or explanation for the reduction of the difference of 47. Could this be an error? The back-up was researched and does total 385.

(1) We believe that the Studio Club does fall within the definition of AS 43.18(H) (S) (2).

a. It is operated by a non-profit corporation.

b. It is a halfway house facility for recovering alcoholism. These types of facilities have been generally defined as falling within the definition and may well be considered "convalescent" centers.

c. They are licensed as a halfway house facility by the State of Alaska. There may be some confusion as the Studio Club moved from their former location at 146 E. 11th to 546 15th Avenue just prior to the close of the fiscal year. However, this should not infringe on the entitlement as the services and organization has not changed.

The Anchorage Native Halfway House is no longer in existense and no entitlement was claimed for FY 77 or 78.

4. Hospital Construction Aid:

The total beds claimed for Hospital Construction Aid was 327 and the December 30th letter allows 277 or a difference of 50 beds for a total difference in amount of $125,000.

The recap sheet in our application shows 150 beds for the Alaska Hospital and Medical Center, Inc., which should be 200 as supported by both Attachment B and Attachment C. The recap sheet must be a typographic error which we did not notice at the time of preparing the application. The amount of 327 beds is correct and the supporting data is part of our original application.

5. Road Maintenance:

The Municipality's application was for 359.48 miles while the letter of December 30th allowed 354.85 or a difference of 4.63 miles for a total amount difference of $6,945.

Initially we were contacted by CRA by telephone to provide Road miles which we would apply for in our application. We provided an initial amount of 354.85 miles. However, when we formally prepared our application we added 4.63 miles and provided all supporting documentation. The amount of 354.85 miles is as of July 1, 1975 not July 1, 1976. In effect we were not properly credited for additional miles allowable from 1975 and 1976. (see attachments)

6. Parks and Recreation:

The December 30th letter from CRA computes Parks and Recreation as follows:

Parks and Recreation - 5 per capita - 164,420 pop. $882,100

The above computation should be for $822,100 or a difference of $60,000.

Recapitulation

	Difference
Transportation	$ 528,760
Health Facilities	87,000
Construction Hospitals	125,000
Road Maintenance	6,945
Parks & Recreation	(60,000)
December 30th letter	7,794,449
Total Municipal Application	$8,482,154

We would appreciate your review of our appeal. If there is any further supporting documentation which is required, please do not hesitate to advise me at your earliest convenience.

Sincerely,

George M. Sullivan
Mayor

Attachments

MAYOR'S OFFICE
EXT. 211

ADMINISTRATION AND FINANCE
EXT. 210

PUBLIC WORKS DEPARTMENT
EXT. 249

PLANNING DEPARTMENT
EXT. 245

ACCOUNTING
EXT. 239

NORTH SLOPE BOROUGH
P. O. BOX 69
BARROW, ALASKA 99723
(907) 852-2611

ASSESSING
EXT. 263

TREASURY
EXT. 237

HOUSING AGENCY
EXT. 243

HEALTH AGENCY
EXT. 255

January 27, 1977

Senator Joe Orsini, Chairman
Senate Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini,

The North Slope Borough would like to go on record as supporting Senate Bills 19 and 32 which increase present revenue sharing entitlements and create a new category of entitlement, respectively.

Senate Bill 19 increases the present $12 per capita entitlement for police protection to $15 per capita. We welcome any such increase since we believe the present level of entitlement is unrealistic, at least as it relates to the cost of providing services and facilities in the Arctic. This same argument applies to all categories for which revenue sharing is provided and notwithstanding the fact that cost-of-living adjustments are made to the entitlements due certain municipalities of with the North Slope Borough is one.

Senate Bill 32 which provides $5 per capita for each transportation related service provided by a municipality is of vital interest to the borough. Currently we provide airport service at Anaktuvuk Pass, Nuiqsut, Atkasook, Wainwright, Point Hope, Point Lay and Kaktovik. Thus, the effect of passage of Senate Bill 32 would be to increase the borough's entitlement for transportation facilities seven-fold. The additional money will go a long way towards providing safer and more efficiently operating airports in the North Slope Borough. Additionally, the borough will, in the near future, begin operation of transit system. The additional revenue sharing will help ease the great financial burden of operating and maintenancing such a small-scale, yet greatly needed system in adverse climate conditions.

I would like to take this opportunity to request that entitlement for roads, currently at $1500 per mile, also be increased. A reasonable figure would be $2500 per mile. While this might, at first glance, appear to high, one must consider the very high labor costs in the Arctic, the adverse climate which makes roads maintenance difficult at best and akin to full-scale war at its worst and the heavy wear and tear on equipment which itself costs nearly twice what it does in Anchorage and Fairbanks.

Thank you for your consideration of our views.

Sincerely,

Eben Hopson (cm)

Eben Hopson, Mayor
North Slope Borough

cc: Bob Dupere
Lewis Dischner
Herb Bartel

INPUT ON POLICE TRAINING QUESTIONAIRE SB 19

5/4/77

QUESTIONNAIRE

The Village Police Training Program trains one person from your city to be a policeman for your city. This training program is paid for by the State.

1. Did you know that there was a Police Training Program for your city?
   YES X NO ___

2. Why did your city decide not to have a trained policeman?
   The City did not decide, there was no alternative at the time, the Policeman will be going for training at Academy as soon as it is offered -

3. Do you think paying the salary for a policeman is a problem for your city? YES ___ NO X

4. If the State paid part of the policeman's salary, do you think your city would then consider having a policeman? YES X NO ___

5. Do you think that the Alaska State Trooper is helpful when your city has problems? YES X NO ___

6. Does your City Council handle unpleasant situations effectively?
   YES X NO ___

7. Additional Comments: the City has had financial difficulties for some time. If the State would pay the Police salary for a few yrs. am certain the City will be able to pick it up later with more ability (money source)

Your Name Della M. Cheney City Administrator

Name of your City City of Kake

QUESTIONNAIRE

1. When did you begin the Police Training Program in your city?

   there is no police department in our city - never has been one.

2. Does your city like having its own policeman? YES____ NO____

3. Does your village still have its policeman? YES____ NO____

4. If not, was paying the salary for a policeman a serious problem for your village? YES____ NO____
   What was the main reason you no longer have one?

5. Do you think that the Alaska State Trooper is helpful when your city has problems? YES__X__ NO____

6. What changes would you like to make in the Police Training Program to make the program better?

   The City would like to have a police department of its own-----but do not know how to establish one...would appreciate any and all information on same.

7. What can the State do to help your city with the Police Training Program?

   The City would like to have the State Village Police Training Program train a policeman from our city, as your letter indicated we are eligible for this service....then we could establish a police dept.

8. Does your village policeman serve the needs of the people or are more police services needed? YES____ NO____

9. Does your City Council handle unpleasant situations effectively?
   YES____ NO____ could use help here....although the City Council does not deal with law enforcement.

10. Do you think that what your village policeman learned at Sitka was mainly for the village policeman rather than the big city policeman? In other words, do you think that he was adequately trained to handle problems in the rural areas? YES____ NO____

11. Are there any other comments you would like to make regarding your village police program?

    As above -------we are interested in establishing a police department... and need all the information we can obtain regarding same...as well as information regarding State and Federal Revenue Sharing monies in connection with same.

Your Name Jeanne Calkins, Deputy City Clerk

Name of your City Kachemak

QUESTIONNAIRE

The Village Police Training Program trains one person from your city to be a policeman for your city. This training program is paid for by the State.

1. Did you know that there was a Police Training Program for your city?
   YES____ NO X

2. Why did your city decide not to have a trained policeman? We had a trainee back in 1969 But he is not interest in job

3. Do you think paying the salary for a policeman is a problem for your city? YES X NO____

4. If the State paid part of the policeman's salary, do you think your city would then consider having a policeman? YES X NO____

5. Do you think that the Alaska State Trooper is helpful when your city has problems? YES X NO____

6. Does your City Council handle unpleasant situations effectively?
   YES X NO____

7. Additional Comments:

Your Name Alex Wassillie Mayor

Name of your City Dewkale City Council

DEWSHALEN

City of Kotzebue
P.O. Box 46
Kotzebue, AK 99752

QUESTIONNAIRE

1. When did you begin the Police Training Program in your city? Early 1960's

2. Does your city like having its own policeman? YES X NO___

3. Does your village still have its policeman? YES X NO___

4. If not, was paying the salary for a policeman a serious problem for your village? YES___ NO X
What was the main reason you no longer have one?

5. Do you think that the Alaska State Trooper is helpful when your city has problems? YES X NO___

6. What changes would you like to make in the Police Training Program to make the program better? ———

7. What can the State do to help your city with the Police Training Program? ask to provide a Better Pay Scale.

8. Does your village policeman serve the needs of the people or are more police services needed? YES X NO___

9. Does your City Council handle unpleasant situations effectively? YES X NO___

10. Do you think that what your village policeman learned at Sitka was mainly for the village policeman rather than the big city policeman? In other words, do you think that he was adequately trained to handle problems in the rural areas? YES X NO___

11. Are there any other comments you would like to make regarding your village police program? None

Your Name August J Nelson

Name of your City ~~Kotzebue~~, Alaska.
99752

City Of SAVOONGA
Box 141
SAVOOGNA, AK 99769

QUESTIONNAIRE

1. When did you begin the Police Training Program in your city?
   AROUND year 1971
2. Does your city like having its own policeman? YES ✓ NO___
3. Does your village still have its policeman? YES ✓ NO___
4. If not, was paying the salary for a policeman a serious problem for your village? YES ✓ NO___
   What was the main reason you no longer have one?
   We do have policeman here at least two at present. Their pay are very small as our Revenue money from the State is only around $12,000.00 a year.
5. Do you think that the Alaska State Trooper is helpful when your city has problems? YES ✓ NO___
6. What changes would you like to make in the Police Training Program to make the program better?
   Some guys are interested in taking a police TRAINING but do not have High School Deploma. If they CAN be trained so they CAN at the same time be trained to obtain their High School Deploma this would greatly help.
7. What can the State do to help your city with the Police Training Program?
   After a trained has successfully completed the trainings the State should pay & help with the City's part ~~Salary~~ salaries at home!
8. Does your village policeman serve the needs of the people or are more police services needed? YES ✓ NO___
9. Does your City Council handle unpleasant situations effectively? YES ✓ NO___
10. Do you think that what your village policeman learned at Sitka was mainly for the village policeman rather than the big city policeman? In other words, do you think that he was adequately trained to handle problems in the rural areas? YES___ NO ✓
11. Are there any other comments you would like to make regarding your village police program?
    State of Alaska should help the villages with the salaries of each policeman to do AN effective job in the village, we CANNOT afford to pay a full time policeman.

Your Name Jerry Wongittilin, SR, Mayor

Name of your City SAVOONGA, Alaska 99769

City of EAGLE
EAGLE, AK 99738

QUESTIONNAIRE

1. When did you begin the Police Training Program in your city?
HAVE NONE

2. Does your city like having its own policeman? YES___ NO✓

3. Does your village still have its policeman? YES___ NO✓

4. If not, was paying the salary for a policeman a serious problem for your village? YES___ NO N/A
What was the main reason you no longer have one?

5. Do you think that the Alaska State Trooper is helpful when your city has problems? YES✓ NO___

6. What changes would you like to make in the Police Training Program to make the program better?
N/A

7. What can the State do to help your city with the Police Training Program?
N/A

8. Does your village policeman serve the needs of the people or are more police services needed? YES___ NO___ N/A

9. Does your City Council handle unpleasant situations effectively? YES___ NO___ N/A

10. Do you think that what your village policeman learned at Sitka was mainly for the village policeman rather than the big city policeman? In other words, do you think that he was adequately trained to handle problems in the rural areas? YES___ NO___ N/A

11. Are there any other comments you would like to make regarding your village police program?

We have answered these same questions to several other agencies already.

Your Name John Borg

Name of your City Eagle, Alaska

SHISHMAREF City Council
General Delivery
SHISMAREF, ALASKA 99772

QUESTIONNAIRE

1. When did you begin the Police Training Program in your city? 1975

2. Does your city like having its own policeman? YES X NO___

3. Does your village still have its policeman? YES X NO___

4. If not, was paying the salary for a policeman a serious problem for your village? YES___ NO X
What was the main reason you no longer have one?

5. Do you think that the Alaska State Trooper is helpful when your city has problems? YES X NO___

6. What changes would you like to make in the Police Training Program to make the program better?

7. What can the State do to help your city with the Police Training Program?

8. Does your village policeman serve the needs of the people or are more police services needed? YES X NO___

9. Does your City Council handle unpleasant situations effectively? YES___ NO___ Sometimes

10. Do you think that what your village policeman learned at Sitka was mainly for the village policeman rather than the big city policeman? In other words, do you think that he was adequately trained to handle problems in the rural areas? YES X NO___

11. Are there any other comments you would like to make regarding your village police program?

Give Information Need to the police, where to get the equipment for Village policemens Needs.

P.S. Could you Please send information about the training?

Your Name Maggie Nayokpuk

Name of your City SHISHMAREF, ALASKA

City of Ft. Yukon
Box 269
Ft. Yukon, AK 99740

QUESTIONNAIRE

1. When did you begin the Police Training Program in your city?
   1973
2. Does your city like having its own policeman? YES X NO___
3. Does your village still have its policeman? YES X NO___
4. If not, was paying the salary for a policeman a serious problem for your village? YES___ NO___
   What was the main reason you no longer have one?
   at Present Time we have only one Police Man because it is a Serious Problem trying to find, Make funds available to Maintain 2 or more Policeman on duty,
5. Do you think that the Alaska State Trooper is helpful when your city has problems? YES___ NO___ more or less / type of one. the State Trooper has beside Ft Yukon 8 other Villages to handle + his time is hectic!
6. What changes would you like to make in the Police Training Program to make the program better?
   Chg the time structure have like 2 wks or 1 wk trng + sent back to apply trng + come back in 4 Mo + receive another wk or 2 trng
7. What can the State do to help your city with the Police Training Program?
   Funding Prog.
8. Does your village policeman serve the needs of the people or are more police services needed? YES___ NO___
9. Does your City Council handle unpleasant situations effectively? YES X NO___
10. Do you think that what your village policeman learned at Sitka was mainly for the village policeman rather than the big city policeman? In other words, do you think that he was adequately trained to handle problems in the rural areas? YES X NO___
11. Are there any other comments you would like to make regarding your village police program?
    on #6 – a trng Prog like this will keep the Police man on duty - a family man Cannot + will not be his family for 11 wks at a time.

+thank you

Your Name Walter J Peter City Mgr.

Name of your City Ft Yukon, Ak 99740

City Of Emmonak
Lower Yukon River
Emmonak, AK 99581

QUESTIONNAIRE

1. When did you begin the Police Training Program in your city?
   We learned of the program to train Policeman.

2. Does your city like having its own policeman? YES x NO___

3. Does your village still have its policeman? YES x NO___

4. If not, was paying the salary for a policeman a serious problem for your village? YES___ NO___
   What was the main reason you no longer have one?

5. Do you think that the Alaska State Trooper is helpful when your city has problems? YES xx NO___

6. What changes would you like to make in the Police Training Program to make the program better?
   Paperwork on cases - Do need more information paperwork in writing up cases, and investigation of probl or cases.

7. What can the State do to help your city with the Police Training Program?
   State can have longer training program for policemen.

8. Does your village policeman serve the needs of the people or are more police services needed? YES___ NO___
   We do need more in the summer, because of the fishing season.

9. Does your City Council handle unpleasant situations effectively? YES xx NO___

10. Do you think that what your village policeman learned at Sitka was mainly for the village policeman rather than the big city policeman? In other words, do you think that he was adequately trained to handle problems in the rural areas? YES X NO___

11. Are there any other comments you would like to make regarding your village police program?
    Training a little longer, in order to train on subjects longer, avoiding the touch of subject.

Your Name Tommy Moses Mayor

Name of your City Emmonak, AK 99581

QUESTIONNAIRE

1. When did you begin the Police Training Program in your city?
   since incorporation 1967

2. Does your city like having its own policeman? YES ✓ NO___

3. Does your village still have its policeman? YES ✓ NO___

4. If not, was paying the salary for a policeman a serious problem for your village? YES___ NO___
   What was the main reason you no longer have one?

5. Do you think that the Alaska State Trooper is helpful when your city has problems? YES ✓ NO___

6. What changes would you like to make in the Police Training Program to make the program better? —

7. What can the State do to help your city with the Police Training Program? Have more semenars and more training sessions, Updates on manuals

8. Does your village policeman serve the needs of the people or are more police services needed? YES ✓ NO___

9. Does your City Council handle unpleasant situations effectively? YES ✓ NO___

10. Do you think that what your village policeman learned at Sitka was mainly for the village policeman rather than the big city policeman? In other words, do you think that he was adequately trained to handle problems in the rural areas? YES ✓ NO___

11. Are there any other comments you would like to make regarding your village police program? See - Item # 7

Your Name [illegible] [illegible] Vice Mayor

Name of your City ___ Mayo Ak 99658

QUESTIONNAIRE

1. When did you begin the Police Training Program in your city?

   NO RECORDS KEPT

2. Does your city like having its own policeman? YES x NO____

3. Does your village still have its policeman? YES x NO____

4. If not, was paying the salary for a policeman a serious problem for your village? YES____ NO____
   What was the main reason you no longer have one?

5. Do you think that the Alaska State Trooper is helpful when your city has problems? YES x NO____

6. What changes would you like to make in the Police Training Program to make the program better?

   RELATE TO ALCOHOLISM AND FAMILY CRISIS SITUATIONS

7. What can the State do to help your city with the Police Training Program?

   MAKE IT MORE RELEVANT TO THE NEEDS OF THE CITY

8. Does your village policeman serve the needs of the people or are more police services needed? YES x NO____

9. Does your City Council handle unpleasant situations effectively? YES x NO____

10. Do you think that what your village policeman learned at Sitka was mainly for the village policeman rather than the big city policeman? In other words, do you think that he was adequately trained to handle problems in the rural areas? YES____ NO x

11. Are there any other comments you would like to make regarding your village police program?

    THANK YOU FOR TAKING THE TIME TO INQUIRE

Your Name IVAN L. WIDOM

Name of your City DILLINGHAM

QUESTIONNAIRE

1. When did you begin the Police Training Program in your city?
SEPT 15, 1972 & SEPT 14, 1974, & SEPT 14, 1976

2. Does your city like having its own policeman? YES ✓ NO ___

3. Does your village still have its policeman? YES ✓ NO ___

4. If not, was paying the salary for a policeman a serious problem for your village? YES ___ NO ✓
What was the main reason you no longer have one?

5. Do you think that the Alaska State Trooper is helpful when your city has problems? YES ✓ NO ___

6. What changes would you like to make in the Police Training Program to make the program better?

MORE TRAINING

7. What can the State do to help your city with the Police Training Program?

More Training on most village problems cases.

8. Does your village policeman serve the needs of the people or are more police services needed? YES ___ NO ✓

9. Does your City Council handle unpleasant situations effectively? YES ___ NO ✓ BUT ONCE IN A WHILE

10. Do you think that what your village policeman learned at Sitka was mainly for the village policeman rather than the big city policeman? In other words, do you think that he was adequately trained to handle problems in the rural areas? YES ✓ NO ___

11. Are there any other comments you would like to make regarding your village police program?

NO

Your Name BILLY McCann MAYOR / by Carl Metzger City Manager

Name of your City City of NAPAKIAK

4-4-77

QUESTIONNAIRE

1. When did you begin the Police Training Program in your city?

2. Does your city like having its own policeman? (YES)___ NO___

3. Does your village still have its policeman? (YES)___ NO___

4. If not, was paying the salary for a policeman a serious problem for your village? (YES)___ NO___
What was the main reason you no longer have one? sometimes short of money we only have funds for one police at full time and other part time. we hired only when needed.

5. Do you think that the Alaska State Trooper is helpful when your city has problems? (YES)___ NO___

6. What changes would you like to make in the Police Training Program to make the program better?

7. What can the State do to help your city with the Police Training Program? All the Training he can get in Police Training

8. Does your village policeman serve the needs of the people or are more police services needed? (YES)___ NO___

9. Does your City Council handle unpleasant situations effectively? (YES)___ NO___

10. Do you think that what your village policeman learned at Sitka was mainly for the village policeman rather than the big city policeman? In other words, do you think that he was adequately trained to handle problems in the rural areas? (YES)___ NO___

11. Are there any other comments you would like to make regarding your village police program? Only trouble we have we dont have a place to keep the prisoner for over night, or keep him till Trooper come to the Villages

Your Name City Council of

Name of your City Fortuna Ledge

Alaska. 99585

4-21-77

QUESTIONNAIRE

The Village Police Training Program trains one person from your city to be a policeman for your city. This training program is paid for by the State.

1. Did you know that there was a Police Training Program for your city?
YES ✓ NO ____

2. Why did your city decide not to have a trained policeman? We submitted one policeman's name, and he hasn't been picked to go training as yet. We were informed also that our police has to go training.

3. Do you think paying the salary for a policeman is a problem for your city? YES ✓ NO ✓ [redacted], but if the Revenue Sharing is discontinued we will have a lot of problem, and yet Revenue Sharing is not enough
4. If the State paid part of the policeman's salary, do you think your city would then consider having a policeman? YES ✓ NO ____
We would have a policeman all year round.

5. Do you think that the Alaska State Trooper is helpful when your city has problems? YES ✓ NO ____

6. Does your City Council handle unpleasant situations effectively?
YES ____ NO ✓
We usually need the help of the State Trooper from Kotzebue or the Magistrate also from Kotzebue
7. Additional Comments:

We are asking for a temporary holding facility which might help for us to get our own magistrate and it sure would help the policeman, because he doesn't even have an office presently. Our application was send in for LEAA grant.

Your Name Virginia Douglas, City Administrator

Name of your City Shungnak

General delivery
Shungnak, AK
99773

QUESTIONNAIRE

The Village Police Training Program trains one person from your city to be a policeman for your city. This training program is paid for by the State.

1. Did you know that there was a Police Training Program for your city?
   YES ✓ NO ___

2. Why did your city decide not to have a trained policeman?
   We did not decide To not have a Trained PoLiceman. Local Funds dictate a part time man. Presently we are unable To recruit anyone under Those conditions from within The community. Yakutat is not a particularly rowdy Town and Therefore can we justify 18-20,000 with Th

3. Do you think paying the salary for a policeman is a problem for your city? YES ✓ NO ___

4. If the State paid part of the policeman's salary, do you think your city would then consider having a policeman? YES ✓ NO ___

5. Do you think that the Alaska State Trooper is helpful when your city has problems? YES ✓ NO ___

6. Does your City Council handle unpleasant situations effectively?
   YES ✓ NO ___

7. Additional Comments:

Your Name LARRY E. Powell

Name of your City YAKUTAT

QUESTIONNAIRE

1. When did you begin the Police Training Program in your city?
We have Few men who went to Training in Bethel but we do not know exact date.
2. Does your city like having its own policeman? YES ✓ NO___
3. Does your village still have its policeman? YES ✓ NO___
4. If not, was paying the salary for a policeman a serious problem for your village? YES___ NO___
What was the main reason you no longer have one?
We had move then two policeman, but we had not enough Funding For more people to serve as Policemens.
5. Do you think that the Alaska State Trooper is helpful when your city has problems? YES ✓ NO___
6. What changes would you like to make in the Police Training Program to make the program better?
Many changes
7. What can the State do to help your city with the Police Training Program?
Having move Police Training Programs.
8. Does your village policeman serve the needs of the people or are more police services needed? YES ✓ NO___
9. Does your City Council handle unpleasant situations effectively? YES ✓ NO___
10. Do you think that what your village policeman learned at Sitka was mainly for the village policeman rather than the big city policeman? In other words, do you think that he was adequately trained to handle problems in the rural areas? YES___ NO___
We do not know who went to Sitka, but Our Policeman have attended Bethel Training
11. Are there any other comments you would like to make regarding your village police program?
How many policeman will be able to attend the Training

Your Name Sophie Kasayulie - Sec.

Name of your City Akiachak, Alaska 99551

QUESTIONNAIRE

The Village Police Training Program trains one person from your city to be a policeman for your city. This training program is paid for by the State.

1. Did you know that there was a Police Training Program for your city?
   YES / NO ___

2. Why did your city decide not to have a trained policeman?

3. Do you think paying the salary for a policeman is a problem for your city? YES ___ NO X

4. If the State paid part of the policeman's salary, do you think your city would then consider having a policeman? YES X NO ___

5. Do you think that the Alaska State Trooper is helpful when your city has problems? YES X NO ___

6. Does your City Council handle unpleasant situations effectively?
   YES X NO ___

7. Additional Comments:

Your Name Richard E Weaver Sr.

Name of your City Allakaket Ak.

QUESTIONNAIRE

The Village Police Training Program trains one person from your city to be a policeman for your city. This training program is paid for by the State.

1. Did you know that there was a Police Training Program for your city?
   YES ✓ NO____

2. Why did your city decide not to have a trained policeman?
   We have sent our police chief who has completed the course and now have a patrolman attending the academy.

3. Do you think paying the salary for a policeman is a problem for your city? YES X NO____

4. If the State paid part of the policeman's salary, do you think your city would then consider having a policeman? YES____ NO____

5. Do you think that the Alaska State Trooper is helpful when your city has problems? YES X NO____

6. Does your City Council handle unpleasant situations effectively?
   YES X NO____

7. Additional Comments:
   We have 3 patrolmen + 2 dispatchers. We find that this is about the size we need for Hoonah. Hoonah has a population of 548 within the city limits. Due to the increasing flow of transients, we at times find our force spread a little thin. Due to the fact that we have no property or personal tax we find it rather difficult to finance our police dept. at the moment we are using Ceta manpower funds

Your Name Miles Murphy

Name of your City Hoonah

PO box 360
Hoonah, Ak 99829

QUESTIONNAIRE

The Village Police Training Program trains one person from your city to be a policeman for your city. This training program is paid for by the State.

1. Did you know that there was a Police Training Program for your city?
   YES___ NO X

2. Why did your city decide not to have a trained policeman?

   We did not Know till now

3. Do you think paying the salary for a policeman is a problem for your city? YES X NO___

4. If the State paid part of the policeman's salary, do you think your city would then consider having a policeman? YES X NO___

5. Do you think that the Alaska State Trooper is helpful when your city has problems? YES X NO___

6. Does your City Council handle unpleasant situations effectively?
   YES X NO___

7. Additional Comments:

   Please send us Applications OR word so we can have our police trained. We Really Need trained police here in our village

Your Name Alfred Adams Mayor

Name of your City Kotlik, ALASKA 99753

QUESTIONNAIRE

The Village Police Training Program trains one person from your city to be a policeman for your city. This training program is paid for by the State.

1. Did you know that there was a Police Training Program for your city?
   YES X NO___

2. Why did your city decide not to have a trained policeman? We have been trying to get one of our Policemen for training but up to this date we haven't heard any word as to what the decisions were.

3. Do you think paying the salary for a policeman is a problem for your city? YES X NO___

4. If the State paid part of the policeman's salary, do you think your city would then consider having a policeman? YES X NO___

5. Do you think that the Alaska State Trooper is helpful when your city has problems? YES X NO___

6. Does your City Council handle unpleasant situations effectively?
   YES X NO___

7. Additional Comments: A trained policemen would very much help out our community since four of our policemen aren't that good. At least one or two would benefit us.

Your Name Irvin Brink, Mayor

Name of your City Akolmiut

City Of Angoon
P.O. Box 189
Angoon, AK 99820

QUESTIONNAIRE

The Village Police Training Program trains one person from your city to be a policeman for your city. This training program is paid for by the State.

1. Did you know that there was a Police Training Program for your city?
YES ✓ NO ____

2. Why did your city decide not to have a trained policeman?
We've been trying to get our police into training.

3. Do you think paying the salary for a policeman is a problem for your city? YES ✓ NO ____

4. If the State paid part of the policeman's salary, do you think your city would then consider having a policeman? YES ✓ NO ____

5. Do you think that the Alaska State Trooper is helpful when your city has problems? YES ____ NO ✓

6. Does your City Council handle unpleasant situations effectively?
YES ✓ NO ____

7. Additional Comments:
We now have 2 policemen, both underpaid they are both willing to take training. State trooper slow in responding when asked for help.

Your Name Peter, Jack Sr.

Name of your City Angoon, Ak.

City of Klawock
Box 113
Klawock, AK 99925

QUESTIONNAIRE

The Village Police Training Program trains one person from your city to be a policeman for your city. This training program is paid for by the State.

1. Did you know that there was a Police Training Program for your city?
   YES X NO ___

2. Why did your city decide not to have a trained policeman?
   we did not decide not to have one, we just never had one available.

3. Do you think paying the salary for a policeman is a problem for your city? YES X NO ___

4. If the State paid part of the policeman's salary, do you think your city would then consider having a policeman? YES X NO ___
   we have a part time, this is all the city can afford.

5. Do you think that the Alaska State Trooper is helpful when your city has problems? YES X NO ___

6. Does your City Council handle unpleasant situations effectively?
   YES X NO ~~X~~

7. Additional Comments:

Your Name Sonja Arnsmo - City clerk

Name of your City City of Klawock

Buckland City Council
Buckland, Alaska 99727

QUESTIONNAIRE

The Village Police Training Program trains one person from your city to be a policeman for your city. This training program is paid for by the State.

1. Did you know that there was a Police Training Program for your city?
   YES X NO___
   we had a guy trained a couple of times. After he was employed by CETA KOTZEBUE & Funds were out, he quit.
2. Why did your city decide not to have a trained policeman? Because the city couldn't afford to pay him $833.00 a month.

3. Do you think paying the salary for a policeman is a problem for your city? YES X NO___

4. If the State paid part of the policeman's salary, do you think your city would then consider having a policeman? YES X NO___

5. Do you think that the Alaska State Trooper is helpful when your city has problems? YES X NO___

6. Does your City Council handle unpleasant situations effectively?
   YES___ NO___

7. Additional Comments:

Your Name Lucy Hadley City Administrator.

Name of your City Buckland 99727

QUESTIONNAIRE

The Village Police Training Program trains one person from your city to be a policeman for your city. This training program is paid for by the State.

1. Did you know that there was a Police Training Program for your city?
   YES____ NO_X__

2. Why did your city decide not to have a trained pol. .eman?

   The reason for not sending a person for training is because the community does not have extra funds available for that purpose.

3. Do you think paying the salary for a policeman is a problem for your city? YES_X__ NO____

4. If the State paid part of the policeman's salary, do you think your city would then consider having a policeman? YES_X__ NO____

5. Do you think that the Alaska State Trooper is helpful when your city has problems? YES____ NO_X__

6. Does your City Council handle unpleasant situations effectively?
   YES_X__ NO____

7. Additional Comments:

   Answering No on question #5 is- due to weather conditions and the gap between here and Ketchikan.

Your Name Lloyd E. Williams/Chief of Police

Name of your City Metlakatla,Alaska

SB

27

ALASKA SENATE

FIRST SESSION — ROLL CALL — TENTH LEGISLATURE

YEAS	N-V	NAYS	YEAS	N-V	NAYS	YEAS	N-V	NAYS	YEAS	N-V	NAYS
⊙ Bradley			⊙ Hackney			⊙ Orsini			_ Sackett		⊙
_ Butrovich		⊙	⊙ Hohman			_ Poland		⊙	⊙ Sumner		
⊙ Colletta			_ Huber		⊙	⊙ Rader			⊙ Tillion		
_ Croft		⊙	_ Kerttula		⊙	_ Ray		⊙	⊙ Willis		
_ Ferguson		⊙	_ Meland		⊙	⊙ Rodey			_ Ziegler		⊙

SB 21

President

(request to return bill to House)

PROCEDURAL MOTIONS

_ Amended	_ Special
_ Amended Senate	_ Effective Date
_ Amended House	

TITLES

_ Free Conf Comm Sub	⊙ Comm Sub
_ House Comm Sub	_ Sponsor Sub
_ Senate Comm Sub	

TOTALS

YEAS	N-V	NAYS
0 ⊙	0 ⊙	0 ⊙
⊙ 1	1	⊙ 1
2	2	2
3	3	3
4	4	4
5	5	5
6	6	6
7	7	7
8	8	8
9	9	9

BILL NUMBER

HOUSE		SENATE ⊙		⊙ BILL RESO.	
1000	100			10	1
2000	200			⊙ 20	2
3000	300			30	3
4000	400			40	4
Jt.	500			50	5
Conc.	600			60	6
Que.	700			70	7 ⊙
⊙ Mot.	800			80	8
2nd R	900			90	9
3rd R	⊙ 000			00	0

DATE

Jan.	1 ⊙
Feb.	2
Mar.	3
Apr.	1
⊙ May	2
June	3
July	4
Aug.	5
Sept.	6
Oct.	7 ⊙
Nov.	2
Dec.	9

TELEGRAM

ROM ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU, ALASKA 99801

1977 MAY 15 PM 3 28

02008 ANCHORAGE AK 83 05-15 935A ADT

PMS SEN JOE ORSINI (DLV BEFORE 10AM

JUN

IN RESPONSE TO YOUR QUESTION REGARDING HOME SITE PROGRAMS IN RELATION TO THE HOME SITE PROVISIONS OF SB26 THERE IS PRESENTLY NO QUOTE HOME SITE UNQUOTE PROGRAM AS SUCH IN TITLE 38. IF SB27 PASSES WITH THE HOME SITE PROVISION AND IF NO OTHER HOMESITE BILL IS PASSED BY THE LEGISLATURE, IT WOULD BE MY INTERPRETATION THAT HOMESITES SHOULD BE MADE AVAILABLE UNDER EXISTING LAW, THAT IS LAND SPECIFIED IN SB27 WOULD BE SUBDIVIDED AND SOLD OR LEASED AT FAIR MARKET VALUE.

TED SMITH, DIRECTOR DIVISION OF LAND AND WATER MANAGEMENT

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M

May 13, 1977

SUBJECT: HCS for CS for SB 27(Rules) am H - Transportation Facilities to New Capital

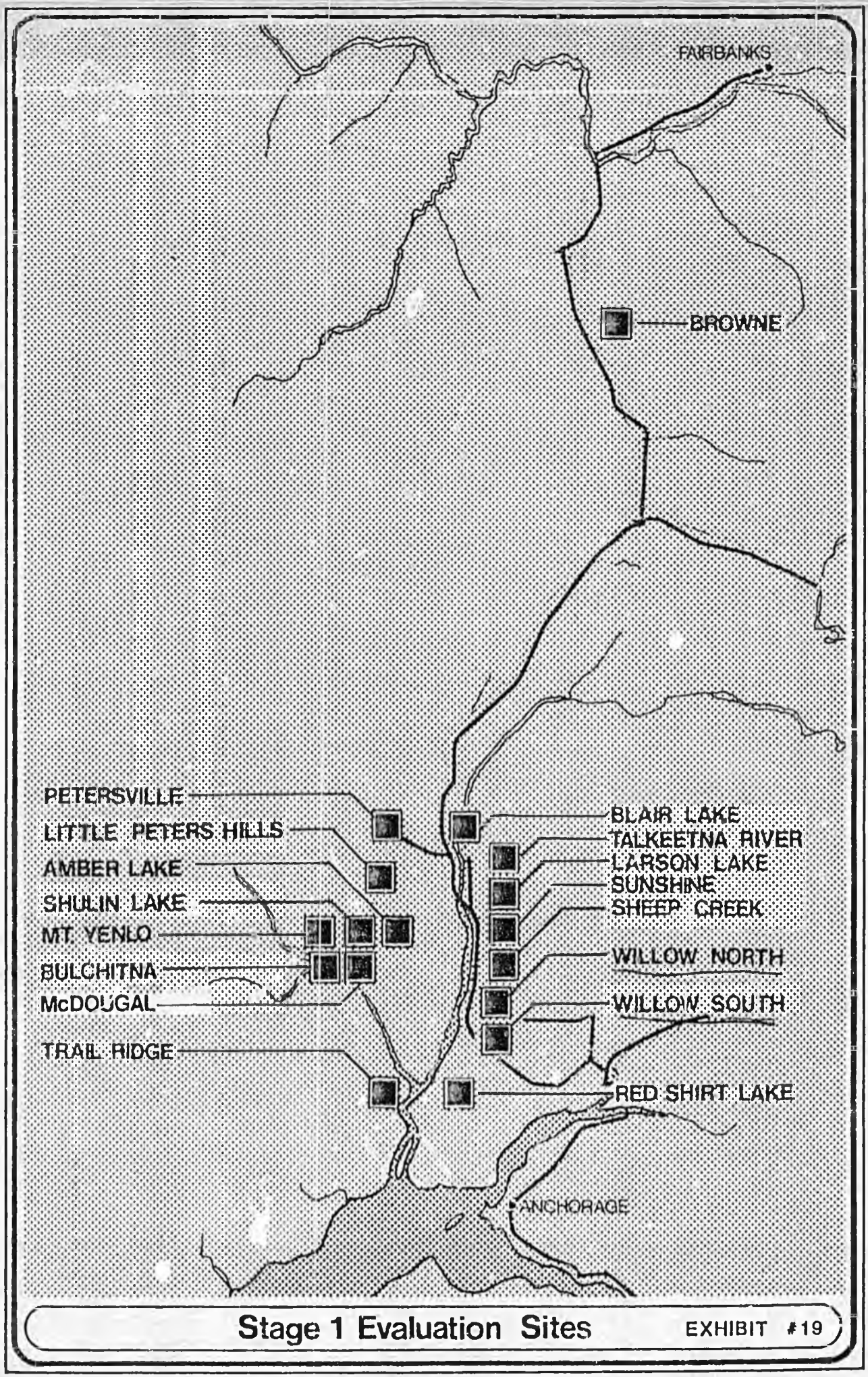
TO: Senator Joe Orsini

FROM: Ken Vassar, Staff Attorney KV

AS 44.06.130 required that the capital selection committee, created under AS 44.06.110, select three sites as potential capital sites It required that the committee give "due regard to its [the proposed capital site] accessibility by road, railroad, 24-hour airline service, and terrain necessary for airport construction." This section was binding on the committee but makes no reference to legislative planning once the ultimate capital site selection was made. The section which deals with legislative planning is AS 44.-06.160, and that section makes no mention of transportation facilities.

In light of this, my opinion is that there is no requirement that the Legislature provide for transportation facilities to the Willow area under AS 44.06.130 or any other section. Nevertheless, it should be noted that in Sec. 44.06.240(d), as proposed by the bill, the New Capital City Site Planning Commission would be required to include transportation as an element of its initial and final development plans, although transportation does not seem to be specifically included in the cost analysis required by Sec. 44.06.240(g) of the bill.

KV:lmk



Stage 1 Evaluation Sites EXHIBIT #19

HCS CSSB 27.

A. Good Planning Document (considering time frame) - Though not perfect

1. Two-tier process maximizes the time allowed - detailed initial plan but general "prospective" plan for "first stage"

2. Various planning elements are specified e.g. govt facilities, transportation, commercial development

3. Comparison of alternatives, between moving the capital & leaving it in Juneau

4. Telecommunications will be a central aspect of the planning process - get us into the electronic era

5. We will take a long overdue look at the concept of regionalization of state govt - to match the diversity of state interests & needs

6. Additional benefit of homesite land available in the North Willow site - a popular demand by citizens will be met

7. Mandated coordination & consultation with the local municipality - too often overlooked

B. Fair and Very Equitable treatment of Juneau Citizens

1. Intent - "to preclude unnecessary reduction of state employees in Juneau"

2. At worst only those Juneau employees "necessary for the operation of state government" will be transferred

3 State-funded economic diversification study for Juneau to determine its "viable future economic alternatives" -

4 Indemnification - not a part of this bill, but pending legislation will assure that no one will receive less for his home than he paid

* 5. 15 year projection of costs if the capital was left in Juneau

MSB

will not waive subdiv regs which require access ∴ if capital not moved have no money to build access

Homesite

no reference to "homesite" in either statute or regs. DNR will implement regs under ex rating law

$\frac{640 \times 15}{2.5} \cong 3000$ units

An Act

Relocating the capital of the State of Alaska and providing for selection, planning and construction at the new location.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF ALASKA:

Section 1. AS 44.06 is amended by adding new sections to read:

Article 2. CAPITAL RELOCATION.

Sec. 44.06.100. CAPITAL SITE. The capital site of the State of Alaska shall be selected and located west of the meridian 141° west longitude commonly known as Western Alaska, as provided in secs. 110—190 of this chapter.

Sec. 44.06.110. APPOINTMENT OF SITE SELECTION COMMITTEE. Within 60 days following December 11, 1974, the governor shall appoint a nine-member capital selection committee composed of one member from the northwest district, two members from the southeast district, two members from the central district and three members from the southcentral district, who shall be appointed on a non-partisan basis. The commissioner of natural resources shall be the ninth member of the committee. The members shall select a chairman from their membership. The legislature shall provide funding as required for the site selection committee.

Sec. 44.06.120. ASSISTANCE TO COMMITTEE. The capital selection committee shall utilize all the competent professional and technical services required to assist in the selection of alternate capital sites. The committee may choose the consultants which in its judgment are necessary to help in the site selections. The committee may also request any information on studies which it considers essential from any office or division of the state.

Sec. 44.06.130. SELECTION OF POTENTIAL SITES. The capital selection committee shall, within 12 months of December 11, 1974, select not more than three potential capital sites. None of these sites may be within a radius of 30 miles of the City of Anchorage or Fairbanks. Each site shall consist of not less than 100 square miles of land that is owned by or may be acquired by the state at no charge to the state. This land shall be contiguous but not necessarily in a rectangular block. Each location shall be immediately classified as "reserved use land" by the division of lands. Each location shall be selected with due regard to its accessibility by road, railroad, 24 hour airline service, and terrain necessary for airport construction.

Sec. 44.06.140. REPORTS AND HEARINGS. The capital selection committee shall prepare clear, concise, detailed reports concerning each of the capital sites selected for distribution to the citizens of Alaska. The committee shall hold public hearings in each judicial district within 18 months of December 11, 1974. The purpose of the hearings is to invite questions and present facts to the citizens concerning each of the sites.

Sec. 44.06.150. CHOICE OF SITE BY VOTERS. The qualified voters of Alaska are entitled to vote for any one of the alternate capital sites selected by the capital selection committee at the next general election after conclusion of the public hearings. The site receiving the greater number of votes shall be the site of the new capital city.

Sec. 44.06.160. PLANNING BY LEGISLATURE. The legislature at its next session following the selection of the new capital site, shall provide for the planning of subdivision of a new capital city and district within the bounds of the area selected, and for the construction of necessary state and public facilities and for their administration.

Sec. 44.06.170. NAME OF CAPITAL CITY. The name of the capital city shall be selected by the legislature.

Sec. 44.06.180. MOVEMENT TO NEW CAPITAL. The movement of the seat of government to the new capital city shall begin not later than October 1, 1980.

Sec. 44.06.190. STATE EMPLOYEES IN JUNEAU. The transfer of the state government to the new capital city shall be accomplished so as not to reduce unnecessarily the number of state employees employed by the state in Juneau.

Certified September 12, 1974
Actual effective date: December 11, 1974

SOUTHEAST ALASKA EMPIRE

WILLIAM S. MORRIS III—PRESIDENT and PUBLISHER
JEFF A. WILSON—GENERAL MANAGER

KIM ELTON
Managing Editor

TOM BLUMENSHINE
Production Manager

Capital Planning

Intent on proving the adage that 'compromises' make bad law, the House Wednesday passed a capital move planning bill.

Described by the Anchorage delegation as a bill everyone can live with, it was none-the-less opposed by a great majority of Bush, Interior and Southeastern legislators.

As proposed the bill establishes a two-tier planning process. Plans for the 'initial move' involving the legislature, governor, lt. governor and attorney general must be completed by early next year and plans for final development must follow by early 1979.

Cost estimates must be ready in February, 1978.

The biggest problem with the House bill is the legislature's abdication of responsibility for outlining what they want the new capital to encompass. The nine-member planning commission must draft plans and estimate costs (with the cost estimate coming before final plans are completed) without benefit of legislative goals.

Under the bill passed by the House the commission could come back with a porta-potty city located in a mud field at the Willow site or a new capital, envisioned by the optimistic pro-movers, that reflects the splendor of our state.

The House bill does indeed tell the commission 'how' to plan but leaves to the discretion of the commission 'what' to plan for in Willow.

It is true that the legislature can either accept or reject, in whole or in part, the recommendations of the commission. But that is unrealistic. By waiting until this session the legislature is under the gun. If they do reject the commission plans, the legislature sets the timetable for the move beyond the initiative-mandated date of 1980.

cont'd

page 1

cont from page 1

There is another glaring deficiency in the bill that was pointed out by Fairbanks Rep. Steve Cowper, chairman of the House Finance Committee. The state's citizens, he said, will have to make up their minds once-and-for-all on the move because all bond costs for the move will be needed on the 1978 bond election.

If the legislature adopts a two-tier cost system with some bonds placed on the 1978 ballot and the rest of the bonds on the next bond ballot in 1980 (after the final plans are submitted in 1979) we run the risk of having part of the capital in Willow and the rest in Juneau.

This would happen, Cowper said, if the voters approved the first bonds but, discouraged by projected high costs for the second phase, did not approve the second bond issue.

Under the alternative bill that the Senate had adopted to plan for the capital move, the planning commission would simply sit down and plan the move based on projections from the Capital Site Selection Committee, the site selection group is the only commission which has come to grips with the magnitude of the move issue. The projections by the group are incorporated in the Senate bill so effort is not wasted duplicating studies.

The House bill for the most part ignores the site selection work and, furthermore, pushes off on the planning commission issues such as decentralization and regionalization that are more properly addressed by the legislature, not a group of citizens already burdened with developing a blueprint for a city not yet started.

After all the arguments advanced on the floors of both the House and Senate, the inescapable conclusion is that the House bill is indeed a compromise piece of legislation. It embodies a compromise between Frank Harris, the architect of the move initiative, and the House State Affairs committee, which consists of six Anchorage members and one bush member.

That kind of a compromise is not in the best interests of the state. When the Senate considers the House bill it is our hope that they will try and incorporate some of the views of Interior, Bush and Southeastern legislators.

If that happens the Senate will end up with a bill similar to the planning bill they have already passed, and not the Anchorage delegation-Frank Harris 'compromise' bill the House passed.

page 2

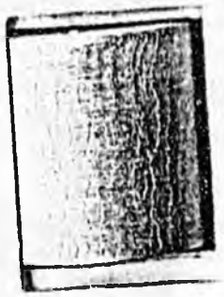
to: Orsini
from: ~~Ken~~ Hinchey

re: Capital Site

SA-U
Under Gov.

Ken Hensley will build
an "Alaskan" City @ 165 mil.
from Budget 200 mil.
& be grand from sale of
state owned real estate
began const. summer 1977
complete 1st facility +
Auditorium 500' long
300' wide 7 stories height
+ will & accom
Gov., Admin, Leg. +

& other assistance help.
on 5 floors office petitioned
for same. This building
will be 4 below + 3
above + will have on
top the Gr. mansion.
w/ help part. single +
elevator. The auto w/ be
used for interim period
& be, later used as a
grand playhouse for
base shows, Rus. ballet



interest troops, etc.

the cost of same is

20 mil. & is a bonus to the

people of Alaska. The

sewer, water, grading

paving, landscaping,

under ground - pedes avail

& and foundation for

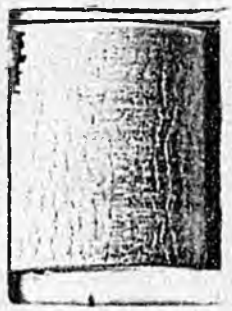
(a admin bldg + State

Cap. bldg. w/ be paid for

from initial budget

(interim financing)

of 6th bd mil. This 8th bd mil.
we intend to harvest
from State of Ak, however,
for 12 yrs. for 8% interest.
We, being 37 Alaskans
tried & true" Our attn
spending w/ one from
our pers. borrowing &
financing until the first
returns are gained from
this most valuable
real estate.



Jay, as real property will be sold before 2½ yrs after the ground is broken for the auditorium. Because this plan is truly functional, the State of Ak. w/ have invested only $60 mil outlay loan to the 37 persons tried & true ~~o/p~~ purple. It is expected that with

prudent mgt. private enterprise-wise we can have the whole completed Alaskan's city completed for occupation mid summer 1980.

Jay, 9. of your astute realtor pursuits has an extended the privelege of selling all real estate priced $50,000 and above.

other realtors w/ 5 yrs
trial experience Alaska
may sell all properties
$49,000 & under parcel & under.
Note: 3 MAI appraisals
w/ determin value of said
property, each appraisal
~~being~~ will be conducted
by 3 app. r. 1 2 yrs after
ground breaking 2 - 2½
after ground brk - 3 - 3 yrs

after ground breaking.

Such men as Lewis

Odshates, Arch. Wm Stroker

Banker, Arch, Wm Moran. Ketch.

w/ the exec. Comm &

over see whole program.

5 - 25 yr contracts

w/ 3 sub. each pr

chosen, w/ 25 yr. background

in ak. will do building.

Claude Millsaps, Sec. National
Elliot Larson, Jack White Co.
& Joe Graham will be
Supreme Realtor. This
3 man Comm. will assn.
to Exec. Comm & Ken
Henshie & will confer
only with the Ground.

All realtors including
the 9 Mack-Lee agents

well answered & real estate
comm. No real estate
~~they~~ State owned will
be transferd ("title")
& other than the ultimate
buyer & only after is
cash 10% is transferd
to the State. He will
make his own financial
deal to finalify title
Companies, and/or.

The terrane is the most valuable for ash return in all of the state and is easily transfered & this transaction.

Of course there are many details involved, but many are being worked on now, by Ed Rittenhouse Frank Hyman, Ward Wells Ward Gay, & Ken Hensche.

P More details later (Hum)

See me at your earliest convenance

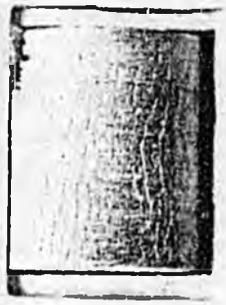
VSY

Ken Henchie

Under Gov.

State of Ak.

SA-U



SB

32

MAYOR'S OFFICE
EXT. 211

ADMINISTRATION AND FINANCE
EXT. 210

PUBLIC WORKS DEPARTMENT
EXT. 249

PLANNING DEPARTMENT
EXT. 245

ACCOUNTING
EXT. 239

NORTH SLOPE BOROUGH
P. O. BOX 69
BARROW, ALASKA 99723
(907) 852-2611

ASSESSING
EXT. 263

TREASURY
EXT. 237

HOUSING AGENCY
EXT. 243

HEALTH AGENCY
EXT. 255

January 27, 1977

Senator Joe Orsini, Chairman
Senate Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini,

The North Slope Borough would like to go on record as supporting Senate Bills 19 and 32 which increase present revenue sharing entitlements and create a new category of entitlement, respectively.

Senate Bill 19 increases the present $12 per capita entitlement for police protection to $15 per capita. We welcome any such increase since we believe the present level of entitlement is unrealistic, at least as it relates to the cost of providing services and facilities in the Arctic. This same argument applies to all categories for which revenue sharing is provided and notwithstanding the fact that cost-of-living adjustments are made to the entitlements due certain municipalities of with the North Slope Borough is one.

Senate Bill 32 which provides $5 per capita for each transportation related service provided by a municipality is of vital interest to the borough. Currently we provide airport service at Anaktuvuk Pass, Nuiqsut, Atkasook, Wainwright, Point Hope, Point Lay and Kaktovik. Thus, the effect of passage of Senate Bill 32 would be to increase the borough's entitlement for transportation facilities seven-fold. The additional money will go a long way towards providing safer and more efficiently operating airports in the North Slope Borough. Additionally, the borough will, in the near future, begin operation of transit system. The additional revenue sharing will help ease the great financial burden of operating and maintenancing such a small-scale, yet greatly needed system in adverse climate conditions.

I would like to take this opportunity to request that entitlement for roads, currently at $1500 per mile, also be increased. A reasonable figure would be $2500 per mile. While this might, at first glance, appear to high, one must consider the very high labor costs in the Arctic, the adverse climate which makes roads maintenance difficult at best and akin to full-scale war at its worst and the heavy wear and tear on equipment which itself costs nearly twice what it does in Anchorage and Fairbanks.

Thank you for your consideration of our views.

Sincerely,

Eben Hopson (cm)

Eben Hopson, Mayor
North Slope Borough

cc: Bob Dupere
Lewis Dischner
Herb Bartel

SB 32

City of Delta Junction

Box 229

Delta Junction, Alaska 99737

The North End of the Alaska Highway

February 23, 1977

Senate Community and Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Sir;

The City of Delta Junction has studied and discussed the following Senate Bills, with these comments:

Bill #8 nothing to comment

Bill #19 yes in favor

Bill #40 yes in favor

Bill #32 no, provides only service for a few

Bill #35 that unimproved land be taxed at true appraised value

Sincerely

Estelle Schrumpf

Estelle Schrumpf

City clerk

City of Soldotna

Box 409 Phone 262-4492

SOLDOTNA, ALASKA
99669

February 23, 1977

The Honorable Joseph Orsini
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Mr. Orsini:

The Soldotna City Council at its meeting on February 17, 1977 passed the enclosed resolutions and asked that a copy be sent to you.

Sincerely,

Barbara Erickson

Mrs. Barbara H. Erickson
City Clerk

BHE/rf

City of Soldotna
Box 409
Soldotna, Alaska 99669

The Honorable Joseph Orsini
Alaska State Senate
Pouch V
Juneau, Alaska 99811

CITY OF SOLDOTNA

Resolution 77-5

WHEREAS, A sum in the amount of approximately $22,500,000 is necessary to fund the entitlement of Alaskan municipalities under AS 43.18, and

WHEREAS, The sum of $17,654,700 has been allocated in HB52, for fiscal 1978, for aid to local governments under AS 43.18, therefore be it

RESOLVED, By the City Council of Soldotna, Alaska, that it be recommended that the amount funded to meet entitlements under AS 43.18 be increased to $22,500,000.

Adopted this 17th day of February, 1977.

Lorraine D. Knight
Mayor

ATTEST:

Barbara A. Erickson
City Clerk

SB

35

SB 35

City of Delta Junction

Box 229

Delta Junction, Alaska 99737

The North End of the Alaska Highway

February 23, 1977

Senate Community and Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Sir;

The City of Delta Junction has studied and discussed the following Senate Bills, with these comments:

Bill #8 nothing to comment

Bill #19 yes in favor

Bill #40 yes in favor

Bill #32 no, provides only service for a few

Bill #35 that unimproved land be taxed at true appraised value

Sincerely

Estelle Schrumpf

Estelle Schrumpf

City clerk

SB 35

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2525

GEORGE M. SULLIVAN,
MAYOR

OFFICE OF THE MAYOR

To: Anchorage and Fairbanks Legislators

From: Sam Coxson, Legislative Liaison

Subject: Joint Fairbanks-Anchorage Meeting, Feb. 18, 1977

Enclosed is a list of elected officials which attended the meeting and the Action they took on certain legislative proposals.

City of Fairbanks

Mayor Harold Gillam
Bob Parsons
Jim Rolle
Ralph Migliaccio
Earnest Carter

Fairbanks-North Star Borough

Mayor John Carlson
Bill Stringer
Phil Younker
Andy Karella
Mike Cornelius

Anchorage Municipality

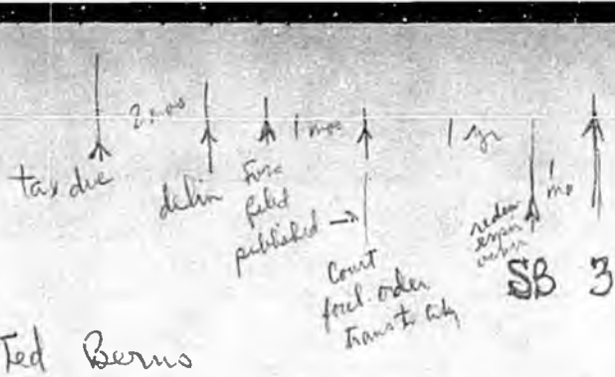
Chairman Dave Rose
Bill Besser
Ben Marsh
Arliss Sturgulewski
Dave Walsh
Don Smith

FAIRBANKS-ANCHORAGE MEETING

ACTION ON LEGISLATIVE PROPOSALS

Bill	SHORT TITLE	ACTION
SB 35	Tax in the Unorganized Borough	No concensus; each body would act on its own
HB 101	Deductions for Telephone Nonservice	General concensus for opposition
HB 102	Prohibition of Surcharge	General concensus for opposition
HB 87	Grants to Service Areas	No position by joint group
SSSB 37	Proceedures tax-foreclosed Prop.	No concensus; no action recommended
HB 75	Municipal Net Income Tax	No concensus; each body would act on its own
SB 50	Utilities and States Right-of-way	Unanimous support
Municipal Tort Liability		Unanimous support
HB 34	Workmen's Compensation	General Support
	Offset Provisions	General consensus for support
HB 89	State Aid--School Construction	Unanimous support
HB 70	Municipal Revenue Sharing	General support
Joint Resolution on All-Alaska Gas Line		Unanimous Support

SB
37



Ted Berns — notice of for; mos for forc; forc; 1 yr redemp.

Sec 1 - adds considerable cost due to title search ($50-$60)
3000 parcels/yr in Anch go thru foreclosure; notice; request may be made for notice on the particular parcel
Possible soln - require request for notice be sent ~~to~~ when a person registers a lien - information provided about request

Sec 3 - problems as stated - no time limit as to when person can take back property. Put on time limit (puts it in limbo); or require ordinance, public notice, etc.

Sec 2 - great one more notice, not that big a deal

Sec 4 - time limit problem - how long should munic hold money? (bank foreclosure now = 2 yrs) - what if can't locate former owner how should munic inform former owner

Lee Sharp

Sec 1 - record search may not show address of security owner notice @ foreclosure; notice @ end of redemption

Sec 2 - time problem on period for which held in public use - could be 20 yrs or more

Sec 3 - time problem again; Fed funds for prop. improvement requires clear title by munic. Formal vs dedic. should end owners rights

Sec 4 - 6 mos time limit would be good
require recorder to give ~~a~~ notice to assessor's ofc of lien problems [15 3/4.10]

CSSB 37

Page 2, beginning at line 2 --

Add a new section 2 (renumber sections accordingly):

* Sec. 2. AS 29.53.350 is amended by adding a new subsection to read:

(b) Costs incurred in the determination of holders of mortgages and other liens of record and costs of publication of notice incurred by a municipality under (a) of this section are a lien on the property and may be recovered by the municipality from the record owner at the time of redemption.

Page 2, line 15 --

... that a public need does not exist [NO LONGER EXISTS].

Sec. 1

"procedural defect" if notice not actually rec'd

Dept CRA - supports Secs 2 → 5

opposes Sec 1 - much of property is "junk property" - not worth much (may than cost of search) $5.00 item

May have to have title insurance to cover cases of lack of notification

loss of security interest → injury → suit for damages

alt: Put a $10K or $20K min prop value for notice

Put the notices up in recorders ofc or title co. about right of notification

Sec 310 needs commensurate changing for

Sec 380 put ~~5a~~ 10 yr limit on requirement to ~~pay~~ pay difference

Anchorage

Ted Berns said last year approx 300 parcels of land would have been affected by AS 29.53.350

Juneau

275 foreclosure procedure (don't pay taxes)

95-100 into judgement

25-30 unredeemed @ end of year

RE: SSSB 37

TO: Senator Orsini DATE: March 3, 1977

FROM: Paul RE: SSSB37

The following correspondence was received regarding SSSB37. Matanuska-Susitna Borough and the City of Wrangell both are opposed to above referenced bill because of the title search requirement that will be imposed upon the local government.

PC/js

I feel you may be interested in the attached newspaper clippings which tell of people losing land to municipal tax foreclosures without adequate notice or protection.

Lands were taken and dedicated for park purposes. We are told that this action ends any chance we might have to redeem the land. Dedication action was taken without notice and without hearings. We are told that state law requires the municipality to pay only any state and federal liens. No provision is made for payment to other lien holders. I feel that all government agencies should be treated the same as anyone else, receiving the same percentage of proceeds as the rest of the lienholders. If value of land taken by municipalities for their own use exceed the liens, the owner of record should receive this amount, not the municipality.

Laws should require that all interested parties be notified 60 days after taxes become delinquent in order that they may take action to protect themselves. It would be reasonable that the interested parties stand the cost of these notices.

I would appreciate your help in seeing that something of this nature cannot happen again. Thank you.

RUSSELL OBERG
SR Box 8090 Oberg Road
Chugiak, Alaska 99567

(2)

Matanuska-Susitna Borough, Inc.

BOX B, PALMER, ALASKA 99645 • PHONE 745-3246

DEPARTMENT OF ADMINISTRATION

January 27, 1977

The Honorable Joseph L. Orsini, Chairman
Community and Regional Affairs Committee
The Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

Subject: Senate Bill 37

We appreciate your inviting comments on the subject bill. The proposed law would require the Borough to have a title search on each piece of property to be foreclosed to make sure that we became aware of all holders of mortgages or other liens of record. This would be an additional administrative expense which would be added to the foreclosure cost for each parcel and added on to the redemption cost to the property owner.

We question whether the additional red tape is necessary since all parties of interest are now notified by legal publications.

As a matter of practice, we already notify holders of liens of which we have been informed.

Very truly yours,

Wesley M. Howe

Wesley M. Howe
Borough Manager

WMH:er

cc: Senator Jalmar Kerttula

Mr. Donald E. Berry, Alaska Municipal League

(3)

CITY of WRANGELL, ALASKA

INCORPORATED JUNE 15, 1903

BOX 531, 99929 (907) 874-2381

ADOPTED AUGUST 1972

February 1, 1977

Senator Joe Orsini, Chairman
Senate Community & Regional Affairs
Committee
Pouch V
Juneau, Alaska 99811

Re: SENATE BILL NO. 37, SPONSOR SUBSTITUTE

Dear Sir:

The City of Wrangell wishes to go on record in opposition to SS for Senate Bill No. 37.

Sec. 29.53.350 of the proposed bill provides for notice of foreclosure to be mailed to each record owner of property against which a judgement of foreclosure has been taken and to all holders of mortgages or other liens of record on the property. The amendment would necessitate the taxing authority to determine all liens of record on property. In order to insure accuracy, it would be necessary to obtain a title search on each parcel of foreclosed property. The costs for a title search would be a minimum of $50.00 per parcel, increasing the costs considerably on foreclosure procedures.

We request that the amendments to Sec. 29.53.350 be revised to: and to all holders of mortgages or other liens who have provided notice of same to the taxing authority.

Your consideration will be appreciated.

Very truly yours,

James R. Eide
City Manager

cc: Edward C. Willis, Senator
John Huber, Senator
H. D. "Pete" Meland, Senator
Robert H. Ziegler, Sr., Senator
E. J. Haugen, Representative
Don Berry, Alaska Municipal League

March 1, 1977

Dear Sir:

The enclosed materials, pertaining to property which my wife and I feel we have a right to, are somewhat explanatory of the existing situation.

To say the least, we are extremely frustrated over the entire matter.

Apparently, final disposition of the property in question will be decided in the court of Judge Douglas William on March 14th.

We realize that, due to technicalities put forth by the Anchorage Municipality, we may lose this property, we do feel that we are morally correct and justified in thinking that it should be returned to us. We both worked awfully hard to get this land and feel that we should be able to enjoy whatever the land might produce for us.

I have listed my attorney's name and address and also the Judge that will be handling this. Anything that you might possibly do in our behalf will be greatly appreciated.

Sincerely Yours,

Russell V. Oberg

Our Attorneyi is: Mr. William D. Artus, 805 W. 3rd Ave. Anchorage (274-4626)

The Honorable Douglas William 11
Bankruptcy Court - 610 W. 2nd Ave., Anchorage, Alaska
(272-3111

THE CITY AND BOROUGH OF JUNEAU
CAPITAL OF ALASKA
155 SOUTH SEWARD ST. JUNEAU, ALASKA 99801

DATE: March 3, 1977

FILE NO.

SUBJECT: SSSB 37

The Honorable Joseph L. Orsini
Chairman
Senate Community and Regional
Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

The City and Borough of Juneau is opposed to SSSB 37 in its present form. The amendments which would be effected by section 1 would require that the municipality conduct an expensive and time consuming title search on all tax foreclosed property which it intends to sell in order to recover the taxes which the owner and security holders have, for at least two years, refused to pay or have not paid. The title search would be for the purpose of discovering persons holding security interests in the real property. The present law provides that a lien holder may request the clerk to send, by certified mail, a notice of the foreclosure list which contains any property specified by the lien holder. Thus, any person who takes a security interest in real property and has a concern with protecting their security interest from foreclosure for nonpayment of taxes may protect themselves by merely requesting they be notified of impending foreclosures. Presuming they have taken this simple step of requesting notification, it seems unnecessary to require the municipality to engage in an expensive and time consuming title search in order to determine whether there are security holders who would lose their security interest in a sale of foreclosed properties. Foreclosure notices are also published in local newspapers. Thus even the security holder who has not requested personal notice is given the opportunity to make himself aware of whether or not property in which he holds a security interest is being foreclosed by merely checking the foreclosure list which is published at least four times over a period of four weeks upon the filing of a foreclosure action. There is a second published notice at the end of the one year redemption period. It seems that when you weigh the burden on the security holder of simply writing a letter to the municipality requesting that he be notified or of merely checking the published foreclosure list against the burden placed on the municipality of running a title search on every property

which it intends to sell, the scale clearly tips in favor of the system as it stands at present. Section 1 should be deleted from the bill.

Section 2 requires the municipality to give notice to the former record owner of any tax foreclosed parcel which is being held for public purpose and which the municipality is considering selling. The law currently bends over backwards to accommodate the interests of the real property owner who refuses to pay his taxes on property which he owns. He is given notice of a foreclosure, he is given an opportunity to challenge the foreclosure in court, he is given one full year subsequent to the foreclosure to redeem the property, and after the redemption period he is given the right to repurchase the property if it is not held for a public purpose. This section would require that for property which the municipality has devoted to or reserved for a public purpose which it now wishes to abandon, the property owner be given specific notice of the municipal proceedings which are aimed at changing the public reservation. Please bear in mind that municipalities have devoted to public use much property which was acquired by tax foreclosure fifty or more years ago. To ask the municipality to search out and notify former record owners of such property which it now wishes to sell is not only placing an excessive burden upon the municipality but is also asking it to do an act which is probably useless. Considering the time and the number of occasions given the person who refuses to pay his tax, it would appear that section 2 is unnecessary. If it is felt that section 2 is absolutely essential, some limitations should be placed on it so that the municipality is not required to search out owners for property which it foreclosed on more than two or three years prior to the sale.

Section 3 would allow the former owner of tax foreclosed property to come in and repurchase such property even if it is held for a public purpose. Thus, if the municipality forecloses on property and, subsequent to the expiration of the redemption period, builds a public improvement on the property, the property would still be subject to repurchase for taxes and interest by the former record owner. Even if improvements had not been placed on the property, if the property has been reserved for a future public use, it has been placed into the capital improvements planning process and the municipality may very well be relying on its ownership of such property for future projects which would suffer a severe setback if the former owner exercises his right to come in at any time and repurchase the property. In addition,

this section would probably make it impossible for municipalities to use federal funds for the improvement of tax foreclosed property. Almost every federal program for assistance in capital improvements requires a satisfactory opinion on title. With this section on the books, all tax foreclosed property will have a sufficient cloud on it that a satisfactory title opinion cannot be given. Thus, the municipalities will no longer be able to use federal funds for the improvement of tax foreclosed properties. Section 3 of the bill should deleted.

While section 4 of the bill may express a fair and appropriate public policy relating to the disposition of the excess the municipality realizes in the sale of tax foreclosed property, the right of the former owner to this excess should not go on in perpetuity as it would under the proposed section 4. If such a right is to exist, it should be limited in time. Senate Bill 127 deals with this particular problem and would place a limit of six months upon the right of the former owner to recover the excess. If the committee feels that section 4 is necessary, we strongly recommend that a six months' limitation be placed on the time during which the former record owner may claim the excess.

Thank you for your consideration of the foregoing.

Very truly yours,

Lee Sharp

Gerald L. Sharp
City/Borough Attorney

cc: Senators Ferguson, Hackney, Huber,
Sumner and Willis
GLSmmb

RE: SSSB 37

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2525

GEORGE M. SULLIVAN,
MAYOR

OFFICE OF THE MAYOR

To: Anchorage and Fairbanks Legislators

From: Sam Coxson, Legislative Liaison

Subject: Joint Fairbanks-Anchorage Meeting, Feb. 18,1977

Enclosed is a list of elected officials which attended the meeting and the Action they took on certain legislative proposals.

City of Fairbanks

Mayor Harold Gillam
Bob Parsons
Jim Rolle
Ralph Migliaccio
Earnest Carter

Fairbanks-North Star Borough

Mayor John Carlson
Bill Stringer
Phil Younker
Andy Karella
Mike Cornelius

Anchorage Municipality

Chairman Dave Rose
Bill Besser
Ben Marsh
Arliss Sturgulewski
Dave Walsh
Don Smith

78

FAIRBANKS-ANCHORAGE MEETING

ACTION ON LEGISLATIVE PROPOSALS

Bill	SHORT TITLE	ACTION
SB 35	Tax in the Unorganized Borough	No concensus; each body would act on its own
HB 101	Deductions for Telephone Nonservice	General concensus for opposition
HB 102	Prohibition of Surcharge	General concensus for opposition
HB 87	Grants to Service Areas	No position by joint group
SSSB 37	Proceedures tax-foreclosed Prop.	No concensus; no action recommended
HB 75	Municipal Net Income Tax	No concensus; each body would act on its own
SB 50	Utilities and States Right-of-way	Unanimous support
Municipal Tort Liability		Unanimous support
HB 34	Workmen's Compensation	General Support
	Offset Provisions	General consensus for support
HB 89	State Aid--School Construction	Unanimous support
HB 70	Municipal Revenue Sharing	General support
Joint Resolution on All-Alaska Gas Line		Unanimous Support

SB

40

CITY OF VALDEZ

P.O. BOX 307
PHONE: (907) 835-4313

February 2, 1977

ZIP CODE: 99686

Senator Joseph L. Orsini
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Subject: Senate Bill No. 40 - by Kerttula

Dear Senator Orsini:

The subject bill provides basically that a municipality must keep extensive records regarding the hiring of other than Alaskan residents. This bill, if passed, will result in excessive record keeping and the filing of reports by the municipalities.

In the city of Valdez, with our present employment situation, the availability of Alaskan residents is highly uncertain. The City presently has a local requirement for local hire. The ordinance provides - "the following order of priority for all new hires:

1. residents of Valdez;
2. residents of the state of Alaska;
3. veterans (honorably discharged);
4. United States citizens."

These regulations have worked very well all during the pipeline impact period. In addition, with our "thirty day" residency provisions, the "Alaska resident" terminology of the bill is meaningless.

Under our existing provisions, anyone aggrieved by our hiring practices has the right of appeal all the way to the Superior Court of the State. It is unnecessary to require extensive record keeping as required by this bill.

I urge that you exert your best efforts to defeat Senate Bill No. 40.

Very truly yours,

Herbert W. Lehfeldt
City Manager

HWL:ss

SB 40

City of Delta Junction

Box 229

Delta Junction, Alaska 99737

The North End of the Alaska Highway

February 23, 1977

Senate Community and Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Sir;

The City of Delta Junction has studied and discussed the following Senate Bills, with these comments:

Bill #8 nothing to comment

Bill #19 yes in favor

Bill #40 yes in favor

Bill #32 no, provides only service for a few

Bill #35 that unimproved land be taxed at true appraised value

Sincerely

Estelle Schrumpf

Estelle Schrumpf

City clerk

SB

41

STATE OF ALASKA

DEPARTMENT OF REVENUE

JAY S. HAMMOND, GOVERNOR

STATE OFFICE BUILDING / POUCH SA—JUNEAU 99811

February 2, 1977

The Honorable W. E. Bradley
Chairman
Senate Commerce Committee
Alaska State Legislature
State Capitol Building
Juneau, Alaska

Re: Senate Bill No. 41 & SB 7

Dear Senator Bradley:

Senate Bill No. 41, an Act relating to the Alaska business license tax was introduced in the Senate on January 13, 1977 and was referred to the Senate Commerce, Community and Regional Affairs and Finance Committees.

For the consideration of the Senate Commerce Committee, I am enclosing copies of Fiscal Notes prepared by P. A. Wall, Director, Administrative Services Division, Department of Revenue concerning the proposed legislation.

Very truly yours,

R. D. Stevenson
Special Assistant

cc: The Honorable Joseph L. Orsini
Chairman
Senate Community & Regional Affairs
Committee
Alaska State Legislature

The Honorable John C. Sackett
Chairman
Senate Finance Committee
Alaska State Legislature

P. A. Wall, Director
Administrative Services Division
Department of Revenue
Juneau, Alaska

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 41
Title Act Relating to the Alaska Business License Act
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected Revenue
Program Category Affected General Government
Budget Request Unit(s) Affected Administration and Support

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

No additional cost is associated with this Act.

IV. DATE January 30, 1977 PREPARED BY P. A. Wall
AGENCY Revenue
PHONE 465-2313

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 10/76)

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 41

Title Act Relating to the Alaska Business License Tax

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Revenue

Program Category Affected Community Development

Budget Request Unit(s) Affected Shared Taxes

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	10,000.0	10,000.0	10,000.0	10,000.0	10,000.0	10,000.0
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND	10,000.0	10,000.0	10,000.0	10,000.0	10,000.0	10,000.0
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

If the effective date of January 1, 1978 is realized, Gross Receipts revenues will not continue after 12/31/77. The continued revenue sharing provision of this act will require an additional authorization of $5,000,000 from the General Fund for FY 78 and $10,000,000 each FY thereafter.

The tax on banks ($1,800,000 in 1975) will continue to be shared under the Act

$9,200,000 of Annual Gross Receipts income to the General Fund (income that is not shared) will be eliminated.

IV. DATE January 30, 1977 PREPARED BY P. A. Wall

AGENCY Revenue

PHONE 465-2313

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 10/76)

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 41

Title Act Relating to the Alaska Business License Act

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Revenue

Program Category Affected General Government

Budget Request Unit(s) Affected Audit

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

A cost decrease will occur when the total Gross Receipts tax impact ends. This would not occur for at least a year after the tax is abolished as final returns must be received, audited and shared. Decrease will consist of 1 position, forms and postage costs.

IV. DATE January 30, 1977 PREPARED BY P. A. Wall

AGENCY Revenue

PHONE 465-2313

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 10/76)

SB

47

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Senator Joe Orsini
Chairman

Senate Bill No. 47 — Croft
Prime Sponsor

_____ Resolution No. _____

This Bill is currently in the Senate Community and Regional Affairs Committee for consideration. Your response, as prime sponsor, to the following questions will serve to hasten Committee action on this Bill.

1. What is the need for your proposed legislation; what is the goal you are trying to accomplish?

At the present time, if a person makes improvements (painting, landscaping, fencing, etc., on their home the value goes up and they pay more taxes. This discourages some people from improving their property. The bill would impose a moratorium on such increases and encourage people to beautify their property.

2. Are there any other viable ways of accomplishing this same goal?

A system of grants or loans might be utilized, but this seems more cumbersome and probably more expensive.

3. Persons or groups you know of who are supporting the legislation.

I know of no organized support for the bill.

4. Persons or groups you know of who are opposing the legislation.

Municipalities have traditionally opposed this type of legislation but I do not know of any specific opposition to this bill.

5. Can you foresee any new problems that might be caused as a result of enactment of your bill?

If not properly implemented by the Municipality, there might be problems.

6. What is the earliest time you would like the Senate Community and Regional Affairs Committee to consider your bill?

I would appreciate the Committee considering the bill the week of February 28.

AMENDMENT

OFFERED IN THE SENATE: BY: SENATOR ORSINI

TO: _____ SENATE BILL No. 47

HOUSE BILL No. _____

PAGE: 1 LINE: _____

On line 10, delete all language beginning with the word "Municipalities" through line 16, ending with the word "structure" and insert the following:

Municipalities may by ordinance exempt from taxation all or any part of the increase in assessed value of improvements to real property if such increase in assessed value is directly attributable to alteration of the natural features of the land or new maintenance, repair or renovation of an existing structure and ~~if the alteration~~, maintenance, repair or renovation, when completed, enhances the exterior appearance or aesthetic quality of the land or structure

Line 21, delete "continues for" and insert "may continue for up to"

P. O. Box 223
Douglas, Alaska 99824

February 10, 1977

The Honorable Joseph Orsini, Chmn.
Senate Community & Regional Affairs Committee
Alaska State Legislature
Juneau, Alaska 99811

Re: SB No. 47

Dear Senator Orsini:

I am writing you as a citizen of Douglas for the past 25 years, a property owner and as a member of the Project Pride Committee of the Juneau Borough.

For years, I have felt that the home-owner who takes pride in keeping his property in good repair and making exterior improvements that would enhance the appearance of the property is penalized by having to pay a greater tax assessment than the slob down the street who has a comparable piece of property but does nothing in the way of maintenance or beautification, and the home is usually surrounded by junk cars, abandoned trailers, etc.

Maybe I am wrong, but I have felt that perhaps the fear of having to pay increased taxes was the primary reason for the slob's life-style. With this bill and given wide publicity once it becomes law, I would hope all of Alaska will embark on a giant-size cleanup campaign with empassis on paint-up, fix-up.

My membership on the Project Pride Committee has been mainly directed toward pursuing the possibilities of a tax credit or rebate when the property owner makes exterior improvements, but without this type of enabling legislation, my efforts have been in vain.

With the passage of this bill, not only will the property owner benefit, but the neighborhood, the community, city and state as well. I urge your support of the bill---it has been long over due.

Sincerely yours,

Julie H. Isaac

PS Please advise me when this will be taken up by your committee. My phone is 364-2431. Thank you.

Haines Borough

P.O. Box [redacted]H
Haines, Alaska 99827

February 16, 1977

Senator Joe Orsini
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

The Haines Borough Assembly wishes to thank you for your letters and copies of proposed bills which may have an effect on our municipality.

Please accept this letter in support of Senate Bill No. 47 - "An Act allowing municipal property tax exemptions for certain improvements to real property." This bill was discussed at great length and the Assembly feels that if passed, this would be of a great advantage to the taxpayers in our area. We are constantly receiving comments concerning the increase of taxes due to improvements on their homes. Many of the residents of Haines feel that they should be given "a break" for trying to keep their homes nice looking which, when completed, would enhance the exterior appearance or quality of the land or structure.

Also, for your information, I am sending to you a copy of the minutes for a meeting held concerning the recent attorney general's opinion concerning third class borough powers and a copy of the newpaper article that was published by our local paper, the Chilkat Valley News. We would be interested in any comments you may have concerning our problem here in Haines.

Thank you for your time and concern.

Sincerely,

Kathy Dixon

Kathy A. Dixon
Secretary

Enclosures

Chilkat Valley News

Published weekly—generally | An Independent Newspaper | Price 25¢

Volume XII, No. 2 (349) | Haines, Alaska 99827 | Friday, February 11, 1977

Borough powers: for education only?

by Bill Hartmann

A large public turnout packed the main school band room last Tuesday night during a special Borough meeting called to discuss what should be done concerning the new State attorney general's opinion concerning third class borough powers.

What the attorney general's opinion said was that the powers of a third class borough are limited to ONLY education. No service districts, or no powers of planning, zoning or platting may be exercised. This was in direct contradiction to an earlier attorney general's opinion, and went against what many in the Haines Borough understood as being the powers of the third class borough, of which Haines is the only one in the State.

At the invitation of the Borough Assembly, Jesse Dodson, special assistant to the governor, and Bruce Arenson of the Department of Community and Regional Affairs were in Haines to discuss the matter and what action Haines Borough officials should take.

The major problems that the attorney general's opinion poses for the Haines Borough is the withholding of some revenue sharing funds and the forbidding of any possibility of the Borough establishing fire service districts outside the City limits.

It was Mrs. Dodson's opinion that if the area needed more powers, it would have to form another form of government. This advice sparked a heated round of questions asking if, in effect, the State was trying to force Haines to form a second class borough. Although this was emphatically denied by the State officials, it was presented as one alternate solution to the present conflict.

It was pointed out by Mayor Gail Wallace that the City is acting illegally by extending fire services outside the City, and that this problem could have disastrous effects at any time. Fire Chief Frank Wallace stated that the department had a test run to enable people outside the City to obtain better insurance rates, but they are now told that these people must be within a service area to qualify.

Some people felt the best answer was to opt for forming a second class borough, the only additional mandatory powers being those of planning, platting and zoning. This would also permit the borough to form any necessary service areas without problem. Only those residents in the area would be taxed for the added service. The major objection to the second class borough expressed by public comment was not wanting planning or zoning outside the City. However, it was pointed out that the State could come in and plan and zone the borough if it wanted to, because any powers not granted to a borough automatically rest with the State. The State would then plan and zone the area and the area would pay for it eventually in some form.

Several more alternatives were discussed. One was to ask the legislature to pass a bill clarifying the powers of the third class borough. Another was to ask the legislature to initiate a class-action suit to determine: a) if the third class borough is legal, and, b) if the attorney general's opinion on borough powers is correct. Still further, the local borough could exercise the questioned powers and take the State to court if challenged.

Although no definitive action was taken at the meeting, the borough assembly will investigate questions raised at the meeting and then call another public meeting later. The Tuesday night meeting was ably chaired by Borough Mayor David Black, who along with other members of the Assembly and City made up the panel. The others, in addition to Dodson and Aronson were Mayor Gail Wallace, City Administrator Dan Beckhorst, Councilmen Harold Hannon and Jon Hallivill, and Borough Assembly members Pat Jones, Erwin Hertz and Paul Swift.

City to select municipal building site

Haines High School attendance rules: tardiness a bummer

Because of an increase of skipping and unexcused tardiness to classes, the Haines High School is revising its attendance regulations. The following administrative regulations are beginning immediately:

Students are expected to be present and punctual to all classes throughout the year. Unexcused absences will result in an "F" grade for the days or periods missed. Both excused and unexcused absences or tardiness may result in lower grades if homework assignments are not made up promptly. A student's absence is to be explained by a note signed by one of his or her parents or guardians and presented to the pricipal's office when he or she returns.

The high school will operate under a policy of closed campus. Students are to remain in school from the time they arrive until they are dismissed to return with the exception of the lunch hour.

If a student must leave the school, he or she must obtain an "off campus pass" from the office. If the student needs to leave school during a class period, he or she must obtain an off campus pass before class begins and present the pass to the classroom teacher before he or she is permitted to leave. The pass must be signed by the person at the student's destination, and when the student returns, he or she must bring the signed pass to the office to obtain an admit slip to class.

Leaving the school grounds during the day without permission will be considered a truancy or skipping offense. Skipping will be handled in a number of ways:

1. Detention
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Detention may be given for the first offense; succeeding violations will be handled accordingly.

If for any reason a student is tardy, he or she must obtain a slip from the office before he or she is permitted into class. All unexcused tardy slips will carry a penalty of a half-hour detention. If a student is detained by a teacher, he or she must have a note from that teacher giving the date,

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Some people felt the best answer was to opt for forming a second class borough, the only additional mandatory powers being those of planning, platting and zoning. This would also permit the borough to form any necessary service areas without problem. Only those residents in the area would be taxed for the added service. The major objection to the second class borough expressed by public comment was not wanting planning or zoning outside the City. However, it was pointed out that the State could come in and plan and zone the borough if it wanted to, because any powers not granted to a borough automatically rest with the State. The State would then plan and zone the area and the area would pay for it eventually in some form.

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City to select municipal building site

A brief meeting to choose the site for a

Seairdrom's Property: the west approxi-

Road onto Mud Bay Road or the Haines

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If for any reason a student is tardy, he or she must obtain a slip from the office before he or she is permitted into class. All unexcused tardy slips will carry a penalty of a half-hour detention. If a student is detained by a teacher, he or she must have a note from that teacher giving the date, period and reason. This slip will entitle the

HAINES BOROUGH ASSEMBLY
February 8, 1977

Special Meeting No. 146: The meeting was called to order by Mayor David Black at 7:15 p.m. in the Activities Room of the Main School Building.

Roll Call: Present: David Black, Pat Jones, Paul Swift, Erwin Herts. Absent: Gary Saupe' (Excused). A list of visitors of this meeting are attached.

Purpose of this Meeting: This meeting was called to discuss with the Borough Assembly and a representative of the Dept. of Community and Regional Affairs and Governor Hammond's special assistant, Jessie Dodson, the new attorney general's opinion concerning third class borough powers.

David Black asked that the minutes show that Mayor Gail Wallace, Councilmen Harold Hannon and Jon Halliwill and City Administrator Dan Beckhorst were present.

David Black introduced Bruce Aronson of the Department of Community and Regional Affairs and Jessie Dodson, Special Assistant to the Governor.

David Black requested that comments be limited to about 5 minutes per person if possible.

It was stated that the new attorney general's opinion is to limit 3rd class borough powers to only education. No service districts, or no powers of planning, platting, and zoning may be exercised.

Mrs. Dodson stated that this opinion meant 3rd class boroughs powers must be confined to assessing and taxation and education only. She stated that if we feel that we need more powers, we will have to form another form of government.

Bruce Aronson stated that the Department of Community and Regional Affairs must stand by the new attorney general's opinion.

Mrs. Dodson stated that the Fairbanks North Star Borough is considering going into a third class borough and they feel this conflict of opinions should be a court decision.

Carl Heimiller asked what would happen if we went back to a Regional Educational District from our third class borough.

Bruce Aronson said that the City would not be responsible for the students outside of the City of Haines, but that they would be the responsibility of a Regional Educational Attendance area which is based in Angoon. He stated that elected representatives from outside the City of Haines would meet in Angoon. Mr. Aronson also said that since we have no powers of planning, platting, and zoning that the State can come in and do this outside the City of Haines. In other words, we are an unorganized borough as far as planning, platting, and zoning is concerned.

Dorothy Fossman read the powers of a third class borough from AS 29.41.010. She stated that in her opinion, the attorney general's opinion of 1/6/77 was stupid as we have areawide powers for education and that his opinion conflicts with Article 10 of the State Constitution and the State Statutes. She also stated that we can create special new services and that this should be proved in court as his opinion is in conflict, also, with what the legislature put through originally.

Bruce Aronson stated, that in his opinion, the Governor will not come in and stop new service areas, but someone here who is not willing to pay the tax levied for this service, may not hesitate to do something to try and stop us. He read AS 29.63.010 - Service Areas. He also stated that we are not defined as a "borough" under Title 29, but are a municipality.

Jessie Dodson stated that she thinks there was an opinion by the Attorney for the Legislative Affairs which stated that he thinks there are three completely equal interpretations of this opinion.

1. Just as Dorothy Fossman has pointed out.
2. Just as the new attorney general's opinion states.
3. That this was put in soley for the purpose of extending more third class borough powers by legislation.

Jessie Dodson also mentioned that until this opinion is challenged, the new attorney general's opinion will probably not change.

Bruce Aronson said that ALL state agencies will be guided by this new opinion of the attorney general.

Diane Benson said that she is satisfied with the way we are now and does not think we need a change of government.

Gail Wallace stated that the City is illegal by extending fire services outside the City.

Frank Wallace stated that they had an ISO Test done so that people outside the City could have better insurance rates, but they are now told that these people have to be within a service area to qualify.

Betty Heimiller suggested that for the benefit of some people here who are fairly new to the area that the different powers of the classes of boroughs should be explained.

Bruce Aronson showed what mandatory powers each class of borough has.

1st Class Borough	2nd Class Borough	3rd Class Borough
1. EDUCATION	1. EDUCATION	1. EDUCATION
2. PLANNING, PLATTING & ZONING.	2. PLANNING, PLAT-TING & ZONING.	2. TAXATION
3. TAXATION.	3. TAXATION.	

Carl Heinmiller stated that if the State comes in and zones, we will pay for it anyway.

Bruce Aronson stated that this is probably true as the State will most likely levy a tax for this.

Dorothy Fossman said she wants to know why we go through all the organization if the State legislature can be our Assembly. She said that she doesn't think that the State can come in and plan, plat, and zone our area.

Ray Smith said that we need to know what powers we really have. He said that in his opinion, we have the same powers as in the beginning, only a different opinion: there has never been amendment concerning this power. Ray stated that in his opinion, if the Board refuses to give the people of the area the power to vote in a fire district, they are in conflict with the State Statutes and their own Borough Code.

David Black said that this Board has never yet willingly, or knowingly not responded to public opinion. He stated that this is why this meeting has been called: to hear what the people want.

Dorothy Fossman said she wanted to know why we ever asked the State about setting up this fire district.

David Black said that we did not, that this was only coincidental.

Bruce Aronson said he would like to explain how this came up. He said that the Fairbanks North Star Borough was considering a petition to re-classify to a third class borough. They asked the State through the Department of Community and Regional Affairs if the 1966 attorney general's opinion was still valid. They received an answer that this opinion was overruled and that a third class borough can only provide education and taxes to support education. They then sent a copy of this opinion to us. He said that he then came up to our last Borough meeting to explain what that opinion really meant and a representative of his office was again requested to attend this public meeting.

Edna Hatch stated that it appears that most people involved in the proposed fire district area do want this set up.

Jack Morris stated that he doesn't want to see anymore government at this time. He said he doesn't see why we need service areas outside the City when we can contract with the municipality for fire protection.

Bruce Aronson said that this can be done and that Ketchikan has a self-sponsored fire department and only those supporting the department will be covered by this fire protection.

[illegible]

Carl Heinmiller said that he thinks we should find out if our third class borough is really legal, and if we really have a choice.

Jessie Dodson said that we do have a choice of organizing to another form of government or to become a part of the REAA.

Bruce Aronson stated that any 1st class city or borough can adopt a home rule charter, or cities and boroughs can unify.

Dorothy Fossman stated that we should go ahead and set up our service area and not ask the State.

Carl Heinmiller said that the Borough Assembly cannot set up the service area: the people do.

David Olerud suggested that the people outside the City set up their area and contract with the City fire department. He stated that as far as the taxpayer within the City is concerned, he would not at the present time, under the present interpretation of the law allow one truck to go out unless its covered to the maximum ability of the law, because in this day and age, the proper thing is to sue, and that is just what could happen.

Di Aukerman stated that he is building a house outside city limits which by insurance companies is classified as Code 10, outside city limits. He received an estimate of $1,000 to $1,500/year to insure his home, because of this, and where a person living within the city limits will pay about $240.00. He stated with a set up where a fire truck could go outside city limits then insurance rates would be more comparable with the city rates.

Valerie Truce said she doesn't understand why people don't want to change to a second class borough.

The public indicated that they do not want planning, platting, and zoning outside the city.

Robert Henderson stated that we should stay a third class borough, but have our legislature pass a bill clarifying these powers concerning service areas.

Dorothy Fossman made the motion we get up a petition to ask the legislature to clarify their intent on service areas.

Under the present revenue sharing program, Bruce Aronson stated that since they are bound by the new att rney generals opinion, if we set up a service area for fire protection, they would not be able to send us the $7.50 per capita for fire protection in that service area.

Buck Hess stated that probably 1/2 of the people here do not even know what a borough is and that this should be explained.

Carl Heinmiller stated that in a second class borough the only thing that is mandatory is that we establish planning, platting, and zoning, but it does not say that the borough MUST go out and zone and plan. We are just like the State.

Betty Heinmiller stated that people should be more open minded about this

and if our third class borough powers are so limited, maybe we should look into seeing what a second class borough could offer.

Carl Heinmiller asked Bruce if a third class borough will receive shared revenue per capita in our present status?

Bruce A. stated that he did not think we would. He read and explained area wide powers AS 29.33.250, non-area powers, and service areas AS 29.03.000.

Mary Manuell wanted to know why we are referred to as a municipality and not a borough and why the State can plan, plat and zone us?

Again, Bruce A. stated that since we donot have the powers of planning, platting, and zoning, the power rests in the hands of the state.

David Olerud stated that we must do something, as with the high taxes in this area, and the poor economy, we have nothing right now.

The meeting was recessed at 8:45 p.m.

The meeting reconvened at 9:05 p.m.

David Black stated that we need a government that we can control, not the State of Federal Governments. If we let them run our government, we are going to get just what's coming -- next to nothing. He stated that somehow we have to unify and work together.

Sue Bull asked what would be the chance if we did go into a second class borough.

Bruce Aronson stated that we would be the same, except we would have to support planning, platting, and zoning.

David Black said that it should be clear that these powers cannot be shoved down our throats. Unless we vote in an ordinance as the people. The planning and zoning is still left up to the people.

Carl Heinmiller said that he thinks the State will be forced to do planning and zoning because of the Division of Lands. He said that in the end, we will have to pay for this.

Pat Jones asked Gail Wallace if she had any idea of the impact these revenue sharing funds would have.

Gail Wallace stated that we will probably lose about $3,000 with this new opinion, and that the Borough could lose up to probably about $10,000.

Jessie Dodson stated that if the State did come and zone this area, we would lose some of our local control.

Pat Jones stated that she too would like to see us contact our legislators and have them come up with a bill clarifying their intent concerning these service areas.

Paul Swift said we should investigate to see how much planning, platting, and zoning would cost the Borough.

Dan Bockhorst stated that the City Planning Commission is all volunteer and that they are now drawing up a Comprehensive Plan.

David Black stated that he can see three alternatives:

1. Ask the Attorney General to make a determination as to whether a third class borough is legal.

2. Go to court.

3. Challenge the Attorney General's opinion.

Pat Jones stated that we may also lose $26,000 of Local Service Roads and Trails monies and $40,000 which was to go to hiring high school students through a Youth Conservation Camp with the Haines students only.

Sue Butz said she wanted to know why the State dislikes our third class borough.

Jessie Dodson said that they don't really care what class of borough we are.

David Black stated that the Assembly would like some time to investigate and look into these questions that have been brought up, and if necessary someone will go to Juneau and get answers. He stated that as soon as we know something we will then call another meeting to inform the public.

The meeting was adjourned at 10:10 p.m.

[illegible]
Deputy Borough Clerk

Attest:

Paul M Swift
Borough Clerk

THE CITY AND BOROUGH OF JUNEAU
CAPITAL OF ALASKA
155 SOUTH SEWARD ST. JUNEAU, ALASKA 99801

DATE: March 16, 1977

FILE NO. Legislature-1977

SUBJECT: Senate Bill 47

The Honorable Joseph L. Orsini
Chairman
Senate Community and Regional
Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

The City and Borough of Juneau supports the concept expressed in Senate Bill 47 but suggests that certain changes might make the bill more workable.

As we understand it, the intent of the bill is to allow the municipality to exempt from taxation that portion of an increase in assessed valuation which can be attributed to new maintenance, repair or renovation of an existing structure where such work enhances the exterior appearance. The first sentence of the exemption reads, however, that the exemption goes to "the assessed value of improvements to real property." As the "improvements to real property" include the entire existing structure, it appears that the bill would authorize the municipality to exempt the entire assessed value of the structure if recent maintenance, repair or renovation has caused the assessed value to increase. If it is the intent of the Legislature to exempt only the increase, and not the value of the entire structure, I would suggest that the first sentence be changed to read as follows:

> (F) Municipalities may by ordinance exempt from taxation all or any part of the increase in assessed value of improvements to real property if such increase in assessed value is directly attributable to alteration of the natural features of the land or new maintenance, repair or renovation of an existing structure and if the alteration, maintenance, repair or renovation, when completed, enhances the exterior appearance or esthetic quality of the land or structure.

The approach taken in the above suggested language involves three changes from the original. First, it would authorize the municipality to allow an exemption of part of the increase attributable to new maintenance, etc. rather than requiring that the municipality allow a full exemption or no exemption. The amount of the partial exemption would have to be set forth in the ordinance. The second change makes clear the fact that the exemption could not exceed the amount of the increase in assessed valuation which is directly attributable to the new maintenance, etc. The third change involves the implication in the existing language that an exemption may be given prior to the actual accomplishment of the alteration or maintenance. The proposed language indicates that an enhancement must have occurred before the exemption can be given.

The exceptions to the exemption which appear in the second sentence of the section are well thought out and should be retained.

We would suggest that municipalities be given a little more flexibility than is currently provided in the last sentence of the proposed section. As presently written, the section would require the municipality to give the exemption for a period of four years. We would suggest that rather than this all or nothing approach the municipalities be authorized to grant the exemptions for a period not exceeding four years. Also, requiring that the period run from the date the improvement is completed or the date of approval of an application, whichever is later, creates the problem whereby a property owner may come in three or four years after the improvement has been completed to make application. At this point it may be extremely difficult to determine the increase caused by the improvement. I would suggest that this part be deleted so that the municipalities may deal with that problem in the ordinance which authorizes the exemptions. Therefore, I suggest that the last sentence of the bill be changed to read as follows:

> An exemption provided under this subsection may continue for a period not to exceed four years from the day the improvement is completed.

If you have any questions, I would be happy to discuss them with you. I can be reached at 586-3300.

Very truly yours,

Gerald L. Sharp
City/Borough Attorney

cc: Senators Croft, Rodey, Willis,
Ferguson, Hackney, Sumner
Don Berry, Executive Director,
Alaska Municipal League

SB

50

3/15/77

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU, ALASKA 99801

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PMS SEN JOE ORSINI

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JUN

ON BEHALF OF THE UTILITY CONSUMERS OF ALASKA

PLEASE SUPPORT PASSAGE OF SB50.

R M CLEMENTS GENERAL MANAGER

MATANUSKA TELEPHONE ASSOC

BOX 1338 PALMER AK 99645

SB 50
SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

February 15, 1977

Present: Chairman Orsini, Senators Willis, Ferguson, Hackney, and Sumner; Charles Thompson, Dept. of Highways; Bill Corbus, Alaska Utilities Association; and Ted Burns, Municipality of Anchorage

The hearing was begun at 3:00 with the testimony from Charles Thompson, Chief Utilities Engineer of the Department of Highways. Ketchikan Public Utilities had sent a letter stating their feelings about SB 50, and Mr. Thompson explained and clarified the terms of the letter.

Bill Corbus from the Alaska Utilities Association then stated that they were endorsing SB 50. He testified that by having the State reimburse the utilities for relocation, their rates to the consumer are stable.

Senator Sumner asked if the $100 penalty was necessary, that he did believe the general public should not have to pay this fine. He pointed out that there had been no testimony or support from anyone on this point.

Mr. Corbus stated that they had never, to his knowledge, had any problems with unauthorized encroachment.

Ted Burns, the Assistant Anchorage Municipal Attorney, stated that they were favor of SB 50. He said that utility rates were ever-increasing and the cost imposed by relocating lines were contributing to the high cost of usage. He explained the difference between underground and overhead lines in relation to relocation costs.

Chairman Orsini asked Mr. Thompson about the definition of an functionally equal facility, and Mr. Thompson explained that the State would provide the funds for a new relocated facility with the same capabilities as the old one. The utility then would assume the costs for any extra capability or improvements.

Chairman Orsini asked if there were any motions to amend SB 50, and Senator Sumner suggested that page 2, line 18-20 be deleted, beginning after the word chapter, and ending after the word exist. This motion was passed unanimously, and Senator Ferguson then moved to pass the Bill as amended and all the members voted "Do Pass" on SB 50.

The hearing was adjourned at 3:55 p.m.

TO: Senator Orsini DATE: Feb. 14, 1977

FROM: Paul Conger RE: SB50

I talked to Richard Svobodny, Attorney, Department of Law, Highway Section, and he said the background to SB50 is as follows:

The Feds, in 1958, passed the Highway Act of 1958, which in essence stated "whenever a State shall pay for the cost of relocation of utility facilities necessitated by the construc-- tion of a project on the Federal-aid primary or secondary systems or on the Interstate System, including extensions thereof within urban areas, Federal funds may be used to reimburse the State for such cost in the same proportion as Federal funds are expended on the project; Provided, that Federal funds shall not be apportioned to the states under this section when the payment to the utility violates the law of the State or violates a legal contract between the utility and the State."

Prior to this, utilities were incurring a significant burden because they were paying the costs of relocating the utility whenever highway changes took place. The 1958 Highways Act attempted to relieve this burden.

Naturally, once the Fed Act was enacted it was befitting to the States to enact legislation that would be compatible with the Highway Act. Emanating from this, we have AS 19.25.020 which is under scrutiny at this time.

Our lawmakers, in devising this statute, established July 1, 1960 as the determining date to act as a guideline in establishing criteria as to who would receive reimbursement and who would not. Then using this date, they imposed additional criteria ~~which is affixed~~ as attachment #1, p.2., delineated in R. C. Preston's memo, dated 11/28/75,

"The question of determining who must bear the costs of utility relocation can arise from a number of factual situation. In certain instances, however, the answer is clear and an initial and often determinative question which aids in the answer is which was there first? If a utility facility is validly in place prior to the establishment of a right-of-way and construction of a highway, there is no question that the State must pay for the adjustment or relocation of the utility facilities. On the other hand, if a right-of-way exists first, and, after July 1, 1960 a utility desires to locate facilities within the right-of-way, the State will not be responsible for that utility's relocation costs if such is later necessitated by highway modification or construc- tion." (Unless the two parties enter into an agreement which stipulates different terms).

However, this seems to be where the simplified approach ceases, and many problems arise regarding reimbursement, which have been a consistent "thorn in the side" for the State. They hope a panacea to the problem will be SB50.

Specifically, the statute has presented problems for those utilities who were located in State rights-of-way at the time the law went into effect and had to relocate their utility to adjust to highway construction. This initial relocation isn't the problem, it's if the facility (one located in the states right-of-way prior to 1960) has to relocate a 2nd time to accomodate to modifications made in the highway, that has presented the problem. Should the utility be reimbursed for the 2nd relocation?

The Department of Law in its memo, affixed hereto as attachment 2, page 6, dated 10/27/76, is of the opinion that the utility should be entitled to reimbursement.

The underlying problem regarding reimbursement is not being generated by the State, but by the Feds. The Feds are contending that State law is not clear on this point, therefore they are reluctant to provide any funds because they will not be in harmony with State law as the Federal law requires. So what the State is doing by introducing this Bill is making it lucid in the statute that the State will reimburse the utility in no uncertain terms, for a "cost of change, relocation, or removal necessitated by highway construction." (see Sec. 19.25.020(c) of SB50.) Therefore, the enactment of this law will prohibit any dispute by the Feds and they will have to reimburse the State because our statute will now specify that we will reimburse the utility if requested to relocate by the Department of Highways.

In the rest of the bill, the State is simply making the definition of utility more refined.

Special note should be given the new language in the first section of the bill, (AS 19.05.130(4)) "the State will not pay for any improvements above the costs of a functionally equal facility". I think this term can be wide-open for interpretation, and I have been unable to attain from anyone why they want to amend the present language in the statute.

PC/js

MEMORANDUM State of Alaska

TO: The Honorable Walter B. Parker
Commissioner
Department of Highways

DATE: November 26, 1975

FILE NO:

TELEPHONE NO:

SUBJECT: Whether the State is Obligated to reimburse Utilities for second Relocations under AS 19.25.020

FROM: Avrum M. Gross
Attorney General
Department of Law

By
Ray C. Preston
Assistant Attorney General

This memorandum attempts to dispose of a recurring question of law involving highway construction and the relocation of utility facilities located within State rights-of-way. The question involves the application and interpretation of AS 19.25.020 in situations where a utility has first been required to adjust or relocate its facilities due to highway construction, relocates its facilities still within the right-of-way, and then at a later date, is again required to shift its facilities due to highway construction. The question is whether the State is obligated by the statute to pay the utility's costs in having to relocate its facilities the second time around. AS 19.25.020 provides:

> Relocation of utilities incident to federal-aid highway projects.
> (a) If, incident to the construction of a highway project on a federal-aid primary or secondary system, or the interstate system including its extensions in an urban area, the department determines and orders that a utility facility located in, over, along, or under a road right-of-way must be changed, relocated, or removed, the utility owning or in charge of the facility shall change, relocate, or remove it as soon as possible in accordance with the order.
> (b) The cost of change, relocation, or removal is a part of the cost of the highway construction to be paid from highway funds and the department shall, on behalf of the state, pay the costs of the change, relocation, or removal unless the utility facility was constructed and installed under a valid agreement entered into by the state and the utility after July 1, 1960, which requires the utility to change, relocate, or remove its facilities on demand at its own expense. A utility which locates its facilities on a state owned right-or-way after July 1, 1960, without a permit from the department shall not be reimbursed for the cost of the change, relocation, or removal of its facility.

The question of determining who must bear the costs of utility relocations under the statute can arise from a number of factual situations. In certain instances, however, the answer is clear and an initial and often determinative question which aids in the answer is which was there first? If a utility facility is validly in place prior to the establishment of a right-of-way and construction of a highway, there is no question that the State must pay for the adjustment or relocation of the utility facilities. On the other hand, if a right-of-way exists first, and, after July 1, 1980 a utility desires to locate facilities within the right-of-way, the State will not be responsible for that utility's relocation costs if such is later necessitated by highway modification or construction. This latter result, however, is dictated more by the terms of the standard utility permit issued to the utility than by the language of the statute. The terms of the permit are contemplated by the statute. The situations which have not been so clear, however, are those which involve the first set of facts at the outset, and where the utility has been allowed to relocate its facilities within the newly established right-of-way. In such a situation, is the State legally obligated for the costs of relocating the utility facilities when highway construction necessitates their relocation a second time. In our opinion, the answer to that question is yes. This result and resolution of the question is based upon an analysis which focuses upon and considers the language of the statute, its purposes, the legislative history of the statute, the legislative history of the federal statute which apparently precipitated the Alaska statute, consideration of the realities involved in situations when highways and utilities must meet and run together (which merges back into the purposes of the statute) and other factors which are tangental to the main question, including certain existing regulations in the Alaska Administrative Code and past practices of the Department of Highways in dealing with such cases. The language of the statute is considered first. AS 19.25.020(b) provides in part:

> The cost of change, relocation, or removal is a part of the cost of the highway construction. . . and the department shall. . . pay the costs. . . unless the utility was constructed and installed under a valid agreement entered into by the state and the utility after July 1, 1980, which requires the utility to change, relocate, or remove its facilities on demand at its own expense. . . . (emphasis added)

The mandate thus is clear that except for the proviso which begins with the word "unless . . . the State is obligated to bear the costs of relocation." The proviso, however, is not so clear. It can mean only those facilities which come into being in the first instance after the right-of-way is established. It can also be interpreted as mandating that if a utility is initially relocated and is relocated within the right-of-way,

that the first relocation only is subject to reimbursement; that the utility must at the time of initial relocation enter into an agreement by which it must bear its own costs thereafter, even if a subsequent relocation is necessitated solely by highway construction. Since the language is somewhat ambiguous, resort must shift to the underlying purposes and intent of the statute. See generally Sands, Sutherland Statutory Interpretation vol. 2A §45.09 et seq. (4th edit., 1973). Such a shift and analysis however requires a look first of all at the congressional action which apparently precipitated AS 19.25.020. In 1958, Congress, in passing the Highway Act of 1958 (P.L. 84-627) included the following in sec. 111 of the Act:

> -- Subject to the conditions contained in this section, whenever a State shall pay for the cost of relocation of utility facilities necessitated by the construction of a project on the Federal-aid primary or secondary systems or on the Interstate System, including extensions thereof within urban areas, Federal funds may be used to reimburse the State for such cost in the same proportion as Federal funds are expended on the project: Provided, that Federal funds shall not be apportioned to the states under this section when the payment to the utility violates the law of the State or violates a legal contract between the utility and the State.

This new addition to the federal-aid highway scheme of things was explained somewhat by the conference report of the House and Senate conferees. 1/ that part of the conference report is set out in full:

> SECTION 111. RELOCATION OF UTILITY FACILITIES
>
> The House bill (sec. 113 and the Senate amendment (sec. 111) contained similar provisions which would have permitted Federal funds to be used to reimburse a State for utility relocation costs which the State had paid for under its own laws or practices. Both the House and Senate provisions would have denied apportionment of Federal funds for this purpose to any State when the payment to the utility violated the law of the State or a legal contract between the utility and the

1/ Conference Report No. 2438, 1958 U.S. Code Congressional and Administrative News p. 2889, 2899.

> State. The Senate amendment differed from the House bill, however, in that it provided that no more than 2 percent of any sum apportioned to any State for any fiscal year might be expended under the section. The House bill contained no such limitation.
>
> This 2-percent limitation would have resulted in administrative difficulties. It could have caused inequities particularly to small utilities and municipalities and in some instances resulted in failure to fully reimburse States which would otherwise have been reimbursed under the policy which the Bureau of Public Roads has followed of reimbursing States that pay relocation costs. Section 113 of the bill as passed by the House and recommended and accepted by the conferees recognizes the equity of reimbursing utilities for the cost of relocating facilities when required for Federal-aid highway projects. Further, this section makes it clear that it is the intention of the Federal Government to assume its proportionate share of utility relocation costs whenever a State allows such costs.
>
> Under the existing practice of the Bureau of Public Roads, Federal funds may participate in utility relocation costs to the same extent as other construction costs without any percentage limitation based on the State's apportionment.
>
> In adopting the House language, the conference agreement intends that the section will be applicable to the amount paid by the State.

Two years later, in 1958 the new provision was amended by adding a new provisio, viz. Section 11, P.L. 85-381; 72 Stat. 89. While this new addition didn't add much to the 1956 Act, a serious effort was made in the Senate to contract from what the 1956 Act had established. The Senate committee which had considered the bill reported it to the floor with amendments which would have, inter alia, placed a ceiling on how much federal reimbursement a state would receive if it did pay the costs of utility relocation. In an emphatic (and apparently successful) attack on this proposed contraction, Senators Edward Martin, W. Kerr Scott, Robert S. Kerr and Roman L. Hruska prepared a dissent to the proposed amendment which is set out in full as an appendix to this opinion. 2/

2/ Their dissent appears at p. 2398 of U.S. Code Congressional and Administrative News for 1958

Their dissent is interesting for present purposes because it develops in much more detail the background and reasons for the 1956 enactment. Again, their dissenting efforts were ultimately successful, for the 1956 language was basically retained and has been retained in the same basic form ever since. The language is presently codified at 23 U.S.C. §123. 3/

Following this activity of Congress, the several states promptly began passing statutes which required utilities to be reimbursed for their relocation costs (at least when their relocation was necessitated by Federal-aid highway construction). Then, almost as soon as that happened, litigation developed challenging the new laws, usually on the grounds that they constituted an appropriation of public funds for a non-public purpose. See e.g. State Highway Department v. Delaware Power & Light Co., 167 A.2d 27 (Del., 1961).

3/ 23 U.S.C. §123 provides:

§123. RELOCATION OF UTILITY FACILITIES

(a) When a State shall pay for the cost of relocation of utility facilities necessitated by the construction of a project on the Federal-aid primary or secondary systems or on the Interstate System, including extensions thereof within urban areas, Federal funds may be used to reimburse the State for such cost in the same proportion as Federal funds are expended on the project. Federal funds shall not be used to reimburse the State under this section when the payment to the utility violates the law of the State or violates a legal contract between the utility and the State. Such reimbursement shall be made only after evidence satisfactory to the Secretary shall have been presented to him substantiating the fact that the State has paid such cost from its own funds with respect to Federal-aid highway projects for which Federal funds are obligated subsequent to April 16, 1958, for work, including relocation of utility facilities.

(b) The term "utility," for the purposes of this section, shall include publicly, privately, and cooperatively owned utilities.

(c) The term "cost of relocation," for the purposes of this section shall include the entire amount paid by such utility properly attributable to such relocation after deducting therefrom any increase in the value of the new facility and any salvage value derived from the old facility.
(Aug. 27, 1958, P.L. 85-767, §1, 72 Stat. 900.)

And, a number of states did strike down the new law. See e.g. Washington State Highway Commission v. Pacific N.W. Bell Tel. Co., 367 P2d 605 (Wash., 1961). The constitutionality of the Alaska version being considered here has never been challenged.

This review of the history and background of the Alaska statute as a product of Congressional action is particularly helpful for present purposes as there is a total lack of meaningful legislative history relating to the enactment of AS 19.25.020 (ch. 57 SLA 1961) by the Alaska legislature. The journals of both the House and Senate contain only references to the recommendations of committees having considered the bill (HB 172) and lack any formal report which could be used as a guide for answering the present question of statutory interpretation. Further, there are no other formal minutes or records available of committee action. HB 172 did not pass as introduced, but the differences of its amended version, House Committee Substitute for HB 172 (HCS 172) do not appear relevant to the present question. The primary change made was deletion of language which would have expressly endorsed relocation payments in cases in which the State had made agreements with utilities to reimburse for relocation expenses if legislation was passed which required such payments. In other words, agreements which would have given retroactive effect to the legislation.

Having completed the review of the general historical background, the question of what general purposes were involved and objects sought to be accomplished in enacting §20 can be addressed. First, it appears that in expanding the list of items which were reimbursable to the States, Congress recognized the basic inequity if the cost of utility relocation continued to be borne by the utilities themselves during this period of accelerated highway construction. Such a situation would mean in effect that the subscribers to a utility would be subsidizing highway construction. See the 1958 conference report (quoted above) at p. 2000. More enlightening however is the dissenting view expressed by Senator Martin et al. in 1958 (see appendix). Beginning with the 1956 Act, and continued in 1958 and subsequent years, the greatly accelerated pace of highway construction (especially federal-aid highway construction) entailed a commensurate amount of increased costs to utilities which, prior to the 1956 Act had had to pay the costs of utility relocation whenever highway changes took place. Generally speaking, a utility with facilities located within a right-of-way has historically, not ranked the highest in the hierarchy of legal rights, at least where highway authorities are concerned. See 4 Nichols on Eminent Domain, §15.22 (3d edit., 1975). Since utility lines generally follow highway lines, and the highway usually came into being first, utilities took their places at the pleasure of the highway authority. They were issued "permits" or granted "franchises" by which they were allowed to place facilities within the right-of-way but if the highway authority decided to modify the highway in a way which entailed relocation, then the utility almost invariably had to bear the costs, even though it would not be necessary except for the highway modification. From the strictly legal point of view this was only a natural result. If one person has a superior right and title to real property, and cannot be forced to yield any part of it, a decision to allow a specialized use over the property

by someone else will only be granted subject to the fee owner's own rights and options -- retaining the right e.g. to force the freeloader off at will -- somewhat analogous to a tenancy at will. In the case of utilities however, (and even though their initial location on the right-of-way was gratis) repeated dislocation meant that subscribers of the utility were actually subsidizing highway construction, and it is that fact which was recognized in the Highway Act of 1956. The accelerated pace of highway construction brought about inordinate expenditures for moving vast amounts of facilities at a great cost to the users of the utilities. Id at 2398.

Section 11 of the 1956 Act attempted to correct that. The ultimately successful dissent of Martin et al. in 1958 concluded with a summary of reasons which support the 1958 formulation:

> 1. Relocation costs are legitimate construction costs which should be treated as an integral part of the cost of constructing Federal-aid highways.
> 2. If utilities are required to pay relocation costs utility users would be unfairly burdened. They would have to pay for the cost of constructing highways -- once as a taxpayer and again as a part of the cost of each utility used. This despite the fact that utilities and their customers receive no special benefit from the new Federal highways.
> 3. In many areas smaller local utilities, public and private, which happen to be in the path of highway construction, would be heavily burdened and possibly forced out of business.
> 4. The new Federal-aid highway program because of its immense size and complexity would accentuate the burden on utility users of all services, electric, gas, water, sewer, and communications.
> 5. Public rights-of-way are not solely for transportation of vehicles but to provide the public with all needed services and commodities as roads have always done. The public and not just the motorist provides these rights-of-way.

If this formulation might be accepted for present purposes as a fairly accurate statement of the purposes and objects sought to be accomplished at the federal level, and if the subsequent enactments in the several states including Alaska can generally be described as a means of enabling the broadened federal action to take effect in those states, note should be taken that these same purposes and objects apply just as much in the case of a second relocation as in the first. Indeed, a basic Congressional decision that utility

relocation costs should be part of highway construction and action by the states to implement the decision would be frustrated by an interpretation which would effect a one-time-only policy.

Beside the acknowledgment that relocation costs due to highway construction are and should be a cost of highway construction, note should also be made of a second important premise which both underlies the 1958 Congressional action, and which supports the present interpretation, to wit: highways generally, and including federal-aid highways, simply are not designed nor intended solely for vehicular traffic; they are usually designed and intended for use by utilities in addition to the traffic function; use of the right-of-way by utilities is something which is intended at the outset. Therefore, viewing the several utility functions which usually follow highway lines, and which serve the same business and residences as the roads themselves and as functions of equal importance, it becomes somewhat incongruous if utilities are not granted legal rights which recognize their standing and function. This aspect was rather nicely focused upon and considered by the Minnesota Supreme Court in Minneapolis Gas Company v. Zimmerman, 91 N.W. 2d 642 (Minn., 1958). Zimmerman involved the question of whether the Minnesota statute, which was passed after the 1958 Highway Act, and which authorized the state to pay the cost of relocating utility facilities on Federal-aid highway projects, was constitutional under the state constitution. In upholding the constitutionality of the law, the Minnesota court stated (Id. at 648):

> The concept of the functional uses or purposes of a highway has constantly expanded with the advancement of civilization until today a highway no longer exists for the limited, though principal, purpose of vehicular travel or transportation of persons and property over its surface. . .

Quoting from a prior case, the court continued (Id. at 649):

> In our judgment, public highways, whether urban or rural, are designed as avenues of communication; and, if the original conception of a highway was limited to travel and transportation of property in movable vehicles, it was because these were the only modes of communication then known; that as civilization advances, and new and improved methods of communication and transportation were developed, these are all in aid of and within the general purpose for which highways are designed. (Emphasis theirs)

The Minnesota court then concludes:

> Clearly since the Cater decision in 1895, Minnesota has been definitely commited to the view that the use of rights-of-way by utilities for locating their facilities is one of the proper and primary purposes for which highways are designed even though their principal use is for travel and the transportation of persons and property. Furthermore, the import of that decision is a clear recognition that the use of highway rights-of-way for the transmission of public intelligence and public utility services confers important and direct benefits upon the public and that such use is not solely for the benefit and convenience of the utilities. The soundness of the view that the placing of utility facilities upon a right-of-way is one of the proper uses of a highway benefiting thepublic is emphasized by the fact that convenience and economy result therefrom to utility users, who are usually located near highways, and by the public welfare -- in the view of our ever-increasing population -- to make full and efficient use of the land surface occupied by public roads.

Thus, an interpretation other than which is here adopted would be inconsistent with this notion of plurality of function in highway design which must be recognized. Such an interpretation would encourage utilities not to relocate within rights-of-way, simply to preserve their rights for the future, and would frustrate the general object of accomodating utilities within the right-of-way.

Finally, connected with the issue addressed here is the effect both of the language employed in existing agreements between various utilities and the Department of Highways and certain existing administrative regulations relating to utility relocation. As to the first of these, the Federal Highway Administration has apparently questioned the authority of the state to enter into agreements with utilities whereby the state has agreed to reimburse the utility for future relocations. See (1.) of the memorandum dated April 25, 1975 from the Division Engineer to Walter B. Parker, Commissioner of Highways concerning project F-031-2(32). However, it should be clear from this opinion, that whether an agreement exists or not, the State is bound by statutory mandate to reimburse utilities for second relocations, if the utility was there first, and without regard to whether the utility existed before July 1, 1980. Even if an agreement states that the utility and not the state must bear the costs, the statutory duty still exists.

Next, mention will again be made 4/ of at least one existing administrative regulation which is in conflict with the mandate of the statute, and therefore invalid. Specifically 17 AAC 15.170(c)(1) conflicts with the statutory mandate of AS 19.25.020 and should be repealed or amended to render it consistent. Note is made, however, of the fact that a wholesale revision of the regulations is in progress.

In conclusion, it is our opinion that if a utility facilities must initially be relocated due to highway construction, and are relocated within the right-of-way, the State is obligated under AS 19.25.020 to reimburse the utility if the facilities must subsequently be relocated due to highway construction. This interpretation is supported by the language of the statute; its purposes and objects as gleaned from research into the legislative history and the evolution of Federal-aid highway acts. It is hoped that this memorandum resolves the question, which apparently exists in a significant number of projects in which federal participation in utility relocation has been placed in a deferred status, pending resolution of the legal question.

4/ See a prior memorandum dated March 18, 1975 to R.D. Shumway, Chief Design Engineer, Department of Highways from Ray C. Preston, Assistant Attorney General, relating to Project No. F-044-1(5); Tudor Road East.

RCP:snp

Attachments

MEMORANDUM State of Alaska

TO: C. E. Thompson
Chief Utility Engineer
Department of Highways

DATE: October 27, 1976

FILE NO:

THRU: H. D. Sturgal
Commissioner

TELEPHONE NO:

FROM: Ray C. Preston
Assistant Attorney General
Department of Law

SUBJECT: AS 19.25.020(b); Rights of Utilities located within a Right-of-way prior to July 1, 1960

This memorandum responds to a request of the Division Engineer of the Federal Highway Administration and Regional Counsel of the FHWA for additional legal analysis relative to the question of the State's legal obligation to reimburse utilities for second relocation expenses where the utility or its predecessor in interest was located within a highway right-of-way prior to July 1, 1960. That date is included in the language of AS 19.25.020(b) which reads:

> The cost of change, relocation, or removal is a part of the cost of the highway construction to be paid from highway funds and the department shall, on behalf of the state, pay the costs of the change, relocation, or removal unless the utility facility was constructed and installed under a valid agreement entered into by the state and the utility after July 1, 1960, which requires the utility to change, relocate, or remove its facilities on demand at its own expense. A utility which locates its facilities on a state owned right-of-way after July 1, 1960, without permit from the department shall not be reimbursed for the cost of the change, relocation, or removal of its facility.

This section has recently been the subject of analysis and interpretation in an opinion dated November 26, 1975 (attached). That opinion primarily addressed the relative rights of utilities and obligations of the State in instances where utilities are required to relocate a second time due to highway construction, where the utilities had been initially relocated after July 1, 1960, and in the process had become located within the newly established right-of-way. Noting particular changes made by Congress in enacting the Federal-Aid Highway Act of 1956, which appeared to precipitate the enactment of AS 19.25.020 in 1961, the November 26 opinion concluded that § 20 established a first-in-time rule with respect to utility facilities initially relocated after July 1, 1960. If the utility facilities were in place before the highway right-of-way was established, their right to reimbursement for relocation expenses due to highway construction is a vested right, conferred by statute, which is enjoyed by the utility for

subsequent relocations as well as the initial relocation. On the other hand, if the highway right-of-way is established first, (after July 1, 1960) and a utility subsequently desires location within the right-of-way, the statute contemplates an agreement by which, as a condition to establishing the facility within the right-of-way, the utility would agree to relocate its facilities at its own expense if relocation is necessitated by highway construction. What was not precisely addressed in that opinion was the situation where utility facilities were in existence within a highway right-of-way before July 1, 1960. In that situation, there appears to be no question that the utility is entitled under the statute to reimbursement for relocation expenses the first time that it is made necessary by highway construction. However, a question apparently does exist as to whether such facilities are also entitled by dint of the statute to reimbursement for relocation for any subsequent moves due to highway construction, if the facilities are relocated within the highway right-of-way at the time of the initial relocation. Posed another way, the question is whether the rights of such facilities are vested by dint of the statute in the same manner as utilities encountered by highway construction after July 1, 1960.

In addition to the statute itself, certain administrative regulations of the department which interpret and implement AS 19.25.020 must also be considered in the analysis, viz. 17 AAC 15.020(b), and 17 AAC 15.170. 1/ Those regulations are attached. However, as noted in the previous opinion, the validity of administrative regulations depends in part on whether the regulation is consistent with the statute which it is interpreting or implementing. AS 44.62.030 provides:

> Sec. 44.62.030. CONSISTENCY BETWEEN REGULATION AND STATUTE. If, by express or implied terms of a statute, a state agency has authority to adopt regulations to implement, interpret, make specific or otherwise carry out the provisions of the statute, no regulation adopted is valid or effective unless consistent with the statute and reasonably necessary to carry out the purpose of the statute.

1/ 17 AAC 15.170(c)(1) appears particulary relevant:

> (c) A utility facility which is wholly or partially relocated or adjusted, incident to a highway construction project, under the provisions of a utility agreement and at the expense of the department, the department will issue permits as follows:
>
> (1) Where the utility facility is adjusted or relocated to a new location or alignment within highway right-of-way, the department's standard permit will be issued to the extent of the relocation requiring that the permittee shall relocate said facility or facilities at no cost to the department when required by future highway improvements or construction.

With such as the background and context of the present analysis, the relevant part of § 20(b) is again presented:

> The cost of change, relocation, or removal is a part of the cost of . . . highway construction . . . and the department shall . . . pay the costs . . . unless the utility facility was constructed and installed under a valid agreement entered into by the state and the utility after July 1, 1960, which requires the utility to change, relocate, or remove its facilities on demand at its own expense. . . . (Emphasis added)

Here, notice may be taken first of all that the syntax of the section itself establishes only one circumstance in which utilities will not be entitled to reimbursement, viz. where the highway right-of-way is first-in-time after July 1, 1960. In all other cases the statute establishes a vested right to relocation expenses, e.g. utility facilities in existence, within a right-of-way prior to July 1, 1960. Thus, at least three categories of utilities can be identified from the language of the statute:

> (1) utility facilities in existence, not within a right-of-way, and encountered by highway construction after July 1, 1960;
>
> (2) utility facilities which came into existence within an existing right-of-way after July 1, 1960; and
>
> (3) utility facilities which were in existence within a right-of-way prior to July 1, 1960.

It is the first and third of these categories in which the syntax of the section is treating equally. Only where a highway or right-of-way is first-in-time after July 1, 1960 does the statute contemplate an agreement whereby the utility agrees to bear the cost of future relocation.

However, not only does the sentence structure and plain meaning of the words support this conclusion, but the same conclusion is reached by reference to the general and manifest purpose of the statute. The statute's general purpose was developed in the earlier, 1975 opinion chiefly by resort to the legislative history of the Federal-Aid Highway Act of 1956. That Act cleared the way for federal participation in utility relocations necessitated by highway construction. Following that action, it quite behooved each of the states to enact legislation to legitimize such payments. See particularly pages 5 and 6 of the 1975 opinion. In addition, however, it also appears that the same conclusion is entailed by an examination of the idea and rationale of a so-called "grandfather clause," as the use of the July 1, 1960 date in § 20 appears to be exactly that.

A "grandfather clause" is defined in Ballentines Law Dictionary (1969) as:

> A clause in a licensing statute which exempts persons already engaged in the regulated business or occupation . . . A provision in a statute requiring a certificate of public convenience and necessity which excepts carriers currently operating. . . .[citations omitted]

The idea of grandfather clauses is rather obvious and they are familiar provisions in many types of laws. The basic, underlying rationale may well rest as much upon notions of due process as anything else. One who has acted legitimately in the past in certain ways should not be penalized in the future for having done so when the governing body changes the rules of law which affect those same actions. The object of grandfather clauses in general is to confer upon those who had behaved legitimately in the past equality or parity with those who in the future must satisfy certain new requirements in order to be legitimate. One who has qualified for a particular right in the past will not be required to meet additional, often onerous, sometimes impossible qualifications in order to continue to enjoy that right in the future. To bring such an abstraction down to the concrete, see generally the annotation beginning at 4 ALR 2d 667 of cases construing and applying grandfather clauses with respect to businesses and professions. For a recent case in the area, see Bloom v. Texas State Board of Exam of Psychologists, 492 S. W. 2d 460 (Tex., 1973).

In the present situation, it appears not to be an unreasonable conclusion that the reason for insertion of the July 1, 1960 date sprang out of the same kind of reasons for the installation and use of grandfather clauses generally, and if that is so, the object and purpose may be stated as conferring upon utilities already in existence within rights-of-way, the same rights as was being conferred upon other utilities who, after July 1, 1960 found themselves in the path of highway construction. No doubt that in the early, developmental, "frontier" period of the State (which for present purposes includes the entire time prior to statehood) there simply was no consistency in the manner by which utilities came to be located within a right-of-way. Sometimes the utility facilities preceded an actual road, even if a right-of-way was established first. Sometimes, particularly where an actual road existed first, a permit, not unlike the one used even after the enactment of § 20, was used, which by its terms the utility would agree that future relocations necessitated by highway construction would be at no cost to the highway authority. See the attached sample permit approved on June 9, 1953 for utility facilities located in Juneau. Sometimes, it appears that the utility facilities would simply be located within a right-of-way without any formality whatsoever. Here, perhaps oral assent was at times granted by the highway authority, and perhaps not.

The case of certain facilities of Chugach Electric Association, designated as poles D1, D2, D3 and D4 which were relocated as part of project F-031-2(32) at the time of construction of the interchange of the New Seward Highway at Dowling Road, falls most closely into the latter category. See the attached memorandum from Monte Lyons to Charles E. Thompson, Chief Utilities Engineer dated March 25, 1976. Although it appears that CEA obtained an easement in 1952 from the adjoining landowner which covered these facilities, the easement was at the same time within the limits of the right-of-way which had been established in 1949. Thus, it appears that the easement was of no effect. Such a spotted pattern would be compounded whenever other utilities entered into joint use agreements with utilities with facilities already in place.

The existence of such an inconsistent factual pattern by which utilities became located within rights-of-way in Territorial days lends further credence to the conclusion that grandfather rights were conferred by the 1961 legislature. Although inconsistent in the manner by which the facilities came into being within the right-of-way, it can reasonably be assumed that their creation came about nevertheless by following existing practices and customs within the region or locality. Thus, it would be manifestly unfair to penalize such utilities in the prospective application of a rule which states that first-in-time entitles utilities to a vested right to relocation expenses. The underlying policy reasons for establishing the first-in-time rule exist with just as much force where utilities happen to be already in place at the time of establishing the rule. It also makes sense where confusion may have existed in many instances as to which did exist first, the utility facilities or the road. Thus, referring back to the syntax of the statute it appears that the words "constructed and installed . . . after July 1, 1960" refers to facilities which are constructed and installed in the first instance, after July 1, 1960. All facilities existing within rights-of-way prior to July 1, 1960 are to be treated as if they were there before the road was; that they therefore have a vested right to reimbursement expenses. This syntactical conclusion is further supported by the fact that "constructed and installed . . ." is used in conjunction with the words ". . . under a valid agreement . . . after July 1, 1960, . . ." (Emphasis added). Thus, instead of three categories, there are really only two categories of utilities under the statute, viz. those constructed and installed in the first instance within a pre-existing right-of-way, pursuant to an agreement with the Department of Highways, and all others. All others includes both utilities which are in existence before an initial relocation due to highway construction which takes place after July 1, 1960 and all utilities which came into place within a right-of-way, by any manner, before July 1, 1960. All utilities in the latter category have a vested right to reimbursement for their relocation expenses. This, of course, would include the Chugach facilities described above.

"

To summarize, three distinct factors all point to the same conclusion, viz. the syntax of the statute and plain meaning of the language employed, the manifest purpose and underlying rationale involved, and finally the rationale underlying the establishment and use of so-called "grandfather" clauses. All three indicate that facilities in place within a right-of-way prior to July 1, 1960 have a vested right to reimbursement just as much as utilities encountered by highway construction after that date. It follows as well that a regulation which is inconsistent with the statute is not valid. This includes existing 17 AAC 15.170(c)(1) and 17 AAC 15.020(h). This is not to say, of course, that these two regulations are invalid by dint of this opinion. It is only to say that it is the opinion of the author of this memorandum that the regulations are inconsistent with the statute, that they would not be enforceable in court, and that an action commenced by a utility to obtain payment for a second relocation would be successful.

RCP:snp

Attachments

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 24, 1977

Attn: Senator Joseph Orsini
Community & Regional Affairs
Committee

The attached comments from the Alaska Public Utilities Commission on SB 50 are submitted for your information.

Francis Ulmer
Legislative Assistant
to the Governor

av

2-001B

STATE of ALASKA

MEMORANDUM

ALASKA PUBLIC UTILITIES COMMISSION
1100 MacKay Building - 338 Denali Street
Anchorage, Alaska 99501

TO: Frances A. Ulmer
Legislative Assistant
Office of the Governor
Pouch A, State Capitol
Juneau, Alaska 99811

DATE : January 12, 1977

FROM: Stuart C. Hall, Commissioner

SUBJECT: Legislation Relating to Utilities and State Rights Of Way

In our telephone conversation prior to the Christmas holidays, I indicated to you that the Commission continued to support legislation authored by the Governor relating to utilities and state rights of way. This was a bill introduced during the 1976 session as House Bill 557 and proposed for reintroduction at the 1977 session. I believe that it is C-16 among the administration's proposals if it doesn't already have a bill number for the current session. Your draft was submitted to our professional staff for further comment, and I am including herewith their observations and comments. (I would note, parenthetically, that the Commission continues to support the legislation.)

On page 1, line 15 I assume that someone has caught the typographical error in the word "subtracted." On page 1, lines 21 and 22 Chairman Zerbetz and Executive Director Jensen inquire whether it might not be appropriate to define the word "telecommunications" by referring to the definition contained in AS 42.05.701(8). They wish specifically to include cable television systems within the definition of telecommunications; and the definition of telecommunications as it appears in the Public Utilities Act at the section cited does include that type of utility system. Page 1, line 23 the word "waste" is employed, among others, to define the word "utility." We would note in passing that waste usually includes both solid and liquid waste; and the professional staff wants to make very certain that incorporated in that concept of waste "sewage" is included; it is the usual type of waste product transported by pipeline. The bill should perhaps be made more specific in this area. On page 2, line 2 the staff expressed some concern as to whether the phrase "along, over, under, or within a state right of way" also included the concept of the system adjacent to or parallel to a state right of way. The draftsman may want to consider that concept as well. On page 2, line 14 the draft employs the term "reasonable" to describe the time period for compliance. Some doubt is expressed as to what constitutes reasonableness, and the staff suggests that perhaps a period not less than 30 days might be employed.

With these suggestions and possible modifications we once again note our endorsement of this particular legislation. I regret very much that the staff comments have been delayed to this extent and hope that this does not inconvenience the Governor's office in any way in preparing the legislation for introduction. If you have any questions, please do not hesitate to contact me.

SCH:McP
Enclosure

IN THE SENATE

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

SENATE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to utilities and state rights-of-way; and providing for an effective date."

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

* Section 1. AS 19.05.130(4) is amended to read:

(4) "cost of change, relocation, or removal" means the entire cost incurred by the utility properly attributed to the change, relocation, or removal of a facility, less any costs for improvements or upgrading over and above the cost of a functionally equal facility, if a facility is to be relocated and replaced with new equipment, there shall also be substracted from the entire cost [UTILITY AFTER DEDUCTING ANY INCREASE IN THE VALUE OF THE NEW FACILITY AND] any salvage value derived from the old facility;

* Sec. 2. AS 19.05.130(12) is amended to read:

(12) "utility" includes railroads and all publicly, privately, or [AND] cooperatively owned lines, facilities and systems for producing, transmitting or distributing communications, telecommunications, power, electricity, light, heat, gas, oil, crude products, water, steam, waste, storm water not connected with highway drainage, and other similar commodities, including publicly owned fire and police signal systems, and street lighting systems [UTILITIES

* Sec. 3. AS 19.25.010 is amended to read:

Sec. 19.25.010. USE OF RIGHTS-OF-WAY FOR UTILITIES. A utility facility [AN ELECTRIC TRANSMISSION, TELEPHONE, OR TELEGRAPH LINE, POLE LINE, RAILWAY, DITCH, SEWER, WATER, HEAT, OR GAS MAIN, FLUME, OR OTHER

STRUCTURE WHICH BY LAW] may be constructed, placed, or maintained across, [OR] along, over, under or within a state right-of-way [A HIGHWAY BY A PERSON OR POLITICAL SUBDIVISION MAY BE MAINTAINED OR CONTRUCTED] only in accordance with regulations prescribed by the department and [. NO UTILITY PROJECT OF THIS NATURE MAY BE UNDERTAKEN UNTIL I IS] authorized by a written permit issued by the department.

* Sec. 4. AS 19.25.020 is repealed and re-enacted to read:

Sec. 19.25.020. RELOCATION OF UTILITIES INCIDENT TO HIGHWAY PROJECTS. (a) If, incident to the construction of a highway project, the department determines and orders that a utility facility located across along, over, under, or within a state right-of-way must be changed, relocated or removed, the utility owning or maintaining the facility shal change, relocate or remove it in accordance with the order. The order shall provide a reasonable time period for compliance.

(b) If the utility facility is not changed, relocated or removed in accordance with the order, the facility becomes an unauthorized encroachment and may be disposed of in accordance with secs. 240 - 250 of this chapter, and the owner of the facility is liable to the state in liquidated damages in the amount of $100 for each day the encroachment exists. In addition, the owner of the facility shall indemnify the sta for any amount for which the state may be liable to a contractor by reason of the encroachment.

(c) The cost of change, relocation, or removal necessitated by highway construction is a cost of highway construction to be paid by th state in accordance with AS 19.05.130(4), notwithstanding the terms or provisions of any existing permit, agreement regulation or statute to the contrary.

* Sec. 5. This Act takes effect immediately in accordance with AS 01.10.070(c).

Alaska Gas and Service Company

GENERAL OFFICES LOCATED AT 3000 SPENARD ROAD
P. O. BOX 6288 ANCHORAGE, ALASKA 99502 / PHONE (907) 277-5551
TELEX 25-187

February 7, 1977

Senator Joe Orsini
Chairman, Community and Regional Affairs Committee
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

The purpose of this letter is to express our interest and support in and for Senate Bill Number 50 relating to utility rights of way.

We feel that the bill merits favorable and timely action since it works to protect the various utility rate payers from the burden of highway project occasioned utility relocation expenses for which the rate payer receives no additional utility value. In effect these expenses become a part of the highway project which we feel is a proper allocation.

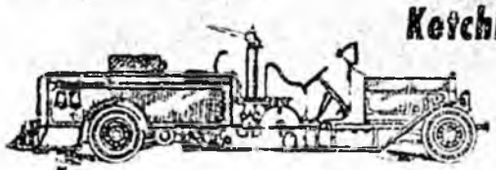
The measure passed the House of Representatives last year (HB-557), but failed to clear the Senate due to lack of time. I am not aware of any opposition to the measure. Your interest will be greatly appreciated.

Very truly yours,

Harold F. Schmidt
Senior Vice President

ph

Ketchikan Volunteer Fire Department
319 MAIN STREET
KETCHIKAN, ALASKA 99901



Member of Alaska
State Firefighter's Association

January 31, 1977

Senate Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Senate Bill #50, relating to Utilities and State rights-of-way, was brought to our attention by Mr. Don Bowey, Assistant Utilities Manager for the City of Ketchikan.

Any legislation that will restrict or hinder the placement or installation of fire alarm boxes or transmission lines or legislation that would necessitate the issuance of permits to install, relocate or maintain such fire alarm equipment would be most undesirable to this Department. At present, there is no utility control on fire alarm devices in this area; it is the responsibility of the Fire Department to install, operate and maintain all emergency fire alarm equipment and we would like to see it remain under our control.

Very respectfully yours,
KETCHIKAN FIRE DEPARTMENT

Walter A. Winston, Fire Chief

WAW/rw

cc: City Manager
Assistant K.P.U. Manager

City and Borough of Sitka

P.O. BOX 79 · SITKA, ALASKA · 99835

January 27, 1977

Senator Joseph L. Orsini
Chairman, Community & Regional Affairs Committee
Alaska State Senate
Pouch V, M/S 3100
Juneau, Alaska 99811

Dear Senator Orsini:

The City and Borough of Sitka requests your support for the passage of Senate Bill No. 50.

Very truly yours,

Fermin Gutierrez
Administrator

FG:mm

CITY OF ANCHORAGE
TELEPHONE UTILITY

600 EAST 38th AVENUE ANCHORAGE, ALASKA 99503
TELEPHONE (907) 277-7561
Telex 090-25-100

February 8, 1977

Senator Joe Orsini
Alaska State Legislature
Community and Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

The Anchorage Telephone Utility strongly supports Senate Bill #50 as prepared and submitted to the 1977 Legislature.

The passage of this bill can do nothing but eliminate problems and expedite State highway construction in our State.

We will make every effort to convey our desires to have this bill passed to all members of the House and Senate.

Cordially,

A. C. Pistorius

A. C. Pistorius
Manager
ANCHORAGE TELEPHONE UTILITY

ACP/RLM/m

Matanuska Telephone Association, Inc.

P.O. BOX 1388 PALMER, ALASKA 99645 PHONE 745-3211 (907)

MAX CLEMENTS
Manager

January 28, 1977

Senate Community and
Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

REF: Senate Bill #50

Att: Senator J. Orsini

Dear Senator Orsini:

Matanuska Telephone Association desires to make the following comments regarding Senate Bill #50. We feel the proposed Bill is a milestone of legislation for Alaska utility consumers. In the past Title 19 has allowed utilities only limited participation in available Federal Relocation and Accomodation funds, causing burdensome costs to utility consumers. In passing the Federal Highway Act of 1956, 23 U.S.C.A. 162, Congress recognized that relocation of utility facilities is a necessary part of highway construction, and specifically authorized the use of Federal funds to reimburse states for amounts paid to utilities for nonbetterment cost of such relocation. Congress did provide, however, that such funds were not to be apportioned to any state where reimbursement of such costs would violate the law of the state. In a report of the Senate Committee on Public Works, reported as Senate Report #1407, 85th Congress 195 U.S. Congressional and Administrative News, Vol. 2, 1958 Legislative Histories Page 2399, the following appears:

"Public right-of-ways are not soley for transportation of vehicles, but to provide the public with all needed services and commodities as roads have always done."

Expenditures for reimbursement purposes serves a public purpose, because the public has an interest in receiving utility services. There is a public interest to be served by authorizing utility companies to use streets and highways to make such services available.

We respectfully request your support of Senate Bill #50. Further, we also desire your continued support of our intent to establish a more equitable basis from which utility organizations may extend services not only in our area, but throughout Alaska. Thanking you in advance for your consideration.

Very truly yours,

A. J. Moreland
Chief Engineer

pm

TO: Senator Orsini DATE: Feb. 15, 1977

FROM: Paul Conger RE: SB 50

Ted Burns called from Anchorage to inquire if we were going to get SB50 out of committee today or were we just going to hear testimony? The reason he is inquiring is because it will take them approximately one more week to acquire necessary technical data to present their position on SB50. He said he is flying down today and will expound on this further.

Also Bill Berrier called and said he will participate in the hearing today to answer any questions regarding SB50.

PC/js

ALASKA UTILITIES ASSOCIATION

2700 E. TUDOR ROAD • Anchorage, Alaska • Phone 277-6591

ROBERT B. SMITH
President

NORMAN C. BANFIELD
First Vice President

WILLIAM CORBUS
Second Vice President

THOMAS M. PEETZ
Secretary-Treasurer

February 4, 1977

The Honorable Joe Orsini
Alaska State Senate
Pouch V
Juneau, AK 99118

Dear Senator Orsini.

There is a bill of vital interest to the utilities which was pre-filed at the request of the Governor and is as I understand presently in the Community and Regional Affairs Committee.

Senate Bill No. 50 entitled, "An Act Relating to Utility and State Rights-of-Way: and providing for an effective date", is of vital interest to the utilities around the state. This bill could, under certain circumstances, vitally affect the utility consumer rates and its passage is being supported strongly by the Association and the individual utilities.

In the past, any utilities located in state highway rights-of-way were subject to the full cost of relocation in the event it was deemed necessary by the Department of Highways. Relocation generally came about because of reconstruction, widening, or new construction of state highways and affects such utilities as water, sewer, gas, telephone, and electric. All of these utilities normally, by virtue of their public service, must at various times be installed along or across state highways in order to interconnect service areas. Without these connecting lines adequate service to many areas would be impossible. We also feel that such joint use is the best use for a transportation corridor, which is essential for the movement of these vital commodities as well as vehicles.

As the law now stands, federal highway monies may not be used for reimbursement for the cost of relocation. Passage of legislation such as Senate Bill 50 will, however, clarify such expenses for participation and federal funding would enable that cost to be included in the total project cost as an area benefit where it belongs. Ninety-five percent participation by federal funds could then be applied to utility relocation costs as well as the cost of construction of the highway itself.

We feel that this is an extremely important piece of legislation, and is certainly worthy of your support. On behalf of the Utility Association and the thousands of people which we serve we ask your assistance in the passage of this bill.

Yours very truly,

Robert B. Smith
President

mb

SB 50

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2525

GEORGE M. SULLIVAN,
MAYOR

OFFICE OF THE MAYOR

To: Anchorage and Fairbanks Legislators

From: Sam Coxson, Legislative Liaison

Subject: Joint Fairbanks-Anchorage Meeting, Feb. 18, 1977

Enclosed is a list of elected officials which attended the meeting and the Action they took on certain legislative proposals.

City of Fairbanks

Mayor Harold Gillam
Bob Parsons
Jim Rolle
Ralph Migliaccio
Earnest Carter

Fairbanks-North Star Borough

Mayor John Carlson
Bill Stringer
Phil Younker
Andy Karella
Mike Cornelius

Anchorage Municipality

Chairman Dave Rose
Bill Besser
Ben Marsh
Arliss Sturgulewski
Dave Walsh
Don Smith

CB

FAIRBANKS-ANCHORAGE MEETING

ACTION ON LEGISLATIVE PROPOSALS

Bill	SHORT TITLE	ACTION
SB 35	Tax in the Unorganized Borough	No concensus; each body would act on its own
HB 101	Deductions for Telephone Nonservice	General concensus for opposition
HB 102	Prohibition of Surcharge	General concensus for opposition
HB 87	Grants to Service Areas	No position by joint group
SB/SB 37	Procedures Tax-foreclosed Prop.	No concensus; no action recommended
HB 75	Municipal Net Income Tax	No concensus; each body would act on its own
SB 50	Utilities and States Right-of-way	Unanimous support
Municipal Tort Liability		Unanimous support
HB 34	Workmen's Compensation	General Support
	Offset Provisions	General consensus for support
HB 89	State Aid--School Construction	Unanimous support
HB 70	Municipal Revenue Sharing	General support
Joint Resolution on All-Alaska Gas Line		Unanimous Support

ALASKA RURAL ELECTRIC COOPERATIVE ASSOCIATION, INC.

P.O. BOX 1249, FAIRBANKS, ALASKA 99707

February 14, 1977

Senator Joseph L. Orsini
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

I have enclosed copies of the Alaska Rural Cooperative Association Resolutions unanimously passed at our recent meeting in Juneau on February 8, 1977. Accordingly, we urge your support of these resolutions.

Very truly yours,

R. L. HUFMAN
Secretary-Treasurer

RLH:es
Enclosures

ALASKA RURAL ELECTRIC COOPERATIVE ASSOCIATION, INC.

P.O. BOX 1249, FAIRBANKS, ALASKA 99707

RESOLUTION NO. 1

WHEREAS, the State of Alaska has now or will have substantial quantities of Royalty Oil and Gas, and

WHEREAS, said oil and gas should be utilized within the State of Alaska to satisfy continuing requirements prior to sale and export outside of the State,

NOW THEREFORE BE IT RESOLVED that ARECA urge the Legislature to support commitments of these resources on present and future production.

Further, that a Model Public Non-Profit Utility contract be developed and approved that will assure said utilities of first call on these resources payable at the lowest price received by the State in their sales to others during any 90-day transaction period closest to the actual utility purchase date.

CERTIFICATION

I, R. L. Hufman, do hereby certify that I am Secretary of Alaska Rural Electric Cooperative Association, Inc., a nonprofit cooperative membership corporation organized and existing under the laws of the State of Alaska; that the foregoing is a complete and correct copy of the resolution adopted at the Interim Meeting of the Members of this corporation duly and properly called and held on the 7th and 8th days of February, 1977, in Juneau, Alaska; that a quorum was present at the meeting; that the resolution is set forth in the minutes of the meeting and has not been rescinded or modified.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of this corporation this 8th day of February, 1977.

R. L. HUFMAN, SECRETARY
Alaska Rural Electric
Cooperative Association, Inc.

(SEAL)

DEMOCRACY IN ACTION . . . of the people . . . by the people . . . for the people

ALASKA RURAL ELECTRIC COOPERATIVE ASSOCIATION, INC.

P.O. BOX 1249, FAIRBANKS, ALASKA 99707

RESOLUTION NO. 2

WHEREAS, the State of Alaska has now or will have substantial quantities or royalty oil and gas, and

WHEREAS, said oil and gas should be utilized within the State of Alaska to satisfy continuing requirements prior to sale and export outside of the State of Alaska,

NOW THEREFORE BE IT RESOLVED, that the ARECA urge the Legislature to exempt Non-Profit Alaskan Utilities from the oil and gas severance tax on all crude oil and gas that they purchase, process and utilize within the State.

CERTIFICATION

I, R. L. Huffman, do hereby certify that I am Secretary of Alaska Rural Electric Cooperative Association, Inc., a nonprofit cooperative membership corporation organized and existing under the laws of the State of Alaska; that the foregoing is a complete and correct copy of the resolution adopted at the Interim Meeting of the Members of this corporation duly and properly called and held on the 7th and 8th days of February, 1977, in Juneau, Alaska; that a quorum was present at the meeting; that the resolution is set forth in the minutes of the meeting and has not been rescinded or modified.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of this corporation this 8th day of February, 1977.

R. L. HUFFMAN, SECRETARY
Alaska Rural Electric
Cooperative Association, Inc.

(SEAL)

SB 50

ALASKA RURAL ELECTRIC COOPERATIVE ASSOCIATION, INC.

P. O. BOX 1249, FAIRBANKS, ALASKA 99707

RESOLUTION NO. 3

WHEREAS, the Alaska Rural Electric Cooperative Association, Inc., at its Interim Meeting held in Juneau, Alaska, February 7 and 8, 1977, has reviewed pending legislation in the Legislature affecting Rural Electric Cooperatives,

NOW THEREFORE, BE IT RESOLVED, That ARECA support Senate Bill No. 50, "An Act relating to utilities and state rights-of-way; and providing for an effective date.", for the reason that it clarifies the position of the State in relocation and reimbursement for rights-of-way.

BE IT FURTHER RESOLVED, That we support House Bill No. 82, "An Act relating to sale of state royalty oil and to the oil and gas properties production tax," for the reason that it gives instate preference to State royalty oil and gas.

CERTIFICATION

I, R. L. Hufman, do hereby certify that I am Secretary of Alaska Rural Electric Cooperative Association, Inc., a nonprofit cooperative membership corporation organized and existing under the laws of the State of Alaska; that the foregoing is a complete and correct copy of the resolution adopted at the Interim Meeting of the Members of this corporation duly and properly called and held on the 7th and 8th days of February, 1977, in Juneau, Alaska; that a quorum was present at the meeting; that the resolution is set forth in the minutes of the meeting and has not been rescinded or modified.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of this corporation this 8th day of February, 1977.

R. L. HUFMAN, SECRETARY
Alaska Rural Electric
Cooperative Association, Inc.

(SEAL)

ALASKA RURAL ELECTRIC COOPERATIVE ASSOCIATION, INC.

P.O. BOX 1249, FAIRBANKS, ALASKA 99707

RESOLUTION NO. 4

WHEREAS, the Alaska Rural Electric Cooperative Association, Inc., at its Interim meeting held in Juneau, Alaska, February 7 and 8, 1977 has reviewed pending legislation in the Legislature, affecting Rural Electric Cooperatives;

NOW THEREFORE BE IT RESOLVED, that we oppose House Bill No. 101 "An Act relating to telephone utilities." for the reason this legislation usurps the power of the Alaska Public Utilities Commission.

BE IT FURTHER RESOLVED, that we oppose House Bill No. 102, "An Act relating to public utility rates.", for the reason this legislation usurps the power of the Alaska Public Utilities Commission.

CERTIFICATION

I, R. L. Hufman, do hereby certify that I am Secretary of Alaska Rural Electric Cooperative Association, Inc., a nonprofit cooperative membership corporation organized and existing under the laws of the State of Alaska; that the foregoing is a complete and correct copy of the resolution adopted at the Interim Meeting of the Members of this corporation duly and properly called and held on the 7th and 8th days of February, 1977, in Juneau, Alaska; that a quorum was present at the meeting; that the resolution is set forth in the minutes of the meeting and has not been rescinded or modified.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of this corporation this 8th day of February, 1977.

R. L. HUFMAN, SECRETARY
Alaska Rural Electric
Cooperative Association, Inc.

(SEAL)

MEMBERSHIP LIST FOR ALASKA RURAL ELECTRIC COOPERATIVE ASSOCIATION, INC.

Mr. Ralph Eddison
General Manager
Alaska Village Electric Cooperative, Inc.
999 Tudor Road
Anchorage, Alaska 99503

Mr. S. D. Wolfe
General Manager
Barrow Utilities & Electric
Coopecative, Inc.
P. O. Box 499
Barrow, Alaska 99723

Mr. L. J. Schultz
General Manager
Chugach Electric Association, Inc.
Box 3518
Anchorage, Alaska 99501

Mr. James F. Palin
General Manager
Copper Valley Electric Association, Inc.
P. O. Box 45
Glennallen, Alaska 99588

Mr. Charles E. Maxwell
General Manager
Cordova Public Utilities
P. O. Box 20
Cordova, Alaska 99574

Mr. David S. Mease, Jr., Manager
Glacier Highway Electric Association
Box 115
Auke Bay, Alaska 99821

Mr. Robert L. Hufman
General Manager
Golden Valley Electric Association, Inc.
P. O. Box 1249
Fairbanks, Alaska 99707

Mr. W. C. Rhodes
General Manager
Homer Electric Association, Inc.
P. O. Box ~~255~~ 429
Homer, Alaska 99603

Mr. Leon H. Johnson, Manager
Kodiak Electric Association, Inc.
Box 787
Kodiak, Alaska 99615

Mr. Stephen H. Smith
General Manager
Kotzebue Electric Association, Inc.
P. O. Box 44
Kotzebue, Alaska 99652

Mr. Willard H. Johnson, P.E.
General Manager
Matanuska Electric Association, Inc.
P. O. Box 1148
Palmer, Alaska 99645

Mr. Edward W. Callen
General Manager
Metlakatla Power & Light
Box 346
Metlakatla, Alaska 99926

Mr. J. C. Lindblom, Manager
Naknek Electric Association, Inc.
P. O. Box 118
Naknek, Alaska 99633

Mr. David F. Bouker, Manager
Nushagak Electric Cooperative, Inc.
P. O. Box 197
Dillingham, Alaska 99576

KETCHIKAN PUBLIC UTILITIES

334 FRONT STREET P. O. BOX 1019 KETCHIKAN, ALASKA 99901 TELEPHONE 907-225-3111

MUNICIPALLY OWNED
ELECTRIC WATER PHONE

February 10, 1977

Senator Joe Orsini, Chairman
Community and Regional Affairs Committee
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Subject: Your letter of January 24, 1977,
re: Senate Bill No. 50

Dear Senator:

The City of Ketchikan d/b/a Ketchikan Public Utilities owns and operates three Utilities: Electric, Telephone, and Water. We are always most interested not only in legislation affecting utilities, but rules, regulations and administrative codes as well. Our observations on Senate Bill No. 50 are as follows:

Section 1. AS 19.05.130(4) - No adverse comment. Amending serves to clarify.

Section 2. AS 19.05.130(12) - No adverse comment through the word "STEAM".

We realize that (12) must be an attempt to clarify and identify what a Utility is and will be under the law.

The word "WASTE" has many meanings. If the Bill intends it should mean sewage, then it should be spelled out. Does it mean sanitary landfills? Waste land such as a desert?? I believe that the single word "waste" would eventually be the means whereby an agency of the State would place their own interpretation on the single word to the detriment of the Utilities and Public.

"Storm water not connected with Highway drainage,". We all know what "storm water" is. Do we interpret that any "storm water" that is not connected with Highway drainage is automatically a Utility. What about the storm drain systems of city streets and secondary roads? Does Senate Bill No. 50 mean that towns and cities street drainage systems are to be classified as Utilities?? Or, does it mean "storm waters" within the confines of a Highway R.O.W. only? If so, it should be stated.

"Publically owned Fire and Police signal systems." I have taken the liberty of submitting copies of your letter and Senate Bill No. 50 to the City of Ketchikan Public Works Director, Chief of Police, and Fire Chief. They express concern that Senate Bill No. 50 classifies them as a Utility. You will no doubt be addressed by them on an individual basis.

Section 3. AS 19.25.010 - No adverse comment. Amending tends to clarify if (12) is amended as set forth.

Section 4. AS 19.25.020 -

(a) (last line)- "The order shall provide a reasonable time period for compliance."

As existing, the statute reads that the Utility owning or in charge of the facility shall change, relocate, or remove it as soon as possible in accordance with the order.

There is a great difference. As existing, it requires mutual cooperation and understanding by the Utility and State. As proposed, it puts the Utility at the mercy of an arbitrary act.

We would suggest that if the word "reasonable" is desired that the wording be; "The order shall provide a reasonable time period for compliance. Such time period being mutually agreeable to the Utility and the State."

The State knows what they want accomplished, but only the Utility knows the problems a move, or relocation, creates for them and has the knowledge of the how, when and wherefore for compliance.

(b) We do not agree with the proposed version. It places more leverage and larger clubs in the hands of a State agency to use on a Utility. Neither do we agree on the merit of this clause in the existing statute.

The State of Alaska highway system can not be compared with those in older States. The State of Alaska acquired a great deal of todays highways upon Statehood in 1959. Many utility facilities were in existance.

It should matter not whether a facility was constructed prior to, or after July 1, 1960. If the Utility is occupying State Highway R.O.W. under a valid and legal agr-ement between the State and the Utility, and the State decides to perform highway work necessitating relocation, move, or whatever that would be a cost item to the Utility, then it should be the moral and legal responsibility of the State to participate in such cost with the Utility.

Speaking for our own Utilities, we have never failed to cooperate with the State and have had, and hope to continue to have excellent working relationship and cooperation with the Utility section of the State Highway Department.

As we have mentioned to the State before, even when we have had mutual participation in cost, there are times when we had to scrape the bottom of the barrel to raise our share and drop budgeted items to do so. What do you think will happen when the time comes, and it will, when we are told to move or relocate completely at our cost and we do not have the funds??

(c) AS 19.05.130(4) is associated with the costs to a Utility mentioned in item (b) above and we feel also has inequities.

Time does not permit to put in writing all the remarks which could, and perhaps should be made concerning the contents of proposed Senate Bill No. 50 in necessary detail.

I would close this letter with an observation that I would consider germane to the question.

Several years ago the State of Alaska Highway Department initiated meetings with Utilities. These meetings were held in Anchorage, Alaska, and the two meetings I attended seemed very well accepted by the Utilities. The meetings provided the opportunity for the State and Utilities to get to the nitty-gritty of matters and to expound each others problems, viewpoints, and gripes. Had such meetings continued to be held, it is possible that the proposed Senate Bill No. 50 would not have reached you in its present form.

I would strongly urge that you, as chairman, and the community and regional affairs committee, cause such meetings between the State of Alaska Highway Department in general and the Utilities section in particular, and affected Utilities, to be reinstated, if within your scope of authority.

Should you not be familiar with the aforementioned meetings, I would suggest that you or staff contact:

Mr. Charles E. Thompson
Chief Utilities Engineer
Alaska Department of Highways
P. O. Box 589
Douglas, Alaska 99824

who I believe is most knowledgeable on the matter.

I would also bring to your attention the State Highway Department's plan to completely revise the Alaska Administrative code, and most specifically the present Title 17, Chapter 15, Engineering Utility permits. Stated purpose to clear up ambiguities in the present law concerning Utility permits and reimbursements for Utility relocation.

The commissioner, H.D. Scougal, urges the Utilities to submit their written views and ideas as they relate to the regulations and that such written comments be in by January 20, 1977. This means that the Commissioner's staff will review, pass judgment, formulate the regulations, and not have to face up to a single Utility and defend their position.

I again say that true workshop, State-Utility meetings are the best answer. An eyeball to eyeball confrontation is always superior to one way communications in writing for resolving problems and having mutual understandings.

Senator, we thank you for your time and interest and the opportunity to put forth a portion of our views.

Very truly yours,

Donald D. Bowey

Donald D. Bowey
Assistant Utilities Manager

DDB:mem

cc: N. L. Teague, City-Utilities Manager
Senator Robert Zeigler
Representative Oral Freeman
Representative Terry Gardiner
Mr. Charles E. Thompson

Alaska State Legislature

Senate

JUNEAU, ALASKA

January 24, 1977

Ketchikan Public Utilities
P.O. Box 7300
Ketchikan, Alaska 99901

Gentlemen:

Enclosed please find a copy of Senate Bill # 50 . Since this is a matter of interest to you, your comments or recommendations would be appreciated, as we intend to give this proposed legislation our consideration in the near future.

Please write to the Senate Community and Regional Affairs Committee, Pouch V, Juneau, Alaska 99811; or call 465-3712.

Very truly yours,

Joe Orsini

Senator Joe Orsini
Chairman
Community and Regional
Affairs Committee

JO/js

Enclosure: As stated

Introduced: 1/17/77
Referred: Community & Regional Affairs and Commerce

IN THE SENATE

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

SENATE BILL NO. 50

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to utilities and state rights-of-way; and providing for an effective date."

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

* Section 1. AS 19.05.130(4) is amended to read:

(4) "cost of change, relocation, or removal" means the entire cost incurred by the utility properly attributed to the change, relocation, or removal of a facility, less any costs for improvements or upgrading over and above the cost of a functionally equal facility; if a facility is to be relocated and replaced with new equipment, there shall also be substracted from the entire cost [UTILITY AFTER DEDUCTING ANY INCREASE IN THE VALUE OF THE NEW FACILITY AND] any salvage value derived from the old facility;

* Sec. 2. AS 19.05.130(12) is amended to read:

(12) "utility" includes railroads and all publicly, privately, or [AND] cooperatively owned lines, facilities and systems for producing, transmitting or distributing communications, telecommunications, power, electricity, light, heat, gas, oil, crude products, water, steam, waste, storm water not connected with highway drainage, and other similar commodities, including publicly owned fire and police signal systems, and street lighting systems [UTILITIES];

* Sec. 3. AS 19.25.010 is amended to read:

Sec. 19.25.010. USE OF RIGHTS-OF-WAY FOR UTILITIES. A utility facility [AN ELECTRIC TRANSMISSION, TELEPHONE, OR TELEGRAPH LINE, POLE LINE, RAILWAY, DITCH, SEWER, WATER, HEAT, OR GAS MAIN, FLUME, OR OTHER

STRUCTURE WHICH BY LAW] may be constructed, placed, or maintained across, [OR] along, over, under or within a state right-of-way [A HIGHWAY BY A PERSON OR POLITICAL SUBDIVISION MAY BE MAINTAINED OR CONTRUCTED] only in accordance with regulations prescribed by the department and [. NO UTILITY PROJECT OF THIS NATURE MAY BE UNDERTAKEN UNTIL IT IS] authorized by a written permit issued by the department.

* Sec. 4. AS 19.25.020 is repealed and re-enacted to read:

Sec. 19.25.020. RELOCATION OF UTILITIES INCIDENT TO HIGHWAY PROJECTS. (a) If, incident to the construction of a highway project, the department determines and orders that a utility facility located across, along, over, under, or within a state right-of-way must be changed, relocated or removed, the utility owning or maintaining the facility shall change, relocate or remove it in accordance with the order. The order shall provide a reasonable time period for compliance.

(b) If the utility facility is not changed, relocated or removed in accordance with the order, the facility becomes an unauthorized encroachment and may be disposed of in accordance with secs. 240 - 250 of this chapter, and the owner of the facility is liable to the state in liquidated damages in the amount of $100 for each day the encroachment exists. In addition, the owner of the facility shall indemnify the state for any amount for which the state may be liable to a contractor by reason of the encroachment.

(c) The cost of change, relocation, or removal necessitated by highway construction is a cost of highway construction to be paid by the state in accordance with AS 19.05.130(4), notwithstanding the terms or provisions of any existing permit, agreement regulation or statute to the contrary.

* Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-070(c).

SB

63

THE WHITE HOUSE

WASHINGTON

April 18, 1977

Dear Mr. Byer:

Thank you so much for sending me background information on the Arctic-Alaska International Conference you are coordinating.

I find the concept of an International Mutual Exchange Conference a very attractive one and I hope that the Office of Public Liaison can be of some assistance to you in this endeavor.

I am forwarding information on the Conference to the Office of Energy Policy and Planning which is headed up by Dr. James Shlesinger, the President's top energy advisor.

I am sure that Dr. Schlesinger will find the Conference of interest. I will be more than happy to help in any way.

With warm personal regards.

Sincerely yours,

Jane Wales

JANE WALES
Associate Director
Office of Public Liaison

Mr. George H. Byer
Box 445
Hemet, California 92343

Friend Joe..

I'm sorry it had to come to this but how long can a guy go on and on without any realized goal. After 2yrs, unending work the govm with his ifs andsbuts & don'ts and trying to hassel a measley 25 gs out of you people from one comm. to another everybody telling us how to do it and no one offering any help or means, hell man its time to throw in the towel. Alaska a natural has lost another great opportunity to c me into a leadership role. So thank you for your efforts and all I'm asking that some means is provided for me to recoup the money I spent. That I deserve. As you'll note back in 1966, I had a res. thru so I've been at this dream a long time and if anyone ever deserved a medal for trying but failing I sure as hell ought to get one...

JAY S. HAMMOND
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 21, 1977

The Honorable Chancy Croft
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Croft:

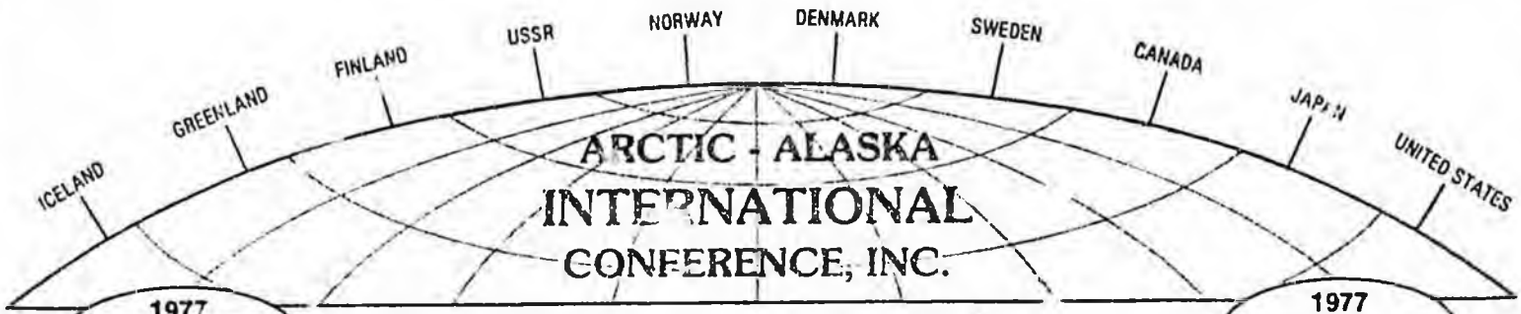
This is in response to your recent inquiry to my office regarding the State's position on the proposed Arctic-Alaska International Conference.

As I am sure you are aware, federal, state, and local governments, have received much correspondence recently from George Byer regarding potential interest to host and bear the cost of this proposal. Upon investigation, there seems to be a singular lack of enthusiasm expressed both at the federal and state level for hosting such an enterprise at this particular time. I want to make it clear I do not oppose the conference; what I do oppose is the state spending such a large amount of money for an Alaskan conference when many questions still remain unanswered regarding who will plan and coordinate the agenda and what are the public purposes which will be addressed by this gathering.

As I am sure you are aware, the State of Alaska is hosting the 1977 Western Governors' Conference, and also the Arctic Research Interest group is conducting a Siberia-Alaska Conference during this year in Alaska. Since there is little interest at the federal level for the Arctic-Alaska International Conference, it is clear that the burden of planning and coordinating this event will fall to the State and place a tremendous additional State expense in both monetary and personnel considerations. It is for this reason that I am not advocating the state host this conference. To express interest in serving as a host for a conference that we feel has an unenthusiastic response at both the state and federal level would be premature. Perhaps at a later date such a gathering could be most appropriately held in Alaska.

Sincerely,

Jay S. Hammond
Governor



ARCTIC - ALASKA INTERNATIONAL CONFERENCE, INC.

1977 SEPTEMBER 7-8-9-10

ANCHORAGE, ALASKA

"A People to People Presentation"

1977 SEPTEMBER 7-8-9-10

INTERNATIONAL HOSTS

Jay S. Hammond
Governor of Alaska

Alaska State Senate
John Rader, President

Alaska State House
of
Representatives
Hugh Malone, Speaker

George M. Sullivan
Mayor of Anchorage

Anchorage Municipal Assembly
Dave Rose, Chairman

Ted Stevens
Alaska
United States Senator

Mike Gravel
Alaska
United States Senator

Don Young
Alaska
United States Representative

CONFERENCE PARTICIPANTS

Alaska
Chamber of Commerce

Anchorage
Chamber of Commerce

Alaska
Federation of Natives

Arctic
Institute of N. America

University of Alaska

NO ANSWER

March 16, 1977

Dear Jay...

President Carter has asked the governors to join the First Lady and him in their plans for a people exchange program. By 1978, he feels most states will be accomplishing this hope for better understanding above and beyond government. Alaska has already assumed this plan with the steady planning since late 1975 for the Arctic-Alaska Conference. Everything is in waiting for your assurance of full support and cooperation.

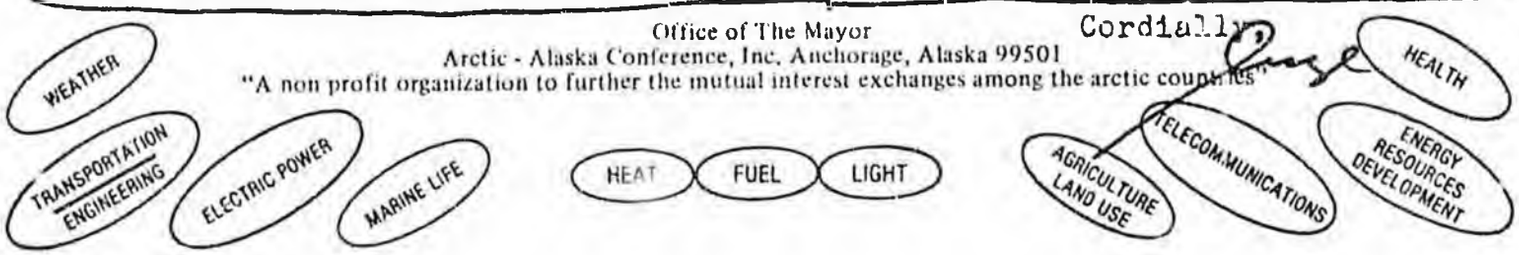
If there were no other interests but the Dept. of Commerce that in itself is ample proof of the great interest and willingness to assist in an "Idea whose time has come"...

But this is but only one of many...RCA, Oil Companies, U. of A Arctic Inst. and on and on and as mentioned the Minister of Finance for Norway who has been invited, could very well give interests and benefits to Alaska that would be worth the25,00 asked by the legislature and many times over.

Jay, we just can't let all this effort, time, work, planning and money (I've spent over $1600 myself)go up in smoke. Too much has been accomplished, too many people committed and far too much valuable work done over two years. So may we ask that you give it top priority assuring the legislature, Mayor Sullivan & Assembly, Mr. Sellin of the S. Dept. and a follow-up on invitations such as Sweden suggested to all Arctic country embassie To assure all possible time for the Exec. Dir. & program coordinator to carry on please give it your very earliest for time is important and assuring the Preside that you as governor of Alaska is fulfillin the people to people presentation.

Cordially,

Office of The Mayor
Arctic - Alaska Conference, Inc. Anchorage, Alaska 99501
"A non profit organization to further the mutual interest exchanges among the arctic countries"



COPY

MARCH 31, 1977

GOVERNOR JAY S. HAMMOND
JUNEAU, ALASKA 99811

ATTENTION: GOVERNOR HAMMOND

In your March 21/77 letter to Senator Croft relative to the States' position on the Arctic-Alaska Conference, you stated,"I do not oppose the conference--what I do oppose is the state spending such a large amount of money------"..

In response to your..."there seems to be a singular lack of enthusiasm expressed both at the federal and state level"... This statement is entirely without foundation and shows a complete lack of informed knowledge. For example, the 1/18/77 letter by the Assist. Secretary for the Dept. of Commerce to Senator Stevens indicates enthusiastic interest in these words..."see the conference as a good forum for discussion and cooperation between participating countries "subjects are of great interest within the department...will be glad to help publicize the conference and furnish advice on request"...

The State Department position is committal with the interest of the governor. Letters of praise and their 76 invitations to the Arctic countries were sent following the states' assured interest in your White House contacts and the wire to President Ford. The states' personnel position is the same, enthused only if the governor shows interest. And since the conf. was acceptable by you last year, your premature statement appears without reason or fact.

If you consider $25,000 as requested in Senator Crofts' bill, a big amount of money, then you have no valued judgement of the merits, interest or benefits which the conf. would create for Alaska. And to say" the event will fall to the state and place a tremendous additional state expense in both monetary and personnel consideration," again shows uninformed awareness. The U. of Ak both from Fairbanks and Anchorage, passed on to you, indicate their interest and support by offering top people to assist as has Norways' Dr. Sollie, Mr. Oelen, Minister of Finance, Dr. Untersteiner of the U. of Wash., Arctic Inst. of N. America, oil cos, RCA, Fed. of Natives, Chambers of Commerce, legislator among others. This offering of assistance indicates no tremendous expense or personnel by the state. All these responding letters you have to observe if any state personnel have been asked to serve other than they would in their regular line of duty. And as for the conferences' "public purposes", one only needs to read the 76 resolution passed,without contest,by Alaskas' Legislature and signed by you as to commitment and its purpose. "Who will plan and coordinate the agenda"... again shows the lack of communicative interest in learning more about the efforts, planning, coordination and direction taken since

the 76 resolution passed both by the state and city of Anchorage and endorsed by President Ford.Money that would be provided by the Croft bill, could then hire an exec. dir. and a program coordinator to follow-up and carry on the accomplishments that have been formulated to include the various people for assistant,committees for needs and functions.

I have kept you informed of all of this by any number of letters and asked that you call to further discuss matters but neither the letters or the calls were ever acknowledged. Your only letter to me dated April 30, 1976 so stated "Find a copy of the telegram I have recently sent President Ford urging action by the State Department in initiating this proposal... Please let us know if we can be of further assistance in this matter"...This assurance is the committal agreement by you to me to go forward with plans and since I have never had any other suggested direction from you, efforts toward the full conference realization became my responsibility as anyone from reading your mentioned letter would assume.

Over the many months since then foreign countries, embassies,diplomats, cabinet levels, federal agencies, legislators, educators as well as the private sector and among others have been contacted or in turn contacted me. A vast variety of interests and need for returned calls and letters which is by any ones' imagination a full time, dedicated and sincere endeavor.

And to allow me to continue on and on without the common courtesy or the expected propriety of a governor on a matter of this magnitude, without first consulting me or advising me of your changed attitude or reason to cancel, is unprecedented in matters as important as a state involving foreign delegates.

Certainly I am entitled to more than to learn second hand by Senator Crofts" letter of your proposed cancellation of the conference which has now placed me in a very embarrassing, humiliated and deformational position and disrespectful of my ability as a conference coordinator in the eyes of others. For of late, a letter to the First Lady with various planning letters to others, are apologies I do not intend to make on your behalf. And add to this no concern for the need to properly carry on, spending my own money, is in denying the conference, is depriving me of an appropriate opportunity to recover my just due me expenses.

This type of inconsiderate attitude toward my long, untiring and dedicated efforts on Alaskas' behalf, is not acceptable and I expect not only a prompt apology but a full repayment of monies spent, by me, on the needs and essentials relative to the conference.

Small and common place thinking has no place in the affairs of men with something as important for Alaska as the Arctic-Alaska Conference, and all matters affecting the others involved should be coordinated accordingly.

Alaska, unique in its Arctic international position, had the rare opportunity, in the noblest of a people to people endeavors, above and beyond any other state, to carry on, in the best tradition, President Carters' request to all the governors to join the First Lady and him in a people exchange program.

And to fulfill a leadership role eagerly anticipated and supported by the Arctic countries for an idea whose time has come and which has been rewardingly received and promised, for a new consensus of cooperation in the Arctic by the acceptance, for its perspective reason and purpose, by all except the Governor of Alaska....

Sincerely,

George H. Byer

George H. Byer
Box - 445
Hemet, Ca. 92343

Copies: Mayor Sullivan
Senator Croft
Senate President Reder
House Speaker Malone
Senator Stevens
Senator Gravel
Congressman Young

ARNE ØIEN
DIRECTOR GENERAL
ECONOMIC POLICY DEPARTMENT
MINISTRY OF FINANCE
OSLO, NORWAY
TEL. 19090

Oslo, February 28, 1977

Mr. George H. Byer
Alaska Conference Coordinator
Box - 445
Hemet
California 92343

Dear Mr. Byer,

Thank you for your kind letter. I appreciate your invitation very much. However, in the beginning of September I shall be busy preparing the National Budget for Norway. I would like to recommend to you my colleage Mr. Per Schreiner, Director General of the Planning Department of the Ministry of Finance. He ought to be well suited for the task. Recently he has been responsible for the preparation of a white paper on the Petroleumactivity in the Norwegian Society, and he is presently preparing the next long term economic program for Norway.

If you are going to contact him, it might be helpful for him to receive some information on travel-arrangements etc.

Sincerely yours

Arne Øien

UNITED STATES DEPARTMENT OF COMMERCE
The Assistant Secretary for Domestic
and International Business
Washington, D.C. 20230

JAN 18 1977

Honorable Ted Stevens
United States Senate
Washington, D.C. 20510

Dear Senator Stevens:

Since receiving your letter of last December 6 regarding an Arctic Alaska International Conference, we have received additional material from Mr. George Byer, the Conference Coordinator. We share Mr. Byer's enthusiasm as to the important position Alaska is attaining in both U.S. and world economic affairs and certainly see the conference as a good forum for discussion and cooperation between participating countries.

I am sorry that we do not have funds to support the endeavor. Provision was not made for it in our current budget and, even so, it does not appear to fit within those areas of activity for which the Department is authorized to provide funding support. (Please do not regard this as a lack of interest on our part.) Many of the discussion subjects under consideration are of great interest to the Office of Energy Programs as well as to other entities within the Department. Specifically, I have in mind the energy and marine topics.

We will be glad to help publicize the conference and furnish advice on request. I wish we could do more.

Sincerely,

L. S. Matthews

Leonard S. Matthews
Assistant Secretary for Domestic
and International Business

Alaska State Legislature

JOE P. JOSEPHSON
DISTRICT 8
P. O. BOX 2189
JUNEAU, ALASKA

326 H STREET
ANCHORAGE, ALASKA

COMMITTEES:
CHAIRMAN,
COMMERCE COMMITTEE
VICE CHAIRMAN,
JUDICIARY COMMITTEE

House of Representatives

March 26, 1966

Mr. George Byer
1026 Barrow Street
Anchorage, Alaska

Dear George:

Senate Joint Resolution 96 has been approved. You may be interested to know that the vote in the House followed party lines essentially. The Republicans argued against the resolution on the ground that it would introduce foreigners from Iron Curtain countries into Alaska!

I was pleased to support the resolution which I felt was constructive and which had, in my judgment, no adverse national security implications.

Sincerely yours,

MIKE GRAVEL
ALASKA

United States Senate

WASHINGTON, D.C. 20510

August 27, 1969

Mr. George H. Byer
930 Rosedale SP 43
Capitola, California 95010

Dear George:

Your idea on the UN economic commission for the Arctic countries sounds like it has quite a bit of promise. I ran it by Mike Gravel and he is very enthusiastic about the idea. We have written to our delegation at the UN to investigate this possibility and will let you know how it all turns out.

Introduced: 1/20/77
Referred: Community & Regional Affairs and Finance

IN THE SENATE BY CROFT

SENATE BILL NO. 63

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act making a special appropriation to the municipality of Anchorage for the Arctic Alaska International Conference; and providing for an effective date."

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

* Section 1. The sum of $25,000 is appropriated from the general fund to the municipality of Anchorage for the Arctic Alaska International Conference to be held September 7 - 10, 1977.

P.S. Thank you for the very interesting program proposal. I will pass it along. Jane

TODAY

30 ROCKEFELLER PLAZA, NEW YORK, N.Y. 10020

Thank you very much for taking the time and trouble to write the TODAY program.

Sincerely,
Jane Pauley
Jane Pauley

FRANK STANTON 10 East 56 Street, New York, New York 10022

CBS FOUNDATION HAS GIVEN TO COLUMBIA UNIVERSITY A MILLION DOLLAR GRANT FOR INTERNATIONAL JOURNALISM. MY SUGGESTION TO CBS SINCE THEY ARE VERY MUCH INTERESTED IN INTERNATIONALISM THAT THEY OUGHT TO CONSIDER THE INTERNATIONAL STATE OF ALASKA. AND OFFER A GRANT OF WHATEVER CHOICE TO THE UNIVERSITY OF ALASKA BOTH IN FAIRBANKS AND ANCHORAGE FOR THE PURPOSE OF STUDY, ON THE ALASKA SCENE, OF ENERGY PRIOR TO A INTERNATIONAL CONFERENCE OF WORLD OIL PRODUCERS IN ALASKA WITHIN THE NEXT TWO YEARS.

Dear Mr. Byer:

I want to acknowledge your letter of January 4 and tell you it has been forwarded to Arthur B. Tourtellot, President of the CBS Foundation. I retired as an officer of CBS early in 1973.

Sincerely,

Frank Stanton

Dear George:

Have heard very little since your first letter regarding the Arctic-Alaska International Conference. It sounds like it would be most interesting and I'd like to take part in it.

Could you give me some more information?

Sincerely,

Clem

Clem Tillion
State Senate

Dear Mayor:

Thank you for your letter concerning the Arctic-Alaska International Conference.

Be assured that I will do what I can to promote support.

Sincerely,

Tim

Dear Mr. Byer:

Thank you for your February 11, 1977 letter in regards to the Arctic - Alaska International Conference.

I certainly will help.

Very truly yours,

Mike Beirne

Dr. Mike Beirne
State Representative

Dear George:

In regards to the Artic-Alaska International Conference, you may depend on me for full support.

Best personal regards.

Sincerely,

Leo

Leo Rhode
State Representative
District 13

Be assured that when Senator Croft's bill, SB 63, an appropriation for $25,000, comes to the floor of the House I will support it.

REPRESENTATIVE BILL MILES

Dear George,

The Arctic-Alaska International Conference sounds like a great idea and I'm willing to work for an appropriation.

I wonder if you would work up a more detailed budget of what this money is to be used for. Also, do you intend to be the executive director, or who will continue to carry the ball?

I am enclosing SB 63, and plan to introduce one on the House side.

Cordially,

Clark

Rep. Clark Gruening

Dear George,

Many thanks for sending me the material on the Arctic-Alaska International Conference. It is a marvelous idea and I will certainly support the funding you seek.

Yours,

Lisa

Lisa Rudd

Greater Anchorage
CHAMBER of COMMERCE

November 16, 1976

Crossroads of the Air World

Mr. George Byer
Box 445
Hemet, CA 92343

Dear George:

You may recall that in your visit to Anchorage in August we discussed the matter of the Arctic Alaska International Conference and the possible involvement of the Anchorage Chamber of Commerce.

I think the idea of holding such a conference has received wide enthusiastic support and, providing that the schedules and details can be worked out, it would appear that such a meeting would be very successful.

I appreciated the opportunity to meet with you and to have had the opportunity to discuss the matter of the conference with you first hand.

Very truly yours,

Robert L. Hartig, President
Anchorage Chamber of Commerce

Anchorage Daily Times

Box 40, Anchorage, Alaska 99510

Dear George,

Congratulations on your latest step toward getting an Arctic-Alaska conference underway for September, 1977. Your determination and dedication are fantastic.

Yes, I will be glad to supervise the social program connected with such a conference and will get a group of women together who would be interested in helping with such a project.

Wishing you continued success in your efforts, I remain

Very sincerely,

TO: Senator Orsini DATE: Feb. 15, 1977

FROM: Paul Conger RE: SB63

I spoke to Bill Gordon, Governor's Office, to get some feedback regarding SB63.

In essence, Mr. Gordon stated that they are very unenthusiastic about this bill. They feel that the Conference is unique but that there's much work to be done before the conference can be a reality.

He said Mr. Byers wrote their office asking for support and as a courtesy they forwarded it to the State Department. However, on two occasions they have written Mr. Byers requesting that he not use the Governor's Office as an endorser of the Conference on his letterhead.

PC/js

TO: Senator Orsini DATE: Feb. 15, 1977

FROM: Paul Conger RE: SB63

I spoke with Phil Upton of the Arctic Institute of North America regarding SB63. He said that they had been contacted by George Byers and that they had okayed it that Byers could use their name as endorsing the Conference.

Upton mentioned that the Arctic Institute was going to have their own convention with East Siberia and felt this might tie in somehow with Byer's Conference. However, in checking into George's proposed Conference there didn't seem to be much support for it, so they decided to have their conference on their own.

He stated that George's conference seemed to be lacking in organization and there was alot of work to be done if he was ever going to have a conference this summer.

PC/js

Alaska State Legislature

SENATOR
JOE ORSINI
2912 ALDER DRIVE
ANCHORAGE, ALASKA 99504

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA
99811

COMMITTEES

RESOURCES
COMMERCE
COMMUNITY & REGIONAL AFFAIRS

Senate

February 17, 1977

George Byer
P. O. Box 445
Hemet, California 92343

Dear George:

Thank you for the letters dated January 26, 1977 and February 9, 1977 indicating the work expended on your part to make the Arctic-Alaska International Conference a reality. You are to be commended for the time devoted in spearheading this Conference.

As Chairman of the Senate Community and Regional Affairs Committee, and in an effort to derive insight into the above referenced bill, I have made contact with the following people to receive input regarding the Arctic-Alaska International Conference:

Theodore Sellins, Polar Affairs Officer, State Department
Governor's Office
Mayor Sullivan's Office, Anchorage
Arctic Institute of North America

The feedback I received was overwhelmingly favorable to the prospect of an Arctic-Alaska Conference to promote relations between Arctic Nations. The theme behind this Conference was well entertained by all those concerned, and there didn't seem to be any dearth of support behind the basic proposal.

However, there do appear to be two concerns: That the spectrum of the Conference is too broad in scope and needs to be reduced to a format more specific in perspective; and, secondly, that the necessary steering committees, on both the pertinent Conference objects and the overall Conference organization, need to be formed. It surprises me that all this effort must be expended so early in the Conference timetable, but apparently that is the way these international Conferences are done.

In an effort to assist in this regard, might I suggest that you contact Senator Croft and attain assistance from his office in analyzing the stature of the Conference. I noticed in your letter, dated January 26, 1977, that you have a number of topics suggested as areas of discussion. Possibly two or three of these topics would be suitable as a theme on which to conduct the Conference.

Senator Croft's office would also, I am sure, be productive as a source in helping you establish and organize criteria for the Conference, suggesting individuals who may be interested in creating steering committees to assist in organizing and delineating the specific objectives of the Conference, and acquiring funds. As sponsor of the bill, he has indicated his interest in the subject, and his experience and scope of statewide contacts would certainly be of benefit in this regard.

When our committee addresses this bill, I am sure the members will be very supportive as to the spirit of the Conference and will anxiously await the opportunity to review the refined product.

Sincerely,

Joe Orsini

JOE ORSINI
Senator

JO/gd

cc: Senator Chancy Croft

DEPARTMENT OF STATE
Washington, D.C. 20520

March 30, 1977

Mr. George H. Byer
Alaska Conference Coordinator
Office of the Mayor
Arctic-Alaska Conference, Inc.
Anchorage, Alaska 99501

Dear Mr. Byer:

Secretary Vance has asked me to reply to your letter of March 14, explaining your plans for the proposed Arctic-Alaska International Conference. We certainly agree that the State of Alaska is in a unique position to host a conference of Arctic countries for the purpose of exchanging ideas on pressing regional economic and other issues.

It is indeed gratifying to learn that you and other Alaska state officials share the concern of the Department of State for the need to strengthen patterns of international communication on a person-to-person level. As our world grows increasingly interdependent, it is important to recognize that support for constructive communication and mutual understanding is a universal responsibility. Your Conference would appear to provide an excellent forum for the promotion of cooperation and goodwill among this selected group of international participants.

I would like to take this opportunity to compliment you for the development of this important initiative in Arctic regional affairs, and offer my sincere best wishes for its successful implementation.

Sincerely,

William K. Hitchcock
Acting Assistant Secretary for
Educational and Cultural Affairs

ARNE ØIEN
DIRECTOR GENERAL
ECONOMIC POLICY DEPARTMENT
MINISTRY OF FINANCE
OSLO, NORWAY
TEL. 11 95 90

Oslo, February 28, 1977

Mr. George H. Byer
Alaska Confer nce Coordinator
Box - 445
Hemet
California 92343

Dear Mr. Byer,

Thank you for your kind letter. I appreciate your invitation very much. However, in the beginning of September I shall be busy preparing the National Budget for Norway. I would like to recommend to you my colleage, Mr. Per Schreiner, Director General of the Planning Department of the Ministry of Finance. He ought to be well suited for the task. Recently he has been responsible for the preparation of a white paper on the Petroleumactivity in the Norwegian Society, and he is presently preparing the next long term economic program for Norway.

If you are going to contact him, it might be helpful for him to receive some information on travel-arrangements etc.

Sincerely yours

Arne Øien

UNITED STATES DEPARTMENT OF COMMERCE
The Assistant Secretary for Domestic
and International Business
Washington, D.C. 20230

JAN 18 1977

Honorable Ted Stevens
United States Senate
Washington, D.C. 20510

Dear Senator Stevens:

Since receiving your letter of last December 6 regarding an Arctic Alaska International Conference, we have received additional material from Mr. George Byer, the Conference Coordinator. We share Mr. Byer's enthusiasm as to the important position Alaska is attaining in both U.S. and world economic affairs and certainly see the conference as a good forum for discussion and cooperation between participating countries.

I am sorry that we do not have funds to support the endeavor. Provision was not made for it in our current budget and, even so, it does not appear to fit within those areas of activity for which the Department is authorized to provide funding support. (Please do not regard this as a lack of interest on our part.) Many of the discussion subjects under consideration are of great interest to the Office of Energy Programs as well as to other entities within the Department. Specifically, I have in mind the energy and marine topics.

We will be glad to help publicize the conference and furnish advice on request. I wish we could do more.

Sincerely,

L. S. Matthews

Leonard S. Matthews
Assistant Secretary for Domestic
and International Business

Alaska State Legislature

SENATOR
JOE ORSINI
2912 ALDER DRIVE
ANCHORAGE, ALASKA 99504

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA
99811

Senate

COMMITTEES

RESOURCES
COMMERCE
COMMUNITY & REGIONAL AFFAIRS

February 17, 1977

The Honorable Mayor George Sullivan
Pouch 6-650
Anchorage, Alaska 99502

Dear Mayor Sullivan:

Enclosed is a copy of Senate Bill 63, by Senator Croft, requesting an appropriation to the Municipality of Anchorage of the Arctic-Alaska International Conference. While not a large sum of money, comparatively, those legislators who feel that "Anchorage gets everything" will undoubtedly challenge its appropriation, or worse yet, want special appropriations for their own communities.

In this regard, several questions should be answered:

1. What kind of organizational and manpower support will the Municipality of Anchorage give this proposal?

2. Specifically, what would the Municipality of Anchorage use this money for, if appropriated?

3. Will the Municipality of Anchorage provide any cash match?

These are not questions that can be answered in the perfunctory manner, but ones I am certain we will be asked as we support the bill. It is probably necessary, therefore, that we receive answers on these questions prior to taking action on the bill.

Sincerely,

Joe Orsini

JOE ORSINI
Senator

JO/gd

cc: George Byers

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2525

GEORGE M. SULLIVAN, MAYOR

OFFICE OF THE MAYOR

March 16, 1977

Senator Joe Orsini
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

With reference to your recent letter to Mayor Sullivan asking for his comments on Anchorage's proposed participation in the Arctic Alaska International Conference, I am enclosing a letter written by the Mayor to Mr. Byers, which I feel adequately expresses his feelings.

Sincerely,

Yvonne Alford,
Assistant to Mayor Sullivan

attch: Mayor Sullivan's memo to George Byers dated 2/3/77.

/ccm

Hi, Joe. How's your little girl?
Y

Municipality of Anchorage

MEMORANDUM

DATE: February 3, 1977

TO: George Byers

FROM: Mayor Sullivan

SUBJECT: Artic-Alaska National Conference, Inc.

Chancy Croft just introduced a Bill in the Senate for contributing $25,000 to the Municipality of Anchorage for the Artic-Alaska National Conference, Inc.

I have been led to believe though that the State may not wish to get involved in this conference. As I have told you before without the State sponsorship, I certainly don't intend to try to take it on for the Muncipality. It would be a complete flop. Additionally, we would not hear from nations, national leaders, international leaders or others on the basis of a Mayor or a single Municipality trying to put on such a conference.

Doug Weiford also contacted me in regards to a request for you for advance funding for travel. George, I am prohibited by every ordinance and regulation in the Municipality from doing such a thing and I have so advised Doug.

The key in my opinion still rests with the State government and official endorsement and official invitation coming from the Governor of Alaska. Until I hear something positive from that end, I am afraid I cannot do much more from here. I know this may sound a little discouraging to you, but I am sorry that I don't feel I am in the position to do anything differently.

Most Sincerely,

George M. Sullivan
Mayor

cc: Senator Stevens
Senator Gravel
Representative Young

91 010 (4/76)

Office of the Gov

February 9, 1977

Mr. George Dyer
Box 445
Hemet, California 92343

Dear Mr. Dyer:

This is in reply to your letter of December 30, 1976.

Please be advised that with an additional year to study the merits of an Arctic Countries Mutual Interest Exchange Conference as being promoted by you, it is the decision of this office not to request funding for the conference through the State Legislature.

Likewise, in discussing the prospects for the conference with local and federal officials, they have indicated to me they do not plan to actively promote the conference. And, officials of the U. S. Department of State have expressed serious misgivings for the conference from the information available to them.

Mr. Dyer, I am well aware that you received statements last year expressing initial interest in the conference. However, I feel certain that prospective State involvement has been exaggerated, and I regret any communication that may have misled you to feel the State would support the formation of this conference. I also appreciate your enthusiasm, your devoted efforts and your good intentions. However, with the current financial situation of the State and the fiscal restraints the Governor has found necessary to impose, we cannot in good conscience support this conference. Since you are not physically residing in Alaska and therefore may not be completely familiar with the current State financial situation, I am enclosing a copy of the Governor's budget message to the Legislature for you.

I have a copy of a letter to you of July 19 from the Governor's Office and I am perplexed that after receiving that letter you would again have stationery printed listing the Governor as an international host without permission to do so. In addition, the Tenth State Legislature has convened and elected its officers; John Rader is now President of the Senate and Hugh Malone is the current Speaker of the House.

In order to touch all bases at once I want to tell you that it is my opinion that the Arctic Institute of North America, with its staff of experienced personnel, is in a much better position to coordinate an Arctic Countries Mutual Interest Exchange Conference. It is my understanding the Institute is planning for such a conference with Siberia. You may wish to offer your voluntary services to the Institute.

In closing I hope this letter has finally made clear the State's feelings in this matter; and that there will be no further misunderstandings about our position.

Sincerely,

Bill Gordon
Executive Assistant
to the Governor

Enclosure

bcc: George Sullivan
Sam Coxson
Chuck Heacham
Ryan Ulmer
Phil Ostle
Governor Hammond

BG/CM/ll/tdg

TO: Senator Orsini DATE: Feb. 7. 1977

FROM: Paul Conger RE: Artic-Alaska International Conference (SB63)

lack of organization

Today I spoke with Theodore Sellin, Polar Affairs Officer, State Department, Washington D.C., 101-202-632-8997. Since the proposed conference is of an international flavor, I inquired from Mr. Sellin the State Department's position regarding the above referenced conference. Mr. Sellin submitted the following. He informed me that he had been contacted by Mr. George Byers requesting federal funds for this undertaking, but since this was a "non-governmental" conference per se, despite the language incorporated into the material that has been distributed by Mr. Byer, no funds could be provided.

Mr. Sellin stated that the idea behind Mr. Byer's proposed conference was an attractive possibility, however, at this time he felt the proposal lacked sufficient preparation and organization, particularly for a projected conference of this magnitude. He commented that he had an opportunity to meet with Mr. Byer and suggested that Mr. Byer postpone the conference (it was originally scheduled to take place during the Bi-Centennial) permitting Byer to narrow the scope of the conference, because as it stood it was too broad in its makeup.

Mr. Byer commented that the approach taken by Mr. Byer in setting up this conference, is somewhat reverse of the method generally employed. Generally, extensive planning and organizing is conducted, at the same time acquiring funds for your conference. Once this is prepared, then the foreign ministries are approached soliciting their attendance at the conference, providing them with an itemized agenda depicting the events of the conference. Conversely, in this case, the countries were notified of the conference, and subsequent to that there was an attempt to acquire needed funds for the conference.

He suggested, because the idea behind the conference was good, that Mr. Byer should postpone the conference, permitting hime time to reduce the perspective of the conference, establish an organizational criteria for the conference, create a steering committee to assist in organizing and delineating the specific objectives of the conference, acquire the funds, and then when he has a finished product, approach the respective government bodies for support and endorsement.

Mr. Sellin commented that once this product was presented, and it was determined that there was enthusiasm behind this conference, then the State Department would consider extending invitations through our Embassies to the concerned foreign ministries to transmit to the interested parties.

PC/js

Joe —

I don't know how much of the enclosed I've sent you before now that the entire is so big, I can't keep up and see the true reason for the need of an experienced program Coordinator

Pres. Carter has asked the Governors to help the cause and it's almost like saying Alaska is already doing something about it—

So how best can you move things along and give us the support we need!

Love

Rosalynn Carter's Ambitious Plan for World Peace

By TOM SMITH

Rosalynn Carter, America's new First Lady, is busily laying the groundwork for an ambitious plan to promote world peace — a people-to-people exchange between the U.S. and other nations around the world.

Under this program, dubbed "Friendship Force," which is still in the early, formative stage, planeloads of people, ordinary citizens from every state in the union, would be shuttled to "sister states" around the globe.

These grass-roots goodwill ambassadors would then invite people from the other countries to pay a return visit to their homes in America.

Friends of Rosalynn say she's "very excited" by the prospect of bringing people of the world closer together through these no-red-tape exchanges — and they say President Jimmy Carter is solidly behind her plan.

Mrs. Carter has already held one meeting with the man who helped her organize a similar exchange program between the people of Georgia and their sister state in Brazil, Pernambuco, while Carter was governor.

"She and I have agreed we will work on this together," said the Rev. Wayne Smith of Decatur, Ga., who met with Mrs. Carter in September to discuss the Friendship Force program. "She is very interested in helping to promote world peace.

"She thought that these citizen exchanges might be a way — something without government involvement, but with its approval and encouragement.

NEW FIRST LADY Rosalynn Carter foresees planeloads of grass-roots ambassadors from the U.S.

It's not yet known who will pay for the Friendship Force, or how much it will cost. The visits between the people of Georgia and Brazil were paid for by those involved.

In Washington, Rosalynn's transition staff says the Friendship Force plan is one of her top three priorities.

"It's an idea that she is very interested in and wants to pursue as First Lady," said Kathy Cade, 29, transition projects coordinator. "She has said it is something she really wants to do."

A longtime close friend of the Carter family, John Pope, 56, of Americus, said Rosalynn had discussed her Friendship Force program with him and his wife in November.

"She said she was anxious to get it going internationally, and got very excited talking about it," Pope said. "I think it's her baby, but Jimmy is right behind it and very much in favor of it.

"I am sure you will find that she is going to play a bigger part in trying to achieve things on an international level than any other First Lady," Pope added.

"AN IDEA WHOSE TIME HAS ARRIVED"...

PRESIDENT CARTER HAS ASKED THE NATION'S GOVERNORS TO JOIN HIM IN A PEOPLE TO PEOPLE EXCHANGE PROGRAM. BY 1978, HE ANTICIPATES MOST OF THE 50 STATES WILL BE PARTICIPATING, ABOVE AND BEYOND GOVERNMENT, IN HELPING TO PROMOTE COMMON UNDERSTANDING. ALASKA, UNIQUE IN ITS WORLD LOCATION, HAS ALREADY ASSUMED THIS ROLE BY COMPLYING WITH THE ARCTIC ALASKA CONFERENCE FOR 77.

CARTER PROPOSES VISITOR EXCHANGE

WASHINGTON (AP)—President Carter asked the nation's governors Tuesday night to join him in creating a volunteer exchange program that would send Americans abroad and bring foreign citizens to the United States to promote common understanding.

"I think this is the kind of thing we can do that's a little above and beyond government, kind of nice, that perhaps you can help us with," he said at a White House dinner for the governors.

Carter said that as governor of Georgia, he and his wife, Rosalynn, worked on an exchange with a sister state in Brazil that led about 200 persons from each state to trade visits.

"We're going to try to do this on a nationwide basis," he said. The White House issued a statement dubbing the new project the "Friendship Force." It estimated that trips under the program would cost $300 to $400 a person for 10 days.

A staff for the project is being assembled and is to be based in Atlanta. The statement said Carter anticipated six or more exchanges this year, beginning May 4. By the end of 1978, the project envisions six or eight trips a year from most of the 50 states.

"Perhaps our own state this first year would like to take just one airplane, and we've asked the State Department to give us advice, and we would like to have maybe a couple hundred folks go from, say, Idaho, to perhaps Morocco, and let 200 Moroccans come back," Carter said.

"There won't be any public funds involved at the state or federal level and we're going to try to join in and raise enough money in private places to finance these trips."

Mrs. Carter has also written to the Partners of the Americas organization, which conducts similar people exchanges among Latin-American countries, asking for help in launching the Friendship Force, according to David Luria, associate director of the Partners organization.

Luria, who's based in Washington, D.C., told The ENQUIRER: "The Carters first got involved in the exchange program when Jimmy, as governor of Georgia, was honorary president for the Partners organization in Georgia. He and Rosalynn took deep interest in the Brazilian-Georgian partnership, both officially and unofficially."

MR. OEIEN, DIRECTOR OF ECONOMIC POLICY PLANNING, FINANCE MINISTRY, NORWAY

Booming Norway May Top Growth of All OECD States

CONFERENCE
MR. Oeien HAS BEEN INVITED!

BY DON COOK
Times Staff Writer

OSLO—While most countries of the industrial world are still teetering between recession and uncertain recovery, the oil-fired economic boom in Norway continues to run on a full head of steam.

After chalking up a 6% growth in gross domestic product during 1976, Norwegian authorities now are confidently forecasting that the country will continue to surge ahead in 1977 with a growth-rate of between 7% and 8%.

If they hit this figure, and there seems no reason why they cannot, the Norwegians probably will wind up the year with the highest growth rate of all 23 states belonging to the Organation for Economic Cooperation & Development, the major non-Communist industrial producers. They will be outstripping their Scandinavian neighbors.

Sweden is only targeting 2.25% growth this year, and Denmark expects only 1.75%.

During 1975, Norway, with a population of barely 4 million, passed the United States in per capita national income. With a continued upsurge in 1976 and 1977 the country may well end up this year as the wealthiest nation in the OECD on a per capita basis.

Moreover, although oil in the North Sea is giving Norway the margin which is pushing its growth rate from "solid" to "spectacular," even without oil the picture would still be healthy. Of the 7% to 8% rise forecast for 1977, well over half, an estimated 4.5% of this growth, will be in manufacturing, mining, construction and traditional economic activities. Around 3.5% will be in oil.

The gushing North Sea produced oil exports for Norway which totalled around $700 million in 1975, rose to $1.4 billion in 1976, and are figured to hit around $3 billion during 1977. Still, offshore oil activities accounted for only 3.1% of Norway's gross domestic product last year, and this figure is expected to rise to a mere 4.6% in 1976. Oil and all its related activities, in other words, are still only a small part of Norway's booming economy.

"Our main difficulty right now lies in our very high industrial wage rates," says Arne Oeien, director of economic policy planning at the Ministry of Finance. "We now have the highest wage rate per unit of production in the world except for Sweden, higher even than the United States. In shipbuilding, for example, our wage-rates are almost double those of Japan which, of course, is one of the reasons why our shipbuilding industry is now going into a slump, perhaps

It appears that Mr. Oeien should have plenty to say at the conferenc about Norway's oil-fired growth rate, its per capita national income greater than U.S. and its well below I% unemployment.
If for this alone, besides his economic planning and the N. Sea oil, could very well be worth, in interest and benefit to Alaska, the $25,000 asked of the legislature for the conference and many times over. For no country can come up with these kind of figures without some use and value worth listening too. And by reaching out the Arctic Conference becomes a consensus of exchangeable ideas and mutual suggestions that could have far reaching results,...

Booming Norway May Top Growth of All OECD States

Continued from 9th Page

even a permanent drop to smaller activity.

"We are anticipating in the coming years that about 10,000 workers will be moving out of our shipping and shipbuilding industries into other employment, either industrial or in our service industries which are growing."

Oeien said government planners believe that the key to the future lies in holding industrial wages close to present levels through trade union restraint in the next two years. Then, if the other industrial nations allow their wages to go on rising, Norway's competitive position will continue to be strong, which is critical since 40% of the Norwegian economy is export-based.

In addition to readjustments in shipping and shipbuilding, Oeien said there probably would be some cutbacks in the coming year in the textile and local clothing industry. High domestic costs are making it difficult for these industries to compete with cheaper imported products.

Despite these troubles, unemployment in Norway is now well below 1%, and the shifting of some 10,000 to 15,000 workers to different jobs is not regarded as a large social or economic problem.

"Our basic problems," says Oeien, "is to avoid getting in a situation of stagflation, such as Sweden, Denmark, Britain and other countries are going through—stagnation of growth coupled with continued inflation. We believe that we will be able to hold our inflation rate in 1977 down to 8%, which would put us under the OECD's probable average."

To keep its boom going while everybody else has fallen into recession, Norway has been borrowing heavily and deliberately overseas. The borrowing has been necessary to finance the heavy capital development requirements of North Sea oil, and because of the slump in world shipping which drove so many profitable Norwegian companies into the red. But the country is now carrying the heaviest overseas debt in OECD, measured on a per capita basis—well above $10 billion. Of this, approximately $5 billion is owed by the oil industry, and about $3.5 billion by the shipping industry.

But the pay-off of these borrowings will begin in earnest during 1977. With $3 billion a year this year in oil exports from the North Sea, and output rising steadily, Norway is a pretty good credit risk.

Mr. George H. Byer
Alaska Conference Coordinator
Box 445
Hemet, CA, 92343

Howard R Hawkins

Dear Mr. Byer:

February 18, 1977

I am pleased to learn that RCA Alascom is actively involved in the plans and programs for the Arctic Alaska International Conference.

If you have any further questions, call Mr. Ben W. Agee, President of RCA Alascom in Anchorage, Alaska.

I wish you every success in the Arctic Conference.

Cordially,

H R Hawkins

RCA

Mr. George H. Byer
Coordinator
Arctic-Alaska International
Conference, Inc.
Box 445
Hemet, California 92343

Ben W Agee
President

Dear Mr. Byer:

February 17, 1977

RCA Alascom has received your letter outlining your objectives for the Arctic-Alaska International Conference. We have also received a copy of your letter to Mr. H. R. Hawkins, RCA Communications, and have advised them of our willingness to participate in the conference

RCA Alaska Communications, Inc., is an Alaska corporation and regulated public utility under the auspices of the Alaska Public Utility Commission. We provide long line communications services throughout this great state. Due to our regulated position, however, it is not possible for us to provide services at rates other than those specified in our public tariffs. However, there must be some other way in which RCA Alascom can assist with the conference. We will be happy to coordinate directly with you any possible assistance.

As your planning becomes more definite, please feel free to contact me concerning our possible participation.

Sincerely,

AtlanticRichfieldCompany
515 South Flower Street
Los Angeles, California 90071
Telephone 213 486 1738
T. F. Bradshaw
President

February 4, 1977

Mr. George H. Byer
Box 445
Hemet, California 92343

Dear Mr. Byer:

Thank you for your letter of January 31, 1977, regarding the Arctic-Alaska International Conference and suggesting that Atlantic Richfield consider the possibility of establishing an International Energy Foundation grant for the University of Alaska at Anchorage.

Your letter has been received during Mr. Bradshaw's absence from the office and will be brought to his attention upon his return.

Sincerely yours,

Jean C. Slack

(Miss) Jean C. Slack
Secretary to Mr. Bradshaw

EXXON COMPANY, U.S.A.
POUCH 6601 • ANCHORAGE, ALASKA 99502

ALASKA PUBLIC AFFAIRS
BLEU BEATHARD
MANAGER

February 15, 1977

George H. Byer
Arctic - Alaska International Conference
Box 445
Hemet, CA 92343

A copy of your letter to C.C. Garvin, Jr. of Exxon Corporation has been forwarded to me. The proposed Arctic - Alaska Conference sounds like an interesting project. We would be glad to consider your ideas for Exxon involvement in the conference.

Bleu Beathard

UNITED STATES DEPARTMENT OF COMMERCE
The Assistant Secretary for Domestic
and International Business
Washington, D.C. 20230

JAN 18 1977

Honorable Ted Stevens
United States Senate
Washington, D.C. 20510

Dear Senator Stevens:

Since receiving your letter of last December 6 regarding an Arctic Alaska International Conference, we have received additional material from Mr. George Byer, the Conference Coordinator. We share Mr. Byer's enthusiasm as to the important position Alaska is attaining in both U.S. and world economic affairs and certainly see the conference as a good forum for discussion and cooperation between participating countries.

I am sorry that we do not have funds to support the endeavor. Provision was not made for it in our current budget and, even so, it does not appear to fit within those areas of activity for which the Department is authorized to provide funding support. (Please do not regard this as a lack of interest on our part.) Many of the discussion subjects under consideration are of great interest to the Office of Energy Programs as well as to other entities within the Department. Specifically, I have in mind the energy and marine topics.

We will be glad to help publicize the conference and furnish advice on request. I wish we could do more.

Sincerely,

L. S. Matthews

Leonard S. Matthews
Assistant Secretary for Domestic
and International Business

ROYAL
SWEDISH EMBASSY

Washington, D.C., February 14, 1977.

Mr. George H. Eyer
Alaska Conference Coordinator
Arctic- Alaska International Conference, Inc.
Box 445
Nenet, California 92543

Dear Mr. Eyer:

Thank you very much for your letter of December 30, 1976, regarding the Arctic-Alaska International Conference, which was waiting for me when I returned from vacation.

Your renewed invitation to participate in this conference has been forwarded to the Swedish Ministry for Foreign Affairs in Stockholm and I will let you know of their reaction in due course.

Yours sincerely,

Eva Dieden

Eva Dieden
Press Assistant

SWEDISH EMBASSY

George H. Byer
P. O. Box 445
Hemet, California 92343

Dear Mr. Byer:

I am awfully sorry that we - by mistake - have not answered your letter to the Ambassador dated November 28th.

./. The Swedish participation in the U.S. Bicentennial celebrations includes various activities as you can see on the list of Swedish plans for the American Bicentennial year which is enclosed. The activities are to a large extent concentrated on Swedish-American relations None of them, however, deals with issues which are of mutual interest to arctic countries.

As we think that your idea of a meeting in Alaska is very interesting, we are looking forward to an invitation from the State of Alaska, and we would do our best to promote Swedish participation.

Yours sincerely,

Ove Svensson
Cultural Attaché

ADDRESS
WATERGATE 600
600 NEW HAMPSHIRE AVE., N.W.
WASHINGTON, D. C. 20037
USA

TELEPHONE
(202) 965-4100

TELEGRAM
SVENSK

TELEX
RCA 24347
WU 89 2724

With compliments

from

the Director and Staff

UNIVERSITY OF ALASKA

FAIRBANKS, ALASKA 99701

January 31, 1977

Mr. George H. Byer
Box 445
Hemet, California 92343

Dear Mr. Byer:

The University will assist in all possible ways in the planned symposium of September, 1977, so long as we know, well in advance, the specific intent and topics of your conference.

I have referred your letter to Dr. Hunsucker and Mr. Siegrist. You may also be interested in the Annual Report of the Geophysical Institute for 1974-75, a copy of which is enclosed.

Concerning the research of the University, the best persons to contact would be the directors of units, as follows:

Geophysical Institute	T. Neil Davis, Acting Director
Institute of Marine Science	John J. Goering, Acting Director
Institute of Water Resources	Robert F. Carlson, Director
Agricultural Experiment Station	James Drew, Director
Institute of Arctic Biology	George C. West, Acting Director
Institute of Social and Economic Research	E. Lee Gorsuch, Director
Center for Northern Educational Research	Frank Darnell, Director
Sea Grant Program	Donald H. Rosenberg, Director
Arctic Environmental Information and Data Center	David M. Hickok, Director
The Biome Center	George C. West, Director
Alaska Cooperative Wildlife Research Unit	David R. Klein, Leader
Mineral Industry Research Laboratory	Earl H. Beistline, Director
Forest Soils Laboratory	Keith Van Cleve, Director
WAMI Program	Wayne W. Myers, Director
Naval Arctic Research Laboratory	Gary A. Laursen, Acting Director

Sincerely,

K. B. Mather

Keith B. Mather
Vice Chancellor for Research and
Advanced Study

KBM/afs

Enclosure

PLEASE REPLY BY AIRMAIL

Mr. George H. Byer
Coordinator
Arctic-Alaska International
Conference, Inc.
Box 445
Hemet, California 92343

Senator John L. Rader

Dear George:

It was sure good to hear from you and know that you are actively pursuing the Conference. As you may have heard, our winter has been one of the mildest ever. I'm sure carrying the mail would be a bit easier than some of the winters in the past!

Senator Chancy Croft has introduced a bill (enclosed) that would appropriate money for the conference. The bill is presently in the Community and Regional Affairs Committee, chaired by Senator Orsini. The Finance Committee will then have an opportunity to review it. John Sackett is Chairman of Finance.

Rest assured, George, that I will keep my eye on the bill as it moves along.

Thank you for your kind thoughts and encouragement.

Sincerely,

John L. Rader, President
Alaska State Senate

Dear George:

Thank you for the letters dated January 26, 1977 and February 9, 1977 indicating the work expended on your part to make the Arctic-Alaska International Conference a reality. You are to be commended for the time devoted in spearheading this Conference.

As Chairman of the Senate Community and Regional Affairs Committee, and in an effort to derive insight into the above referenced bill, I have made contact with the following people to receive input regarding the Arctic-Alaska International Conference:

Theodore Sellins, Polar Affairs Officer, State Department
Governor's Office
Mayor Sullivan's Office, Anchorage
Arctic Institute of North America

The feedback I received was overwhelmingly favorable to the prospect of an Arctic-Alaska Conference to promote relations between Arctic Nations. The theme behind this Conference was well entertained by all those concerned, and there didn't seem to be any dearth of support behind the basic proposal

Dear George:

Have heard very little since your first letter regarding the Arctic-Alaska International Conference. It sounds like it would be most interesting and I'd like to take part in it.

Could you give me some more information?

Sincerely,

Clem

Clem Tillion
State Senate

Dear Mayor:

Thank you for your letter concerning the Arctic-Alaska International Conference.

Be assured that I will do what I can to promote support.

Sincerely,

Tim

Dear Mr. Byer:

Thank you for your February 11, 1977 letter in regards to the Arctic - Alaska International Conference.

I certainly will help.

Very truly yours,

Mike Beirne /p

Dr. Mike Beirne
State Representative

Dear George,

The Arctic-Alaska International Conference sounds like a great idea and I'm willing to work for an appropriation.

I wonder if you would work up a more detailed budget of what this money is to be used for. Also, do you intend to be the executive director, or who will continue to carry the ball?

I am enclosing SB 63, and plan to introduce one on the House side.

Cordially,

Clark

Rep. Clark Gruening

Dear George,

Many thanks for sending me the material on the Arctic-Alaska International Conference. It is a marvelous idea and I will certainly support the funding you seek.

Yours,

Lisa

Lisa Rudd

THE FOLLOWING PAGES WERE TREATED AS
A UNIT IN THE ORIGINAL FILE.

1977 SEPTEMBER 7-8-9-10

ANCHORAGE, ALASKA

"A People to People Presentation"

1977 SEPTEMBER 7-8-9-10

INTERNATIONAL HOSTS

Jay S. Hammond
Governor of Alaska

Alaska State Senate
John Rader, President

Alaska State House
of
Representatives
Hugh Malone, Speaker

George M. Sullivan
Mayor of Anchorage

Anchorage Municipal Assembly
Dave Rose, Chairman

Ted Stevens
Alaska
United States Senator

Mike Gravel
Alaska
United States Senator

Don Young
Alaska
United States Representative

CONFERENCE PARTICIPANTS

Alaska
Chamber of Commerce

Anchorage
Chamber of Commerce

Alaska
Federation of Natives

Arctic
Institute of N. America

University of Alaska

February II, 1977

MEMBERS of THE TENTH ALASKA STATE LEGISLATURE

Joe - we need your help - action important to us!

If the enclosed from Mayor Sullivan is true and let us assume that (it is not) for I have never and I repeat never had any indication from Governor Hammond other than the enclosed as copies expressing his good-will, cooperation and go ahead.

No one knowingly, over the months, would continue to spend all the time, endless effort and money to promote this very worthy event for Alaska if the governor had ever expressed his dislike or opposition too it. After it was canceled in 76 due to requests for more time to prepare, no word, letter or call was ever received by me, the mayor or anyone, by the governor, opposing the conference or discontinuation of it or the final for achieving it.

So naturally we have taken him at his original word as you or anyone would and we have continued to do all the many things it takes to prepare such an important international program.

Since the Arctic countries are most interested and look to Alaska as a leader as they seek some of the answers to the social, economic and environmental problems of the Arctic, the conference has assumed an even greater importance to them. Requests by Sweden and embassies are waiting for the official invitation from Alaska and have asked why it is not forthcoming.

Ford Adm. State Dept. Senators, Congressmen, Alaska Legislators, Foreigners of the Arctic, diplomats, businesses, colleges, schools & many others have congratulated and offered support. Why! They say the time is right for Alaska to assume its rightful place as a leader in the exchange of ordinary people to people. The program has gone to far now to not move on in commitments, interest and accomplishments, such as Texaco & ARCO on energy; RCA, CBS. NBC-Communications, medical specialists-health but a few besides working Comms., U. of Alaska-programing help, chambers, Fed. of Natives etc Two yrs. of dedicated work, unselfishly given by all so would I or you put our duty honor into a wasted effort & embarrassing position now by inviting the President of U.S. and write the first Lady on her people to people plan hopeful of bringing it into being with the conf. if we knew the governor had any opposition whatever and giving me in writing his assurance..."Please let us know if we can be of any further assistance in this matter"...Words of encouragement and words of support. The program deserves the cooperation & support of the governor & legislature just as the 76 resolution did and signed by the governor, giving Alaska the recognition it deserves, with this plan.

Office of The Mayor
Arctic-Alaska Conference, Inc. Anchorage, Alaska 99501
"A non profit organization to further the mutual interest exchanges among the arctic countries"

George H. Byer

WEATHER · HEALTH · TRANSPORTATION ENGINEERING · ELECTRIC POWER · MARINE LIFE · HEAT · FUEL · LIGHT · AGRICULTURE LAND USE · TELECOMMUNICATIONS · ENERGY RESOURCES DEVELOPMENT

Telephone I-714-926-3101

George H. Byer; Conference Coordinator; Box-445; Hemet, California 92343

Municipality of Anchorage

MEMORANDUM

DATE: February 3, 1977

TO: George Byers

FROM: Mayor Sullivan

SUBJECT: Artic-Alaska National Conference, Inc.

Chancy Croft just introduced a Bill in the Senate for contributing $25,000 to the Municipality of Anchorage for the Artic-Alaska National Conference, Inc.

I have been led to believe though that the State may not wish to get involved in this conference. As I have told you before without the State sponsorship, I certainly don't intend to try to take it on for the Muncipality. It would be a complete flop. Additionally, we would not hear from nations, national leaders, international leaders or others on the basis of a Mayor or a single Municipality trying to put on such a conference.

Doug Weiford also contacted me in regards to a request for you for advance funding for travel. George, I am prohibited by every ordinance and regulation in the Municipality from doing such a thing and I have so advised Doug.

The key in my opinion still rests with the State government and official endorsement and official invitation coming from the Governor or Alaska. Until I hear something positive from that end, I am afraid I cannot do much more from here. I know this may sound a little discouraging to you, but I am sorry that I don't feel I am in the position to do anything differently.

Most Sincerely,

George

George M. Sullivan
Mayor

cc: Senator Stevens
Senator Gravel
Representative Young

91-010 (4/76)

JAY S. HAMMOND
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

April 30, 1976

Mr. George Byer
P. O. Box 445
Hemet, California 92343

Dear George:

I have received your recent letter regarding the proposed Arctic Countries Mutual Interest Exchange Conference.

Enclosed you will find a copy of the telegram I have recently sent to President Ford urging action by the State Department in initiating this proposal. I know of your past interest and efforts in other such proposals bringing together Arctic representatives, and I applaud your efforts in this regard.

Please let us know if we can be of further assistance in this matter.

Sincerely,

Jay S. Hammond
Governor

Enclosure

THE WHITE HOUSE

WASHINGTON

May 18, 1976

Dear Mr. Byer:

The President has asked me to thank you for your letter of March 1, concerning the Arctic Countries Mutual Interest Exchange Conference. We have received endorsements of your program from Governor Hammond of Alaska and Mayor Sullivan in Anchorage, as well as several members of the Congress.

Your proposal for the exchange of information and ideas between the cities and towns of the Arctic region is most interesting and constructive. I recommend that you keep in touch with Mr. Theodore Sellin at the Department of State concerning your project.

Thank you for bringing your proposal on an Arctic Conference to the attention of the President.

Sincerely,

Stephen McConahey

Stephen G. McConahey
Special Assistant to the President
for Intergovernmental Affairs

Mr. George H. Byer
Box - 445
Hemet, California 92343

UNITED STATES DEPARTMENT OF COMMERCE
The Assistant Secretary for Domestic
and International Business
Washington, D.C. 20230

JAN 18 1977

Honorable Ted Stevens
United States Senate
Washington, D.C. 20510

Dear Senator Stevens:

Since receiving your letter of last December 6 regarding an Arctic Alaska International Conference, we have received additional material from Mr. George Byer, the Conference Coordinator. We share Mr. Byer's enthusiasm as to the important position Alaska is attaining in both U.S. and world economic affairs and certainly see the conference as a good forum for discussion and cooperation between participating countries.

I am sorry that we do not have funds to support the endeavor. Provision was not made for it in our current budget and, even so, it does not appear to fit within those areas of activity for which the Department is authorized to provide funding support. Please do not regard this as a lack of interest on our part. Many of the discussion subjects under consideration are of great interest to the Office of Energy Programs as well as to other entities within the Department. Specifically, I have in mind the energy and marine topics.

We will be glad to help publicize the conference and furnish advice on request. I wish we could do more.

Sincerely,

L. S. Matthews

Leonard S. Matthews
Assistant Secretary for Domestic
and International Business

Swedish Embassy

George H. Byer
P.O. Box 445
Hemet, California 92343

Dear Mr. Byer:

I am awfully sorry that we - by mistake - have not answered your letter to the Ambassador dated November 28th.

./. The Swedish participation in the U.S. Bicentennial celebrations includes various activities as you can see on the list of Swedish plans for the American Bicentennial year which is enclosed. The activities are to a large extent concentrated on Swedish-American relations. None of them, however, deals with issues which are of mutual interest to arctic countries.

As we think that your idea of a meeting in Alaska is very interesting, we are looking forward to an invitation from the State of Alaska, and we would do our best to promote Swedish participation.

Yours sincerely,

Ove Svensson
Cultural Attaché

PS. THIS IS WHAT THEY ARE LOOKING FOR THAT PERSONAL INVITATION FROM THE GOVERNOR OF ALASKA.

ADDRESS
WATERGATE 600
600 NEW HAMPSHIRE AVE., N.W.
WASHINGTON, D. C. 20037

TELEPHONE
(202) 965-4100

TELEGRAM
SVENSK

TELEX
RCA 24347
WU 89-2724

PATRICK RODEY
SENATOR

601 W. 5TH AVE. SUITE 820
ANCHORAGE, ALASKA 99501

DURING SESSION

POUCH V
JUNEAU, ALASKA 99811

Alaska State Senate

JUNEAU, ALASKA 99811

March 8, 1977

Mr. George Byer
Box 445
Hemet, California 92343

Dear George:

Thank you for your letter with the additional enclosures regarding the establishment of an Arctic-Alaska International Conference. I know of your untiring efforts to launch this Conference, and I do support your endeavors, George.

You've certainly done an amazing job in making sure that no stone goes unturned, and I realize this is no small effort to undertake. I share your interest in fitting all the necessary pieces together, and I assure you that I'll do what I can to help. I'll continue to work with my colleagues in an effort to obtain the necessary funding which you seek.

Thanks again for the material. Your anticipation is shared by many, and good luck!

Kindest personal regards,

Patrick Rodey

PR/ks

TUESDAY...MARCH 15th

Joe...

When can we expect some action thru your committee and on to finance.

Things are stacking up and waiting...And if there were no other interest the Dept. of Commerce should certainly impress every member for the vision it has...This is not unusual, we have any number like this both at home and abroad...But Joe we need action...

UNITED STATES DEPARTMENT OF COMMERCE
The Assistant Secretary for Domestic
and International Business
Washington, D.C. 20230

JAN 18 1977

Honorable Ted Stevens
United States Senate
Washington, D.C. 20510

Dear Senator Stevens:

Since receiving your letter of last December 6 regarding an Arctic Alaska International Conference, we have received additional material from Mr. George Byer, the Conference Coordinator. We share Mr. Byer's enthusiasm as to the important position Alaska is attaining in both U.S. and world economic affairs and certainly see the conference as a good forum for discussion and cooperation between participating countries.

I am sorry that we do not have funds to support the endeavor. Provision was not made for it in our current budget and, even so, it does not appear to fit within those areas of activity for which the Department is authorized to provide funding support. Please do not regard this as a lack of interest on our part. Many of the discussion subjects under consideration are of great interest to the Office of Energy Programs as well as to other entities within the Department. Specifically, I have in mind the energy and marine topics.

We will be glad to help publicize the conference and furnish advice on request. I wish we could do more.

Sincerely,

L. S. Matthews

Leonard S. Matthews
Assistant Secretary for Domestic
and International Business

NATIONAL SCIENCE FOUNDATION

WASHINGTON, D.C. 20550

DIVISION OF POLAR PROGRAMS

December 15, 1976

Mr. George H. Byer
Arctic-Alaska Conference, Inc.
Box 445
Hemet, California 92343

Dear Mr. Byer:

Thank you very much for your letter of November 22, 1976 to Dr. Rutford. He will be in Antarctica for the next several weeks and has asked me to reply to you in his absence.

We would be pleased to publicize the Arctic-Alaska International Conference in our publication Arctic Bulletin. The Arctic Bulletin is published for the U.S. Interagency Arctic Research Coordinating Committee by the National Science Foundation. We have a circulation of about 1800 to government officials, researchers in industry and universities, libraries, and other institutions. Just send your desired information release to Captain Jerry Stringer, Editor, Arctic Bulletin, Division of Polar Programs, NSF, Washington, D.C. 20550.

THESE OUTLETS HAVE BEEN NOTIFIED

Another possible vehicle for publicizing your conference is the journal Arctic, published by the Arctic Institute of North America. The address of the Editorial Office is 1020 Pine Avenue, W. Montreal, Quebec, Canada H3A 1A2.

I cannot speak for Dr. Rutford at this time concerning his participation in the conference. May I suggest that you call him sometime this spring to determine if his schedule would permit him to attend the conference in Anchorage.

Regarding your request for names of people to lead the open forums, the following names come to mind. If these individuals are unable to participate, I am sure that they will be able to suggest additional names:

Marine Life - Donald Hood, University of Alaska
Health - Philip Chen, National Institutes of Health, Department of Health, Education and Welfare
Agriculture - James Drew, University of Alaska
Fuel, Oil and Energy - George Gryc, U.S. Geological Survey, Menlo Park, California
Weather and Atmospheric Sciences - Bernhard Haurwitz, Colorado State University, Fort Collins, Colorado
Transportation - Charles Bates, U.S. Coast Guard
Earth Sciences - George Gryc, U.S. Geological Survey

Best wishes for a successful conference.

Sincerely yours,

Charles E. Myers

Charles E. Myers

DEPARTMENT OF STATE

Washington, D.C. 20520

1976

Dear Mr. Byer:

Your interest in furthering cultural exchange among the peoples of the Northern Hemisphere is indeed a constructive and worthwhile idea especially in this important year of our Nation's Bicentennial. As a center for your proposed program, Anchorage is obviously a city for which you feel much pride and in which you envision much promise for the future.

Mr. Robinson joins me in hoping that the promising beginnings which you have described will lead to a successful program that the people of Alaska and of neighboring countries can enjoy and from which they can benefit.

Sincerely,

John E. Reinhardt

John E. Reinhardt
Assistant Secretary
for Public Affairs

Robert J. McCloskey, Assistant Secretary
Congressional Relations
Department of State
Washington, D. C. 20520

Dear Mr. McCloskey:

To reiterate, Mr. Charles Robinson, Undersecretary of State for Economic Affairs, based his reasoning on this evaluation when at the global economic talks that convened in Paris this December 16th past "The United States views this preparatory conference as an essential step in search for a new global consensus based on cooperation. We accept the reality of economic interdependence and recognize that what diminishes the economic success of the developing nations, diminishes our own"...

In the birthday year of America, the State Department has, by experience from the global economic conference in Paris, the knowledge, functional facts and learned results to share some of these essential and to reshape some of the major importances a;;licable to the Arctic Conference. The findings of the Commission on Raw Materials and Industrial Development are of worthy economic value in furthering the prospects of the Arctic nations.

For it is better to have dreams such as Thomas Jefferson, Abe Lincoln and Martin Luther King, Jr did ----dreams of a better tomorrow. And perhaps the best we as Americans can do in our Bicentennial year is to dream of what we want to be able to celebrate five or ten years from now and to dedicate ourselves to fulfilling the necessary steps. By taking the initiative in Alaska, we are extending the horizon both at home and abroad.

Respectfully,

George H. Byer

George H. Byer

THE PRECEDING PAGES WERE TREATED AS
A UNIT IN THE ORIGINAL FILE.

THE FOLLOWING PAGES WERE TREATED AS
A UNIT IN THE ORIGINAL FILE.

Joe -

I'll send a copy of the letter to Pat Ridley for I feel it is a good explanation.

I'd sure like to keep all your committee informed so could you either have copies made or pass the enclosed around.

This is no small effort with planning time, money on my part for a cause without one benefit to me so certainly support is in order -

Jerry

Advisory Committee for the city has been mentioned & all the rest.Its been done...

ARCTIC - ALASKA INTERNATIONAL CONFERENCE, INC.

1977 SEPTEMBER 7-8-9-10

ANCHORAGE, ALASKA

"A People to People Presentation"

1977 SEPTEMBER 7-8-9-10

INTERNATIONAL HOSTS

Jay S. Hammond
Governor of Alaska

Alaska State Senate
Chancy Croft, President

Alaska State House of Representatives
Mike Bradner, Presiding

George M. Sullivan
Mayor of Anchorage

Anchorage Municipal Assembly
Dave Rose, Chairman

Ted Stevens
Alaska
United States Senator

Mike Gravel
Alaska
United States Senator

Don Young
Alaska
United States Representative

CONFERENCE PARTICIPANTS

Alaska
Chamber of Commerce

Anchorage
Chamber of Commerce

Alaska
Federation of Natives

Arctic
Institute of N. America

University of Alaska

COPY

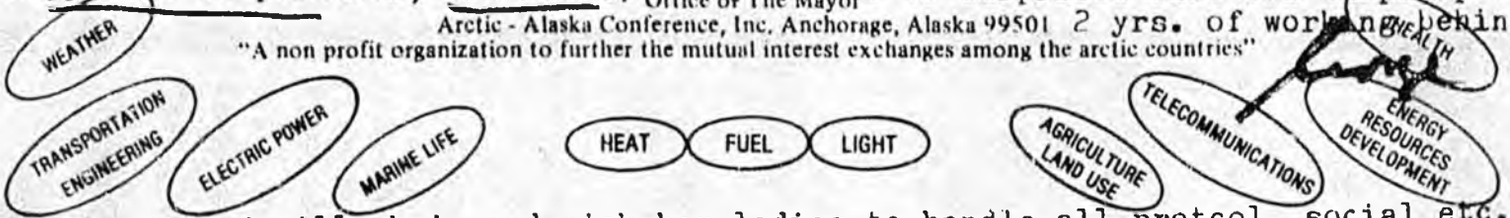
February 28,1977

Senator Patrick Rodey

Dear Pat..

I'll answer your 24th letter by saying and its steering types of committees and not of the state process..."If you want a good idea killed, give it to a committee"..I'll go a step more by saying if you want something snafued, red-taped, bungled just give it to a fed. agency like the S. Dept. It is no wonder The First Lady said in her people to people exchange..."Something without government involvement but with its approval and encouragement. This we have from the S. Dept, Dept of Commerce etc. We had to do a little jaw-boning last yr. with a couple egotists in the S. Dept. but once we got them squared around no more problems. They are the greatest for thinking no one can do anything relative to foreign people but them. This is from the S. Dept.."Alaska is at liberty to sponsor an international conference on the subjects it proposes, on a scale it desires and at a time of its choosing"..."The Dept. would be prepared to transmit through its facilities abroad any invitations by the S. of Ak to intended participants in such a conference as Ak. decides to hold".."That's all very simple...They have nothing to do with iteneraries, steering comms, etc. You mentioned steering comms. What are they going to steer? After 2yrs of steady work, its all been done, contacts made etc. just waiting for the legislature to give us means and the governor to give his full support & cooperation. Pat, we don't need a lot of people telling us now to do it. We know how and I for one had I not felt like I knew how or what or when - do you think I'd assume such a responsibility. Ideas & suggestions are greatbut let us do the job we have worked 2yrs putting together.I've said this over & over for all we need are two top people...One an exec. dir. and this the best of experience etc. and a program coordinator and you'd be surprised how fast this can get into high gear and shape up. Why? because the work has been going on for 2 yrs.It is now merely to pull it together. No big deal. People who don't know has been my learning try to make things complicated, Big things are easy, its the little stuff that's hard. What we need in Juneau are champions who aren't afraid and are willing to be persittentto get up on the floor in the House & Senate and speak up for the Conf. and for an idea whose time has come and to give us who has labored, stayed with it, done the work over the 2yrs full support and let us do the job. We gladly accept the responsibility & we know what has to be done & how to do it but get too many cooks and what happens to the broth.In brief, the governor's full support & cooperation, the means, and you will be surprised what can shape up with 2 yrs. of work behind it.

Office of the Mayor
Arctic - Alaska Conference, Inc. Anchorage, Alaska 99501
"A non profit organization to further the mutual interest exchanges among the arctic countries"



Mrs. Atwood will chair and pick her ladies to handle all protcol, social etc.

Rosalynn Carter's Ambitious Plan for World Peace

By TOM SMITH

Rosalynn Carter, America's new First Lady, is busily laying the groundwork for an ambitious plan to promote world peace — a people-to-people exchange between the U.S. and other nations around the world.

Under this program, dubbed "Friendship Force," which is still in the early, formative stage, planeloads of people, ordinary citizens from every state in the union, would be shuttled to "sister states" around the globe.

These grass-roots goodwill ambassadors would then invite people from the other countries to pay a return visit to their homes in America.

Friends of Rosalynn say she's "very excited" by the prospect of bringing people of the world closer together through these people-to-people exchanges — and they say President Jimmy Carter is solidly behind her plan.

Mrs. Carter has already held one meeting with the man who helped her organize a similar exchange program between the people of Georgia and their sister state in Brazil, Pernambuco, while Carter was governor.

"She and I have agreed we will work on this together," said the Rev. Wayne Smith of Decatur, Ga., who met with Mrs. Carter in September to discuss the Friendship Force program. "She is very interested in helping to promote world peace.

"She thought that these citizen exchanges might be a way — something without govern-

NEW FIRST LADY Rosalynn Carter foresees planeloads of grass-roots ambassadors from the U.S.

ment involvement, but with its approval and encouragement."

It's not yet known who will pay for the Friendship Force, or how much it will cost. The visits between the people of Georgia and Brazil were paid for by those involved.

In Washington, Rosalynn's transition staff says the Friendship Force plan is one of her top three priorities.

"It's an idea that she is very interested in and wants to pursue as First Lady," said Kathy Cade, 29, transition projects coordinator. "She has said it is something she really wants to do."

Mrs. Carter has also written to the Partners of the Americas organization, which conducts similar people exchanges among Latin-American countries, asking for help in launching the Friendship Force, according to David Luria, associate director of the Partners organization.

Luria, who's based in Washington, D.C., told The ENQUIRER: "The Carters first got involved in the exchange program when Jimmy, as governor of Georgia, was honorary president for the Partners organization in Georgia. He and Rosalynn took deep interest in the Brazilian-Georgian partnership, both officially and unofficially."

A longtime close friend of the Carter family, John Pope, 56, of Americus, said Rosalynn had discussed her Friendship Force program with him and his wife in November.

"She said she was anxious to get it going internationally, and got very excited talking about it," Pope said. "I think it's her baby, but Jimmy is right behind it and very much in favor of it.

"I am sure you will find that she is going to play a bigger part in trying to achieve things on an international level than any other First Lady," Pope added.

ARCTIC - ALASKA INTERNATIONAL CONFERENCE, INC.

1977 SEPTEMBER 7-8-9-10

ANCHORAGE, ALASKA

"A People to People Presentation"

1977 SEPTEMBER 7-8-9-10

INTERNATIONAL HOSTS

Jay S. Hammond
Governor of Alaska

Alaska State Senate
Chancy Croft, President

Alaska State House
of
Representatives
Mike Bradner, Presiding

George M. Sullivan
Mayor of Anchorage

Anchorage Municipal Assembly
Dave Rose, Chairman

Ted Stevens
Alaska
United States Senator

Mike Gravel
Alaska
United States Senator

Don Young
Alaska
United States Representative

CONFERENCE PARTICIPANTS

Alaska
Chamber of Commerce

Anchorage
Chamber of Commerce

Alaska
Federation of Natives

Arctic
Institute of N. America

University of Alaska

February 9, 1977

The First Lady
White House
Washington, D.C.

COPY

Dear Mrs. Carter...

In prayer Sunday past, I asked that a new meaning and purpose be given the international conference for 77. Then today, almost like a revelation, I read of your "Friendship Force" and the people-to-people exchange.

It is of the same philosophy as the no-red-tape people to people presentation. This has been an Arctic dream of mine ever since the over-the-pole flights began, with a stop in Anchorage between Europe and the Far East, bringing ordinary people to Alaska from the arctic countries to join in a mutual exchange of ideas and suggestions that are common to all. A plan, by Alaskans, without government involvement but with its approval and encouragement.

So I can get excited about the many potentials and benefits of the "Friendship Force" and what an appropriate opportunity to incorporate it into the international program for 77 and bring your dream into reality.

I have already written Mr. Powell in Plains and Mr. Watson in D.C. hopeful of getting the President to Alaska, tour the energy field, pipe line and give international importance to Alaska's people-to-people program. And I wrote..."Jimmy will be one of the "greats"...Alaska will be one of the "greats" and they ought to meet. The First Lady is "great" also for her vision andplans for a better tomorrow. It would be a fulfilling realization, in the fall of 77, to all join in a common bond of dedication for what"the interest in others program" can do for the betterment cause.

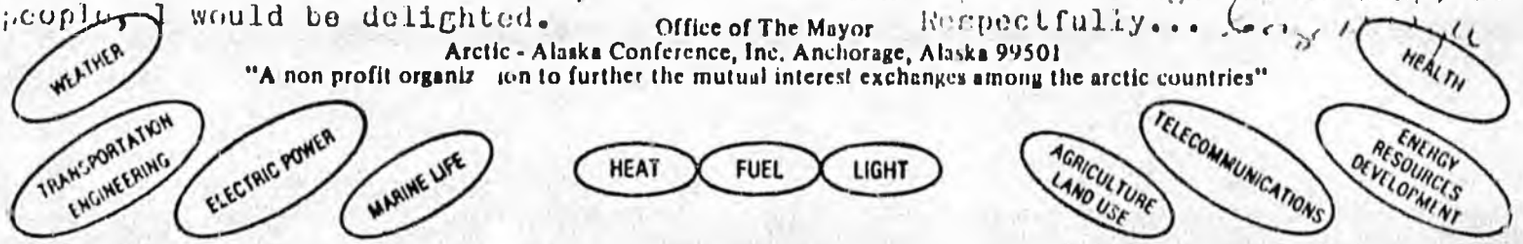
Your visionary plans and the willingness to go forth with it has renewed my spirit. But like all worthwhile endeavors, it can use some added interest and encouragement for vision is not always understood nor is it something people are easily enthused about. After 25 years in Alaska as city councilman, borough assemblyman, mayor and candidate for governor, my roots are deep, my interest and efforts for this international purpose anxiously given as coordinator.

Plans for coming to D.C. are being coordinated and should your busy schedule permit a few moments in the common hope of international peace through the exchange of people, I would be delighted.

Respectfully...

Office of The Mayor
Arctic - Alaska Conference, Inc. Anchorage, Alaska 99501

"A non profit organiz ion to further the mutual interest exchanges among the arctic countries"



LISA RUDD

ALASKA HOUSE OF REPRESENTATIVES, POUCH V, JUNEAU 99811

Dear George,

Many thanks for sending me the material on the Arctic-Alaska International Conference. It is a marvelous idea and I will certainly support the funding you seek.

Yours,

Lisa Rudd

TATIVE CLARK GRUENING
District Seven
Pouch V
Juneau, Alaska 99811

940 Tyonek Drive
Anchorage, Alaska 99501

ary 8, 1977

The Arctic-Alaska International Conference sounds like a great idea and I'm willing to work for an appropriation.

I wonder if you would work up a more detailed budget of what this money is to be used for. Also, do you intend to be the executive director, or who will continue to carry the ball?

I am enclosing SB 63, and plan to introduce one on the House side.

George H. Byer
Conference Coordinator
Arctic - Alaska International Conference, Inc.
Box 445
Hemet, CA 92343

Dear Mr. Byer:

Thank you for your February 11, 1977 letter in regards to the Arctic - Alaska International Conference.

I certainly will help.

Very truly yours,

Mike Beirne / jn

George H. Byer
Box 445
Hemet, California 92343

Dear Mayor:

Thank you for your letter concerning the Arctic-Alaska International Conference.

Be assured that I will do what I can to promote support.

Sincerely,

Tim

DEPARTMENT OF STATE

Washington, D.C.

BUREAU OF OCEANS AND INTERNATIONAL
ENVIRONMENTAL AND SCIENTIFIC AFFAIRS

April 26, 1976

Note

NOTE... THE SUBJECTS HAVE BEEN REDUCED TO THE TOP PREFERENCE INTEREST OF ENERGY, THE MARINE LIFE & HEALTH. THE REST AS OUTLINED IN THE 76 RESOLUTION WILL BE CHOICES FOR OPEN ROUND TABLE DISCUSSIONS BUT THE TOP THEME OF ENERGY WILL HAVE THE BIGGEST & MOST PRODUCTIVE SPEAKERS, SEMINARS ETC.

Mr. George Byer
Post Office Box 445
Hemet
California 92343

Dear Mr. Byer:

I have been asked to reply to your letter of April 5 to Assistant Secretary Robert J. McCloskey regarding an Arctic Country Mutual Interest Exchange Conference in 1976 proposed in Joint Resolution 51 recently passed by the Alaska State Legislature.

The Assistant Secretary's letter of March 15 to Senator Stevens, a copy of which you have, conveys the considered opinion of the Department on the feasibility of a conference such as that described in the Resolution. Your letter of April 5 suggests a much more modest international gathering of a planning nature. A preparatory meeting that would deal with the realities of such a demanding and complicated undertaking as that outlined in the Resolution would seem to be an essential early step.

A

The State of Alaska is, of course, at liberty to sponsor an international conference on the subjects it proposes, on a scale it desires, and at a time of its choosing. For our part, it would be virtually impossible to do more than offer advice and encouragement. Given the nature of the federal budget cycle, and the obligations already incurred, possible funding by the Department of State for an Arctic Country Mutual Interest Exchange Conference could not have been anticipated for this or the next fiscal year. However, the Department would be prepared to transmit through its facilities abroad any invitations by the State of Alaska to intended participants in such a conference as Alaska decides to hold.

Sincerely,

Theodore Sellin

Theodore Sellin

from

the Director and Staff

UNIVERSITY OF ALASKA

FAIRBANKS, ALASKA 99701

January 31, 1977

Mr. George H. Byer
Box 445
Hemet, California 92343

Dear Mr. Byer:

The University will assist in all possible ways in the planned symposium of September, 1977, so long as we know, well in advance, the specific intent and topics of your conference.

I have referred your letter to Dr. Hunsucker and Mr. Siegrist. You may also be interested in the Annual Report of the Geophysical Institute for 1974-75, a copy of which is enclosed.

Concerning the research of the University, the best persons to contact would be the directors of units, as follows:

Geophysical Institute	T. Neil Davis, Acting Director
Institute of Marine Science . . .	John J. Goering, Acting Director
Institute of Water Resources . . .	Robert F. Carlson, Director
Agricultural Experiment Station . .	James Drew, Director
Institute of Arctic Biology . . .	George C. West, Acting Director
Institute of Social and Economic Research	E. Lee Gorsuch, Director
Center for Northern Educational Research	Frank Darnell, Director
Sea Grant Program	Donald H. Rosenberg, Director
Arctic Environmental Information and Data Center	David M. Hickok, Director
The Biome Center	George C. West, Director
Alaska Cooperative Wildlife Research Unit	David R. Klein, Leader
Mineral Industry Research Laboratory .	Earl H. Beistline, Director
Forest Soils Laboratory . . .	Keith Van Cleve, Director
WAMI Program	Wayne W. Myers, Director
Naval Arctic Research Laboratory . .	Gary A. Laursen, Acting Director

Sincerely,

K. B. Mather

Keith B. Mather
Vice Chancellor for Research and
Advanced Study

KBM/afs

Enclosure

PLEASE REPLY BY AIRMAIL

UNIVERSITY OF ALASKA
FAIRBANKS, ALASKA 99701

February 16, 1977

Mr. George H. Byer
Box 445
Hemet, California 92343

Dear George:

Thanks for your letter of February 8. I'm enclosing for your information a brochure on the Institute of Social and Economic Research. The various projects we are engaged in are generally described under the brochure and on the last two pages the institute's personnel and their training and interests are also listed. The various professional staff would potentially be available to participate in the conference, depending upon their individual work schedules and other commitments. Therefore, as the conference planning progresses and you identify topics for which you feel some of our professional staff would be qualified to address, I'll be happy to see if I can arrange for their participation in the conference.

With best regards

Sincerely,

Lee Gorsuch

Lee Gorsuch, Director
Institute of Social and Economic Research

Enclosure: ISER Brochure

LG/jl

FRIDTJOF NANSEN-STIFTELSEN PÅ POLHØGDA
THE FRIDTJOF NANSEN FOUNDATION AT POLHØGDA
1324 Lysaker, NORWAY

10 February 1977.

Mr. George H. Byer
Alaska Conference Coordinator
Box 445
Homet, Cal. 92343

Dear Mr. Byer,

Thank you very much for your rather flattering letter of December 31, 1976, regarding the Arctic Alaska Conference. For various reasons I have not been able to reply to your letter before now. The proposal for your conference does arouse my interest and I certainly look forward to receiving further information.

As to your suggestion that I might play a role in connection with the conference, this of course, will depend on what the organizors would want me to do and then on my ability to actually act accordingly.

Even before having such suggestions or proposals as might evolve, I must point out that September of 77 will be a rather busy month for me, and that participation on my part will depend on timing.

Wishing you every luck in your effort, I remain

Yours sincerely,
Finn Sollie
Finn Sollie
Director

X DR. SOLLIE & HIS INSTITUTE ARE CONSIDERED BY THE S. DEPT. NAT. SCIENCE FOUNDATION & OTHERS TO BE THE TOP AUTHORITY ON THE ARCTIC. TOO THE MINISTER of FINANCE WHO HAS PUT NORWAY INTO THE TOP COUNTRY BRACKET HAS BEEN INVITED AND SHOULD BENEFIT ALL. BY THEIR N. SEA OIL HANDLING.

aidjex

ARCTIC ICE DYNAMICS JOINT EXPERIMENT

January 3, 1977

George H. Byer
Alaska Conference Coordinator
Box 445
Hemet, California 92343

Dear Mr. Byer:

Thank you for your letter concerning plans for an International Arctic Conference. Your letter and the attached material do not specify how the institutions listed on your letterhead are involved in the planning of the conference. Since I am associated professionally with some of them, i.e., the Arctic Institute of North America and the University of Alaska, I would appreciate it if any further contacts were made through them.

Yours sincerely,

N. Untersteiner

Norbert Untersteiner

DR. UNTERSTEINER IS A PROFESSOR AT THE U. OF WASHINGTON IN SEATTLE AND ANOTHER TOP MAN IN ARCTIC PERSPECTIVES.

RCA Alaska Communications, Inc | 629 E Street | Anchorage, Alaska 99501 | Tel (907) 272-8411

RCA

Mr. George H. Byer
Coordinator
Arctic-Alaska International
Conference, Inc.
Box 445
Hemet, California 92343

Ben W Agee
President

Dear Mr. Byer:

February 17, 1977

RCA Alascom has received your letter outlining your objectives for the Arctic-Alaska International Conference. We have also received a copy of your letter to Mr. H. R. Hawkins, RCA Communications, and have advised them of our willingness to participate in the conference.

RCA Alaska Communications, Inc., is an Alaska corporation and regulated public utility under the auspices of the Alaska Public Utility Commission. We provide long line communications services throughout this great state. Due to our regulated position, however, it is not possible for us to provide services at rates other than those specified in our public tariffs. However, there must be some other way in which RCA Alascom can assist with the conference. We will be happy to coordinate directly with you any possible assistance.

As your planning becomes more definite, please feel free to contact me concerning our possible participation.

Sincerely,

Ben Agee

EXXON COMPANY, U.S.A.
POUCH 6601 • ANCHORAGE, ALASKA 99502

ALASKA PUBLIC AFFAIRS

BLEU BEATHARD
MANAGER

February 15, 1977

George H. Byer
Arctic - Alaska International Conference
Box 445
Hemet, CA 92343

A copy of your letter to C.C. Garvin, Jr. of Exxon Corporation has been forwarded to me. The proposed Arctic - Alaska Conference sounds like an interesting project. We would be glad to consider your ideas for Exxon involvement in the conference.

Bleu Beathard

Bleu Beathard

AtlanticRichfieldCompany
North American Producing Division
Alaska Region
Post Office Box 360
Anchorage, Alaska 99510
Telephone 907 277 5637

Howard A. Slack
Vice President &
Resident Manager

January 17, 1977

Mr. George H. Byer
Box 445
Hemet, California 92343

Dear Mr. Byer:

Mr. Bradshaw has requested that I respond to your recent letters to him. He and I are gratified that you are now receiving encouragement from local, State and National government heads for an Arctic Countries Mutual Interest Exchange Conference. We hope that it will materialize as planned in September in Anchorage.

Our records indicate that last year we donated $500 to assist in the organization of the conference and sent it care of the Municipality of Anchorage. It was subsequently returned and upon inquiry we were advised that the conference would not be held. Governor Hammond's office advised us similarly.

We certainly will now want to reinstitute this commitment but before considering any increase we would appreciate receiving from you an indication of other support you have received from the private sector. Whereas we are pleased to be able to make a monetary contribution to the organization of the conference I regret that we will be unable to loan an executive for 6-8 months to help coordinate all phases of the project. The startup of the Prudhoe Bay Field and all of the attendent problems has already placed undue demands on the time of our capable people.

I look forward to your reply, meantime good luck with your project.

Very truly yours,

Howard A. Slack

Howard A. Slack

c: Mr. Thornton F. Bradshaw

AtlanticRichfieldCompany
516 South Flower Street
Los Angeles, California 90071
Telephone 213 486 1738
T. F. Bradshaw
President

February 4, 1977

Mr. George H. Byer
Box 445
Hemet, California 92343

Dear Mr. Byer:

Thank you for your letter of January 31, 1977, regarding the Arctic-Alaska International Conference and suggesting that Atlantic Richfield consider the possibility of establishing an International Energy Foundation grant for the University of Alaska at Anchorage.

Your letter has been received during Mr. Bradshaw's absence from the office and will be brought to his attention upon his return.

Sincerely yours,

Jean C. Slack

(Miss) Jean C. Slack
Secretary to Mr. Bradshaw

ROYAL
SWEDISH EMBASSY

Washington, D.C., February 14, 1977.

Mr. George H. Byer
Alaska Conference Coordinator
Arctic- Alaska International Conference, Inc.
Box 445
Hemet, California 92343

Dear Mr. Byer:

Thank you very much for your letter of December 30, 1976, regarding the Arctic-Alaska International Conference, which was waiting for me when I returned from vacation.

Your renewed invitation to participate in this conference has been forwarded to the Swedish Ministry for Foreign Affairs in Stockholm and I will let you know of their reaction in due course.

Yours sincerely,

Eva Dieden

Eva Dieden
Press Assistant

SWEDISH EMBASSY

George H. Byer
P.O. Box 445
Hemet, California 92343

Dear Mr. Byer:

I am awfully sorry that we - by mistake - have not answered your letter to the Ambassador dated November 28th.

./. The Swedish participation in the U.S. Bicentennial celebrations includes various activities as you can see on the list of Swedish plans for the American Bicentennial year which is enclosed. The activities are to a large extent concentrated on Swedish-American relations. None of them, however, deals with issues which are of mutual interest to arctic countries.

As we think that your idea of a meeting in Alaska is very interesting, we are looking forward to an invitation from the State of Alaska, and we would do our best to promote Swedish participation.

Yours sincerely,

Ove Svensson
Cultural Attaché

ADDRESS
WATERGATE 600
600 NEW HAMPSHIRE AVE., N.W.
WASHINGTON, D. C. 20037
USA

TELEPHONE
(202) 965-4100

TELEGRAM
SVENSK

TELEX
RCA 24347
WU 89-2724

THE PRECEDING PAGES WERE TREATED AS
A UNIT IN THE ORIGINAL FILE.

February 17, 1977

George Byer
P. O. Box 445
Hemet, California 92343

Dear George:

Thank you for the letters dated January 26, 1977 and February 9, 1977 indicating the work expended on your part to make the Arctic-Alaska International Conference a reality. You are to be commended for the time devoted in spearheading this Conference.

As Chairman of the Senate Community and Regional Affairs Committee, and in an effort to derive insight into the above referenced bill, I have made contact with the following people to receive input regarding the Arctic-Alaska International Conference:

Theodore Sellins, Polar Affairs Officer, State Department
Governor's Office
Mayor Sullivan's Office, Anchorage
Arctic Institute of North America

The feedback I received was overwhelmingly favorable to the prospect of an Arctic-Alaska Conference to promote relations between Arctic Nations. The theme behind this conference was well entertained by all those concerned, and there didn't seem to be any dearther of support behind the basic proposal.

However, there do appear to be two concerns:
That the spectrum of the Conference is too broad in scope and needs to be reduced to a format more specific in perspective; and, secondly, that the necessary steering committees, on both the pertinent Conference subjects and the overall Conference organization, need to be formed. It surprises me that all this effort must be expended so early in the Conference timetable, but apparantly that is the way these international conferences are done.

In an effort to assist in this regard, might I suggest that you contact Senator Croft and attain assistance from his office in analyzing the stature of the Conference. I noticed in your letter, dated January 26, 1977, that you have a number of topics suggested as areas of discussion. Possibly two or three of these topics would be suitable as a theme on which to conduct the Conference.

Senator Croft's office would also, I am sure, be productive as a source in helping you establish and organize criteria for the Conference, suggesting individuals who may be interested in creating steering committees to assist in organizing and delineating the specific objectives of the Confernece, and acquiring funds. As sponsor of the bill he has indicated his interest in the subject, and his experience and scope of statewide contacts would certainly be of benefit in this regard.

When our committee addresses this bill, I am sure the members will be very supportive as to the spirit of the Conference and will anxiously await the opportunity to review the refined product.

Sincerely,

JOE ORSINI
Senator

JO/gd

cc: Senator Chancy Croft

re-

Letter to George Byers (re-draft) { put in memory as I think it is about ready to go RE: SB 63

Thank you for the letters dated January 26, 1977 and February 9, 1977 indicating the work expended on your part to make the Arctic-Alaska International Conference a reality. You are to be commended for the time devoted in spearheading this Conference.

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Governor's Office
Mayor Sullivan's Office, Anchorage
Arctic Institute of North America

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left out a line as draft

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When our committee addresses this bill, I am sure the members will be very supportive as to the spirit of the Conference and will anxiously await the opportunity to review the refined product.

JO/gd

cc: Senator Chancy Croft

Letter to George Byers (draft re-) RE: SB ~~50~~ 63

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Governor's Office
Mayor Sullivan's Office, Anchorage
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. . the way these things are done.

In an effort to assist in this regard, might I suggest that you contact Senator Croft and attain assistance from his office in analyzing the stature of the Conference. ~~possibly~~ ~~As sponsor of the bill he has indicated his interest in the subject, and his experience and statewide contacts would certainly be of benefit in this regard.~~ ~~reducing the overall scope of topics.~~

I noticed in your letter, dated January 26, 1977, that you have a number of topics suggested as areas of discussion. Possibly ~~one~~ two or ~~a couple~~ three of these areas would be sufficient as a theme to conduct the conference. ~~Also, I'm sure~~ also, I am sure, Senator Croft's office would be productive as a source in helping you establish and organize criteria for the conference, suggesting individuals who may be interested in creating steering committees to assist in organizing and delineating the specific objectives of the Conference, and acquiring funds. As sponsor of the bill he has indicated his interest in the subject, and his experience and scope of statewide contacts would certainly be of benefit in this regard.

When our committee addresses this bill, I am sure the members will be very supportive as to the spirit of the Conference and will anxiously await the opportunity to review the ~~finished~~ refined product.

PC/js

cc Sen. Chauncey Croft

LISA RUDD

ALASKA HOUSE OF REPRESENTATIVES, POUCH V, JUNEAU 99811

Dear George,

Many thanks for sending me the material on the Arctic-Alaska International Conference. It is a marvelous idea and I will certainly support the funding you seek.

Yours,

Lisa Rudd

REPRESENTATIVE - DISTRICT 11 - ANCHORAGE

1977 SEPTEMBER 7-8-9-10

ANCHORAGE, ALASKA

"A People to People Presentation"

1977 SEPTEMBER 7-8-9-10

INTERNATIONAL HOSTS

Jay S. Hammond
Governor of Alaska

Alaska State Senate
Chancy Croft, President

Alaska State House
of
Representatives
Mike Bradner, Presiding

George M. Sullivan
Mayor of Anchorage

Anchorage Municipal Assembly
Dave Rose, Chairman

Ted Stevens
Alaska
United States Senator

Mike Gravel
Alaska
United States Senator

Don Young
Alaska
United States Representative

CONFERENCE PARTICIPANTS

Alaska
Chamber of Commerce

Anchorage
Chamber of Commerce

Alaska
Federation of Natives

Arctic
Institute of N. America

University of Alaska

February 9,1977

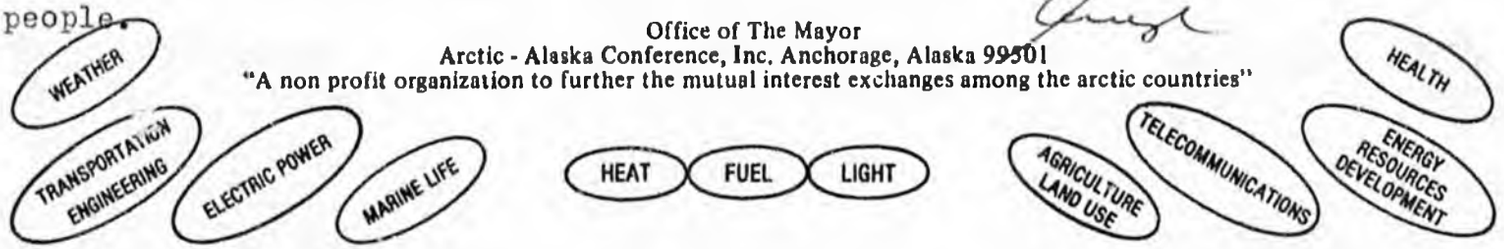
Friend Joe...

I have had a rumor that the Governor is luke warm to the conference and not very enthused about the money bill for it. Well, if this is true and I have had no indication by him of anything other than what the enclosed letter by him says which I have continued to use in copies to all the important letters assuring people the governor and mayor are still in favor of this history making endeavor. The governor signed the resolution in 76 by the legislature so it should still maintain that commitment.

The Arctic Inst. of N. America are working on a field for icefield ranges a sort of Alaska-Siberian project which they said would in no way interfer with our conference if it was to be held in 77 or 78.

I began this effort in late 75 and have been at it ever since and too much has been accomplished to turn back, postpone or delay. I should be getting full support and especially from all you upstate and Anch. legislators. Joe, you are in the governor's confidence so why couldn't you get his ear and put some push behind this. I've asked him to write each of the embassies a personal invite to the conference for this is important now that we are already into the program planning with commitments. There is no yesterday left on this, its gone on now to only tomorrow. Joe, we ask your help and support as Lisa in the House has. I want to go to D.C. talk with the embassies, state dept, Carter people etc. but before I go I want the assurance I have the support from the governor & you people.

Office of The Mayor
Arctic - Alaska Conference, Inc. Anchorage, Alaska 99501
"A non profit organization to further the mutual interest exchanges among the arctic countries"



JAY S. HAMMOND
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

April 30, 1976

Mr. George Byer
P. O. Box 445
Hemet, California 92343

Dear George:

I have received your recent letter regarding the proposed Arctic Countries Mutual Interest Exchange Conference.

Enclosed you will find a copy of the telegram I have recently sent to President Ford urging action by the State Department in initiating this proposal. I know of your past interest and efforts in other such proposals bringing together Arctic representatives, and I applaud your efforts in this regard.

Please let us know if we can be of further assistance in this matter.

Sincerely,

Jay S. Hammond
Governor

Enclosure

THE WHITE HOUSE

WASHINGTON

May 18, 1976

Dear Mr. Byer:

The President has asked me to thank you for your letter of March 1, concerning the Arctic Countries Mutual Interest Exchange Conference. We have received endorsements of your program from Governor Hammond of Alaska and Mayor Sullivan in Anchorage, as well as several members of the Congress.

Your proposal for the exchange of information and ideas between the cities and towns of the Arctic region is most interesting and constructive. I recommend that you keep in touch with Mr. Theodore Sellin at the Department of State concerning your project.

Thank you for bringing your proposal on an Arctic Conference to the attention of the President.

Sincerely,

Stephen McConahey

Stephen G. McConahey
Special Assistant to the President
for Intergovernmental Affairs

Mr. George H. Byer
Box - 445
Hemet, California 92343

UNITED STATES DEPARTMENT OF COMMERCE
The Assistant Secretary for Domestic
and International Business
Washington, D.C. 20230

JAN 18 1977

Honorable Ted Stevens
United States Senate
Washington, D.C. 20510

Dear Senator Stevens:

Since receiving your letter of last December 6 regarding an Arctic Alaska International Conference, we have received additional material from Mr. George Byer, the Conference Coordinator. We share Mr. Byer's enthusiasm as to the important position Alaska is attaining in both U.S. and world economic affairs and certainly see the conference as a good forum for discussion and cooperation between participating countries.

I am sorry that we do not have funds to support the endeavor. Provision was not made for it in our current budget and, even so, it does not appear to fit within those areas of activity for which the Department is authorized to provide funding support. Please do not regard this as a lack of interest on our part. Many of the discussion subjects under consideration are of great interest to the Office of Energy Programs as well as to other entities within the Department. Specifically, I have in mind the energy and marine topics.

We will be glad to help publicize the conference and furnish advice on request. I wish we could do more.

Sincerely,

L. S. Matthews

Leonard S. Matthews
Assistant Secretary for Domestic
and International Business

SWEDISH EMBASSY

Washington, D. C., February 18, 1976

George H. Byer
P. O. Box 445
Hemet, California 92343

Dear Mr. Byer:

I am awfully sorry that we - by mistake - have not answered your letter to the Ambassador dated November 28th.

./. The Swedish participation in the U. S. Bicentennial celebrations includes various activities as you can see on the list of Swedish plans for the American Bicentennial year which is enclosed. The activities are to a large extent concentrated on Swedish-American relations. None of them, however, deals with issues which are of mutual interest to arctic countries.

As we think that your idea of a meeting in Alaska is very interesting, we are looking forward to an invitation from the State of Alaska, and we would do our best to promote Swedish participation.

Yours sincerely,

Ove Svensson
Cultural Attaché

ADDRESS
WATERGATE 600
600 NEW HAMPSHIRE AVE., N.W.
WASHINGTON, D. C. 20037
USA

TELEPHONE
(202) 965-4100

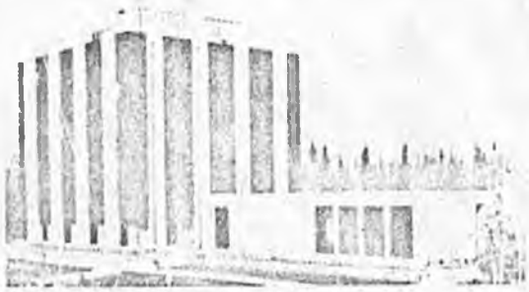
TELEGRAM
SVENSK

TELEX
RCA 24347
WU 89-2724

With compliments

from

the Director and Staff



UNIVERSITY OF ALASKA

FAIRBANKS, ALASKA 99701

January 31, 1977

Mr. George H. Byer
Box 445
Hemet, California 92343

Dear Mr. Byer:

The University will assist in all possible ways in the planned symposium of September, 1977, so long as we know, well in advance, the specific intent and topics of your conference.

I have referred your letter to Dr. Hunsucker and Mr. Siegrist. You may also be interested in the Annual Report of the Geophysical Institute for 1974-75, a copy of which is enclosed.

Concerning the research of the University, the best persons to contact would be the directors of units, as follows:

Geophysical Institute	T. Neil Davis, Acting Director
Institute of Marine Science	John J. Goering, Acting Director
Institute of Water Resources	Robert F. Carlson, Director
Agricultural Experiment Station	James Drew, Director
Institute of Arctic Biology	George C. West, Acting Director
Institute of Social and Economic Research	E. Lee Gorsuch, Director
Center for Northern Educational Research	Frank Darnell, Director
Sea Grant Program	Donald H. Rosenberg, Director
Arctic Environmental Information and Data Center	David M. Hickok, Director
The Biome Center	George C. West, Director
Alaska Cooperative Wildlife Research Unit	David R. Klein, Leader
Mineral Industry Research Laboratory	Earl H. Beistline, Director
Forest Soils Laboratory	Keith Van Cleve, Director
WAMI Program	Wayne W. Myers, Director
Naval Arctic Research Laboratory	Gary A. Laursen, Acting Director

Sincerely,

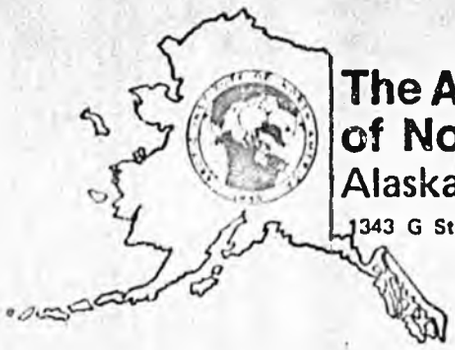
K. B. Mather

Keith B. Mather
Vice Chancellor for Research and
Advanced Study

KBM/afs

Enclosure

PLEASE REPLY BY AIRMAIL



The Arctic Institute of North America
Alaska Office
1343 G St. Anchorage, Alaska 99501

September 17, 1976

George H. Byer
Arctic Alaska International Conference Inc.
Hemet, California

Dear Mr. Byer,

Having recently returned to Anchorage from our Icefield Ranges Research Project in the Yukon Territory, I am now in receipt of your communications regarding the Arctic Alaska International Conference.

The Arctic Institute is very interested in participating in the conference, and would be glad to assist you in any way we can as preparations get underway. Accordingly, please feel free to list us as a participant.

We're looking forward to hearing more about the conference, and do let us know if we can be of help.

Sincerely,

Philip P. Upton
Manager, Alaska Office

1977 SEPTEMBER 7-8-9-10

ANCHORAGE, ALASKA

"A People to People Presentation"

1977 SEPTEMBER 7-8-9-10

INTERNATIONAL HOSTS

Jay S. Hammond
Governor of Alaska

Alaska State Senate
Chancy Croft, President

Alaska State House of Representatives
Mike Bradner, Presiding

George M. Sullivan
Mayor of Anchorage

Anchorage Municipal Assembly
Dave Rose, Chairman

Ted Stevens
Alaska
United States Senator

Mike Gravel
Alaska
United States Senator

Don Young
Alaska
United States Representative

CONFERENCE PARTICIPANTS

Alaska Chamber of Commerce

Anchorage Chamber of Commerce

Alaska Federation of Natives

Arctic Institute of N. America

University of Alaska

December 28, 1976

Mr. Kimmo Pulkkinen, Second Secretary
Embassy of Finland
1900 - 24th Street, N.W.
Washington, D.C. 20008

COPY....
Same substance interest to each Embassy of the Arctic countries.

Dear Mr. Pulkkinen....

We were highly elated by Alaska's neighbors in the Arctic for their interest in our first proposed mutual exchange conference. Sweden conferred their interest by writing..."As we think your idea of a meeting in Alaska is very interesting, we are looking forward to an invitation from the State of Alaska."

So may we again invite all who are interested in helping to further the common bonds of the Arctic by an exchangeable program of mutual interests.

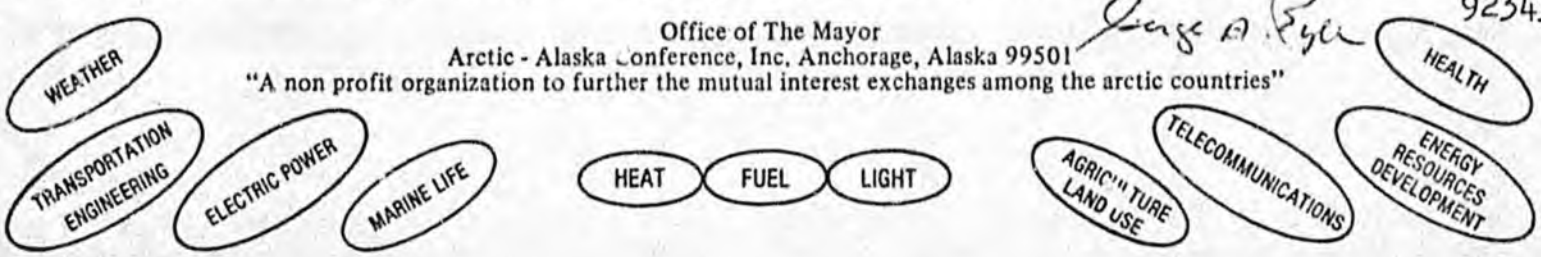
The delay of the conference until September of 77, has now allowed ample time to program the various workshops, seminars, demonstrations and speakers of Arctic experience and knowledge

While most expenses are the responsibility of those attending certain provisions will be provided for relative to airport transportation, tours, special conference related trips, social reception and Alaskan gift remembrances. To help defray the various expenses including the banquet, a $25.00 registration fee will be asseted each delegate. Those not wishing to attend the banquet are asseted a lesser fee. Let us suggest that those who have a preference subject, plan to bring your interests to share with others, and with appreciation to each and all, I am, sincerely, George H. Byer, Coordinator , Box - 445, Hemet, California 92343

George H. Byer

Office of The Mayor
Arctic - Alaska Conference, Inc. Anchorage, Alaska 99501

"A non profit organization to further the mutual interest exchanges among the arctic countries"



1977 SEPTEMBER 7-8-9-10

ANCHORAGE, ALASKA

"A People to People Presentation"

1977 SEPTEMBER 7-8-9-10

INTERNATIONAL HOSTS

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Governor of Alaska

Alaska State Senate
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Alaska
Chamber of Commerce

Anchorage
Chamber of Commerce

Alaska
Federation of Natives

Arctic
Institute of N. America

University of Alaska

ARCTIC ALASKA INTERNATIONAL CONFERENCE INVITATIONAL

September 7-8-9-10, 1977...the Arctic Alaska International Conference convenes in Anchorage, Alaska. The conference is dedicated to the betterment of the Arctic and its people.

By assembling delegates from each of the sovereign governments and by furthering the values of interdependence, the people to people concept will help to broaden the northern horizons.

And by contributing to this living betterment which when shared by the experience and knowledge of others, the mutual interest exchange program of suggestive ideas and beneficial solutions, is an essential step in bringing about a new and rewarding meaning of Arctic consensus based on cooperation.

To help accomplish these perspectives, some basic themes within the Arctic reality are to be considered for among them are-HEALTH-detainments and related subjects. WEATHER-forcastings, effects and related subjects. AGRICULTURE-arctic growths, vegetables and related subjects. LAND USE-soils, fertilizers and related subjects. MARINE LIFE-food values, depletion and related subjects. ENERGY RESOURCES DEVELOPMENT-fuel, heat, light and related subjects. ELECTRIC POWER-hydro, fusibility and related subjects. ENGINEERING-TRANSPORTATION-materials, construction, insulations and related subjects. TELECOMMUNICATIONS-electronic, radio and related subjects.

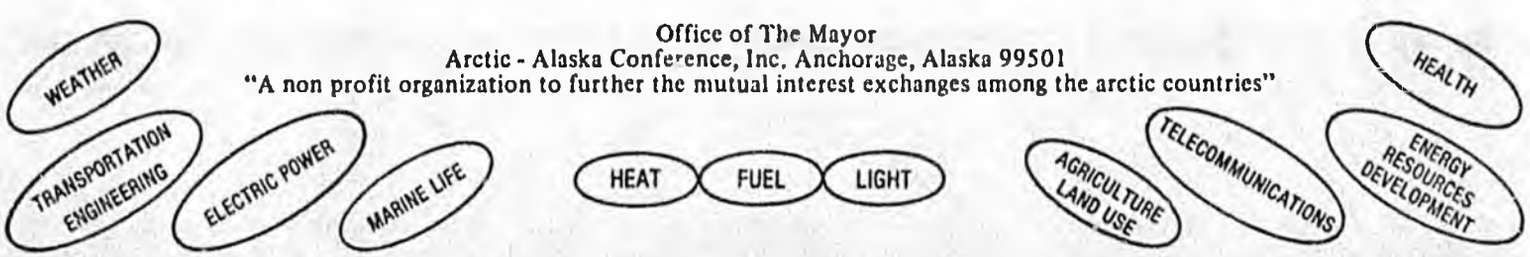
To the degree of interest in which of the above are choosen as preference subjects by the majority of the accepting countries will, in turn, help to decide as to what emphasis can be formulated toward making the conference more productive and informative.

With interest and efforts in the conference by all concerned, the Arctic will awaken the dreams and hopes of non-existence and bring into a welcome reception, the promises of a better tomorrow.

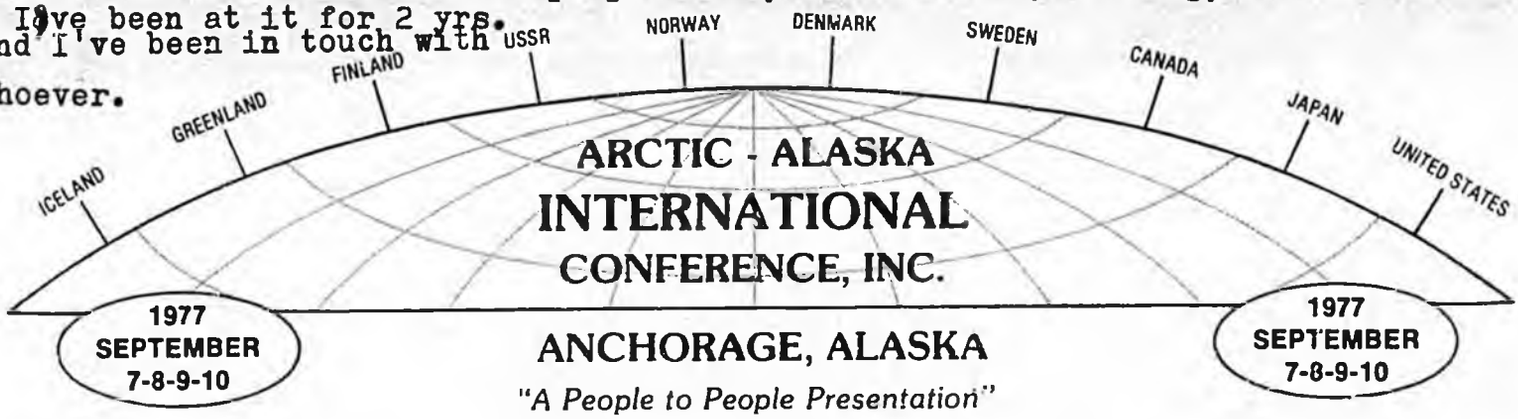
More information relative to the program, participation and desired results will be forthcoming as well as the official invitation by the U.S. Department of State

Further inquiries may be sent to George H. Byer - Alaska Conference Coordinator - P.O. Box - 445 - Hemet, California 92343...Telephone I-714-926-3104

Office of The Mayor
Arctic - Alaska Conference, Inc. Anchorage, Alaska 99501
"A non profit organization to further the mutual interest exchanges among the arctic countries"



Joe...if it is some answers people need, come to me by calling,or a letter for whoever. I've been at it for 2 yrs. and I've been in touch with



INTERNATIONAL HOSTS

Jay S. Hammond
Governor of Alaska

Alaska State Senate
John Rader, President

Alaska State House
of
Representatives
Hugh Malone, Speaker

George M. Sullivan
Mayor of Anchorage

Anchorage Municipal Assembly
Dave Rose, Chairman

Ted Stevens
Alaska
United States Senator

Mike Gravel
Alaska
United States Senator

Don Young
Alaska
United States Representative

CONFERENCE PARTICIPANTS

Alaska
Chamber of Commerce

Anchorage
Chamber of Commerce

Alaska
Federation of Natives

Arctic
Institute of N. America

University of Alaska

February I9, I977

Dear Joe...

I have both your letters of the I7th and let me ~~xshed~~ some light on your concern that the spectrum of the conference is too broad.
(I) the listed subjects are what the resolution mentioned however it never was the intention to carry out on each but rather on the ones of the most interest such as energy, marine life, health & agriculture with the others merely worked in on forums & group gatherings of their own.

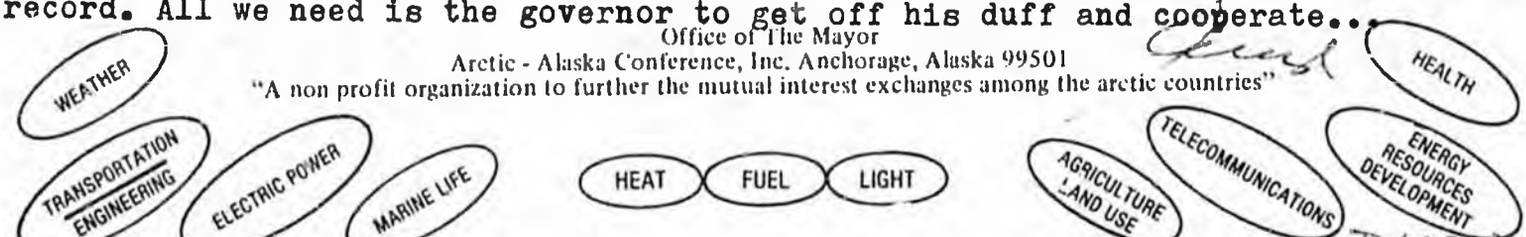
Joe, we have been throuh all of this advisory committees etc. These are already and waiting for the governor to cooperate so it all depends on Jay and his willingness to fully support and help all concerned. That's all we need but that has to be assured. Wheres the leadership? And why can't you people help get him to see this. Hell, I'm not spending my time, effort, my own money for this very worthy program for Alaska without one dam benefit to me without having the governor come forth and show he is doing what is right toward the conference. So it is up to you rep. in a leadership role to set down with him, see the advantages of what this means to Alaska and let's get it back on the right track. An idea who time has come needs to be pursued.

As for your letter to the mayor I feel I can clarify it since George is away on vacation.

The mayor told me the city will take care of all transportation to & from the airport, tours, one large cocktail reception, programs and what added personnel need be. The money appropriated would be used for an exec. dir. — program coordinator, basic salaries and limited expenses such as luncheons etc. interpeters, decorations, flags, music, some entertainment etc and to bring in some top knowledgable people of arctic experience and knowledge like Dr. Untersteiner of U. Of Wash. Dr. Roots of Canada etc. Now the states contributionlast year was that the state dept. heads would be provided to lead the subject seminars etc.

As for someone to think its not a program that can be put together, they are merely looking at it from a novice point of view. I've done similar things before and know what needs to be done and how to do it or I would never have tackled it in the first place. Never doubt ones ability to perform unless they look at the ~~xxxx~~ record. All we need is the governor to get off his duff and cooperate...

Office of The Mayor
Arctic - Alaska Conference, Inc. Anchorage, Alaska 99501
"A non profit organization to further the mutual interest exchanges among the arctic countries"



PS. WE SHOULD BE HAVING AN EXEC DIR & PROGRAM COORDINATOR BY APRIL I

THE INTERESTS KEEP COMING IN FROM THE DEC. 76 RENEWAL OF THE 77 CONF. HAD THE GOVERNOR EVER INFORMED ME BACK IN 76 OF ANY NOT GOING ALONG ON THE CONF. DO YOU EVER THINK I'D CONTINUE...HELL NO BUT TO LET SOMEONE GO ON WITHOUT ONE WORD IS CERTAINLY ONE FOR THE BOOKS AND A POOR EXAMPLE OF COOPERATIVE RELATION

ROYAL
SWEDISH EMBASSY

Washington, D.C., February 14, 1977.

Mr. George H. Byer
Alaska Conference Coordinator
Arctic- Alaska International Conference, Inc.
Box 445
Hemet, California 92343

Dear Mr. Byer:

Thank you very much for your letter of December 30, 1976, regarding the Arctic-Alaska International Conference, which was waiting for me when I returned from vacation.

Your renewed invitation to participate in this conference has been forwarded to the Swedish Ministry for Foreign Affairs in Stockholm and I will let you know of their reaction in due course.

Yours sincerely,

Eva Dieden

Eva Dieden
Press Assistant

THIS MAN ACCORDING TO THE STATE DEPT. IS ONE OF THE TOP MEN OF THE ARCTIC, PLUS DR. ROOTS of CANADA AS THE OTHER

FRIDTJOF NANSEN-STIFTELSEN PÅ POLHØGDA
THE FRIDTJOF NANSEN FOUNDATION AT POLHØGDA
1324 Lysaker, NORWAY

10 February 1977.

Mr. George H. Byer
Alaska Conference Coordinator
Box 445
Homet, Cal. 92343

Dear Mr. Byer,

Thank you very much for your rather flattering letter of December 31, 1976, regarding the Arctic Alaska Conference. For various reasons I have not been able to reply to your letter before now. The proposal for your conference does arouse my interest and I certainly look forward to receiving further information.

As to your suggestion that I might play a role in connection with the conference, this of course, will depend on what the organizors would want me to do and then on my ability to actually act accordingly.

Even before having such suggestions or proposals as might evolve, I must point out that September of 77 will be a rather busy month for me, and that participation on my part will depend on timing.

Wishing you every luck in your effort, I remain

Yours sincerely,

Finn Sollie
Director

HERES ~~ANTHER~~ ANOTHER EXAMPLE OF INTEREST AND COOPERATION

UNIVERSITY OF ALASKA
FAIRBANKS, ALASKA 99701

February 16, 1977

Mr. George H. Byer
Box 445
Hemet, California 92343

Dear George:

Thanks for your letter of February 8. I'm enclosing for your information a brochure on the Institute of Social and Economic Research. The various projects we are engaged in are generally described under the brochure and on the last two pages the institute's personnel and their training and interests are also listed. The various professional staff would potentially be available to participate in the conference, depending upon their individual work schedules and other commitments. Therefore, as the conference planning progresses and you identify topics for which you feel some of our professional staff would be qualified to address, I'll be happy to see if I can arrange for their participation in the conference.

With best regards

Sincerely,

Lee Gorsuch

Lee Gorsuch, Director
Institute of Social and Economic Research

Enclosure: ISER Brochure

LG/jl

EXXON COMPANY, U.S.A.
POUCH 6601 • ANCHORAGE, ALASKA 99502

ALASKA PUBLIC AFFAIRS

BLEU BEATHARD
MANAGER

February 15, 1977

George H. Byer
Arctic - Alaska International Conference
Box 445
Hemet, CA 92343

A copy of your letter to C.C. Garvin, Jr. of Exxon Corporation has been forwarded to me. The proposed Arctic - Alaska Conference sounds like an interesting project. We would be glad to consider your ideas for Exxon involvement in the conference.

Bleu Beathard

Bleu Beathard

BB/jr

TO ADD TO THIS INTEREST BOTH TEXACO & ARCO HAVE ALREADY INDICATED THEIR WILLINGNESS TO PARTICIPATE IN THE ENERGY SEMINARS.

1977 SEPTEMBER 7-8-9-10

ANCHORAGE, ALASKA

"A People to People Presentation"

1977 SEPTEMBER 7-8-9-10

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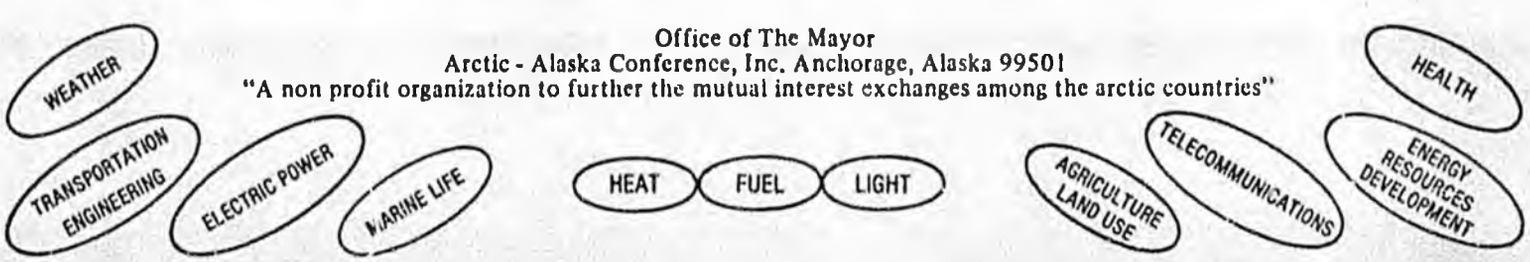
With interest and efforts in the conference by all concerned, the Arctic will awaken the dreams and hopes of non-existence and bring into a welcome reception, the promises of a better tomorrow.

More information relative to the program, participation and desired results will be forthcoming as well as the official invitation by the U.S. Department of State

Further inquiries may be sent to George H. Byer - Alaska Conference Coordinator - P.O. Box - 445 - Hemet, California 92343...Telephone I-714-926-3104

Office of The Mayor
Arctic - Alaska Conference, Inc. Anchorage, Alaska 99501
"A non profit organization to further the mutual interest exchanges among the arctic countries"



AtlanticRichfieldCompany
North American Producing Division
Alaska Region
Post Office Box 360
Anchorage, Alaska 99510
Telephone 907 277 5637

Howard A. Slack
Vice President &
Resident Manager

January 17, 1977

Mr. George H. Byer
Box 445
Hemet, California 92343

Dear Mr. Byer:

Mr. Bradshaw has requested that I respond to your recent letters to him. He and I are gratified that you are now receiving encouragement from local, State and National government heads for an Arctic Countries Mutual Interest Exchange Conference. We hope that it will materialize as planned in September in Anchorage.

Our records indicate that last year we donated $500 to assist in the organization of the conference and sent it care of the Municipality of Anchorage. It was subsequently returned and upon inquiry we were advised that the conference would not be held. Governor Hammond's office advised us similarly.

We certainly will now want to reinstitute this commitment but before considering any increase we would appreciate receiving from you an indication of other support you have received from the private sector. Whereas we are pleased to be able to make a monetary contribution to the organization of the conference I regret that we will be unable to loan an executive for 6-8 months to help coordinate all phases of the project. The startup of the Prudhoe Bay Field and all of the attendent problems has already placed undue demands on the time of our capable people.

I look forward to your reply, meantime good luck with your project.

Very truly yours,

Howard A. Slack

c: Mr. Thornton F. Bradshaw

DEPARTMENT OF STATE

Washington, D.C.

BUREAU OF OCEANS AND INTERNATIONAL
ENVIRONMENTAL AND SCIENTIFIC AFFAIRS

April 26, 1976

Mr. George Byer
Post Office Box 445
Hemet
California 92343

Dear Mr. Byer:

I have been asked to reply to your letter of April 5 to Assistant Secretary Robert J. McCloskey regarding an Arctic Country Mutual Interest Exchange Conference in 1976 proposed in Joint Resolution 51 recently passed by the Alaska State Legislature.

The Assistant Secretary's letter of March 15 to Senator Stevens, a copy of which you have, conveys the considered opinion of the Department on the feasibility of a conference such as that described in the Resolution. Your letter of April 5 suggests a much more modest international gathering of a planning nature. A preparatory meeting that would deal with the realities of such a demanding and complicated undertaking as that outlined in the Resolution would seem to be an essential early step.

THIS HAS ALL BEEN CLARIFIED AND DETERMINED

A

The State of Alaska is, of course, at liberty to sponsor an international conference on the subjects it proposes, on a scale it desires, and at a time of its choosing. For our part, it would be virtually impossible to do more than offer advice and encouragement. Given the nature of the federal budget cycle, and the obligations already incurred, possible funding by the Department of State for an Arctic Country Mutual Interest Exchange Conference could not have been anticipated for this or the next fiscal year. However, the Department would be prepared to transmit through its facilities abroad any invitations by the State of Alaska to intended participants in such a conference as Alaska decides to hold.

Sincerely,

Theodore Sellin

Theodore Sellin

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Senator Joe Orsini
Chairman

Senate Bill No. 63 — Croft, Prime Sponsor

_____ Resolution No. _____

This Bill is currently in the Senate Community and Regional Affairs Committee for consideration. Your response, as prime sponsor, to the following questions will serve to hasten Committee action on this Bill.

1. What is the need for your proposed legislation; what is the goal you are trying to accomplish?

This funds an idea that George Byer, former Mayor of Anchorage, came up with. It would provide for a conference of Arctic nations - Russia, Canada, Finland, Greenland, Norway, Sweden, etc., be held in Anchorage.

2. Are there any other viable ways of accomplishing this same goal?

We're having enough trouble doing it this way that I don't know of any other way that might come as close.

3. Persons or groups you know of who are supporting the legislation.

George Byer, the Municipality of Anchorage, etc.

4. Persons or groups you know of who are opposing the legislation.

I understand that the Governor is unwilling to commit funds for this purpose.

5. Can you foresee any new problems that might be caused as a result of enactment of your bill?

No. The purpose of the bill is to help Arctic countries solve problems.

6. What is the earliest time you would like the Senate Community and Regional Affairs Committee to consider your bill?

Week of February 28.

1977 SEPTEMBER 7-8-9-10

ANCHORAGE, ALASKA

"A People to People Presentation"

1977 SEPTEMBER 7-8-9-10

February II, I977

INTERNATIONAL HOSTS

Jay S. Hammond
Governor of Alaska

Alaska State Senate
John Rader, President

Alaska State House
of
Representatives
Hugh Malone, Speaker

George M. Sullivan
Mayor of Anchorage

Anchorage Municipal Assembly
Dave Rose, Chairman

Ted Stevens
Alaska
United States Senator

Mike Gravel
Alaska
United States Senator

Don Young
Alaska
United States Representative

CONFERENCE PARTICIPANTS

Alaska
Chamber of Commerce

Anchorage
Chamber of Commerce

Alaska
Federation of Natives

Arctic
Institute of N. America

University of Alaska

MEMBERS of THE TENTH ALASKA STATE LEGISLATURE

Joe - We need your help - action important now

If the enclosed from Mayor Sullivan is true and let us assume that (it is not) for I have never and I repeat never had any indication from Governor Hammond other than the enclosed as copies expressing his good-will, cooperation and go ahead.

No one knowingly, over the months, would continue to spend all the time, endless effor and money to promote this very worthy event for Alaska if the governor had ever expressed his dislike or opposition too it. After it was canceled in 76 due to requests for more time to prepare, no word, letter or call was ever received by me, the mayor or anyone, by the governor, opposing the conference or discontinuation of it or the final for achieving it.

So naturally we have taken him at his original word as you or anyone would and we have continued to do all the many things it takes to prepare such an important international program.

Since the Arctic countries are most interested and look to Alaska as a leader as they seek some of the answers to the social, economic and environmental problems of the Arctic, the conference has assumed an even greater importance to them Requests by Sweden and embassies are waiting for the official invitation from Alaska and have asked why it is not forthcoming.

Ford Adm. State Dept. Senators, Congressmen, Alaska Legislators, Foreigners of the Arctic, diplomats, businesses, colleges, schools & many others have congratulated and offered support. Why! They say the time is right for Alaska to assume its rightful place as a leader in the exchange of ordinary people to people. The program has gone to far now to not move on in commitments, interest and accomplishments, such as Texaco & ARCO on energy; RCA, CBS. NBC-Communications, medical specialists-health but a few besides working Comms., U. of Alaska-programing help, chambers, Fed. of Natives et Two yrs. of dedicated work, unselfishly given by all so would I or you put our dut honor into a wasted effort & embarrassing position now by inviting the President of U.S. and write the first Lady on her people to people plan hopeful of bringin it into being with the conf. if we knew the governor had any opposition whatever and giving me in writing his assurance..."Please let us know if we can be of any further assistance in this matter"...Words of encouragement and words of support. The program deserves the cooperation & support of the governor & legislature jus as the 76 resolution did and signed by the governor, giving Alaska the recognition it deserves, with this plan.

Office of The Mayor
Arctic-Alaska Conference, Inc. Anchorage, Alaska 99501
"A non profit organizatic n to further the mutual interest exchanges among the arctic countries"

WEATHER · HEALTH · TRANSPORTATION ENGINEERING · ELECTRIC POWER · MARINE LIFE · HEAT · FUEL · LIGHT · AGRICULTURE LAND USE · TELECOMMUNICATIONS · ENERGY RESOURCES DEVELOPMENT

Telephone I-714-926-3104
George H. Byer; Conference Coordinator; Box-445; Hemet, California 92343

MAR 10 1977

Hugh -

I'm enclosing a copy of my letter to Pat Rodey which explains what time, effort, money & planning has gone into this program for Alaska.

Now that Pres. Carter has asked the Governors to join the effort, why wouldn't it be a good plan to come up with a short resolution bi-partisan in full support of the Pres. Plan and asking to Governors to follow them which is already a leadership role for Alaska in the 77 Conf.

We need some action

Hugh —

Plan for World Peace

FIRST LADY Rosa- Carter foresees oads of grass-roots sadors from the U.S.

volvement, but with its l and encouragement, ot yet known who will the Friendship Force, much it will cost. The etween the people of and Brazil were paid hose involved.

ashington, Rosalynn's n staff says the hip Force plan is one op three priorities.

"It's an idea that she is very interested in and wants to pursue as first lady," said Kathy Cade, 29, transition projects coordinator. "She has said it is something she really wants to do."

A longtime close friend of the Carter family, John Pope, 56, of Americus, said Rosalynn had discussed her Friendship Force program with him and his wife in November.

"She said she was anxious to get it going internationally, and got very excited talking about it," Pope said. "I think it's her baby, but Jimmy is right behind it and very much in favor of it.

"I am sure you will find that she is going to play a bigger part in trying to achieve things on an international level than any other First Lady," Pope added.

GOVERNORS TO JOIN HIM IN A PEOPLE TO
PATES MOST OF THE 50 STATES WILL BE
IN HELPING TO PROMOTE COMMON UNDER-
ION, HAS ALREADY ASSUMED THIS ROLE
NCE FOR 77.

CHANGE

say, Idaho, to perhaps Morocco, and back," Carter said.
public funds involved at the state e're going to try to join in and raise te places to finance these trips."

Los Angeles Times Sun, Mar. 6, 1977

Carter said that as governor of Georgia, he and his wife, Rosalynn, worked on an exchange with a sister state in Brazil that led about 200 persons from each state to trade visits.

"We're going to try to do this on a nationwide basis," he said. The White House issued a statement dubbing the new project the "Friendship Force." It estimated that trips under the program would cost $300 to $400 a person for 10 days.

A staff for the project is being assembled and is to be based in Atlanta. The statement said Carter anticipated six or more exchanges this year, beginning July 4. By the end of 1978, the project envisions six or eight trips a year from most of the 50 states.

"Perhaps our own state this first year would like to take just one airplane, and we've asked the State Department to give us advice, and we would like to have maybe a couple

Voters Tell Congress to Get Behind Carter

Earlier Indications of Hostility Toward White House Apparently Disappearing

Mr. George H. Byer
Coordinator
Arctic-Alaska International
Conference, Inc.
Box 445
Hemet, California 92343

Senator John L. Rader

Dear George:

It was sure good to hear from you and know that you are actively pursuing the Conference. As you may have heard, our winter has been one of the mildest ever. I'm sure carrying the mail would be a bit easier than some of the winters in the past!

Senator Chancy Croft has introduced a bill (enclosed) that would appropriate money for the conference. The bill is presently in the Community and Regional Affairs Committee, chaired by Senator Orsini. The Finance Committee will then have an opportunity to review it. John Sackett is Chairman of Finance.

Rest assured, George, that I will keep my eye on the bill as it moves along.

Thank you for your kind thoughts and encouragement.

Sincerely,

John L. Rader, President
Alaska State Senate

Dear George:

Thank you for the letters dated January 26, 1977 and February 9, 1977 indicating the work expended on your part to make the Arctic-Alaska International Conference a reality. You are to be commended for the time devoted in spearheading this Conference.

As Chairman of the Senate Community and Regional Affairs Committee, and in an effort to derive insight into the above referenced bill, I have made contact with the following people to receive input regarding the Arctic-Alaska International Conference:

Theodore Sellins, Polar Affairs Officer, State Department
Governor's Office
Mayor Sullivan's Office, Anchorage
Arctic Institute of North America

The feedback I received was overwhelmingly favorable to the prospect of an Arctic-Alaska Conference to promote relations between Arctic Nations. The theme behind this Conference was well entertained by all those concerned, and there didn't seem to be any dearth of support behind the basic proposal

SB
80

SB 90

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF LANDS / 323 E. 4TH AVENUE – ANCHORAGE 99501

February 14, 1977

Representative Lisa Rudd
Pouch V
Juneau, AK 99811

Dear Lisa:

I've just reviewed a copy of House Bill 116, which you sponsored entitled "An Act Relating to the Classification of State Land and Providing for an Effective Date". I understand from Gary Thurlow that this was an attempt to bring pressure on municipalities to accomplish recreational trail designation within their boundaries. I believe that the authority to classify State land already exists and that the purpose of the legislation would not be met by this bill, since it pertains to classification of State Lands only. I suggest that if this purpose really is to accelerate municipal action it might be better to look to AS41.20.355 which authorizes grants for the establishment of trails and footpaths. There is a requirement there for a comprehensive plan for the establishment of the trails. It might be appropriate to include some language that requires dedication by the municipality prior to the grant being made.

As a matter of information, the statutory authority for classifying lands is found in AS38.05.300 and regulations adopted thereunder.

Give me a call if you have any questions about this or any other matter I may be able to assist you with.

Yours truly,

TED SMITH
Director

cc: Guy Martin
Russ Cahill

could I have copies of under-lined statutes pls?

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Senator Joe Orsini
Chairman

Senate Bill No. 80 — Croft
Prime Sponsor

_____ Resolution No. ____

This Bill is currently in the Senate Community and Regional Affairs Committee for consideration. Your response, as prime sponsor, to the following questions will serve to hasten Committee action on this Bill.

1. What is the need for your proposed legislation; what is the goal you are trying to accomplish?

To provide a system of trails - that do not parallel existing transportation routes - in the Anchorage area. The bill would merely provide that the state should designate trails across its land within the borders of a municipality in conformity with the plan instituted by the municipality.

2. Are there any other viable ways of accomplishing this same goal?

Maybe, but I can't think of any.

3. Persons or groups you know of who are supporting the legislation.

Ron Crenshaw
Anchorage Trails Council, 1553 H St., Anchorage, AK 99501

4. Persons or groups you know of who are opposing the legislation.

None that I know of.

5. Can you foresee any new problems that might be caused as a result of enactment of your bill?

None of much significance.

6. What is the earliest time you would like the Senate Community and Regional Affairs Committee to consider your bill?

Since the bill has a subsequent referral, I would appreciate it being considered the week of February 21, which is approximately one month after the bill was introduced.

TELEGRAM

ACA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU, ALASKA 99801

1977 FEB 21 PM 8 45

02042 NL ANCHORAGE ALASKA 50 02-21 0605P AST

PMS SEN JOE ORSINI
1400
JUN

THE ANCHORAGE TRAILS COUNCIL SUPPORTS SENATE BILL 80
THIS BILL COINCIDES WITH THE INTRODUCTION OF AN ORDINANCNE
ESTABLISHING WATERFRONT AND STREAMSIDE GREENBELTS WITHIN
ANCHORAGE AND THE COMPREHENSIVE TRAILS PLAN. IT WILL PROVIDE
FOR CONTINUITY BETWEEN THE STATE AND MUNICIPALITY
IN THE ESTABLISHMENT OF RECREATION TRAILS LAND.

RON CRENSHAW CHAIRMAN
ANCHORAGE TRAILS COUNCIL

SB
84

In fiscal year '77, the state spent between $3.5 and $4.0 million on the non-Federal Highway System maintenance outside of municipalities. This is the type of maintenance that is done on local roads and paid for by municipal taxpayer when those roads are within municipalities.

Since state motor fuel tax pays about half of maintenance costs, this amounts to an annual state subsidy of almost $2 million to those areas outside of municipalities. Why should municipal residents pay for a service that non-municipal residents receive free?

There are over 4000 registered motor vehicles outside of municipalities. Assuming that these are taxed at an average rate equal to a 3 year old auto, this amendment would raise approximately $160,000; certainly not enough to completely pay for the subsidy, but at least it will help.

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y · STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

M E M O R A N D U M February 23, 1977

SUBJECT: CSSB 84, relating to the registration tax on motor vehicles

TO: Senator Orsini, Chairman
Senate Community and Regional Affairs

FROM: John B. Chenoweth
Legislative Counsel

To assure a return of a portion of the proceeds of the tax levied by AS 28.10 to a second class city within an organized borough, the following amendment should be considered:

Page 3, lines 6 and 7: amend to read

a city which levies property taxes under AS 29.53.400 or AS 29.53.410;

Though you have not asked, I question whether the redistribution provisions of AS 28.10.255(f), repealed and re-enacted in the legislation, are applicable to unified municipalities such as Anchorage and Juneau. The operative words (page 2, line 19) are "organized borough." Municipal officials may argue that, had the legislature intended the distribution provisions to operate within a unified municipality, the word "municipality" or the term "unified municipality" would have been used, the definition of the word "municipality" appearing elsewhere in the section.

JBC:hjd

2/28/77

Ted Berns called & said the amended change in the formula re: CSSB 84 won't work. (i.e. changing organized borough to municipality). Sam Cotton is coming in tomorrow to explain the whole situation to us.

Paul

SB84

Municipality of Anchorage

MEMORANDUM

DATE: February 7, 1977

TO: Ted Berns, Attorney's Office

FROM: Director, Property Appraisal Divison

SUBJECT: Motor Vehicle Registration Tax, Mr. Klug's Letter

As we mentioned in our telephone conversation, there are two addresses on the registration certificate, one is the registered owner's mailing address and the other is the residence address. If the residence address is the same as the mailing address only one shows on the registration.

In the Act itself, Section 28.10.255(e), it states: "The department shall refund money collected under this section less five percent as collection costs, to a municipality for which the money was collected, as determined by (1) the address of residence of an individual required to pay the tax, or (2) the situs of the vehicle if the vehicle is not owned by an individual; the tax situs is the location at which the motor vehicle is usually, normally, or regularly kept or used."

I would suggest that Mr. Klug in all cases use his Anchorage address as the mailing address and the residence address would be the area in which those automobiles are normally or regularly kept, i.e. Cordova, Fairbanks, etc. By doing this he will not have to pay the tax on those vehicles not normally kept here. They will be subject to tax in the other areas.

As I told you on the phone, I did talk with Mr. Klug last year, and this was covered. He has evidently forgotten our conversation.

I really don't think he will have any problem at all, as long as he prepares in advance. We will certainly be available to help him.

Glenn M. McKee
Director

GMM:ma

91 010 (4/76)

THE FOLLOWING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

DEADLINE FOR MAILING, MAY 1, 1972

LICENSE NO.	PLATE REPLACED	TAB REPLACED	REGISTRATION FEE	WEIGHT FEE	TOTAL FEE

REGISTERED TO		UNLADEN WT.	COLOR	MAKE	YR.	PWR.	TITLE

PRINT CHANGE OF MAILING ADDRESS AND ZIP CODE HERE

FEE PAID

PRINT CHANGE OF RESIDENCE ADDRESS AND ZIP CODE HERE

RES. ADDRESS

MAILING ADDR.

MV-15 1-70

DATE	TRANSFER FROM	TAX ID	LICENSE NO.	CODE		FEE PAID

TAX 5 72 10.75 PAS 30.0 0

ANCHORAGE CITY TAPE FOR ANCHORAGE AK

LESSOR NAME AND ADDRESS

1972 ALASKA REGISTRATION CERTIFICATE

PLEASE CORRECT ADDRESS AND SIGN. MAIL ALL COPIES WITH CHECK OR MONEY ORDER TO
DEPT. OF REVENUE, BOX 960 - ANCHORAGE 9950

REGISTRATION EXPIRES 5-31-73

* E. Ruth Mc Lemore

SIGNATURE OF REGISTERED OWNER (IN INK)

THE PRECEDING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

Avis Rent-A-Car System
Rolf A. Klug
4900 Aircraft Dr.
Anchorage, Alaska 99502

01/28/77 Inquiring about Senate Bill 600. Referred to Attorney General, Avrum Gross. Waiting for response. Contacted both.

AVIS RENT A CAR SYSTEM / 4900 AIRCRAFT DRIVE, ANCHORAGE, ALASKA 99502 / (907) 274-0531

AVIS
LICENSEE

JANUARY 24, 1977

THE HONORABLE JOSEPH ORSINI
ALASKA STATE SENATE
POUCH "V"
JUNEAU, ALASKA 99811

DEAR SENATOR ORSINI:

DURING THE LAST LEGISLATIVE SESSION SENATE BILL 600 WAS PASSED. HOWEVER, UNDER SECTION 1, PARAGRAPH 1, IT PROVIDES THAT EACH MUNICIPALITY HAS TO ELECT TO HAVE THE STATE COLLECT THE MOTOR VEHICLE REGISTRATION TAX IN LIEU OF LOCAL AD VALOREM TAXES. WE THEREFORE, WOULD LIKE TO POINT OUT SOME OF THE SERIOUS SHORTCOMINGS IN THIS BILL AND ASK FOR YOUR ASSISTANCE.

1. SOME CORPORATIONS HAVE MANY VEHICLES LOCATED ALL OVER THE STATE. THESE VEHICLES DO NOT FALL UNDER THE TAX LEVY BECAUSE THE BOROUGH EITHER DID NOT HAVE THE TAX STRUCTURE BEFORE OR CHOSE NOT TO ACCEPT SENATE BILL 600. HOWEVER, IT COULD BE POSSIBLE THAT A VEHICLE WILL END UP OPERATING IN A BOROUGH WHICH SELECTED TO HAVE THE STATE COLLECT ITS TAXES. SINCE THE REGISTRATION WILL SHOW A DIFFERENT COST THAN THOSE LOCALLY COLLECTED, WILL WE AS THE OWNER BE HELD RESPONSIBLE TO PAY THE ADDITIONAL COST.

2. SINCE MOST LARGE CORPORATIONS CARRY AN ANCHORAGE ADDRESS ON THE VEHICLE REGISTRATION, HOW CAN THE STATE PROVIDE FOR ALLOCATING THE TAX TO THE DIFFERENT COMMUNITIES, WHO WOULD NORMALLY, BEFORE ACCEPTING SENATE BILL 600, GET THE TAX FOR THOSE VEHICLES OPERATED IN THAT COMMUNITY.

ALL CORPORATIONS OR PERSONS OPERATING FLEETS WILL HAVE THIS PROBLEM. WE FIND IT IS IMPERATIVE TO REGISTER ALL VEHICLES IN ONE LOCATION WHERE THE HEAD OFFICE IS AND ALL FINANCIAL AND ADMINISTRATIVE CONTROL CAN BE CENTERED. ON TAKING A DECEMBER 31ST INVENTORY STATEWIDE, WE FIND THAT EACH COMMUNITY RECEIVES ITS SHARE OF THE TAX. THIS WILL NOT BE POSSIBLE UNDER THE NEW SYSTEM. WE WOULD APPRECIATE IF YOU WOULD CONSIDER THESE COMMENTS AND RECONSIDER THE MERITS OF SENATE BILL 600.

YOURS VERY TRULY,

ROLF A. KLUG
VICE PRESIDENT/GENERAL MANAGER

RAK/MH

Alaska State Legislature

SENATOR
JOE ORSINI
2912 ALDER DRIVE
ANCHORAGE, ALASKA 99504

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA
99811

Senate

COMMITTEES

RESOURCES
COMMERCE
COMMUNITY & REGIONAL AFFAIRS

January 28, 1977

Avis Rent-A-Car System
Rolf A. Klug
4900 Aircraft Dr.
Anchorage, Alaska 99502

Dear Mr. Klug:

I can certainly appreciate your questions and concerns in regards to Senate Bill 600. Enclosed you will find a copy of my letter to the Attorney General asking that he research this matter. I will advise you of his answer as soon as I receive it.

If I can be of further assistance, please let me know.

Sincerely,

JOE ORSINI
Senator

JO/VZC:gd

Enc.

Alaska State Legislature

SENATOR
JOE ORSINI
2912 ALDER DRIVE
ANCHORAGE, ALASKA 99504

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA
99811

Senate

COMMITTEES

RESOURCES
COMMERCE
COMMUNITY & REGIONAL AFFAIRS

January 28, 1977

Avrum M. Gross
Attorney General
Pouch K
Juneau, Alaska 99811

Dear Avrum:

Enclosed you will find a letter from one of my constituents regarding Senate Bill 600. I would appreciate it if you would have your staff research this matter and then advise me back on it.

Thank you for your expedience in this matter.

Sincerely,

JOE ORSINI
Senator

JO/VZC:gd

Enc.

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

M E M O R A N D U M February 23, 1977

SUBJECT: CSSB 84, relating to the registration tax on motor vehicles

TO: Senator Orsini, Chairman
Senate Community and Regional Affairs

FROM: John B. Chenoweth
Legislative Counsel

To assure a return of a portion of the proceeds of the tax levied by AS 28.10 to a second class city within an organized borough, the following amendment should be considered:

Page 3, lines 6 and 7: amend to read

a city which levies property taxes under AS 29.53.400 or AS 29.53.410;

Though you have not asked, I question whether the redistribution provisions of AS 28.10.255(f), repealed and re-enacted in the legislation, are applicable to unified municipalities such as Anchorage and Juneau. The operative words (page 2, line 19) are "organized borough." Municipal officials may argue that, had the legislature intended the distribution provisions to operate within a unified municipality, the word "municipality" or the term "unified municipality" would have been used, the definition of the word "municipality" appearing elsewhere in the section.

JBC:hjd

SB

86

MAYOR'S OFFICE
EXT. 211

ADMINISTRATION AND FINANCE
EXT. 210

PUBLIC WORKS DEPARTMENT
EXT. 249

PLANNING DEPARTMENT
EXT. 245

ACCOUNTING
EXT. 239

NORTH SLOPE BOROUGH
P. O. BOX 69
BARROW, ALASKA 99723
(907) 852-2611

ASSESSING
EXT. 263

TREASURY
EXT. 237

HOUSING AGENCY
EXT. 243

HEALTH AGENCY
EXT. 255

February 8, 1977

Hon. Joe Orsini, Chairman
Community & Regional Affairs Committee
Alaska State Senate
Pouch V
Juneau, Alaska 9981.

Dear Senator Orsini:

I have just examined Senate Bill 86 which changes the senior citizen real property tax exemption to a flat $100,000.00.

I understand from the borough's Assessing Department that the predicted senior citizens' exemption limit for this year will be between $40,000.00 and $45,000.00. Thus, Senate Bill 86, if passed, would go far to ease the tax burden of many of our senior citizen taxpayers. You are no doubt aware that the cost of living in Alaska, and especially the Arctic, is extremely high. Senior citizens who have spent many years here building a family and home retire and must then live on relatively low fixed incomes. The net result is that in order to make ends meet many are forced to sell their homes in which they have invested so much of their lives. It is toward the prevention of such a dilemma that the senior citizen tax exemption is directed. I support the increase of the exemption as provided for in Senate Bill 86 and urge its passage in your committee and the full Senate.

Sincerely,

Eben Hopson, Mayor
NORTH SLOPE BOROUGH

cc: Hon. Lisa Rudd, Chairman
House Community & Regional Affairs Committee

STATE OF ALASKA

Inter-Department Route Slip

TO:
MAIL STATION NUMBER 3100

DEPARTMENT Legislature

ATTENTION Paul Conners

☐ Approval	☐ Note & Return
☐ Signature	☐ Initial & Return
☐ Comment	☐ Return As Requested
☐ Contact Me	☐ Return For Approval
☐ Prepare Reply	☐ Necessary Action
☐ For Your File	☐ Your Information

Remarks:

ORSINI

FROM:
MAIL STATION NUMBER 3100

DEPARTMENT C&RA

BY TCH DATE 2-3-77

02-002 (REV.10/73)

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB No. 86
Title An act relating to real property tax exemptions for senior citizens
Requested by Senate C&RA Date 1/24/77

II. FISCAL DETAIL
Agency Affected Community & Regional Affairs
Program Category Affected Social Services
Budget Request Unit(s) Affected State Assessor 21 22-3-08-00-00

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.			216.8	275.3	349.6	
TOTAL			216.8	275.3	349.6	

FUNDING (Thousands of Dollars)

GENERAL FUND			216.8	275.3	349.6	
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Grant General Fund

Number of applicants FY 78 - 2817		=	8% increase over FY 77 - 2608
Full Exemption: FY 78 Grant	1,570.1	=	Ø senior citizens required to pay Ø.Ø
100,000 limitation: FY 78 Grant	1,546.5	=	48 senior citizens required to pay 23.5
40,000 limitation: FY 78 Grant	1,375.0	=	650 senior citiznes required to pay 195.1
SB No. 86 additional FY 79 Grant	216.8	=	Total funding FY 79 1964.0

Administrative Costs
No additional funding required.

Bill Analysis attached: The figures used above reflect a 5% BRU Grant increase over the historic trend factor used in the attached analysis.

IV. DATE 2/2/77 PREPARED BY [signature], State Assessor
AGENCY Community & Regional Affairs
PHONE 465-4730

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 10/76)

Department of Community and Regional Affairs
Division of Local Government Assistance
State Assessor Office
February 2, 1977

Senior Citizen Property Tax Exemption

SB 86, 100,000 Assessed Value Limit

The attached analysis was prepared to illustrate the citizen impact of SB 86 which proposes raising the current formula limitation to a 100,000 assessed value limit.

Table I

Illustrates a comparison of alternative program totals:

The total reimbursement for the FY 77 unlimited program is approximately $1,171,227 for 2,608 applicants, stipulating an 8% increase in applicants and a 27% increase in total property tax, a FY 78 unlimited reimbursement would be about $1,487,458 for 2,817 applicants.

From Table II, the 100,000 limit would reduce an unlimited program by about $25,000, for a total reimbursement of $1,462,950 in FY 78.

The formula assessed value limit has been established to be 40,000 in FY 78 and it is estimated to require a $1,292,349 reimbursement, therefore, raising the assessed value limit from 40,000 to 100,000 will require about $170,500 in additional funds.

The FY 78 BRU grant for the formula limitation program is $1,375,000, SB 86 would increase the total grant requirement to $1,545,500.

Table II

Table II is a list of the 26, FY 77 applications showing a value over 100,000 and the corresponding total tax levy on those properties of $56,532.81. Also, a list of 22 applications showing a FY 77 value of over 85,000 has been compiled with a total tax levy on those properties of $28,355.09. These 22 properties are projected to reach or exceed 100,000 in FY 73. Stipulaton of a 27% increase in total tax levy projects a total FY 78 tax of $107,807.63 on the 48 properties listed. At an average rate of 17 mills, $83,300 of the total value would be exempt under SB 86. This leaves approximately $25,000 that would not be eligible for reimbursement.

SENIOR CITIZEN PROPERTY TAX EXEMPTION
SB 86; 100,000 ASSESSED VALUE LIMIT

TABLE I
TOTAL PROGRAM SUMMARY

	Number of Applications	Assessed Value	Tax Levy
Total Senior Citizens Property			
FY 77	2608	76,737,066	$1,171,227
Projected increase	[@ 8%]	[@ 27%]	[@ 27%]
FY 78 projected	2817	97,456,066	1,487,458
Per 100,000 values analysis below		(1,946,234)	(24,508)
100,000 Value Limit Program Total	2817	95,509,832	$1,462,950
*Formula limit program	2817		(1,292,349)
FY 78 Additional Grant Required for SB 86			$ 170,601

*FY 78 PRU Grant	$1,375,000
SB 86	170,500
Total FY 78 Grant Requirement - SB 86	$1,545,500

TABLE II
ANALYSIS OF SENIOR CITIZEN PROPERTIES VALUED AT OVER 100,000

	Number of Applications	FY 77 Values Over 100,000	FY 77 Tax	Number of Applications	Values Projected To Exceed 100,000 in FY 78	FY 77 Tax
Juneau, City & Borough of		127,000	$ 1,950.72		94,200	$ 1,446.91
		142,400	2,004.99		86,800	1,334.78
		137,300	1,933.18		86,400	1,327.10
		115,500	1,675.91		92,400	1,300.99
		118,700	1,722.34		87,600	1,283.34
					97,700	1,500.67
FY 77	5	640,900	$ 9,287.14	6	545,200	$ 8,193.79
Anchorage, Municipality of		234,500	$ 4,793.18		84,925	$ 1,735.86
		106,325	2,173.28		92,900	1,898.88
		105,040	2,147.02		86,200	1,227.48
		144,225	2,933.54		93,975	1,920.84
		113,725	2,324.54		85,000	1,737.40
		105,250	2,151.30		93,000	1,900.92
		141,550	2,893.28		89,625	1,851.94
		136,025	2,780.34		93,300	1,479.74
		262,300	5,361.40		85,150	1,740.46
		152,150	3,109.94			
		107,075	1,524.74			
		111,400	2,277.02			
		105,300	2,152.31			
		139,348	2,848.27			
		109,350	1,557.14			
		110,800	1,577.78			
		112,675	2,303.08			
FY 77	17	2,297,038	$ 44,908.16	9	804,075	$15,473.52
Sitka, City & Borough of		122,030	$ 610.15		98,700	$ 493.50
		101,790	508.95		98,080	490.40
		106,310	531.55		86,080	430.40
					99,260	496.30
FY 77	3	330,130	$ 1,650.65	4	382,120	$ 1,910.60
Fairbanks North Star Borough		109,025	$ 686.86		99,900	$ 1,628.37
					94,700	596.61
					87,650	552.20
FY 77	1	109,025	$ 686.86	3	282,250	$ 2,777.18
Total FY 77	26	3,377,093	$ 56,532.81	22	2,013,645	$28,355.09
Projected increase		[@ 27%]	[@ 27%]		[@ 27%]	[@ 27%]
FY 78 projected	26	4,288,908	71,796.67		2,557,329	36,010.96
	22	2,557,329	36,010.96			
Total FY 78	48	6,846,234	$107,807.63			
Average Mill Rate .017						
49 applications @100,000 each		4,900,000	$ 83,300			
Not reimbursed per SB 86		1,946,234	$ 24,507.63			

SB

111

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

STATE OFFICE BUILDING / POUCH SA – JUNEAU 99811

February 15, 1977

The Honorable Joseph L. Orsini
Chairman
Senate Community & Regional
Affairs Committee
Room 100 Assembly Apartments
Juneau, Alaska

Re: Senate Bill No. 111

Dear Senator Orsini:

Senate Bill No. 111, an Act repealing the Alaska Net Income Tax Act and the Alaska Business License Act was introduced in the Senate on February 1, 1977 and was referred to the Senate Community & Regional Affairs and Finance Committees.

For the consideration of the Senate Community & Regional Affairs Committee, I am enclosing Fiscal Notes prepared by Mr. Gary L. Jenkins, Director, Audit Division and Mr. P. A. Wall, Director, Administrative Services Division of the Department of Revenue concerning the proposed legislation.

Very truly yours,

R. D. Stevenson
Special Assistant

Enclosures

cc: The Honorable John C. Sackett
Chairman
Senate Finance Committee
Alaska State Legislature
State Capitol Building
Juneau, Alaska

Gary L. Jenkins, Director
Audit Division
Department of Revenue

P. A. Wall, Director
Administrative Services Division
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Senate Bill No. 111
Title An Act repealing the Alaska Net Income Tax Act and the Alaska Business License Act.
Requested by Senate Community and Regional Affairs Committee Date 2-10-77

II. FISCAL DETAIL
Agency Affected Revenue
Program Category Affected Fiscal Services
Budget Request Unit(s) Affected Audit and Enforcement

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES					(1,736.8)	(1,736.8)
200 TRAVEL					(87.0)	(87.0)
300 CONTRACTUAL					(263.2)	(263.2)
400 COMMODITIES					(22.3)	(22.3)
500 EQUIPMENT					(7.5)	(7.5)
600 LAND & STRUCTURES					(108.2)	(108.2)
700 GRANTS, CLAIMS, ETC.						
TOTAL					(2,225.0)	(2,225.0)

FUNDING (Thousands of Dollars)

GENERAL FUND					(2,225.0)	(2,225.0)
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME					(75)	(75)
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III) This bill, when fully effective, would reduce the staffing in Audit and Enforcement Divisions by about 80 percent. The reduction would be gradual as the workload declined.

This bill would also mean a loss of revenue to the State General Fund of a minimum of the following amounts:

Individual Income Tax	$ 100 million
Fiduciary " "	60 "
Corporate " "	96 "
Business License "	9 "
Total	$ 265 million

It should be noted that this bill would go into effect when budgeted State revenues exceed appropriations by $100 million. However, the effect of the bill when enacted would be to reduce actual revenues to the General Fund from the particular tax type involved by a minimum of $265 million.

IV. DATE 2-10-77 PREPARED BY [signature]
AGENCY Department of Revenue, Audit Division
PHONE 465-2320

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 10/76)

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 111
Title Act repealing the Alaska Net Income Tax & Alaska Business Acts
Requested by Senate Community & Regional Affairs Comm. Date 2/2/77

II. FISCAL DETAIL
Agency Affected Revenue
Program Category Affected General Government
Budget Request Unit(s) Affected Administration and Support

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						(594.1)
200 TRAVEL						(3.4)
300 CONTRACTUAL						(121.5)
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						*(722.0)

FUNDING (Thousands of Dollars)

GENERAL FUND						(722.0)
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						(26)
PART TIME						(7)
TEMPORARY						(7)

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

*FY 82 is used to show the effects of the Bill as the actual effective date is not known. These savings are based upon the actual FY 77 authorization for Alaska Net Income and Business License Tax processing.

$53,000 of the contractual savings is space occupied in the SOB by the deleted positions.

This Fiscal Note does not show the effect upon the Audit or Enforcement BRU's. The revenue effect is shown on the Audit Fiscal Note.

AS 43.45 (school tax) should be repealed or amended to delete in AS 43.45.010(c) the following: after "commissioner of revenue" [AT THE SAME TIME THE QUARTERLY STATE NET INCOME TAX WITHHOLDING RETURN IS FILED]

IV. DATE February 12, 1977 PREPARED BY P. A. Wall
AGENCY Revenue
PHONE 465-2313

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 10/76)

Introduced: 2/1/77
Referred: Community & Regional Affairs and Finance

IN THE SENATE BY KERTTULA

SENATE BILL NO. 111

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act repealing the Alaska Net Income Tax Act and the Alaska Business Act; and providing for an effective date."

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

* Section 1. AS 43.20 and AS 43.70 are repealed.

* Sec. 2. This Act takes effect January 1 of the calendar year next following the end of the fiscal year in which state revenues exceed appropriations under the annual budget Act by not less than $100,000,000.

SB

112

Sen. Orsini

Alaska State Legislature

POUCH Y, STATE CAPITOL
JUNEAU, ALASKA 99811
907 465-3800

3/7/77

Joe:

Could you please let me know when it would be convenient for your committee to schedule SB112?
(Municipal Taxation - Finance)

Thanks. —

Jay

ANALYSIS OF SEC. 10 S.B. 112

Estimated Net Income

Net Income with Permanent Fund Contribution at 25%

	1979	1980	1981	1982	1983
Property Tax	170600.0	170600.0	173700.0	176900.0	180100.0
Oil & Gas Production Tax	153700.0	192200.0	296600.0	471500.0	593300.0
Sale of State Minerals	800.0	800.0	800.0	800.0	800.0
Coal Royalties	5.0	5.0	5.0	5.0	5.0
Oil & Gas Royalties	519300.0	664900.0	788300.0	915100.0	1173700.0
Total Gross Income	844405.0	1028505.0	1259405.0	1564305.0	1947905.0
Less:					
Native Land Claims	72500.0	97900.0	119100.0	139600.0	30000.0
Perm. Fund Contb. @ 25%	129800.0	166200.0	197100.0	228800.0	293400.0
Total Net Income	642105.0	764405.0	943205.0	1195905.0	1624505.0

Net Income with Permanent Fund Contribution at 50%

Total Gross Income	844405.0	1028505.0	1259405.0	1564305.0	1947905.0
Less:					
Native Land Claims	72500.0	97900.0	119100.0	139600.0	30000.0
Perm. Fund Contb. @ 50%	259650.0	332450.0	394150.0	457550.0	586850.0
Total Net Income	512255.0	598155.0	746155.0	967155.0	1331055.0

Oil revenues are based on world oil prices as of January, 1977.

FROM REVENUE

Matanuska-Susitna Borough, Inc.

BOX B, PALMER, ALASKA 99645 • PHONE 745-3246

BOROUGH ASSEMBLY

Borough Mayor

March 16, 1977

Honorable Jalmar Kerttula
State Senate
Pouch V
Juneau, Alaska

Re: SB 112

Dear Jay,

To confirm a phone call to you today, the Borough Assembly wishes to go on record in opposition to SB 112. A copy of Mr. Howe's memo giving reasons for opposition is enclosed. With the growth in this area, you can well understand the problem that this bill would create.

We would appreciate any assistance you can give in opposing this bill in the Senate and/or House and, as always, we are sure we can rely on you to work on our behalf.

By copy of this letter, we are advising Mr. Ose and the Chairman of both the House and Senate Finance and Community and Regional Affairs Committees of our stand on this bill.

Yours respectfully,

Ronald L. Larson
Borough Mayor

/et
Enc.

Matanuska-Susitna Borough, Inc.
BOX B, PALMER, ALASKA 99645 • PHONE 745-3246
DEPARTMENT OF ADMINISTRATION

March 2, 1977

MEMORANDUM

To: Mayor and Borough Assembly

From: Wesley M. Howe, Borough Manager

Subject: SB 112 An Act Relating to Municipal Taxation and Finance

This bill has several undesirable aspects:

1. In our Borough it would require that two values be placed on practically every parcel of property, since property values are increasing at more than 5% per year. We cannot estimate the administrative cost of this, but it would be substantial. There would also be administrative costs at the state level. Administrative regulations and court decisions would be needed creating red tape and confusion.

2. The Borough would not be fully reimbursed for revenues lost since we levy a property tax amounting to more than 10 mills. (See Section 43.18.070.)

3. Inequities would be created. Starting from a base of 100, property increasing in value at a slow rate, say 5%, would be appraised at 129 after five years and this would also be the "limited assessed value" for tax purposes.

Property in another part of the Borough increasing more rapidly, say 10%, would have a value of 161 after five years, but would only be taxed at the "limited assessed value" of 129 for tax purposes. Undoubtedly many unforeseen problems would arise. If this process were to go on for say 50 years the result would be ridiculous.

I recommend that the Assembly oppose SB 112.

Wesley M. Howe
Borough Manager

WMH:er

to:
Senator Orsini *

— Jay Kerttula

21-650A Apricot Street
Elmendorf Air Force Base, Alaska
March 4, 1977

Mr. Jalmar Kerttula
Senate Majority Leader
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Kerttula:

I am writing you in support of SB 112. We have just (this week) completed closing on our new home here in Anchorage. It was really shocking to us to discover the taxes were half again what they were last year on this same house. I had been aware of your legislation, but before becoming a home owner had not felt affected by it one way or the other. Now, needless to say, I am very much in support of this bill.

Sincerely

Dera C. Doris
Dera C. Doris

(7)

Peter's Amendment { $142K above / $1-2M last year

CITY OF SKAGWAY

GATEWAY TO THE GOLD RUSH OF "98"
P. O. BOX 415 SKAGWAY, ALASKA 99840

February 7, 1977

Senator Joe Orsini, Chairman
Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

Please reference your letter of 3 February inviting comments on several proposed Senate Bills pending consideration by your committee. The City of Skagway has no objection to proposed Senate Bills Nos. 80 and 114; however, Bill No. 112 "An Act relating to municipal taxation and finance-----" is viewed with grave misgivings. There are several bases upon which to question the wisdom and practicability of this Bill:

Sec. 25.53.050 (a) The limitation of property tax to no more than one per cent of assessed valuation is unrealistic.

Sec. 25.53.050 (b) The limitation of annual increase in assessed valuation to five percent is unrealistic. For S.E. Alaska the annual average rate of appreciation of property values has been in the range of 8 to 10 per cent for the past three years. Adherence to this restriction could in a period of ten years produce a limited assessed value from 30 to 70 per cent under the full and true value of a property -e.g. in comparison to the base value of comparable property just coming on the tax rolls in the tenth year.

Sec. 43.18.070 Computation and Payment of State Assistance. This section is ambiguous.

Pending clarification of these questions, the City of Skagway is to be noted as opposing Senate Bill 112.

Sincerely,

G D Acker

G.D. Acker
City Manager

cc: City Attorney - Ruddy

GDA:p

SB

114

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Senator Joe Orsini
Chairman

Senate Bill No. 114 — Croft, Prime Sponsor

_____ Resolution No. _____

This Bill is currently in the Senate Community and Regional Affairs Committee for consideration. Your response, as prime sponsor, to the following questions will serve to hasten Committee action on this Bill.

1. What is the need for your proposed legislation; what is the goal you are trying to accomplish?

Correct a technical defect which exists in legislation passed in 1975.

2. Are there any other viable ways of accomplishing this same goal?

No.

3. Persons or groups you know of who are supporting the legislation.

The Municipality of Anchorage - see atrached .

4. Persons or groups you know of who are opposing the legislation.

None that I know of.

5. Can you foresee any new problems that might be caused as a result of enactment of your bill?

No.

6. What is the earliest time you would like the Senate Community and Regional Affairs Committee to consider your bill?

Week of March 7.

PUBLIC WORKS/HIGHWAY PROJECTS--PLANNING

Current Law

AS 35.10.020, as amended by the Ninth Legislature, requires that the construction of a "public works" be commenced only after consultation with municipal planning and zoning authorities and compliance with local planning and zoning ordinances. However, this statute is ambiguous in terms of its affect on highway construction projects and the Department of Highways. The construction or modification of a state highway often poses serious problems for municipal planning programs and should therefore be commenced only after consultation with local planning authorities. Of course, if an overriding state interest in a highway project is demonstrated, a state agency should possess the ability to override local planning and zoning ordinances. This, however, does not detract from the need to incorporate local planning and zoning review into the design and construction of state highway projects.

Proposed Bill

The proposed legislation would clarify the scope of AS 35.10.020 to require consultation with municipal planning authorities and compliance with local planning and zoning ordinances prior to the construction of "any building,

Municipality of Anchorage

MEMORANDUM

DATE: February 7, 1977

TO: Ted Berns, Legal

FROM: Tom Nelson, Planning

SUBJECT: House Bill No. 147 & SB 114

This is just a brief outline of our concern over actions taken by the Alaska State Highway Department that do not comply with Municipal land use regulations such as the Zoning Ordinance and Subdivision Regulations which everyone else must and do comply with. Specific cases of Highway Department actions that have created problems and conflicts will be presented at a later date when more time is available to gather the information together.

The primary cause of most land use problems created by the Highway Department is the creation of non-conforming lots following land acquisition for additional right-of-way. In several instances the Highway Department acquired a portion of a lot or tract and left the owner with a relatively useless parcel. In doing so, resulting land use patterns are ignored. Thus, access problems develop; either normal access is shut off on the front of the lot and thence, alleys become thoroughfares, or every little non-conforming lot remaining has its own access onto the arterial being up-graded. The end result is additional traffic circulation and safety problems.

In several instances the Highway Department has split lots, but filed no plat, thus leaving no record after land was taken. Land is subdivided without filing a plat. The Highway Department may know better, but as long as they can ignore local land use regulations they'll try to get by with it.

These types of actions present problems to land owners and developers. Tax inequities result when owners are taxed for useless land, and Municipal government loses tax revenue when relief is given to the owner because of the non-conformity--all or most of which could have been prevented through adherence to local regulations. In addition, developers are severely limited by problems with access and setbacks for structures.

Another problem that has arisen in regard to highway projects is the Highway Department's source of gravel materials. They have had a practice to buy gravel from private landholders. The private landholder in that case is responsible for getting a Special Exception to extract gravel. However, the Highway Department may not always inform the landholder of that when entering an agreement for the gravel. If the Highway Department decides to extract gravel itself, it can presently do so, without any regulations on such operations. This may be a possibility in the Eagle River/Chugiak area where the Highway Department plans to utilize gravel resources for the construction of Minnesota Drive Extension. In such an instance there is no way the neighboring residents could be protected from noise, dust, traffic, or hazards from such activity.

The purpose of having Special Exceptions, platting procedures, along with all the other land use regulations is to "protect the health, safety and welfare of the public." This responsibility is entailed to the Anchorage Municipality, yet little protection can be offered from actions taken by the Highway Department.

These problems also create unnecessary and costly administration problems with requests for zone changes and variances, not to mention the litigation that has been leveled against the Municipality.

These problems will continue until the Highway Department is forced to abide by the same rules as everyone else. It is this department's firm belief that the Highway Department does not deserve to have any privilege status in regard to local land use regulations. As with other State agencies, if there is a clearly demonstrated over-riding State interest, a waiver from the local compliance requirements may be granted by the governor.

Dave Doris, a member of the Platting Board, is quite familiar with the practices of the Highway Department here in Alaska and similar problems in other states. I would suggest having him testify on this Bill. He would strongly support our stand and has indicated a willingness to help.

to 114 ✓

Check with some of the P&Z ~~members~~ comm. members in Anch, Fbks, June to see if they have had problems w/the municipalities in mmic. constr. not complying with local regs, etc.

Joe

I talked to the planning people re: reference the above request + all the planning officials said the cities are very diligent about complying with local regulations.

Paul

TO: Senator Orsini DATE: February 28, 1977

FROM: Paul Conger RE: SB 114

I spoke with Rick Sobodney, Department of Law, Highways Section, to ascertain if Highways had any opposition to the above referenced Bill. He stated that he had discussed this Bill with Mr. Scougal, Commissioner, Department of Highways, and they "did not see any problems with the Bill".

PC/js

Municipality of Anchorage

MEMORANDUM

DATE: February 7, 1977

TO: Ted Berns, Legal

FROM: Tom Nelson, Planning

SUBJECT: House Bill No. 147

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SB

125

CITY OF SOLDOTNA

Resolution 77-7

SB 125

WHEREAS, the cost of conducting a runoff election represents a significant burden on municipalities, and

WHEREAS, the candidate who received the largest number of votes in the first election has almost invariably been the winner in the runoff elections, therefore be it

RESOLVED, by the City Council of Soldotna, Alaska, that it be recommended that HB9 and SB125 be enacted into law, and be it further

RESOLVED, by the City Council of Soldotna, Alaska, that it be recommended that SB126 not be enacted into law.

Adopted this 17th day of February, 1977.

Lorraine P. Knight
Mayor

ATTEST:

Barbara A. Erickson
City Clerk

Alaska Conservation Society

Incorporated in 1970

P.O. Box 80192 College Branch, Fairbanks, Alaska 99708

March 18, 1978

Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

Hucksters from Alaska Petrochemical Company made their pitch in Fairbanks this past Thursday. They would have us believe a number of interesting things.

For one, they tried to explain why new refineries around the world are being built farther and farther from the traditional refining centers close to markets. "The reason is that more and more of the underdeveloped producing countries want to gain the value added by processing the crude oil at home," they said. "That's awfully nice of the companies to agree to do so," I thought. Then it came out that people who live in refining regions have had enough. The West Coast is so hostile to new refineries that firms don't even want to try to expand there despite projections that the West Coast glut will turn to a shortage in five to ten years. AlPetCo would have us believe that 30 million West Coast folks are foolish and that we can really put one over on them by approving the royalty oil contract fast.

For another, they did a fascinating dance on the question of employment. They wanted desperately to tell businessmen and the out-of-work boomers that a nice peak in construction employment would be followed by non-cycling refinery employment and a build up of satellite chemical plants, and that the multiplier effect (the economist's version of loaves and fishes) would cap everything with a juicy service-sector job picture. On the other hand they know a lot of Alaskans are none too happy with the idea of making room for 15-20,000 more people for one project-swarm, so they tried to say that

petrochemical industries are neat because it takes hardly anyone to push those little computer buttons. Somebody had better start giving some full and straight answers. Especially with the Governor saying that right now every newcomer costs twice as much in government services as he or she pays in taxes. And especially since the much-touted local hire provisions merely mean - at best - that a Texan has to wait a month before becoming a local hire.

Then there was the question how long AlPetCo expected to be around and where they would get their oil. Prudhoe Bay is supposed to last another 25 years or so. Production will peak in ten years or so, however, at about 200,000 barrels of royalty oil per day. AlPetCo can only get 85 per cent of the royalty amount, and it won't start using the oil until the field is 20 percent exhausted. Where else will it get oil? Not Pet 4 (NPRA). Not upper Cook Inlet, which is already on the decline. Are they staking everything on the unoffered leases in the unexplored Beaufort Sea?

And suppose they do get 150,000 barrels a day for 20 to 30 years? Suppose natural gas liquids, coal, and other goodies can be put together on our only - somewhat - crowded Kenai Peninsula to build a world scale everything complex? It sounds like building sandcastles in the top half of an hourglass. What will our children have left besides bills for empty schools and dirty rivers?

The problem with the royalty oil contract is that everybody is looking at the fine print.

We hope that as an Alaskan representing Alaskans you can look first at the screaming headlines: Is the petrochemical industry really what the North is all about?

It isn't as though we were going to be poor if we just took the royalty in value.

Sincerely yours,

ALASKA CONSERVATION SOCIETY

for Robert B. Weeden
President

RBW/ts

SB

126

CITY OF SOLDOTNA

Resolution 77-7

WHEREAS, the cost of conducting a runoff election represents a significant burden on municipalities, and

WHEREAS, the candidate who received the largest number of votes in the first election has almost invariably been the winner in the runoff elections, therefore be it

RESOLVED, by the City Council of Soldotna, Alaska, that it be recommended that HB9 and SB125 be enacted into law, and be it further

RESOLVED, by the City Council of Soldotna, Alaska, that it be recommended that SB126 not be enacted into law.

Adopted this 17th day of February, 1977.

Lorraine Knight
Mayor

ATTEST:

Barbara A. Erickson
City Clerk

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Senator Joe Orsini
Chairman

Senate Bill No. 126 — Rodey — Prime Sponsor

Resolution No. ____

This Bill is currently in the Senate Community and Regional Affairs Committee for consideration. Your response, as prime sponsor, to the following questions will serve to hasten Committee action on this Bill.

1. What is the need for your proposed legislation; what is the goal you are trying to accomplish?

   LOCAL CONTROL OF ELECTIONS.

2. Are there any other viable ways of accomplishing this same goal?

   NONE.

3. Persons or groups you know of who are supporting the legislation.

   MOST MUNICIPALITIES AND PROBABLY MUN. LEAGUE

4. Persons or groups you know of who are opposing the legislation.

   NONE TO MY KNOWLEDGE

5. Can you foresee any new problems that might be caused as a result of enactment of your bill?

6. What is the earliest time you would like the Senate Community and Regional Affairs Committee to consider your bill?

   IMMEDIATELY

SB

152

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Senator Joe Orsini
Chairman

Senate Bill No. 152

Croft
Prime Sponsor

_____ Resolution No. _____

This Bill is currently in the Senate Community and Regional Affairs Committee for consideration. Your response, as prime sponsor, to the following questions will serve to hasten Committee action on this Bill.

1. What is the need for your proposed legislation; what is the goal you are trying to accomplish?

Last year's budget appropriated money for this road. However, the only appropriation was Federal money, and Federal money is unavailable without a state match. This bill corrects that defect.

2. Are there any other viable ways of accomplishing this same goal?

We could insist on the municipality coming up with the money, but this provides access to a state park and it seems to be a state responsibility.

3. Persons or groups you know of who are supporting the legislation.

The Municipality of Anchorage.

4. Persons or groups you know of who are opposing the legislation.

None that I know of, even though the owner of the property to be condemned, Bertha Mae Tabbytite, might be opposed.

5. Can you foresee any new problems that might be caused as a result of enactment of your bill?

None of any substance.

6. What is the earliest time you would like the Senate Community and Regional Affairs Committee to consider your bill?

I would be happy for the Committee to consider it at any time, but I would like for the Committee to pass it out next week since (over)

the bill also has a Finance referral and the C & RA Chairman is also a member of that Committee.

To: Senator Orsini DATE: Feb. 18, 1977

FROM: Paul Conger RE: SB 152

I spoke to Ted Berns this morning regarding SB 152. Ted commented that he was quite suprised that this bill had been introduced and requested that this Committee delay any action on this bill until he gets back to us.

The circumstances behind this bill are as follows: Ted stated that the road in question is an old road that leads up to the community called Glen Alps which is composed of approximately 15-20 families. In addition, this road feeds into Chugach Park and is used extensively by backpackers. There is another feature of this road which has stimulated the request by the city to condemn this road. The road runs across an Indian lady's property and the lady has initiated a trespass action against the city. The litigation is currently in Federal Court and the Federal Judge has not rendered a decision in this case. However, the judge has stated that whatever the outcome is, the City will have to condemn the property.

Ted states that the entire cost for facilitating the condemnation of the property will be around $80,000. He stated that what they are attempting to do is to get the Feds to provide matching funds in this case, therefore each level of government will share in the burden of the expense.

Ted states that an attempt was made last year to appropriate money for this condemnation procedure and it passed, both houses. However, the money was to be appropriated from "other funds" (which apparently meant Federal money) and for one reason or another the money never became available. So they are making another stab at getting the money.

Ted emphasized that he wants to request that action on this Bill be DELAYED because it has taken him completely by surprise and he did not realize that it was going to be introduced.

PC/js

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2525

GEORGE M. SULLIVAN,
MAYOR

OFFICE OF THE MUNICIPAL ATTORNEY

March 29, 1977

The Honorable Joseph Orsini
Chairman, Senate Committee on Community & Regional Affairs
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Re: $40,000 Appropriation to Reimburse the Municipality of Anchorage for Acquisition of Road Right-of-Way to the Glen Alps Entrance of Chugach State Park

Dear Joe:

The Municipality urgently requests that an appropriation in the amount of $40,000 be made to reimburse it for acquiring road right-of-way necessary to provide public access to the Glen Alps entrance to the Chugach State Park and to the former City of Glen Alps. According to statistics provided by the Division of Parks, the Glen Alps entrance is the most heavily used access point to Chugach State Park in the Anchorage hillside area. In addition, approximately twelve families live year-round in the area immediately south of the State Park entrance, in what is known as Glen Alps.

Since February, 1976, the right of the public to use the road to the park entrance and to Glen Alps has been in jeopardy as a consequence of a decision by the Ninth Circuit Court of Appeals in United States and Tabbytite v. Clark, an action which has been in litigation in the U.S. District Court in Anchorage since 1969. The Ninth Circuit ruled that no legal access existed for the road across Mrs. Tabbytite's land enroute to the park entrance. The history of the dispute is set forth fully in the letter of agreement which was signed on May 7, 1976, between Russ Cahill, Director of the Division of Parks, and me.

Since February, a year ago, I have been engaged in strenuous litigation to keep the United States Government and Mrs. Tabbytite from securing an injunction which would prohibit the Glen Alps road from being used. However, the Municipality and Division of Parks agree that it would be inequitable to require the twelve families who live in Glen Alps to bear the entire cost of right-of-way acquisition considering the extensive use which the Glen

Alps entrance to the park attracts. We sought an appropriation from the last Legislature in the amount of $40,000 to cover the cost of right-of-way acquisition and believed that such an appropriation had been made until we learned otherwise in December. Apparently, someone in the free conference committee goofed and made an appropriation for $40,000 of Federal matching highway funds; however, no state funds were provided.

The Municipality is a party to the lawsuit because, upon unification, it succeeded to all interests and liabilities of the former City of Glen Alps, which had been a party. The suit is rapidly evolving into one inverse condemnation and, if I am to prevent the road from being closed by Federal injunction, I will probably have to make a deposit in court of the estimated just compensation for the right-of-way. Between May, 1975, and February, 1976, more than 39,000 people used the hillside entrance to Chugach State Park. Over 44% of these used the Glen Alps entrance. Because of this heavy public use, it would be grossly unfair to require the twelve year-round residents in the service area of Glen Alps to bear the cost of procuring this right of way.

Therefore, I request that your committee recommend appropriation of $40,000 to reimburse the Municipality for whatever action may be necessary to procure a legal right-of-way from the switch backs on upper Huffman to the State Park entrance and Glen Alps. I believe that $40,000 should be adequate to do the job.

If you have any questions, Ted Berns of our office should be helpful. Also, feel free to call me at 264-4320. Many thanks for your help in this endeavor.

Would you have time to do some kayaking this summer?

RICHARD W. GARNETT III
Municipal Attorney

Richard A. Weinig

Richard A. Weinig
Assistant Municipal Attorney

RAW:ljc
Enclosure

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274 2525

GEORGE M. SULLIVAN,
MAYOR

OFFICE OF THE MUNICIPAL ATTORNEY

May 7, 1976

The Honorable Helen Bierne
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative Bierne:

On February 4, 1976, the Ninth Circuit Court of Appeals rendered a decision in United States and Tabbytite vs. Clark, No. 74-1659 which endangers all legal access to the former City of Glen Alps and to Glen Alps entrance to Chugach State Park. Several families live in the Glen Alps area year round. According to statistics of the State Division of Parks, more than 39,000 people used the hillside entrances to Chugach State Park between May, 1975 and February 1976. The Glen Alps entrance is the most heavily used entrance of the park in the hillside area around Anchorage. The use pattern is as follows:

Glen Alps - 44%
Prospect Heights - 30%
Upper O'Malley - 15%
Upper Huffman - 11%

The Ninth Circuit held that the only road providing access to the Glen Alps community and Glen Alps Park entrance illegally crosses certain Indian allotment lands held in trust by the United States for Bertha Mae Tabbytite. It remanded the case to the United States District Court in Alaska for issuance of an injunction against use of the road.

Undoubtedly, an injunction will be issued prohibiting any use of the road across Mrs. Tabbytite's land unless the Municipality of Anchorage, successor in interest to the former City of Glen Alps, or the State acquires right-of-way for the road through negotiation or condemnation.

The suit arose out of a dispute between two homesteaders, Mr. Clark and Mrs. Tabbytite. The Ninth Circuit described

the history of this dispute as follows:

> Tabbytite's 160 acres of land are located in the Chugach Mountains southeast of Anchorage, Alaska. In November, 1956, she filed a homestead application for the land with the Department of the Interior. A year and a half later, in June, 1958, Glen Clarke, the principal named defendant, applied for a homestead on an adjoining 80-acre parcel. To secure access to a public highway, Clark constructed a road across Tabbytite's land in the late summer of 1958. The district court held that his doing so and using the road was a continuing trespass, for which it awarded damages. It is undisputed that Clarke never obtained a grant of an easement from anyone.
>
> After securing his patent in 1961, Clarke subdivided his property into 40 parcels, most of which he sold before this suit commenced. Tabbytite was not as fortunate. Between 1958 and 1966, Clarke and his former wife filed three separate contests to Tabbytite's patent application. Clarke admitted at trial that he was aware of 43 U.S.C. § 185 which gives a successful contestant a preference to the cancelled homestead. Although Tabbytite prevailed in these contests, she could not get her patent while the contests were pending. Apparently despairing of ever securing the land via the homestead route, she elected to abandon her homestead application and take the land as an Indian trust allotment. However, there was no break in her possession.
>
> During this same period Tabbytite made several attempts to bar those whom she considered trespassers from crossing her property. She posted "no trespassing" signs, and once, in 1967, sought to block the road physically. On this occasion, Clarke told her that Alaska law prohibited the blocking of a public highway and warned that she would be arrested if she presisted. She did not, choosing instead to notify the Bureau of Indian Affairs in Anchorage of her problem. On the advice of the Bureau, the United States, which holds legal title to Tabbytite's trust allotment, filed this action in 1969.

The suit was brought against a class of defendants which included anyone using the road. The plaintiffs sought a permanent injunction against use of the road and damages for trepass. Judge von der Heydt of the District Court denied the injunction, finding that the defendants had an easement by necessity across Mrs. Tabbytite's land but awarded the plaintiffs $3,500 in compensatory damages -

$2,000 for past trespasses and $1,500 for future trespasses. The Ninth Circuit reversed, finding that no easement of necessity existed across Mrs. Tabbytite's land. It remanded the case to the District Court, strongly suggesting that the injunction be issued.

ALTERNATIVES

Acquisition of public right-of-ways over Indian allotment lands is allowed in either of two ways:

1. Through negotiations by either the Municipality or State and the Secretary of the Interior. (25 U.S.C.A. 311)

2. By exercise of eminent domain by the State or the Municipality. (25 U.S.C.A. 357)

Both the State and the Municipality, which succeeded to all interests of the former second class City of Glen Alps as a consequence of unification, can exercise the power of eminent domain. It would probably be more economical for the Municipality to do so since it has become a defendant in the existing suit as a consequence of unification. A key issue is who shold bear the cost of acquiring right-of-way for the road and road maintenance: 12 families who live year round in the Glen Alps area as residents of a Municipal service area or the State, which attracts thousands to the area with Chugach State Park?

The area encompassed in the existing roadway is between one and two acres in size. Probably the highest valuation for land in that area is $20,000 per acre. $40,000 would probably acquire the right-of-way necessary to provide legal access to Glen Alps and the State park entrance. Since the Tabbytite case was brought in Federal Court, the just compensation is determined by subtracting the value of the land with the road crossing it from the value of the land without the road crossing it.

AGREEMENT BETWEEN THE MUNICIPALITY OF ANCHORAGE AND THE STATE DIVISION OF PARKS STATE OF ALASKA

The Municipality and State Division of Parks agree that it is desirable to maintain legal access to the Glen Alps entrance to Chugach State Park and for the 12 families who reside in Glen Alps to go from and return to their homes. The twelve families who reside in Glen Alps are willing to pay for part of the cost of acquiring right-of-way across Mrs. Tabbytite's land as residents of a Municipal service area, but the service area's financial base is limited because there are only 12 or so families within it. Therefore, the Municipality and State Division of Parks requests that the

legislature appropriate $40,000 to cover the cost of acquiring legal road right-of-way across Mrs. Tabbytite's land. If the acquisition of costs is less than $40,000, the appropriated funds will not be spent.

The Division of Parks recognizes that the Glen Alps park entrance is the most heavily used entrance in the hillside portion of the park above Anchorage. It would like to have the right-of-way procured so that legal access is possible, but is unable to do so without an appropriation from the legislature.

The parties further recognize that the road in question is used daily by residents of Glen Alps and primarily on weekends by visitors to the State Park. For this reason, both the Municipality and the Division of Parks feel it equitable to divide the cost of routine road maintenance and snow removal.

If the property interest is acquired as proposed above the Municipality and the Division of Parks will enter into bonafide, good faith, negotiations to establish the portion of the cost of routine road maintenance and snow removal based upon present use of the road by residents of the service area of Glen Alps and non-residents of the service area. This amount will be requested as a specific priority item in future parks budgets. The Division of Parks agrees that it will use its best professional efforts to urge the legislature to appropriate this amount. If appropriated, this amount will be paid to the Municipality on a contractual basis to do this work. Maintenance shall be by the Municipality. If the road is relocated the Division of Parks shall not be responsible for any costs caused in such relocation.

The Municipality and Division of Parks further agree to renegotiate the share of routine road maintenance and snow removal costs which each is to bear if the proportionate use of the road between residents of Glen Alps service area and users of the Glen Alps entrance to the State park changes significantly from that which presently exists. A bona fide good faith effort to effect such renegotiations shall occur at least every 5 years.

MUNICIPALITY OF ANCHORAGE

BY Richard A. Weinig
Richard A. Weinig
Assistant Municipal Attorney

DIVISION OF PARKS

BY Russell W. Cahill
Russell W. Cahill
Director
Department of Natural Resources
State of Alaska

SB

159

0060

CSSB 159

SUBJECT	PRESENT LAW	HB 383	HB 387	REMARKS
Trust lands payment for management	None	Pay negotiated amount (Sec. 1)	No change	Recommend deletion of Sec.
Sale term maximum	Max. 10 years	Max. 20 years (Sec. 2 & 3)	No change	
Interest rate on sales	Not less than 5%	Not less than 5% or above usury rate	No change	
Default of Contract	Legal action	Legal and administrative remedies	No change	
Uniform definition of market value	Varies by Section	Renders uniform Sec. 4, 5, 10 & 13	No change	
Option to extend	None	Three 5-year extensions at lessee option	No change	
School land max. lease period	99 yr.	55 yrs. and options	No change	
Initial level term period	5 years	5 years	25 years	
Reappraisal period	5 years	5 years	10 years	
Rental rate	Appraisal	Appraisal	10% max.	New lease form provides firm rate for life of lease

SUBJECT	PRESENT LAW	HB 383	HB 387	REMARKS
				(6) Differ for di uses
Appeal process	Administrative Procedures Act	Appeals Board for lease disputes	Appraisal by MAI by each party and 3rd to settle (Not appeal process-required on each lease)	Recommend of board a vision of ers (not M in case of over appra of land.
Duration of appraisal	90 days	120 days	No change	
Price over the counter	No appraisal unless director considers change may have occurred.	Quarterly review to determine change	No change	
Public Notice	Action not sooner than 30 days nor more than 8 weeks from notice	Except for auction sales, no deadline for final action after notice	No change	
Default notice	Silent	No change	Written notice by registered mail to lessee and security holder	New lease provides f
Remedy of default by security holder	Silent	No change	Holder of security interest may remedy default by payment or performance	New lease provides f by securi holder

SUBJECT	PRESENT LAW	HB 383	HB 387	REMARKS
Maximum increase @ reappraisal	None	100%	50% but not to exceed 10% of appraised value	
Conversion of existing leases	Not possible	Convert to new form @ most recent appraisal if within 2 years. Subject to trustee approval. Director may reduce rate to not less than 6% in case of hardship	Reduce to rental based on last reappraisal prior to Jan. 1, 1975. Extend lease by amount equal to amount expired.	Amend 38.05.1 (c) to read: Leases may be converted at rental established by their m recent reappr al provided t such reapprai was not more 2 years befor the effective date of this In all other cases, leases may be conver at the rate e tablished by appraisal at their next re larly schedul reappraisals.
Other lessee benefits	None	All provided by Act	Rate only	New form provide (1) Fixed rate (2) Permitted us defined (3) Elimination floating eas ment (4) Specific con demnation pr vision (5) Notification Mortgagor an remedy there

SB 159 - HB 387

1. In 1976 the Division of Lands raised rentals to what was considered an onerous level. This level is such that there is serious doubt of the practibility of continuing the present use of the land.

2. Because of the uncertainity occasioned by the actions of the Division of Lands, both commercial and residential development of the leases became "non-bankable" in terms of loans because of no feasible upper limit of rent could be determined.

3. The proposed bill corrects this situation by:

    a. Extending the initial period to 25 years to provide stability in the development stage, and providing for three additional reappraisals instead of about eight.

    b. Allows the mortagor to assume the payments in the event of a late payment or default by the lessee.

    c. Protects the state's interest by increasing the precent of the rental fee to 10%. The original appraisal will have to be correctly done.

    d. Results in a definable upper limit of the sum of the rental payments over the life of the lessee. This amount in 9 1/2 times the original appraisal. For example, for each $1,000 of the original appraisal value, the lessee will pay $9,500 in rent over a 55 year period.

4. A word on the fiscal note prepared by the Division of Lands and which states that passage of the Bill will result in a "substantial less in revenue". At best, this is half truth, since the result is subject to manipulation. Under the argument given, if the Division should decide to raise the rentals to an even higher rate, the "substantial less" would be higher. Accumulation of revenue is not the chief function of a state agency. Balanced development is a valid function. To follow the unmodified policy of the Division of Lands in this matter is to be counter productive.

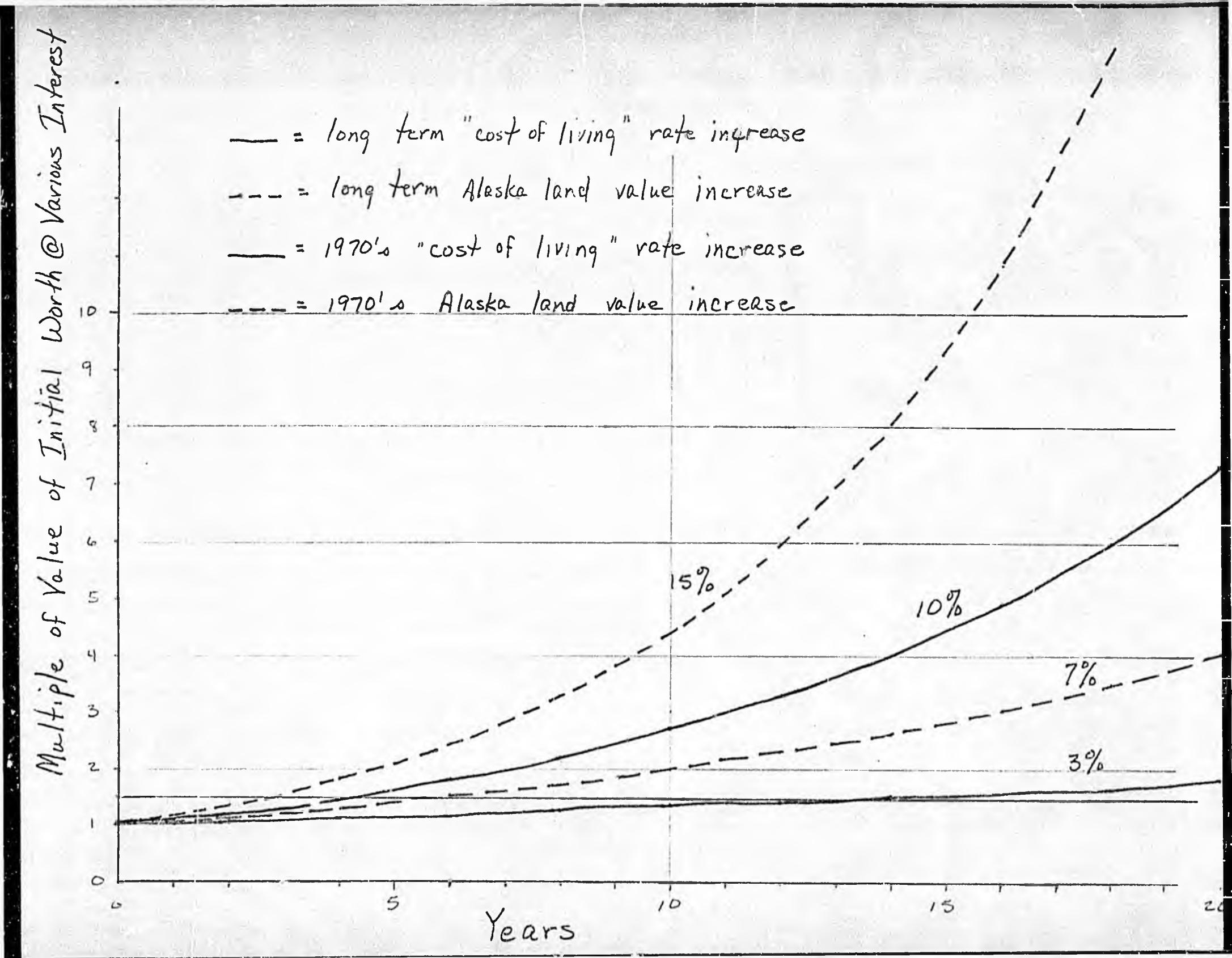
The major changes which the committee recommends, insofar as your legislation is concerned, is the establishment of fixed rent readjustment percentages in the lease document, and limitations on rent increases. Looking at the first issue, the committe found that leases in the private market use the figure of eight percent for properties leased recently. But the leases

do not say eight percent today and whatever the going rate is in five years. In other words, although eight may be the market today, and ten could be the market tomorrow, the lease would still charge only eight percent for the entire term of the lease. This is an important difference from the state lease form, which allows the percentage to be varied at each reappraisal period. The committee could find no examples of leases in the private market which used the states system. Hence, the committee recommendation is for a fixed percent in the lease document itself.

To put it simply, the committee will recommend this: All current leaseholders will be give a period of time to swap their old leases for the new ones. As a condition of the exchange, the leaseholders would have their properties reappraised, except for leases which had been reappraised within the last two years. The percentage of the appraised value of the lease would be the percent which represented the market at the time the lease was entered into. For example, a lease entered into around 1965 might have the rent readjusted to six percent of the appraised value of the land, while a lease entered into in 1974 might use the eight percent figure. Whichever figure was used would then be written into the lease. As mentioned earlier, leases would have ceilings on prospective rent increases of no more than 100 percent every five years during the lease term.

A suggestion was made to go back to the original beginning of each lease and apply the limits forward to current rents, but this was rejected by the committee. First of all, there was no evidence that current appraised values would create unfair hardships, if the fixed percentages and ceilings were applied as explained above. Second, and more important, the committee found persuasive evidence that it would be grossly unfair to the state's taxpayers if the ceilings were applied retroactively.

SB 159 is similiar to the Ad Hoc Committee's approach in many ways, but there are a few areas that should be examined. The bill establishes a figure of 8 per cent, as the maxium rate for readjusting rents. First of all, as previously stated, the terms of commerical and industrial leases might be substantially different than the terms of residential or agricultural leases. But more important, by using a figure which represents todays market of 8 per cent for most commercial leases, the act would lock the state into an inflexable system. 8 per cent may be alright today, but it might be considerably out of touch with market values in the future. Likewise, allthough 8 per cent may represent a market figure for Anchorage or Fairbanks, or other areas of long term sustained growth, the state might be better off using a figure of 10 to 14 per cent for leases in some area undergoing a short term boom. The higher rate might represent the market in an area that offers a short term economic life for the lease. Under the Committee's proposal, the rate would be fixed in the lease form itself, at the rate the market would bear at the time the lease was entered into.


Multiple of Value of Initial Worth @ Various Interest
—— = long term "cost of living" rate increase
- - - = long term Alaska land value increase
—— = 1970's "cost of living" rate increase
- - - = 1970's Alaska land value increase
15%
10%
7%
3%
0
1
2
3
4
5
6
7
8
9
10
0
5
10
15
Years

Real Estate Services Corporation

Appraisers, Counselors, Investment Analysts

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FRANKLIN M. KING, JR., M.A.I.
EXECUTIVE VICE-PRESIDENT

GARRETT W. WALDNER, R.M., S.R.A.
SECRETARY-TREASURER

STATEWIDE SERVICE

507 W. NORTHERN LIGHTS BLVD.
ANCHORAGE, ALASKA 99503
(907) 274-7636

April 8, 1977

Senator Joseph Orsini
Alaska State Senate
Pouch V
Juneau, Alaska 99811

RE: Committee Substitute for Senate Bill #159

Dear Senator Orsini:

I have reviewed a copy of the above-referenced bill which you sent to me. Basically, I consider it an improvement over the present leasing policy. It would appear that it will be easier to finance improvements on leases due to the fact that rents will be fixed with 10-year periods and that there will be less likelihood for small businessmen and homeowners leasing State land to be forced to abandon or sell their leases because of the ravages of inflation. Likewise, during periods in which cumulative inflation is less than 70% during any 10-year period, the State will be able to adjust the rents to Fair Market Values at the end of each lease period.

However, because of the longer periods between rental adjustments and the fact that maximum rental adjustments are provided for, in periods in which there is rapid inflation or rapid increases in land value, a Lessee could accumulate a sizeable leasehold interest which could be sold at a substantial profit. Since I am certain that it is your desire to make State land readily available to the citizens of the State of Alaska, but not allow them to speculate at the expense of other taxpayers, I would suggest that the following change be made to the bill: "In the event that a leaseholder sells or assigns his lease to another party, a re-determination of the annual rental shall be made pursuant to Paragraph 4E and the purchaser or assignee shall be obligated to pay that rental until the next rental adjustment period." I feel this amendment will allow the Lessee to have the advantages and protection provided for in this bill without allowing him to receive a windfall profit at the expense of the State and its other taxpayers.

In sub-paragraph J, where the term MAI Appraiser is used, a more proper definition would be "an appraiser who is a member of the American Institute of Real Estate Appraisers holding the MAI designation". Since there are now a number of Alaskan appraisers who have the MAI designation, it might be advisable to require that, in addition to holding the MAI designation, the appraiser also be a resident of and doing business in the State of Alaska.

It is my opinion that resident appraisers will be able to do a better appraisal at less cost. If this provision is not included in the bill, in some cases, Lessees may bring in non-resident appraisers (I am assuming that the State will uphold it's philosophy of local hire) who, because of their lack of familiarity with Alaskan conditions, will require a greater time to complete an accurate appraisal. Since the State will be paying half of the cost of such appraisals, I see no justification for the taxpayers of Alaska to pay the cost of travel and lodging for non-residents, plus the additional fee that will be required for a non-resident to familiarize himself with Alaskan conditions.

While I am sure that no bill can be written that will be 100% satisfactory to everyone, I feel that with the above-referenced changes, this bill will be a marked improvement over the present law. If I can provide you with any additional information, please feel free to call on me.

Sincerely,

REAL ESTATE SERVICES CORPORATION

Kenneth Jay Gain, MAI, SRPA, CRSS, CREC
President

KJG/kaj

In corresponding with Mr. Dirksen, Rep Cowper said that he has brought this letter to your attention, as the bill was referred to you by the Senate Finance.

Mary Simmons for
Rep Cowper

DIRKSEN APPRAISAL COMPANY

PAUL P. DIRKSEN, S.R.P.A. *531 West Third Avenue, Anchorage, Alaska 99501* *(907) 277-8675*

February 23, 1977

State of Alaska
State Legislature
Juneau, AK 99801

Attention: Finance Committee

Re: Senate Bill No. 159

Gentlemen:

Why does the legislature want to make State leaseholders a favored class of citizens? State lands should be managed for the benefit of all taxpayers.

If you adopt a ten year initial period and limit rent increases to 50 percent, you are locking the State into a disadvantageous position.

Assume that land values go up only ten percent per year. This is much less than values have typically increased during the last ten years in all areas of Alaska.

Assuming the value at the beginning is $1.00 per square foot, then increases are compounded as follows:

Year	1	-	$1.00 per square foot		
"	2	-	1.00 x 1.10	=	$1.10
"	3	-	1.10 x 1.10	=	1.21
"	4	-	1.21 x 1.10	=	1.33
"	5	-	1.33 x 1.10	=	1.46
"	6	-	1.46 x 1.10	=	1.61
"	7	-	1.61 x 1.10	=	1.77
"	8	-	1.77 x 1.10	=	1.95
"	9	-	1.95 x 1.10	=	2.14
"	10	-	2.14 x 1.10	=	2.36
Review Yr.	11	-	2.36 x 1.10	=	2.59

However, rent could only be increased to $1.50 per square foot. The lessee has a leasehold interest of $1.09 per square foot. Assuming land values continue to increase at ten percent per year, the value at year 16, when the next review takes place, is as follows.

	Year	11	-	$2.59		
	"	12	-	2.59 x 1.10	=	$2.85
	"	13	-	2.85 x 1.10	=	3.14
	"	14	-	3.14 x 1.10	=	3.45
	"	15	-	3.45 x 1.10	=	3.80
Review	"	16	-	3.80 x 1.10	=	4.18

However, the rent can only be raised to $2.25 per square foot ($1.50 + .75). The leasehold interest has increased to $1.93 per square foot.

For succeeding years, the leasehold interest increase is as follows:

Year	Value	Rent	Leasehold Interest
21	$ 6.73	$ 3.38	$ 3.35
26	10.83	5.06	5.77
31	17.45	7.59	9.86
36	28.10	11.39	16.71
41	45.26	17.09	28.17
46	72.89	25.63	47.26
51	117.39	38.44	78.95
55 Lease Ends			

The only way that the taxpayer will get a fair return on his lands is if the rent reviews are based on Fair Market Value or Fair Market Rental without a limitation on rent increase.

Sincerely,

Paul P. Dirksen

Paul P. Dirksen, S.R.P.A., R.M.

PPD/sm

25 March 1977

TO: Sen. Orsini

FROM: Mary Slemmons for
Rep. Cowper
House Finance

This is the back-up material on SB 159 that I referred to on the phone. I have given you the originals and hope that you will return it or a copy of it in the event that it passes the Senate.

TESTIMONY ON SENATE BILL #159

By Joe Wilhour

Ladies and Gentlemen:

First, I would like to thank you for your time and efforts in consideration of our "headache"; and second, I would like to request you "hang in there" -- we're improved, but not cured.

On my lot 7-A, Block 3, Alaska Industrial Subdivision, the proposed lease payments of Bill 159 would total over three million dollars. That's 45 times the 1975 valuation, or approximately 600 times the appraised value when first leased in 1958.

I contend that this is not a fair lease. Not to me, not to future leaseholders, and not to the State of Alaska. It will not encourage development; in all probability it will force the leaseholders to do unto others as the State of Alaska has done unto them; increase our tenants' rent, increase the price of our products and services to the extent they are not competitive, thereby forcing us out of business and to abandon our State leases. Within 10 to 15 years, Section 16 could easily be mistaken for a slum area.

I built a 12,500 foot warehouse for over $200,000.00, and have it leased to Mammoth Trucking for 35 cents per foot, which is a fair market value for the location. This is a gross annual income of $52,500.00. With annual expenses as follows:

Bank payments	$21,000.00
Utilities	4,274.59
Taxes, Insurance	6,311.14
Maintenance, Misc.	5,400.64
Land Lease	3,940.00
Total:	$40,926.37

This produces a net profit, before taxes, depreciation, inflation, vacancies, etc. of $11,573.63. Senate Bill #159 would allow me to hold the property for approximately 10 years, which would relieve my present situation and allow the leaseholders time to seek additional corrective legislation, but both my inability to obtain bank financing and my common sense would prohibit improvements or further development. Look at the statistics:

ALASKA INDUSTRIAL SUBDIVISION LEASEHOLDERS ASSOCIATION

EFFECT OF SENATE BILL #159 ON MY PROPERTY LOCATED BLOCK 3, LOT 7A, ALASKA INDUSTRIAL SUBDIVISION. LOT SIZE APPROXIMATELY 64,000 SQ. FT. APPRAISED AT $65,640.00 TO BE REAPPRAISED 1978.

TERM	% INC TERM	% ORIG VALUE	NEW APPRAISED VALUE	LEASE PAYMENTS	ACCUMULATED COST TO LEASEE
1-10	0%	100%	$ 65,640.00	$ 52,512.00	$ 52,512.00
10-15	50%	150%	98,460.00	39,384.00	91,896.00
15-20	50%	225%	147,690.00	59,076.00	150,972.00
20-25	50%	337.5%	221,535.00	88,614.00	239,586.00
25-30	50%	506.25%	332,302.00	132,920.80	372,506.80
30-35	50%	759.38%	498,454.00	199,381.60	571,888.40
35-40	50%	1,139.07%	747,686.00	299.074.40	870,962.80
40-45	50%	1,708.61%	1,121,531.00	448,612.64	1,319,575.44
45-50	50%	2,562.92%	1,682,301.00	672,920.28	1,992,495.72
50-55	50%	3,844.38%	2,523,451.00	1,009,380.40	3,001,876.12

1. Above is MINIMUM
2. Rates are compounded
3. When lease finished, leasee will have paid 45.73 times value (3,001,876 ÷ 65,640)

What amount would I, or anyone, have to invest to make this land support a State lease under SB#159? And where and how could it be financed?

Regardless of the formula used, as I said before, whether it be a percentage of the reappraised value every five years, a comparison to private leases, the number of quills on a porcupine divided by pi, or the number of moose in the Mat-Su Valley times the square root, if the total monetary figure exceeds six times the appraised value of the land at the time of lease, it will not be a fair rental that will enhance development and be acceptable to future leasees.

This is but one example of many, so again I request your cooperation. Put your feet in my boots and walk a mile, and I'm confident we can pass a better law that will be fair to present leaseholders, more desirable to all future leaseholders and non-leaseholders, and beneficial to our State Government both now, and in the future.

THE FIRST NATIONAL BANK OF ANCHORAGE

February 22, 1977

Mrs. Kay Poland
Resource & Finance
Legislature of Alaska
Juneau, Alaska

Dear Mrs. Poland:

This concerns our bank's attitude in providing funds for the purpose of financing leasehold improvements on land leased from the State of Alaska.

Our loans on improved real estate are governed by certain regulations made by the Comptroller of the Currency, United States Treasury Department. Any leasehold, against which we are lending money, must have a firm lease extending at least ten (10) years beyond the term of our loan. In calculating the amount of the loan against a leasehold, we must project the expenses incident to the operation of the property. This includes lease payments that are subject to increases of an unknown amount. We are understandably reluctant to make such loans.

Our bank's policy is to loan against leaseholds for a term in which we are assured of a reasonable fixed payment. We will not make loans when we are not able to accurately forecast the lease payments during the term of our loan.

Sincerely,

David G. Freund
Vice President

DGF/er

IN SUPPORT OF THE LEASEHOLDERS BILL

In support of the 6% annual rental rate, I would like to request you re-read the Hearing Panel Proposed Decision and Recommendations, page 12, ¶4, which quite clearly defines our position.

The total lease rental for the 55 year period proposed in our bill would amount to $379,411.00. This is 5.78 times the 1975 appraised value, or 75.88 times the 1958 appraised value. Under SB#159, the total lease rental for the 55 yr. period would amount to over three million dollars. This is 45 times the 1975 appraised value, or approximately 600 times the 1958 appraised value.

In my opinion, our bill provides the maximum rental to be beneficial to all concerned; an excellent return to the State, a fair settlement to the existing State leaseholders, a fair opportunity for future leaseholders, as well as the maximum rental allowable to encourage development and bank financing. Whereas SB#159 is not beneficial to all concerned. It is a maximum return to the State from current leaseholders with existing improvements, from 10 to maybe 15 years when they will be forced to give up their leases, it is not a fair settlement to the existing leaseholders, it is not a fair opportunity to future leaseholders, it will not encourage development, and it is not acceptable to the banks for financing.

I would also suggest the elimination of the floating easement be added to SB#159, as recommended by the Hearing Panel on page 19, ¶5 of their report.

Joe Wilhour

ALASKA INDUSTRIAL SUBDIVISION LEASEHOLDERS ASSOCIATION

EFFECT OF ALASKA LEASEHOLDERS ASSOCIATION PROPOSED BILL ON MY PROPERTY LOCATED BLOCK 3, LOT 7A, ALASKA INDUSTRIAL SUBDIVISION. LOT SIZE APPROXIMATELY 64,000 S.. FT. APPRAISED AT $65,640.00 TO BE REAPPRAISED 1978.

TERM	% INC TERM	% ORIG VALUE	NEW APPRAISED VALUE	LEASE PAYMENTS	ACCUMULATED COST TO LEASEE
1-25	0%	100%	$ 65,640.00	$ 19,700.	$ 98,500.00
25-35	50%	150%	98,660.00	59,196.	157,696.00
35-45	50%	225%	147,990.00	88,794.	246,490.00
45-55	50%	337.5%	221,535.00	132,921.	379,411.00

1. Above is MAXIMUM
2. Rates are compounded
3. When lease finished, leasee will have paid 5.78 times value (379,411 ÷ 65,640)

Subject: State land Leases

The following comments, ipinions, and recommendations regarding State land leasing are offered to further acquaint you with the bill we are submitting this session.

I first leased property in Section 16 in 1958 in an advertised competitive bid sale. Mr. Chipperfield, Territorial Director of Lands at the time, told the group that we would pay no taxes on the land because we didn't own it. This is not true - the city of Anchorage came up with what they call lease-hold-interest, and we have paid taxes every year. Also, we were told that over the 55 year period we would be paying more than the land could sell for, but not having to pay taxes, it would be very little more. Many of the present leaseholders acquired their land at the original sale and were told that the State wanted to develop a tax base, and develop the land.

I was in my thirties in 1958, so a 55 year lease represented my life span. Either through stupidity or unwarranted faith in the integrity of the State, I have spent most of my, and my wifes, available time and money that was not absolutely necessary for a growing family, on the development of these leases. A lot of this time and money was spent improving the land itself; stripping the trees and tip soil, filling a large gully which ran from the road through the property and along the south side and adding gravel. I now lease these improvements back from the State.

Until recently the State has adjusted our rent every five years from approximately 40 to 100 percent, which is high, but workable. Now that the land has been developed and put to good use, forming a tax base by the investment of millions of dollars, and creating employment for over a thousand people, the State has adjusted our rent 850 percent to over 1000 percent.

Are we reverting back to a feudal system? Or State Land Baron vs sharecropper leasees? Or a con-game? One wonders, but with lease payments so high it's the equivalent of the State condeming the land! Through their reappraisal, the State has, in effect, condemed the leases.

Under the current policy the State has turned a 55 year lease into a 5 year lease. This year there has been less development in Section 16 than in any other part of town. It is impossible for the leaseholders to get financing, which has stopped development. See paper from the First National Bank of Anchorage attached. One questions whether it is advisable to repair a leaky roof.

My position is impossible. My annual rent increased from $3,940.00 to $32,800.00. I cannot increase my investment because the financing has been made impossible. I cannot raise my tenants rent and compete with fee-simple land rents. To raise my rents accordingly will only create vacancies and undermine my chances of making lease payments if and when the State does come up with a fair rental. And I cannot afford to just walk away from my 20 years investment of time and money, with only part of the money repaid to the bank.

At the 1975 rate of $3940.00 per year, I would pay the State, for my less than 2 acres, a lease rental for my remaining 37 years, $145,780.00 - nearly 15 times the original appraised value, plus what's already been paid the past 18 years.

At the current rate of $52,800.00 per year, and with no additional reappraisals but precariously assuming I could hold onto the property, I would pay the State for my less than 2 acres, a lease rental for my remaining 37 years, $1,213,600.00, plus what's already been paid the past 18 years.

If the State raises my rent the same 850 percent every 5 years, I would pay the State a lease rental of my less than 2 acres, for my remaining 37 years, $272,151,090,464.00, plus what's already been paid the past 18 years. Fantastic!

It appears the State not only wants their land back, but also my improvements! Who pays the bank? What amount would I have to invest to make it support a State lease? Few, if any of us, would not give up our leases if we could recover our investments.

In comparison to the Fishing land leases, the lease for set-net fishing, not to exceed 10 years, quote, "The Director shall establish a reasonable rental for the lease, equal to the Administration costs involved in processing the leasehold application." These leases, however, may produce large profits for the leasee with small, comparable investment, and cost less than $50.00 a year.

In comparison of individual tracts of land, Bob Penney and the Teamsters Union are leasing larger tracts, of greater value, for pennies where many are paying dollars. Mr. Penney averages about $750.00 per acre. The Teamsters Union averages about $3,500.00 per acre - with no reappraisal. My lease averages of $19,000.00 per acre! If I, and my banker, had chosen to be dishonest we could have arranged a similiar situation, but that is not justification for bias on the States behalf.

In comparison to housing, the State has passed a law of rent control whereby the leasor must justify any housing rent increase. No law exists for State leaseholders and rents may be unjustly raised. No law states we cannot just pass this increase on to our tenants, but there is no way we could still compete with fee-simple land rents so we will only create vacant land and buildings. Because, however, additional expenses must be commensurate with additional income if we are to survive financially, a large measure, or all, of such additional expense must be passed on to our tenants, or added to the cost of our product or services. The State should not be the leader increasing such inflation, but should take every action possible to hold it down.

In comparison to other land lease policies, the Mat-Su Borough pamphlet of June 26th states the lease amount is not subject to reappraisal. The highest bid establishes the annual rental for the 55 year term of the lease. With the capital move to Willow, how will the State lease land in the Willow area?

Some possible recommendations:

1. Level payments, similar to the recent Mat-Su Borough auction, not changed every time the administration is changed. Eliminate the State "open-end" policy. A stable lease enables the leasee to plan ahead and this ridiculour predicament won't happen again in the future.
2. Some arrangement should be made whereby a lease is bankable. A long term lease should be comparable and competitive in price at time of lease, with fee-simple sales.
3. Taxes, if any, on the land itself, should be at a percentage rate, on all state-owned lease land.
4. Consideration and lowering lease rate scale for value of improvements made, due to additional taxes incurred and as incentive to develop industry, and protect human rights.
5. Some method to renew a lease 15 to 20 years prior to its current expiration date, in order to secure financing and continue to develop the property.
6. Maximum return for State leased land should be a fair rental encouraging leasing and development of additional State land, and not exorbitant returns and the eventual forced voidance of the approximately one percent of state land now leased. Forced voidance of the present land leases, and continuance of the existing policy so no one will be dumb enough to lease additional lands, will surely not benefit the State, and just as surely will not benefit her residents.
7. The present blanket easement should be eliminated from the leases not only because it is not bankable, but also because if exercised, it would take all value out of the leasehold interest, and could ruin the leasee business without any compensation.

As I see it, the recommendations should result in a lease policy that make leases desirable to you as individuals, and all residents of the State. They shouldn't change every 5 years. They should be bankable and have a value, especially after payments have been made for some 20 years or more. They should, as the Constitution states, "enhance development". The State will get their maximum return by taxing the development and its income, and by being able to lease their millions of surplus lands. Reappraisal and any adjustment of increased values due to inflation should come at the end of the lease period. If this can't be done, the land should be sold, allowing credits for those who have for a long time paid lease rentals, paid to improve the land itself, and paid to develop the property into taxable use.

The State gets three shots at its leaseholders; (a) land lease rental payments, (b) taxes on improvements and (c) income tax. By taking an unfair advantage of the lease rental payments, the State will, or possibly has already, eliminated all three.

On Thursday morning, Dec. 16th, I attended the Governors Advisory Committee meeting wher two representatives of F.H.A. testified that the appraisal clause and other parts of the State leases would not be acceptable for F.H.A. commercial or residential loans.

Mr. Paul Troch, (344-4665) a constitutional lawyer and teaching professor testified he has clients who are going to bring suit if that is the only way to get the State to comply with the regulations

provided in its charter, which reads the State must provide a way to distribute its lands to the public for development.

Thursday afternoon I saw Mr. Richard Ullrich, Loan Examiner of the State Veterans Affairs. After explaining the terms of our State leases, he said the State Veterans would not, or could not, make a loan under the terms of our leases. Expecially the reappraisal clause which the State Division of Lands claims is a fair rental.

Also, Thursday, I visited the Alaska State Bank where I couldn't help but notice the pictures of Anchorage, taken about 1915, on the walls. And compare the Anchorage of today through the windows. I wondered what Anchorage would look like now if the Territory, or Federal Government, had used the present state land policy to develop the area.

There is no way the leaseholders can unreasonably increase the price of their rentals, products, or services, every five years to meet the increased rentals which the State Division of Lands claims are fair. Local competition in the town and the State, as well as State and Federal regulations, such as the trucking industry who must abide by ICC regulations, eliminate the possibility. Other businesses in town, grocery stores, department stores, banks, etc. do not raise the price of their products and services because of the appreciation of the land their businesses are occupying. They must compete too.

It would seem the State is in the same position with their excess lands as the banks are with their money. Both need people to manage it. The banks, thanks to competition and regulations, do not change their interest rates every five years on committed loans. The State should be forced by law to adopt the same policy and not be allowed to take advantage of their monoply of State land, or the few dumb tenants they have trapped.

I think that six percent annual rental of the original appraised value of the land for 55 years would be a fair rental which would enhance development. This would net the State over three hundred percent more income than could be derived from the sale of the lands, plus considerable savings in State administration and litigation costs, plus the return of the land to lease again or re-evaluation of the leases at their expiration, which would be acceptable to the citizens of the State, be they present of prospective leaseholders, or non-leaseholders who none-the-less derive benefits from the money collected.

The problem as I see it, is not the few leasees who now hold State leases. They are insignificant. It is restoring the credibility of the State as a monopolistic landlord, and creating a workable policy of developing and utilizing a portion of Alaskas millions of acres of land, whether by leasing or selling. The people of this State cannot afford, and will not allow this, or any other administration, to lock up their 100 million acres of land in a non-productive policy. A percentage of it must be made productive to support the parks, animal habitats, scenic lands, wild rivers, and so forth.

Senator Stevens newsletter is attached, informing us of an amendment

signed by President Ford with regard to Federal leasing in Alaska. The law will allow individuals to gain a right to and an interest in federal lands by actively working to develop and use the land productively. I intend to find out what their lease policy is.

The land policy of the State, if not changed or altered, has been and will be, more devastating to the State and its present leasees than the 1964 earthquake. High prices are caused by the scarcity of land, which is caused by the State.

I would like to present the paper I gave to Commissioner Martin showing the effects of a 5% annual increase in appraised value. It shows the State would collect over 13 times the value of the property in 55 years, plus the return of the land. The State would collect $131,967.00 for property valued at $10,000.00. Commissioner Martin said this was much too high and overvalued. I then asked him to visualize and calculate raises of 40%, 100%, and 850%, the raises we have been accessed, in lieu of the 25% as shown on the first three re-appraisals.

Th Commissioner said the State did not want our land back, but he did not explain the ridiculour increaase in our rentals.

I saw Mr. Whitehead, one of the Governors Aids, who among others, said there were those who did not believe in individuals owning land, though he didn't name any, and I have not net any who have admitted this belief. He said I was on the defensive- this I will admit. I asked him what other position I could take considering our past experience with the Division of Lands. Except for a few slips in our recent hearing, I have not heard of any evidence from any person in the administration making any effort to resolve some of the deficiencies in their land lease policy. Surely they have had many opportunities.

Possibly if we could have seen the Governor first, about six months ago like we requested, we would have had a solution long ago. I would like to make the sugestion this committee recommend that we see the Governor before he makes his final decision so that he can get our information first hand.

In support of our bill - first the proposed decisions and recommendations of the hearing we had with the Division of Lands. It appears that their decisions were almost entirely in our favor, though I don't feel they addressed the five year reappraisal fully. Many of the Legislators we contacted said the only solution would be for the State to sell the land, giving preference and some credit to the leaseholders who have paid rent, improved the land and developed the land for a long period of time. This would return to the State 100% of its value, but no return of the land.

Others said we should have a lease with l vel payments of 6% of the value for 55 years, which would return to the State 360% of the value plus return of the land.

Still others said they should use 8% with the above formula, which would return to the State 480% of the value, plus the return of the land.

These proposals were not submitted - not because we thought they were unfair to the Statem or the leaseholders, but because we did not think they would pass the Legislature and the Governor.

Our bill will return to the State almost 600% of the value, plus the return of the land. In our conference with John Radar, he asked us if we owned the land, would we lease it under the terms of our bill? I answered Definitely Yes! If I could collect about six times the value of the land over a 55 year period and still retain the title with no taxes, or expenses, and then pass it on to my children to release or sell at a new appraised value, it would be an excellent deal!

I also told him that I would have no problem lobbying our bill in the States behalf, except that I am not sure it would be acceptable and marketable to future potential leasees. Certainly it should be more acceptable than the States present lease policy, and return to the State a much greater amount of money.

Mr. Radar said we are dealing in future money with probable less value. The banks are dealing with future money with probable less value, and because of inflation also have a declining principal value. The State should be satisfied with future money in order to get present money. But in addition, they will get an accelerated principal in the return of their land. There is very little business anyone can conduct without committing themselves to accept future money.

Lease value is determined by the terms of the lease. Surely sophisticated bidders will bid up the price to where the State will get their maximum value. The State can set the minimum price, see if the leases will sell and adjust the price in future sales, up or down, according to the response of the buyers. But they should not wait until their leaseholders have devoted 20 years of their lives developing State leases, then raise lease rentals to the extent that they make unsolphisticated, negative state leaseholders out of trusting leaseholders. I think our recent hearing proved that we are negative leaseholders. The terms of the lease we now have are negative. Negative to the degree that it has reduced both the value of our leases and improvements to almost zero. Terms of the lease determine the value. Future sales will be to the highest bidder and should assure the State of maximum return for their land.

One State Senator stated he thought the State has destroyed their leasing program and their creditability beyond repair, regardless of their future policy.

The State claims our leases are undervalued. I would say they are wrong. I and others have paid in the past seventeen years several times the value of our leases, and will in the next 38 years pay for it 17 times more if our proposed bill is passed. Is that an undervalued lease?

In closing, I would like to state that I have been an Alaskan since 1941 with continual residence except for my years in service from 1943 to 1946. The last 20 years I've worked to improve this leased land and now have several substantial buildings, tho I owe the bank over $400,000.00 in personal guaranteed loans. I've worked hard. I've provided for increases such as inflation and taxes, but who of us can

afford 850 percent increases? We who have paid many times the original value, held it, and improved it, should be entitled to justice. It seems impossible that 20 years of work and investment can be wiped out with one stroke of a pen - in this country! Particularly so, when it does not appear beneficial to the State Government, or her resident Alaskans.

I ask again for you to give our bill your most considered deliberation and wish you well in coming to a fair decision. Thank you for your time.

Joe Wilhour
376-5601
Box 740, Wasilla, Alaska 99687

THE FIRST NATIONAL BANK OF ANCHORAGE

June 18, 1976

Mr. Joe Wilhour
Anchorage, Alaska

Dear Mr. Wilhour:

We have reviewed your informal request to consider financing a new building on Commercial Row, the loan to be secured by an assignment of the State land lease and the building placed on the lease.

At this time it is impossible for us to give you a commitment for construction until we can confirm what the future rental on the building will be. We have reviewed the other financing that we have done for you on your property and find that the quarterly rent has been raised from $996.00 to $8,200.00, an increase of 850%. A further review of the lease indicates that every five years it can be similarly raised.

Under these circumstances, it is impossible for us to guess what the future land rentals will be, and therefore, unless you are able to secure a lease of an equal term to the mortgage wherein the tenant agrees to pay the increased land rental, it will be impossible for us to advance the credit requested.

Sincerely,

D. H. CUDDY
President

DHC:mh

THE FOLLOWING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

ALASKA LAND AND LEASE OWNERS ASSOCIATION

TRANSMITTAL TO
ALASKA DIVISION OF LAND

EXAMPLE OF A LONG TERM LEASE APPRAISAL METHOD

ASSUME ORIGINAL COST OF LEASE $10.000.00
LEASE PAYMENTS TO EQUAL 75% OF APPRAISED VALUE X 6%/YR.

TERM	% INC YR	% INC TERM	% ORIG VALUE	NEW APPRAISED VALUE	LEASE PAYMENTS	ACCUMULATED COST TO LEASEE
1-5	5%	25%	100.00%	10.000.00	2,250.00	12,250.00
5-6	5%	25%	125.00%	12,500.00	2,812.50	15,062.50
6-10	5%	25%	156.25%	15,625.00	3,515.63	18,578.13
10-15	5%	25%	195.31%	19,531.25	4,394.53	22,972.66
15-20	5%	25%	244.14%	24,414.06	5,493.16	28,465.82
20-25	5%	25%	305.18%	30,517.58	6,866.44	35,332.28
25-30	5%	25%	381.48%	38,146.98	8,583.05	43,915.33
30-35	5%	25%	476.85%	47,683.73	10,728.84	54,644.16
35-40	5%	25%	596.06%	59,604.66	13,411.02	68,055.18
40-45	5%	25%	745.08%	74,505.83	16,763.77	84,818.95
45-50	5%	25%	931.35%	93,132.29	20,954.71	105,773.66
50-55	5%	25%	1,164.18%	116,415.36	26,193.39	131,967.05

At the end of a typical 55 year lease using a reasonable 5%/year increase in appraised value, the State of Alaska collects $131,967.25 for a parcel that cost $10,000.00 originally - still owns the land, and lease holder has no accrued equity, to compare this to fee simple title for appraisal is wrong and not good business on the part of the state.

If the parcel changes hands during a 55 year lease the state could place a reasonable tax on any net lease holder gain, for example 5%, this would leave incentive for investors, developers and not unfairly penalize individual lease holders who want to live on state lease land.

In view of the example above how can reappraisals amounting to increases of from several hundred to over one thousand percent in a 5 year period be justified?

RESPECTFULLY SUBMITTED
BY

ALASKA LAND AND LEASEOWNERS ASSOCIATION

THE PRECEDING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

S-N Steve N's News Letter

TIONAL PARK -- Claudia Louis, a member of the Washington, D.C. staff, presents the ceremonial pen used by President Ford to sign S. 98, the Klondike Park bill, into law to Mayor John Edwards (right) of Skagway and Ward A. Hisman (left), Superintendent of the White Pass & Yukon Route Railway.

BLM Bill

President Ford has signed a bill which will allow Alaskans to continue to use public lands to build homes, farms, or trade or manufacturing concerns, under provisions added to the bill in the Senate by Senator Stevens.

The amendment allows the Secretary of the Interior to grant long-term leases for habitation, cultivation, trade or manufacturing on the lands.

The National Resource Lands Management Act, S. 507, also known as the BLM Organic Act, repeals homesteading in 10 years and this amendment was needed to enable individuals to continue to use and develop public lands, despite the repeal of homesteading laws.

The authority of the new law -- designed to provide for the management, protection and development of public domain lands not committed to other uses -- extends to the unreserved federal land in Alaska remaining after Alaska Native Claims Settlement Act and Statehood Act withdrawals are made.

It was pointed out that the passage of this law with this amendment will provide some type of incentive for people to come in and carve a livelihood out of the wilderness. The law will allow individuals to gain a right to and an interest in federal lands by actively working to develop and use the land productively.

The leases could be used to build new communities, farms, small sawmills and small manufacturing plants needed in isolated rural areas.

Mid-Decade Census Law

A bill which could mean substantially increased federal funding for Alaska from programs based on population has been signed into law by President Ford.

The bill, cosponsored by Senator Stevens, authorizes a national census and July 1, 1975, Alaska's population increased by 16.3 percent. An official census every five years would allow this rapid change to be reflected in federal funding and programs.

The Office of Management and Budget estimates that about $39 billion in federal funds are distributed every year to the states according to formulas based on population.

Wonder what their Lease policy is?

THE FOLLOWING PAGES WERE TREATED AS
A UNIT IN THE ORIGINAL FILE.

Alaska State Legislature

Senate

JUNEAU, ALASKA

Memorandum

TO: The Honorable Joe Orsini

DATE: March 18, 1977

RE: Senate Bill 159, which would change the State's leasing policies with regard to the methods of determining annual rents.

FROM: Vicki Cunningham vickie

This memorandum addresses various issues which have been raised in conjunction with recent rent increases on state leased lands and, as you requested, comments on points brought up by leaseholders protesting the readjustment of their rents on a variety of grounds. Only the area of surface leasing of state owned lands has been investigated.

In summary, it was found that the rent increases appear to be in compliance of current, applicable statutes. However, it was discovered that numerous irregularities and inconsistencies in the regulations which govern surface leasing of state lands. The various shortcomings and ambiguities of the regulations have contributed significantly to the leaseholder's perceptions that the increases are illegal or arbitrary.

Various sections of Title 38 direct that state lands shall be selected, sold, or leased to provide the maximum benefits to the people of the state. It's therefore difficult to find fault with the Division of Lands, in the absence of some other statutory definition, for attempting to maximize the monetary returns on state leased lands.

The Division of Lands admits that in the past the Appraising Section in the Division of Lands was viewed as a "poor relation", which accounts for the continuing low rents over the years in violation of the law which provides that "... no land may be sold or leased for less than the approved, appraised market value..." (38.05.310). The Division is now applying the law, thereby correcting past neglect which resulted in low rental rates on state leased lands, benefitting the individual leaseholders, but not necessarily the people of Alaska in general.

The statues provide that the initial rent shall be determined based on the "approved, appraised market value" (38.05.310), and that subsequent readjustments of the rents be based on a "reappraised annual rental value" (38.05.105)

Much controversy has arisen over the term "annual rental value". Protesting leaseholders claim that rental value cannot be pegged to the market value, that it is something less.

From the above it appears that rental value is established by market conditions. The problem which has and continues to exist in Alaska, though, is that in most instances the state (Division of Laneds) makes its own market. There is no private market to

speak of for agricultural, grazing, recreational and other classified lands. Therefore, the state historically has used a percentage rate of the fair market value instead of rental value to determine rents on leased lands. As mentioned earlier, where a private market exists the Division is charging market rental value.

Until 1968 this rate was five percent. There is nothing in writing which explains why the rate was set at five percent, but the five percent figure was a minimum amount derived from the Public and Charitable Use statute of the Alaska Land Act which stipulates that the rental shall be not less than five percent of the fair market value on school, university and mental health, or acquired lands (38.05.315(d)). Also, the rate of interest on the unpaid balance of contract sales of state lands was five percent at that time, and the reasoning, according to Division personnel, was to standardize the contract sale and contract rent rates. In 1968, then Commissioner of Natural Resources, Tom Kelly, raised the rate to six percent because he felt five percent was too low. Again, there is nothing in writing which would substantiate this. The Division of Lands now charges six percent of the fair market value when there is no private lease market and the lease is of a non-revenue producing nature. The Division charges up to eight and one-half percent (8 1/2%), or the market rental rate, when a private lease market exists and when the land is a potential revenue producer; i.e., land which is classified and/or zoned commercial, industrial, or residential.

The raising of the lease rental percentage rates, in some instances (such as the Alaska Industrial Subdivision), together with reqppraising the leases based on fair market value have been responsible for the steep increases. The Division of Lands is quite cognizant of the potential hardships such a policy creates for certain leaseholders, particularly for those individuals who hold non-income producing leases.

Much of the bad feeling that was generated over the rent increases probably could have been avoided if the Division of Lands had been more approachable and open in what it was doing. By not being advised of significant changes in policy, even when they are justifiable and defensible, and by being confused by or ignorant of appraisal terminology as used by the Division of Lands, it is not surprising that leaseholders feel that the Division has been acting arbitrarily and capriciously.

The charge has been made by several leaseholders in the Alaska Industrial Subdivision that their land has been reappraised improperly because improvements to the land have been taken into consideration, even though the lease states quite clearly that the land is to be reappraised in a state of improvement similar to that of the land described in the lease at the time the lease was issued.

("... in a state of improvement similar to that of the land described herein at the time this lease was entered into.").

The Division of Lands maintains that while leaseholders cannot be and, for that matter, have never been penalized for the improvements made to their leased lands, improvements which were made at public expense and which as a consequence raised the value of the area or the lands under lease should be reflected in the reappraisal. We are told that this practice is consistent and standard procedure in the reappraising business.

Investigations indicate that substantive and/or long term relief to the leaseholders regarding that periodic rent adjustment of their leaseholdings is probably not possible under the existing statutes. If it is believed that increases of rents should be limited in some way, or that rents be readjusted on a different basis than percentage of fair market value or fair market rental value as is the practice now, it will be necessary to legislate to that effect.

No new legislation will be necessary to require the Department of Natural Resources (Division of Lands) to bring their regulations into compliance with existing, applicable statues or to "clean them up" so that the ambiguities regarding meaning and the inconsistencies of the language and definitions used in the regulations are eliminated. While no new legislation is necessary for the revision and up-dating of the regulations, it is recommended that the applicable, authorizing statutes be revised as necessary to be consistent and clear throughout. They are not now, in some instances.

Several possible solutions have been recommended by the Alaska Land and Lease Owners Association. They are so follows:

1. Lands could be sold outright rather than leased.

2. Lands could be leased with an option to purchase at end of five years.

3. Rental could be:

    a. Fixed for the fifty-five year lease period with leasee charged a percentage of any gain realized.

    b. Increased annually at a fixed rate such as five percent.

    c. Increased at the inflation or recession rate reflected in the Consumer Price Index.

Because the rents were so low, potential leaseholders were willing to pay substantial bonuses to take over leases from previous leaseholders.

- use of M.A.I. expensive & not applicable around rest of state # 12 in AK.
- Calais in Arch. going at 7%
- the impressive figure analogy at 9½ times as used for state budget in 55 yrs. and it was # 33 billion
- 2 principles got ~~17~~ 00 acres of land S. of Willow a few months before & after cap. zone rate at #6-14 an acre/yr. (2400 total amnt at that time for that price)
- different terms in lease document for " types of lands
  - grazing
  - recreational
  - residential
  - industrial
  - commercial
- leases from private sector tailor made

- give lessee a credit for his improvements against his lease because ultimately will revert back to state

- lease from private sector (downtown anch): 11% max increase annually as fair lease rate auto 25% increase every 5 yrs. plus all taxes

- National Banking Act states that any leasehold, against which a bank loans money, must have a firm lease extending 10 yrs. beyond the term of the bank loan. HOWEVER, if the firm lease is for 15 yrs., the bank can and will make a loan for 5 yrs. ∴ 15 is min.

- the ~~banks~~ appraisals would go back to '70 figures

- banks want a ceiling, period. a COL clause that had a 10% max. annual ↑ is still a ceiling & acceptable to banks

Sen. Ray Peterson

RENT ADJUSTMENTS FOR

STATE LEASED LANDS

1975

ADL No.	Old Rental	New Rental	Per cent Increase (Decrease)
01227	112.50	1,575.00	1,300
51107	110.00	1,100.00	900
02534	608.50	25,500.00	4,090
01302	75.00	248.00	230
25068	100.00	380.00	280
38895	180.00	1,404.00	680
25305	1,425.00	2,886.00	103
52370	6,075.00	13,032.00	115
00273	6,780.00	14,400.00	112
52167	970.00	9,600.00	890
52209	195.00	2,040.00	946
52168	830.00	8,500.00	924
50738	1,400.00	5,280.00	277
44569	175.00	350.00	100
49723	150.00	605.00	303
41417	225.00	670.00	198
50598	50.00	630.00	1,160
00775	1,000.00	24,960.00	2,396
17103	1,000.00	18,800.00	1,780
51238	145.00	1,680.00	1,059
51515	160.00	1,680.00	950
51621	180.00	1,410.00	683
51428	220.00	1,770.00	704
50938	190.00	1,940.00	921
51065	210.00	1,700.00	709
46473	60.00	260.00	333
46474	60.00	260.00	333
52177	150.00	180.00	20
52182	250.00	285.00	14
21477	45.00	265.00	489
52185	300.00	320.00	7
51147	40.00	170.00	325
52422	40.00	170.00	325
52421	40.00	170.00	325
52187	75.00	175.00	133
52186	75.00	175.00	133
52190	40.00	100.00	150
52191	100.00	680.00	580
52714	40.00	165.00	312
52208	80.00	100.00	25

Rent Adjustments for
State Leased Lands, 1975

ADL No.	Old Rental	New Rental	Per Cent Increase (Decrease)
52205	50.00	220.00	340
52194	150.00	100.00	(50)
52192	250.00	235.00	(6)
50172	155.00	755.00	387
50688	75.00	175.00	133
52199	55.00	135.00	145
26653	235.00	470.00	100
26654	235.00	470.00	100
52179	235.00	470.00	100
52180	260.00	545.00	110
52170	325.00	575.00	77
52365	125.00	245.00	96
52430	125.00	245.00	96
52213	315.00	325.00	3
52171	150.00	295.00	97
52172	150.00	295.00	97
52213	315.00	295.00	(7)
52174	160.00	325.00	103
50587	150.00	385.00	157
50588	145.00	325.00	124
52703	40.00	100.00	150
45008	65.00	2,400.00	3,592
40014	220.00	2,430.00	1,005
45586	80.00	150.00	88
45585	460.00	675.00	47
26511	1,000.00	5,525.00	452
46628	140.00	1,680.00	1,100
46620	160.00	1,620.00	912
46383	110.00	600.00	445
49755	125.00	390.00	212
25956	125.00	390.00	212
47414	150.00	834.00	456
49060	250.00	702.00	181
22348	260.00	390.00	50
24099	215.00	420.00	95
36015	180.00	250.00	39
21928	1,260.00	10,920.00	767
01380	1,190.00	3,552.00	198
51395	820.00	3,054.00	272
00889	2,600.00	5,976.00	130
01308	7,170.00	10,014.00	40
49685	145.00	1,260.00	769
49795	175.00	1,500.00	757
25988	240.00	275.00	15
26269	165.00	190.00	15

RENT ADJUSTMENTS FOR

STATE LEASED LANDS

1976

ADL No.	Old Rental	New Rental	Per Cent Increase (Decrease)
71326		3,500.00	
22526	360.00	2,150.00	497
22525	175.00	3,360.00	1,820
22654	95.00	1,192.00	1,155
50603	85.00	840.00	888
22652	155.00	4,350.00	2,706
44351	100.00	438.00	338
44350	80.00	744.00	830
46483	110.00	750.00	582
02380	880.00	6,540.00	643
39877	1,000.00	2,280.00	128
30489	240.00	2,350.00	879
26632	1,835.00	6,900.00	276
32919	1,020.00	2,760.00	171
31328	120.00	840.00	600
54326	175.00	910.00	420
54331	165.00	910.00	452
54365	205.00	950.00	363
54332	225.00	950.00	322
40806	355.00	690.00	94
54345	200.00	550.00	175
54346	175.00	550.00	214
54347	210.00	550.00	162
54349	190.00	575.00	203
54333	260.00	665.00	156
54334	250.00	690.00	176
54335	105.00	605.00	476
54336	120.00	605.00	404
54337	110.00	625.00	468
54338	145.00	690.00	376
54339	210.00	690.00	228
54340	200.00	690.00	245
54341	280.00	690.00	146
54342	270.00	690.00	156
32128	115.00	690.00	500
32065	115.00	665.00	478
54344	160.00	635.00	297
54351	430.00	870.00	102
03045	3,985.00	32,800.00	723
03042	2,925.00	22,360.00	664

Rent Adjustments for
State Leased Lands, 1976

ADL No.	Old Rental	New Rental	Per Cent Increase
03050	990.00	7,400.00	647
53595	1,775.00	11,760.00	562
03041	1,340.00	9,360.00	598
03049	700.00	6,160.00	780
51395	820.00	6,160.00	651
03040	820.00	6,160.00	651
03059	820.00	6,160.00	651
03070	950.00	7,000.00	637
47382	680.00	5,000.00	635
03058	1,010.00	6,680.00	561
03067	700.00	5,160.00	637
03044	8,495.00	75,440.00	788
47378	1,720.00	14,400.00	737
47598	3,260.00	27,360.00	739
03051	1,410.00	13,680.00	870
03062	1,635.00	13,680.00	737
03071	1,410.00	13,680.00	870
03069	800.00	6,000.00	650
03066	1,745.00	11,600.00	565
03063	945.00	6,600.00	598
03048	945.00	6,600.00	598
03068	945.00	6,600.00	598
03073	945.00	6,600.00	598
03039	1,425.00	10,280.00	621
03052	2,490.00	18,400.00	639
03102	3,955.00	28,640.00	624
03064	1,305.00	9,120.00	599
03104	930.00	6,520.00	601
49686	1,835.00	13,240.00	622
57237	1,835.00	13,240.00	622
03065	3,670.00	26,480.00	622
03057	3,665.00	27,040.00	638
03053	890.00	6,640.00	646
30746	915.00	6,880.00	652
03043	910.00	6,680.00	634
47983	135.00	1,300.00	863
49430	175.00	1,400.00	700
47809	175.00	1,450.00	728
49172	120.00	1,300.00	983
46499	270.00	1,650.00	511
53444	140.00	1,200.00	757

Rent Adjustments for
State Leased Lands, 1976

ADL No.	Old Rental	New Rental	Per Cent Increase (Decrease)
27894	135.00	155.00	15
27948	200.00	230.00	15
50816	40.00	180.00	350
50669	40.00	120.00	200
47776	42.00	100.00	138
36315	40.00	100.00	150
47777	40.00	100.00	150
47778	40.00	100.00	150
35199	40.00	100.00	150
47775	42.00	100.00	138
41843	40.00	100.00	150
46609	72.00	100.00	39
47151	90.00	100.00	11
00037	700.00	5,250.00	650

MEMORANDUM State of Alaska

TO: The Honorable Guy R. Martin
Commissioner
Department of Natural Resources

DATE: June 4, 1976

FILE NO:

TELEPHONE NO:

FROM: AVRUM M. GROSS
ATTORNEY GENERAL

SUBJECT: Waiver of reappraisal and adjustment of rent

BY: Rodger W. Pegues
Assistant Attorney General

This is further to the opinion of June 1, 1976, by Assistant Attorney General Reeves on this subject. In that opinion, we advised that you were without authority under then existing law to grant a blanket waiver of all rental increases exceeding 100 percent which was requested by the Alaska Land & Lease Owner's Association. Since that opinion was written, new legislation was adopted which further restricts your authority to grant a waiver. FCCS SCSHB 139.

AS 38.05.105 has been amended to delete the language authorizing a waiver or extension of reappraisal "when development of the land is not otherwise possible due to special conditions" and to provide for an extension or waiver "only if residential development actually occurs, and only if it is necessary for obtaining primary long-term financing." As a result of the amendment, the Director of the Division of Lands may now grant a waiver or lengthen

SB 159

J. Brecht - Banking & Securities

Alt. Prime rate - varies w/ bank - typ 3%

Fed. Reserve Discount Rate - ~ 5¼% - managed rate

Usury rate - 5% above Fed Res Disc Rate

45.45.410(b) - 25th day of month preceding new quarter

Pete Jeans - no good idea

petitioner 50% lessee tied into Anch COL index

renego in 3-5 yrs

Brecht - ~~Anch~~ Anch COL index - land component

Kent Sims - VP econ. w/ Fed Res in SF

Introduced: 3/23/77
Referred: Resources

BY MILES, BEIRNE, BRADLEY, BROWN, CHATTERTON, COTTEN, DANKWORTH, FREEMAN, KELLY, MCKINNON, OSE, PHILLIPS, SWANSON AND URION

IN THE HOUSE

HOUSE BILL NO. 387

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the leasing of state land other than for the extraction of natural resources; and providing for an effective date."

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

* Section 1. AS 38.05.085 is repealed and re-enacted to read:

Sec. 38.05.085. TERM OF LEASE. (a) The lease shall provide that

(1) for the initial 25-year period of the lease, the lessee shall pay the state a fixed base annual rental to be agreed upon by the parties in compliance with the provisions of this chapter; however, this annual rental may not exceed 10 per cent of the fair market value of the property as determined in (b) of this section;

(2) the fixed base annual rental to be paid by the lessee shall be readjusted when the initial 25-year period of the lease has expired and, thereafter, every 10 years; and

(3) the readjusted annual rental shall not exceed 10 per cent of the fair market value of the property as determined in (b) of this section or 50 per cent more than the amount paid each year during the initial period or the preceding 10-year period, whichever is lower.

(b) When it becomes necessary to determine the fair market value of property as required by (a) of this section, the lessee shall appoint an M.A.I. appraiser and the state shall appoint an M.A.I. appraiser. The two appraisers so appointed shall, within a specified period of time agreed upon by the parties, make their appraisals of the property in

question. If the two appraisers agree upon the fair market value, the determination is absolutely binding on the parties. In the event the two appraisers are unable to agree, they shall together appoint a third M.A.I. appraiser who shall then make his appraisal of the property in question. When the third appraisal is completed, the two of the three appraisals which are nearest each other in their determination of the fair market value shall be averaged and the resultant sum shall be the fair market value of the matter in question and absolutely binding on the parties. All costs incurred in making the appraisals provided for in this subsection shall be borne by the state and the lessee equally.

(c) The lessee shall make advance payments of the annual rent or portion of it as the director, with the approval of the commissioner, may require.

(d) A preference right lessee of grazing or forest land may follow the payment schedule established in his cancelled federal lease or grazing permit if he so desires.

(e) Notice of all actions by the department affecting the rights of a lease or lessee shall be given to the lessee.

(f) A violation of a provision of this chapter or of a term or provision of a lease subjects the lessee to appropriate legal action, including, but not limited to, a forfeiture of the lease.

* Sec. 2. AS 38.05 is amended by adding a new section to read:

Sec. 38.05.103. RIGHTS OF HOLDER OF SECURITY INTEREST. (a) If there is a breach or default of a term of a lease or of the provisions of this chapter relating to a lease, the division shall provide written notice of the breach or default by personal service or by registered or certified mail to the lessee and to any holder of record having a security interest in the leased property. The notice shall also make demand upon the lessee to cure or remedy the breach or default within 60

days from the date of receipt of the notice and demand. If a lessee fails to cure or remedy the breach or default within 60 days, or within the additional time which the division may allow for good cause, the state may, subject to (b) of this section, exercise any right which it may have at law or as set out in the lease.

(b) If a lessee fails to cure or remedy a breach or default within the time allowed in (a) of this section, a holder of a security interest who has received notice under (a) of this section may cure or remedy the breach or default if the breach or default can be cured by the payment of money or, if this cannot be done, by performing or undertaking in writing to perform the terms, convenants, restrictions and conditions of the lease capable of performance by the holder. The holder shall act within 60 days from the date of receipt of notice under (a) of this section, or within an additional period as the director may allow for good cause.

* Sec. 3. AS 38.05.105 is repealed and re-enacted to read:

Sec. 38.05.105. PERIODIC RENTAL ADJUSTMENTS. (a) Each lease shall stipulate that at the conclusion of the initial 25-year period of the lease and at intervals of 10 years thereafter the annual rental payment is subject to adjustment. Charges or adjustments shall be based ~~primarily~~ on a reappraised annual rental value. However, if the director of the division of lands determines that residential development is the best use of the land, the reappraisal period may be lengthened or the readjustment waived in accordance with regulations adopted by the department. Before a waiver of rental adjustment is issued, the land shall have a current reappraisal. A waiver is valid only if residential development actually occurs, and only if necessary for obtaining primary long-term financing. The regulations adopted under this section shall ensure that the state receives a fair return from the land. impossible if land is limited by 50% ceiling

(b) The provisions of sec. 85(b) of this chapter are applicable to reappraisals of leases required by this section.

* Sec. 4. The provisions of this Act are applicable to state leases which are in existence on or before the effective date of this Act if a lessee under a lease elects, in writing, to be bound by this Act. When a lessee elects to be bound by the provisions of this Act, the state shall enter into a new lease with the lessee for a term equal to the full period of the original lease which is being terminated that is consistent with the provisions of this Act. However, for purposes of determining the annual rent by the state, the fair market value of the property which is used to establish the fixed base annual rental for the initial period of the lease may not exceed the fair market value as it was last appraised on or before January 1, 1975, or, if the lease was entered into after January 1, 1975, on the basis of the fair market value at the time the lease was entered into.

* Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-070(c).

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF LANDS / 323 E. 4TH AVENUE – ANCHORAGE 99501

April 19, 1977

Governor Jay S. Hammond
Pouch A
Juneau, Alaska 99811

Dear Governor Hammond:

The Governor's Ad Hoc Advisory Committee on State Land Practices and Procedures is pleased to present its final report and recommendations on state land practices and procedures. The Committee has met for 93 hours over a six-month period (including two evening work sessions and two evening public hearings), as well as spending a considerable amount of individual time in arriving at the material in this document. Along with stating general concerns, the Committee has made recommendations to effect the following: extensive improvement in the leasing system, including a recommended new lease form; provide predictability in appraisals and reappraisals; improve accounting and administrative procedures; provide flexibility and simplicity in disposal transactions; establish a system for land appeals/protests; and improve trust land management.

Perhaps the principal achievement of the Committee is the idea of a new leasing program for the State. The attached lease form, recommended for adoption, and a majority of the recommendations and statute and regulation changes contained in this report, would be instrumental in implementing a new program beneficial to both State and lessee, and are directed to that end.

We, the undersigned, submit this report as being in the best interests of the State and its clients. This report represents a consensus of the majority of the panel. Qualifying statements from those individuals who differ with specific portions of this report are attached.

The Committee appreciated the opportunity to serve on this panel.

Hubert J. Gellert

Theodore G. Smith

Herbert C. Lang

Lidia L. Selkregg

John K. Norman

Carl H. Marrs

William M. Mack

James P. Love

David T. McCabe

COOK INLET REGION, INC.

1211 WEST 27th AVENUE
(907) 274-8638

P.O. BOX 4-N
ANCHORAGE, ALASKA 99509

April 15, 1977

The Honorable Jay S. Hammond
Governor, State of Alaska
Pouch "A"
Juneau, Alaska 99811

Dear Governor:

As a member of the Ad Hoc Advisory Committee on State Land Practices and Procedures, I wish to make the following comment on our final report of April 1977.

I do agree with the committee's report and stand behind it with one reservation. I do not pretend to have an answer but only concern. I feel that the lease rental increases being left open with a possible increase every five years to 100 percent is too much of a hardship on an individual leasing lands. I would think by having an open ended increase it would put an extraordinary heavy burden on the lessor for the purpose of financing any one project for the simple reason the banks would never know what the lessor would ultimately have to pay for the lease. Again, I state to you that I have no answer for the best possible solution, but only a great concern that I hope is given much more consideration before a final bill is passed through the legislator.

I appreciate the opportunity you have given me in serving with this committee.

Sincerely,

Carl H. Marrs
Land Manager

cc:
Representative Alvin Osterback
House Resources Committee

Theodore G. Smith, Co-Chairman

15 April 1977

The Hon Jay S Hammond
Governor, State of Alaska
Juneau, Alaska 99801

Dear Governor Hammond

It is with regret that I am obliged to file a minority report which substantially disagrees with that of some members of the Ad Hoc Advisory Committee on State Land Practices that you established in October.

My humble opinion is that the more vocal members overly involved themselves with minute administrative details while trying, as they said, to "maximize the monetary return" to the State. As a result they completely failed to recognize that unimproved land by itself will never provide the State with a substantial return. On the other hand, development of the land is the established vehicle by which jobs are provided and tax revenue accrue to both the State and local governments. This is why the State initially entered the land lease business.

As proposed by the Committee, the lease procedures are cumbersome and the lease forms restrictive. They do not reflect land lease practices in the private sector in that they are patterned after leases for improved property. The differences, of course, is that an individual who improves land cannot remove his warehouse, residence, cabin, or roads if the land lease rates are increased excessively as has been done. On the other hand, furniture and fixtures by themselves can be relocated with little loss.

I believe that the statutory provisions proposed by the administration and based on the Committee's interim report will effectively end the State's lease program as far as new leases are concerned. The Act definitely rules out H.U.D. financing and makes conventional financing questionable to individuals who cannot back up a loan with a substantial balance sheet.

A second point, and most important, is the fact that the committee has completely failed to offer you methods whereby you can offer relief to the many lease holders who have been subjected to unreasonably high land lease rate increases during, incidentally, a period when most private landlords were restricted by rent controls.

Please note Section 38.05.106 of the proposed act (H.B. No. 383). This provides for an individual to convert an existing lease to terms in a new document but Catch 22 is in paragraph c. This says "annaul rental value at conversion shall be based on the most recent reappraisal." This, of course, if adopted would mean no relief from the 1000% plus

increases that are now forcing many Alaskans off their improved and unimproved State lease land.

ADL officials will tell you that the proposed Board of Land Appeals is the source of relief. This may or may not be the case.

Governor Hammond, it is my hope that your schedule will allow you to personally look into this problem which requires a solution before this legislative session ends.

I urge you to withdraw the administration House Bill No. 383 and look toward other proposed legislation such as Senate Bill 159 for your solutions.

Respectfully submitted

William M. Mack

WILLIAM M. MACK

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF LANDS / 323 E. 4TH AVENUE – ANCHORAGE 99501

April 19, 1977

Governor Jay S. Hammond
Pouch A
Juneau, Alaska 99811

Dear Governor Hammond:

I concur with the attached report with one exception. The committee recommends on page 14 that the various trusts be free to contract with private individuals for management of trust lands. I do not believe that such a fragmentation of land management responsibilities is desirable. I fear that rather than making the management more effective, it would merely become more costly.

I concur that improvements in the trust land management program are needed and feel that the recommendations contained in the balance of this report will do a great deal to achieve such improvements.

Yours truly,

Theodore G. Smith, Director
Land and Water Management

FINAL REPORT AND RECOMMENDATIONS

April, 1977

THE GOVERNOR'S AD HOC ADVISORY COMMITTEE ON STATE LAND PRACTICES AND PROCEDURES

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I. SUMMARY OF THE COMMITTEE'S FORMATION, MISSION, AND ACCOMPLISHMENTS

On October 8, 1976 the Governor's Ad Hoc Advisory Committee on State Land Practices and Procedures met for the first time. The mission of the committee was outlined by Guy Martin, Commissioner of the Department of Natural Resources. He said that the Governor desired a small, precise, and efficient panel to find new ways to improve state land practices and procedures, not to set policy but to address the legal and technical aspects of disposal and other contractual relationships. Judgments, criticisms, and new recommendations were to be effected. Michael C. T. Smith, Director of the Division of Lands, clarified the mission further by adding that the committee should:

1) consider primarily revenue production, as opposed to social benefits, in its analysis;

2) make no assumptions as to state policy regarding the number, size, and location of land sales or other disposals; and

3) recommend changes that will be applicable to any likely state land policy.

The committee made a dedicated attempt to accomplish its mission. The tasks of studying existing statutes, regulations, and practices, and examining them in light of current land disposal and contractual relationships was formidable, but many members worked successfully to this end. Uncovering and identifying disposal and contractual problems involved considerable time and effort. Correct identification of a particular problem of this nature is a major step toward solving it. Perhaps the greatest success of the committee was discerning from Division of Lands personnel and state lessees the exact nature of their problems and concisely defining them. This action will have a lasting effect on Division of Lands personnel who are charged with formulating policy and procedures for land disposals and contractual relationships. The committee did make significant recommendations to effect changes in statutes, regulations, and Division procedures and policy. The lease form used by the State was revised to include terms and conditions that would offer benefits to both the State and the lessee. The recommendations of the committee in general give the State more flexibility to respond to client needs. Both client and State will benefit greatly if the committee's recommendations are carried out. The mission of the committee has been accomplished with admirable success in this regard.

Selected areas were covered, specifically those of sales and leasing. The committee states that this report is not meant, by any means, to be all-inclusive.

II. THE INDIVIDUALS ON THE COMMITTEE

The individuals who served on the committee volunteered considerable time and effort. Each member was selected on the basis of having specialized knowledge and expertise. The following list of members and their qualifications shows considerable diversity.

Mike Colletta - State Senator.

Hugh Gellert - President of Bear Fritz, Inc., a land development company with interests in Anchorage and the Kenai Peninsula.

Grant Giesler - Vice President of Alaska Mutual Savings Bank (resigned 1/5/77).

Herb Lang - President of Anchorage Sand and Gravel (joined the committee 1/6/77).

Jamie Love - Director of the Alaska Public Interest Research Group (AkPIRG).

David McCabe - Private Appraisor.

William Mack - Chairman of the Alaska Land and Lease Holders Association.

Carl Marrs - Land Manager for Cook Inlet Region, Inc.

John Norman - Attorney specializing in the area of corporate and natural resources law.

Lidia Selkregg - Anchorage Assemblywoman; Professor of Regional Planning at the Arctic Environmental Information and Data Center in Anchorage.

Theodore G. Smith - Former State Representative; present Director of the State Division of Land and Water Management.

III. COMMITTEE WORK PROCESS

The committee worked in a series of sessions, all of which were open to the public. Meetings were held weekly from October 8, 1976 to March 30, 1977 with the exception of 12/17/76 -1/5/77, when the committee recessed for the holidays. Two additional evening work sessions were held, and two evening meetings to hear public comments took place on 12/1/76 and 3/3/77. The meetings were loosely structured to accommodate those attending and to provide time for public comment.

The committee addressed the area of sales in its first sessions and proceeded to the area of leases in the later sessions. There was considerable public input from concerned individuals, and organizations, and many persons with specialized knowledge were invited. A great deal of support was provided by many state agencies, particularly by the State Division of Lands and the Department of Law. Considerable time was spent in information gathering. The Division often was requested to provide information on current procedures. Considerable information on Division activities was compiled. The changes recommended were made cautiously and are well supported by the information gathered. The committee's recommendations were made in the form of motions which were voted on by majority vote at the meetings. Recommendations were made freely as each subject area was explored.

Many meetings, including the two evening public comment sessions, were advertised in two newspapers. Press releases and newspaper articles appeared locally. Mass mailouts provided general information and announced upcoming meetings; lists of meeting dates were avilable at all sessions. The interested public was encouraged to contact the Division of Lands with any verbal or written questions and comments. Copies of materials used by the committee were available to the public and public comment was specifically taken on the committee's interim recommendations and draft bill to the Governor.

Almost all sessions were tape recorded in their entirety. Written minutes of meetings were time-keyed to the tapes to allow verification. The public is welcome to listen to or make copies of these tapes by contacting the Division of Lands.

IV. FINDINGS AND RECOMMENDATIONS OF THE COMMITTEE

The findings of the committee were numerous but can be grouped into major categories:

1) State lessees are dissatisfied with the state interpretation of lease contract terms, especially those relating to appraisal. Many lessees testified before the committee as to their grievances.

2) The Division's regulations covering sales and leases are often outdated and conflicting with statutes in some cases.

3) The State's lease contract form is not in line with commercial contracts and has many ambiguities in it.

4) Some state statutes in Title 38.05 are vague and unclear.

5) Payment methods for state sales contracts do not match those used in the private sector and may contribute to ballooning land values.

These findings outline the basis for the committee's recommendations which follow.

The recommendations of the committee concern statute, policy, and regulation changes, and can be grouped by topic.

The following five items are of <u>general concern</u>:

1. The committee wishes to note that in the course of public testimony it was apparent that Division of Aviation lessees had significant problems with their current leases. This subject was not within the scope of the committee's deliberations and, therefore, not addressed.

2. To comply with new statutes the committee recommends a major overhaul of Division of Lands regulations. The committee has found many of the regulations now in effect to be outdated and superseded by statutes.

3. The committee recommends that the Legislature apply the provisions found in Title 38 to those in Title 3, Title 19, and Title 35. The rationale would be to make land laws uniform among the Division of Aviation, Department of Highways, and Division of Lands.

4. Looking to the future, when the Division appraisal workload gets even heavier, the committee recommends that all (or all significant) appraisals be done by contract appraisers, with the Division appraisers functioning as review appraisers.

5. The committee stands opposed to Senate Bill 234, since the needs as outlined in this bill are covered by present legislation; the committee finds SB 234 not in the best interests of the State or the land management of the State.

In order to provide predictability in appraisals and reappraisals, for the benefit of the State and the public, the committee recommends the following:

1. At present many lessees are suffering hardship due to rent increases of several hundred percent. To provide for this relief and as a curative for such future increases the statutory provisions found in section nine of the attached bill are recommended. Provision for optional conversion of present leases to ones that will place a ceiling of 100% on rental increases every five years will largely prevent future hardship cases and resolve satisfactorily the present cases. With a rent ceiling, lease rental increases will be more predictable resulting in more financial stability for the lessee. (The Alaska Industrial Subdivision hearing panel recommends insuring predictability by placing some control over the size of the rental increase through utilization of a ceiling on the size of the increase in rental every five years.)

   Sections 8 and 9 of the attached bill will accomplish the above recommendations.

2. The committee recommends that land offered over the counter be reviewed at 90 to 120 day intervals to determine if an increase in value has occurred. This review is desired so that parcels are not undervalued by progressive changes in the market.

   Section 10 of the attached bill would accomplish this.

3. Since public notice is covered in AS 38.05.345 the change to "appraisal" for AS 38.05.310 is warranted by its present content. The committee recommends that land may be appraised 120 days in advance of a sale or lease. The change from 90 to 120 days would be desirable in that minimum bid information could be given to the public well in advance of the actual sale or lease auction. In addition 11 AAC 54.140 should be repealed.

   Section 10 of the attached bill will accomplish this.

4. In order to provide a workable solution to the problems of confidentiality of appraisal data, the committee recommends that the Director of the Division of Lands refrain from including confidential information in any appraisal prepared for the Division of Lands use.

5. The committee believes that the word "primarily" may imply special consideration to some lessees. In order to treat all lessees fairly and equitably the committee recommends that the word "primarily" be stricken. Deleting "primarily" would clarify the basis for reappraisal. (This was also recommended by the Alaska Industrial Subdivision hearing panel.)

   Section 8 of the attached bill will accomplish this.

To improve accounting policies and administrative procedures, and to protect the State, the purchaser and the lessee, the following are recommended:

1. The committee recommends that the Division of Lands have the option of requiring all sales contracts over $400.00 per year to be paid in quarterly installments instead of annual installments. It is the committee's belief that this would ease the financial strain on the buyer and yet not add significantly to the State's administrative costs. To provide quarterly payments would require a change in AS 38.05.065 with the present annual payments deleted and the quarterly payment provision adopted in its place.

   Section 3 of the attached bill would accomplish this.

2. The committee recommends that a $10.00 fee charge to cover administrative costs be given to those who make sale or lease payments with checks that are returned. It is a standard business practice to provide for such charges and is recommended to protect the State's interests.

3. The committee recommends instituting default charges for late sale or lease payments. At present, there exists no penalty and many payments are late. The form of penalty recommended is notification charges to all delinquent payments and penalty charges to payments delinquent more than 30 days. The notification charge would be $5.00 for the first notice, $20.00 for the second notice and a penalty charge of 6 percent of the payment.

It is suggested that the fee charges be adopted as a regulation under authority of AS 38.05.035(4)(5) as follows:

11 AAC 54.365. Delinquent Payments.

In the event of a delinquent payment, the following charges will apply:

1. A $10.00 penalty for payment with a check that is returned.

2. A $5.00 penalty for notification of payments over thirty-five days late.

3. A $20.00 penalty for a second notification of payments more than fifty days late.

4. A penalty of 6 percent of the rental or sale payment for payments delinquent by more than thirty days.

4. The committee recommends adding the following to the end of 11 AAC 54.190: Upon execution of the contract of sale the director shall cause the original copy of the contract to be recorded in the recording district wherein the property is located.

5. The committee recommends that 11 AAC 58.490 have a section .495 added: Upon execution of the lease the director shall cause the original copy of the lease to be recorded in the recording district wherein the property is located.

6. The committee recommends adding in 11 AAC 58.830 Recordation of Assignments, Modifications, Changes in Rental or Cancellations: Upon any assignment, modification, change in rental or cancellation, the director shall cause to be recorded an original document which recites the changes made in the recording district in which the property is located.

7. The committee recommends that somewhere in 11 AAC 58 a section be added: Fees for Recordation. The Division of Lands shall absorb any expense of recording all existing contracts of sale, leases, assignments, modifications, changes in rent; the director shall collect the necessary fee for recording any contract of sale, lease, or change of application hereunto from the contract purchaser or lessee at the time of execution.

8. The committee recommends that the Attorney General draft for introduction to the next session of the Legislature a statute which will require all state agencies dealing in lands to record any such transaction (including any transaction dealing with plats and subdivisions) and further stating that failure to so record does not impose any liability on the State.

In order to achieve more flexibility and simplicity in handling land disposal transactions, the following are recommended:

1. The committee recommends that the State charge a market rate of interest in its sales contracts. The interest rate, at present 6%, is below market levels and may have contributed to inflated prices at state land sales. By setting interest rates at market levels, the State would help prevent inflated land prices and at the same time return more income to the State. To provide for a market rate of interest in sales contracts, no change in AS 38.05.065 would be required. The addition of a statement of market rate in this statute would be desirable, however.

   Section 3 of the attached bill would accomplish this.

2. The committee recommends that the State adopt a system of level payments in place of declining payments in its sale contracts. The system of level payments is in common use in the business world, and the payment figures are easily set forth in a contract. The disadvantage of the present method is that interest must be recalculated every year and the payments decrease each year. From both the State's and the buyers' viewpoints, the level payment method would be preferred. The State would receive slightly more in interest payments over the contract terms and the buyer would not have to make as high initial payments. To provide level payments would require a change in AS 38.05.065 with the present system deleted and the level payment system adopted in its place.

Sections 2 and 3 of the attached bill would accomplish this.

3. The committee recommends that in Title 38.05 the term "fair market value" be used in place of "fair appraised market value" and "market value." The meaning is felt to be the same in all cases. The committee would like to see one standard term used to avoid confusion and misunderstanding.

Sections 4, 5, 7, and 13 of the attached bill would accomplish this.

4. The current procedures for informing the public of state lands transactions are covered in AS 38.05.305 and AS 38.05.345. The two procedures do not mesh in a clear manner. The committee recommends that the procedures be clarified in a manner that will be flexible enough to inform the public fully and yet not require multiple advertising for minor negotiated transactions.

Section 11 of the attached bill will accomplish this.

5. The committee recommends that the Director be given the authority to set the payment period from one to twenty years. This type of flexibility would allow the State and buyers greater market possibilities. To provide for this would require that the installment clause in AS 38.05.065 be deleted and replaced by the one to twenty year provision.

Section 3 of the attached bill would accomplish this.

6. The committee recommends that the State be given more flexibility to resolve contract of sale violations. This is necessary to prevent foreclosures as the only remedy for minor contract violations.

Section 3 of the attached bill would accomplish this.

To institute improvements in the <u>leasing system</u>, the following are recommended:

1. To implement the new lease provisions recommended by this committee new lease forms for various types of leases will be required. It is the committee's recommendation that the Division draft new lease forms to comply with the statutes adopted, and that the new forms be reviewed by this committee.

The recommended lease form and attachments in Appendix C accomplish this.

2. The committee recommends that all state leases to other public agencies be at the normal fair market value rate of payment.

   This reflects a regulation change.

3. The committee recommends that state government agencies get out of residential leasing.

   This reflects a policy change.

4. To provide the lessee insurance against a land boom or unexpected increase the committee recommends that rental increases at the five year reappraisal periods not exceed 100 percent of the prior existing annual rental rate. This action would increase the predictability of the lessee's payments. The stability thus created would add significant borrowing power for the lessee to finance improvements on the leased ground.

   Section 8 of the attached bill would accomplish this.

5. The duration of a lease and the economic life of substantial improvements, such as stores or factories, may not coincide. In order to see that state leased land is used in a rational, economically productive manner the committee recommends that lessees of long-term leases be given a renewal option for up to fifteen years. This type of option would grant the lessee more flexibility in maximizing his investment returns, especially during the final years or his lease. It would also increase the lessee's planning possibilities for use of the leased ground. This action would also soften the impact of termination of the lease. Specifically, this would permit a lessee to make substantial repairs to a building when the remaining term of the lease would not otherwise justify it.

   Section 6 of the attached bill would accomplish this.

6. The committee agrees that a lease should be converted at its present classification, and the leaseholder should then have the option to change classification subject to Division of Lands approval.

This is made possible under the attached lease document so that a conversion (assuming passage of HB 383) to a new lease form would permit the leaseholder to change classification at his option.

7. The committee recommends that a level term for recreational leases not be provided.

8. The Alaska Industrial Subdivision hearing panel recommends that in accord with the provisions of the lease, lessees should be encouraged to record expenses incurred in site preparation so that the "original condition" can be more adequately ascertained.

   The Ad Hoc committee concurs. This recommendation is handled in the attached lease document.

9. The Alaska Industrial Subdivision hearing panel recommends that lease language should be clarified to remove any possible inconsistencies with 11 AAC 58.520 (Adjustment of Rental).

   The Ad Hoc committee concurs.

10. The Alaska Industrial Subdivision hearing panel recommends eliminating the floating easement. The State could exercise the right of eminent domain to condemn. The condemnation would probably result in greater compensation for damages to the lessee, especially in view of the Supreme Court decision in State v. Hammer, 550 P.2d 830, thus the lease would be more attractive to the leasing market. Additionally, the language in the current lease is ambiguous as to damages compensable. This ambiguity only encourages litigation.

    The Ad Hoc committee concurs. This has been accomplished in the attached lease form.

11. The Alaska Industrial Subdivision hearing panel states that, if its recommendations are adopted, the State would be assured a competitive position in the lease market. The recommendations would encourage development of the leaseholds consistent with the intent of the leasing regulations and would be equitable to the lessee. The hearing panel also believes the State should be able to obtain a good return on its land. Accordingly, the rental rate should be changed to reflect the removal of the undesirable aspects of the state lease.

The Ad Hoc committee concurs. Continuing to include rate as an appraisal element will accomplish this objective.

This change is found in the attached lease form.

12. In order to set a fixed rental rate on a lease, the committee recommends an addition to A.S.38.05.085:

> amend to add the following sentence after ". . . to protect the interests of the state. The lease rental rate shall remain fixed for the term of the lease and any permitted extensions thereof, unless the leased premises or a portion thereof is reclassified pursuant to provisions of this chapter. A violation of any provision of this chapter . . . ."

To provide a vehicle for arbitrating protests and appeals involving land transactions, the following is recommended:

1. The Division of Lands has had many protests from private parties over the past few years leading the committee to believe that a board of appeals is highly desirable and needed at this time. At present there exists no arbitration board or board of appeals to handle appeals allowed by Division of Lands regulations. The creation of a board of appeals would effect a responsive mechanism for solving most problem cases arising from Division of Lands transactions that affect private parties. The board of appeals would be faster and less costly to private parties than legal recourse, which would still be available. The board is structured to maintain adequate expertise while attempting to eliminate bias in favor of the Division of Lands. This binding appeals board would substitute for the Commissioner in the present appeal process. (The Alaska Industrial Subdivision hearing panel also recommends such an appeal process.)

   Section 14 of the attached bill would accomplish this.

The committee recommends the following to improve trust land management:

1. The committee believes that state trust lands (school, mental health, and university) are now and have been managed at low intensity. These lands may be returning only a fraction of their potential value that could be

realized by a small, full-time management staff. The Division manages these lands at no charge to the various trust funds and receives no reimbursement for its services. Therefore, it has traditionally placed low priority on management of these lands. This committee recommends that the State Legislature authorize each trust board the authority to freely contract with any agency or private firm for the management of its lands for revenue production in accordance with the State's land act.

Section 1 of the attached bill would accomplish this.

2. In order to provide a uniform 55-year limit for all long-term leases the committee recommends deletion of the 99-year provision found in A.S.38.05.070(c) for school lands.

Section 6 of the attached bill would accomplish this.

V. APPENDIX A

LIST OF PUBLIC GIVING COMMENTS AT AD HOC MEETINGS

GRAHAM, Joe

AKERS, Merle (Anchorage International Airport Pilots' Association)

FORD, R. G. (Anchorage Camper Center--Alaska Industrial Subdivision)

DAVIS, Ken (Alaska Industrial Subdivision--school land lessee)

RICHARDSON, Phil (Talkeetna lessee)

BAER, Paul (International Airport Road--lessee/attorney)

NORENE, Larry (appraiser/broker)

SIMMONS, Errol (appraiser)

CUTLER, Dale (Chairman, Anchorage International Airport Pilots' Association)

BROWN, Leon (A&W Drive-In, Brown's Electrical--Alaska Industrial Subdivision)

FERRARA, Fred (appraiser, retained by Alaska Industrial Subdivision)

BEAMER, Mr.

HOGAN, L. L.

CHRISTOPHER, Jim (Alaska Industrial Subdivision)

WEEKS, Lloyd E.

LEDBETTER, Charles (recreational lease, Rocky Lake, Matanuska Valley)

GRAY, Brian Mark

MacNUTT, Lowell (Alaska Industrial Subdivision)

DAVIS, Ken (Alaska Industrial Subdivision)

PENNEY, Bob (Penland Subdivision)

HOGE, Andrew (attorney)

BIELAWSKI, Joe (Alaska Industrial Subdivision)

MALONEY, Dennis

WILHOUR, Joe (Alaska Industrial Subdivision)

TROEH, Paul

VANDERMOLEN, John (HUD/FHA--Anchorage Insuring Office)

MEEKINS, Russ (Alaska Land & Leaseholders Association)

HURLEY, Katherine (State Board of Education)

HEINE, Darwin (School Trust Lands-Fairbanks)

KERNS, Dick (Department of Highways)

GEORGE, Al (University of Alaska--Fairbanks)

DENHAM, Bob (Pastor, 1st Church of the Nazarene)

FLAVIN, Frank (State Ombudsman)

RIGSBEE, Alberta

ROETMAN, Emmett

BAILY, Douglas (Attorney for Alaska Industrial Subdivision)

MORRIS, Lloyd

IN THE

BY RULES COMMITTEE BY REQUEST OF THE GOVERNOR

BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to state lands and providing for an effective date."

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

* Section 1. AS 38.05.030 is amended by adding a new subsection to read:

Section 38.05.030 (f). Notwithstanding the provisions of (a) and (e) above and 38.05.035 (a)(13), the trustees of state trust lands may manage or contract with any agency, public or private, for the management of trust lands pursuant to the provisions of this chapter. Costs of such management shall be borne by the respective trusts.

* Section 2. AS 38.05.055 is amended to read:

Section 38.05.055. SALE PROCEDURES. Except as provided in Section 315(d) of this chapter, the sale shall be made at public auction to the highest qualified bidder as determined by the director. An aggrieved bidder may appeal to the commissioner within five days after the sale for a review of the director's determination. The sale shall be conducted by the director or his representative, and at the time of sale the successful bidder shall deposit an amount determined by the director but not less than 5% (EQUAL TO ONE-TENTH) of the purchase price. The director or his representative shall immediatley issue a receipt containing a description of the land or property purchased, the price bid, and the terms of sale, which receipt shall be acknowledged in writing by the bidder. A contract of sale on a form approved by the attorney general shall be signed by the purchaser and, after approval of the commissioner, the contract shall also be signed by the director on behalf of the state.

* Section 3. AS 38.05.065 is amended to read:

Section 38.05.065. TERMS OF CONTRACT OF SALE. The contract of sale shall require the remainder of the purchase price to be paid over a period

of not more than 20 years, which shall be set for each sale by the director. Installment payments plus interest will be set on the level payment basis over the payment period. The interest rate charged on installment payments shall be the prevailing rate on similar land transactions at the time the contract is signed, as determined by the director, but in no case shall it be below 5% per year or above the current usury rate as set by AS 45.45.010(b) and (d). (IN ANNUAL INSTALLMENTS OF NOT LESS THAN 10 PER CENT OF THE PURCHASE PRICE, WITH INTEREST AT THE RATE OF NOT LESS THAN FIVE PER CENT A YEAR.) The director, with the consent of the commissioner, may also impose conditions, limitations, and terms which he considers necessary and proper to protect the interest of the state. Violations of any provision of this chapter or the terms of the contract of sale subject the purchaser to appropriate administrative and legal action, including but not limited to specific performance, foreclosure, ejectment, or other legal remedies in accordance with applicable state law. (LEGAL ACTION, INCLUDING A FORECLOSURE ACTION IN ACCORDANCE WITH APPLICABLE STATE LAW.)

* Section 4. AS 38.05.067(b) is amended to read:

Section 38.05.067(b). The director shall not sell the lands under this section at less than their fair (APPRAISED) market value. The director shall make regulations necessary to ensure that lands sold under this section are for bona fide residential use and not for speculation.

* Section 5. AS 38.05.068(a) is amended to read:

Section 38.05.068(a). FOREST SERVICE PERMITTEES' SALES PREFERENCE. Before offering to the public any land which is subject to a valid existing United States Forest Service permit in effect in a state-selected area at the time the area was patented to the state, or which is subject to a lease issued under Section 87 of this chapter, the director shall offer the land for sale to the permittee or his successor in title, if he can be found, at not less than its fair (APPRAISED) market value before offering to the general public.

* Section 6. AS 38.05.070(c) is amended to read:

Section 38.05.070(c). A lease may be issued for a period of up to 55 years, if it appears to be in the best interest of the state and if the commissioner approves. A lease for a period in excess of 25 years shall grant the lessee an option entitling him to extend the term of the lease for up to 3 consecutive five year periods in addition to the original term. If the Commissioner determines that the land or a part of it which is the subject of a grazing

lease is not being used for the purpose issued, the lease may be declared void. (HOWEVER, A NONRENEWABLE LEASE FOR SCHOOL LANDS MAY BE ISSUED FOR A PERIOD NOT TO EXCEED 99 YEARS.)

* Section 7. AS 38.05.087(a) is amended to read:

Section 38.05.087(a). FOREST SERVICE PERMITTEES' LEASING PREFERENCE. Before offering to the public any land for lease which is subject to a valid existing United States Forest Service permit in effect in a state-selected area at the time the area was patented to the state, the director shall offer the land for leasing to the permittee at not less than its fair (APPRAISED) market value before offering it to the general public.

* Section 8. AS 38.05.105 is amended to read:

Section 38.05.105. Each lease shall stipulate that the annual rental payment is subject to adjustment at five year intervals and shall be based (PRIMARILY) on a reappraised annual rental value. Any increase due to reappraisal may not exceed 100% of the annual rental for the preceding 5 year period. However, if the director of the division of lands determines that residential development is the best use for the land, the reappraisal period may be lengthened or the readjustment waived in accordance with regulations adopted by the commissioner. Before a waiver of rental readjustment is issued, the land shall have a current reappraisal. A waiver is valid only if residential development actually occurs, and only if it is necessary for obtaining primary long-term financing. The regulations adopted under this section shall ensure that the state receives a fair return from the land.

* Section 9. AS 38.05 is amended by adding a new paragraph to read:

Section 38.05.106. CONVERSION OF LEASES. (a) Any person holding a valid lease as lessee of lands from the State under provisions of AS 38.05.070 - .105, or as an approved assignee of such lessee under the terms of such lease, may, at his option, convert his lease so as to obtain certain benefits, enumerated in subparagraph (b) below, which were not available to him at the date his lease was originally entered, if the lessee at the time of conversion makes all payments due under the conversion rate and is not in violation of any other lease provision.

(b) Those lease benefits which shall be made available to a lessee qualifying under subsection (a) of this section shall be all of those lease provisions authorized or made applicable by this act to new leases entered into by the State after the effective date of such statutes.

(c) The effective annual rental value at conversion shall be based on the most recent reappraisal provided that such reappraisal was within 2 years of the effective date of this act. In all other cases, the conversion shall be based on the next reappraisal.

(d) Any conversion as to trust lands shall be effective only if approved by the appropriate board of trustees.

(e) Applications for conversion must be made within 3 years of the effective date of this act.

* Section 10. AS 38.05.310 is amended to read:

Section 38.05.310 (NOTICE AND) APPRAISAL. (a) No land may be sold or leased, or a renewal lease issued (WITHOUT PUBLIC NOTICE) except in the case of an oil or gas or mineral lease, unless it has been appraised within 120 (90) days before the date of (FIXED FOR THE) sale or lease. (WHEN LAND IS OFFERED AT PUBLIC SALE BUT IS NOT SOLD AND IS AVAILABLE)For over the counter sale (AT THE PRIVATE SALE, NO) an (RE)appraisal is required unless the director finds (CONSIDERS) that a change in value of the lands has not (MAY HAVE) occurred. A grazing lease may be granted to a lessee of federal grazing lands without prior appraisal, if his federal lease was cancelled to allow the state to select the lands under lease. No land may be sold or leased for less than fair (THE APPROVED, APPRAISED) market value, except as provided in .315 and .320 of this chapter and .75 - .85 of this chapter. No land or interest in land may be sold, leased, or otherwise disposed of without public notice.

(b) When land is offered at public sale but is not sold, it may be available for sale over the counter. The director shall review the list

of lands available on a quarterly basis and shall certify that there has been no change in value since the last reappraisal. If an increase in value occurs in any parcel, the director shall withdraw that parcel from sale over the counter.

* Section 11. AS 38.05.345(a) is amended to read:

Section 38.05.345(a). Public notice of an auction sale (LEASE OR OTHER DISPOSAL) of land or interest in it shall be substantially as follows.

* Section 12. AS 38.05.345(e) is amended by adding a new subparagraph to read:

Section 38.05.345(e) Public notice of an action other than as specified in paragraph (a) above shall conform to the requirements of AS 38.05.305 and this paragraph. Such notice shall, when given pursuant to AS 38.05.305(c), be published at least once in a newspaper of general circulation in the vicinity in which the land affected by the proposed activities is located.

* Section 13. AS 38.05.365 is amended by adding a new subparagraph to read:

Section 38.05.365. "Market Value" or "Fair Market Value" means the highest prices, estimated in terms of money, which the property would bring if exposed for a sale for a reasonable time in the open market, with a seller, willing but not forced to sell, and a buyer, willing but not forced to buy, both being fully informed of all the purposes for which the property is best adapted or could be used.

* Section 14. AS 38.05 is amended by adding a new paragraph to read:

Section 38.05.380. STATE BOARD OF LAND APPEALS. (a) The State Board of Land Appeals shall consist of five members, one of whom shall be the Commissioner of Natural Resources or his designated representative. The other members of the board shall be appointed by the governor from the general public, with due regard for the desirability of prior legal, natural resource or real estate training and experience as criteria for selection of public members. All board members are subject to confirmation by a majority of the members of the legislature in joint session.

(b) The director of the division of lands shall provide administrative support for the board.

(c) The governor shall appoint the public members of the board for terms of three years each, except that the initial terms of one of the members first appointed under this chapter shall be for one year and one member for two years. The public members are entitled to compensation

in the amount of $50.00 per day for each day or portion of a day spent in actual meeting or on authorized official business incident to their duties, and to all other transportation and per diem expenses as provided by law.

(d) Jurisdiction of the board shall extend to all matters arising under the Alaska Land Act (AS 38.05) and the Water Act (AS 46.15) from which an appeal may be taken under statute or regulation to the commissioner from a decision of the director, division of lands. The board in all appeals filed after the effective date of this chapter, shall have the appellate authority formally vested in the commissioner by provisions of the Alaska Land Act. An appeal from a decision of the board, if taken, shall be to the Superior Court.

(e) Three members of the board shall constitute a quorum. A majority of a quorum shall be able to render a decision. The board shall adopt regulations governing its procedures, and may adopt other regulations which may be necessary or convenient in carrying out the purposes of this chapter.

V. APPENDIX C

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V. APPENDIX C

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF LANDS
323 East Fourth Avenue
Anchorage, Alaska 99501

ADL NO._____

LEASE AGREEMENT

THIS Lease agreement made and entered into this _____ day of _____, 19___, by and between the State of Alaska, through the Director of the Division of Lands, with the consent and approval of the Commissioner of the Department of Natural Resources, acting for and on its behalf under and pursuant to AS 38.05, as amended, and the regulations promulgated thereunder, as amended or hereafter amended, hereinafter referred to as the LESSOR; and _____ of _____ hereinafter referred to as the LESSEE:

WHEREAS, the Lessor has caused the lands herein demised to be appraised and such appraisal was made and approved on or after _____, 19_____; and

WHEREAS, the Lessor has caused a notice of intent to lease the lands herein demised to be published as required by law or caused notices of intent to lease to be posted as required by law; and

WHEREAS, an auction of the herein demised property was held at the time and place designated by notice and said sale was approved by the Director of the Division of Lands, Department of Natural Resources, State of Alaska:

NOW THEREFOR, the Lessor has agreed to let and does hereby let and demise to the Lessee, and the Lessee has agreed to take and does hereby take from the Lessor the surface estate of all that lot, piece, or parcel of land more particularly bounded and described, as follows:

_____
_____
_____
_____
_____
Located in the _____ Recording District, State of Alaska.

TO HAVE AND TO HOLD the said demised premises for a term of _____ ( ) years commencing on the _____ day of _____, 19_____, and ending at 12 o'clock midnight on the _____ day of _____, _____, a period of fifty-five years unless sooner terminated as hereinafter provided.

The Lessee shall be granted the option to extend the term of his lease for no more than three consecutive five-year periods beyond the original term of the lease, provided that Lessee notifies Lessor of his intention to exercise one or more such options no later than 6 months prior to expiration of the original lease term or the first or second extension terms, as applicable.

The Lessee shall pay to the Lessor rental as follows: Equal _____ payments, in advance, on or before the _____ day of _____ of every year during

said term at the rate of _____ Dollars ($_____) per _____; such payments to be subject to adjustment as hereinafter required from the effective date hereof, as provided herein.

The annual rental as hereinafter provided for shall not during any rental period increase more than one hundred percent of the immediately preceeding annual rental.

It is agreed that each of the covenants, terms and agreements herein contained shall be binding upon the parties and upon their respective successors and assigns.

1. Appurtenances, and Encumbrances-- Lessor leases and grants to Lessee all easements, parking and loading rights, rights of ingress and egress, fixtures and appurtenances now or hereafter belonging or pertaining to said premises. The described premises are leased, subject to patent restrictions, easements, rights-of-way, if any, zoning and building restrictions and statutes and governmental regulations now in effect or hereafter adopted by any governmental authority.

2. Payment of Taxes and Assessments-- Lessee agrees to pay to the public authorities charged with collection thereof, promptly as the same may become due and payable, all taxes, permit, inspection and license fees and other public charges, whether of a like or different nature, except for general and special assessments lawfully levied upon the leasehold estate and any buildings, structures, fixtures, improvements or leasehold interest now or hereafter located thereon, or arising in respect of the occupancy, use or possession of the leased Premises, and which are charged against and are, or may become, a lien during the term of this lease; and Lessee agrees to exhibit to Lessor, on demand receipts evidencing payment of all taxes, fees and other similar public charges so payable by Lessee. Lessee shall also pay all charges of water, sewer, gas, electricity, power or other public utility services rendered on or to the Premises during the term of this lease as such charges become due.

3. Documentation of Improvements-- Lessee must within 90 days of completion of any site improvements, including but not limited to clearing, leveling, excavation, and backfill, and exclusive of any structures, file with the lessor adequate and reasonable documentation of such improvements including any applicable costs and quantities. Such documentation is intended to aid in future determinations of the original condition of the Premises.

4. Notification and Late Payment Charge-- In the event lessee becomes 30 days delinquent in payments due, a late payment charge of 6% of such amount due shall be levied against the lease. Additionally, a charge for notification for payments 30 days late shall be made at the rate of $5.00 for the first notice and $20.00 for the second notice.

5. Permitted Uses-- (a) The Lessee shall use the leased Premises for uses and purposes consistent with those cited in Attachment 1, and in conformance with applicable local zoning ordinances. At any time Lessee may request a change in permitted uses, provided that Lessee's existing or proposed use of the Premises is consistent with existing zoning. If the Lessor concurs with such change of permitted use, then this lease shall terminate, and a new lease, upon a form and containing terms, appraisal and rental rate applicable to the changed classification; shall be executed for the balance of the unexpired lease term, or renewal term if applicable, then remaining.

b. Lessee may request that part of the leased Premises be severed

from the Premises for purposes of changing of that part for a use or uses not permitted under the then existing permitted uses of the Premises. If the Lessor concurs, then this lease shall terminate as to the part so severed, and a new lease, upon a form and containing terms, appraisal and rental rate applicable to the changed permitted uses; shall be executed for the balance of the unexpired lease term, or renewal term if applicable, then remaining. The annual rentals applicable to the original leased Premises shall be adjusted to reflect the effect of severance of the part permitted by this paragraph for the balance of the original lease term or the renewal term, if applicable. If severance of a portion of the Premises is permitted, Lessee shall comply with all state and local laws and ordinances regarding the subdivision of real property, and shall bear the expenses and costs attributable to survey, recording and other compliance with said laws and ordinances.

6. Compliance with Laws' Ordinance and Regulations-- Lessee shall comply with all applicable laws, ordinances and regulations of duly constituted public authorities now or hereafter in existence which in any manner affect the leased Premises or the sidewalks, alleys, streets, and ways adjacent thereto, or any buildings, structures, fixtures or improvements or the use thereof. Lessee further agrees that it will not permit any unlawful occupation, business or trade to be conducted on the Premises, or any use to be made thereof contrary to any law, ordinance or regulation applicable thereto.

The lessee, at its own cost and expense, shall keep the leased Premises and all improvements which at any time during the term of this lease may be situated thereon, in good maintenance, condition and repair during the entire term of this lease, and hereby expressly waives any right to make repairs to the Premises at the expense of Lessor which may be allowed by any statute or law in effect at the time of the execution of this lease or any amendment thereof, or by any other statute or law which may be hereafter passed during the term of this lease. The Lessee's rights under this Lease may be terminated by the Director, in whole or in part, if the leased Premises are used for a purpose unlawful under Federal or State law or regulation, or local Government ordinance as applicable.

7. Lessee's Rights of Occupancy and Use-- Lessee, when not in default of performance of any of its obligations hereunder, shall have the following rights, during the term of this Lease, from time to time and in such manner, and to such extent, as Lessee may in its sole judgment deem advisable, except where any of said rights is conditioned upon prior approval of Lessor: (a) The right to demolish, remove or otherwise dispose of any improvements presently or subsequently situated upon the leased Premises; (b) The right to erect, place, or install upon the leased Premises buildings, structures, and improvements as from time to time it shall deem advisable; (c) The right to make such alterations, additions and repairs to the leased Premises as it may desire.

8. Disposition of Improvements Upon Termination-- (a) All buildings, structures and permanent improvements, including any signs which are installed, placed or attached in or about the leased Premises by Lessee, shall remain the property of Lessee at the expiration or termination of this lease, or of any renewal term thereof. The lessee shall within 60 days after termination or expiration of the lease remove all improvements located on the leased Premises, provided that such removal will not cause injury or damage to the leased Premises; and further provided that the Lessor may extend the time for removing such improvements in a case where hardship is demonstrated. Following removal Lessee shall leave Premises in a safe and natural condition. The retiring Lessee may, with the consent of the Lessor,

sell its improvements to the succeeding lessee.

(b) If any improvements and/or chattels having an appraised value in excess of $10,000.00, as determined by the Lessor, are not removed within the time allowed, such improvements and/or chattels shall, upon due notice to the Lessee, be sold at public sale under the direction of the Lessor. The proceeds of sale shall inure to the Lessee who placed such improvements and/or chattels on the lands after payment to the Lessor of all rents due and owing and expenses incurred in holding such sale. In case there are no other bidders at any such sale, the Lessor is authorized to bid on such improvements and/or chattels. The Lessor shall acquire all rights, both legal and equitable, that any other purchaser could acquire by reason of said sale and purchase.

(c) If any improvements and/or chattels having an appraised value of $10,000.00 or less, as determined by the Lessor, are not removed within the time allowed, such improvements and/or chattels shall revert to, and absolute title shall vest in, the Lessor.

9. Freedom From Liens-- Lessee will not permit any mechanics', laborers', or materialmens' liens to stand against the leased Premises or improvements for any labor or materials furnished to Lessee, or claimed to have been furnished to Lessee or to Lessee's agents, contractors, or sublessees, in connection with work of any character performed on said Premises or improvements by or at the direction or sufferance of Lessee; provided, however, that Lessee shall have the right to contest the validity or amount of any such lien or claimed lien. In the event of such contest, Lessee shall give to Lessor such reasonable security as may be demanded by Lessor to insure payment thereof and to prevent any purported sale, foreclosure or forfeiture of the premises or improvements by reason of such non-payment. Such security need not exceed one and one-half times the amount of such lien or such claim of lien. Lessee shall record such bond as contemplated by Section 34.35.072, Alaska Statutes upon Lessor's demand. Lessee shall immediately pay any judgment rendered on any proven claim of lien, together with all proper costs and charges, and shall have such lien released or judgment satisfied at Lessee's own expense. The State may file such notices of non-responsibility as it may deem necessary, pursuant to A.S. 34.35.065.

10. Lawful Use of Premises-- The Lessee may use and occupy the leased Premises for any lawful purpose provided such purpose is allowed under Attachment 1 of this Lease.

11. Indemnity to Lessor-- Lessee will indemnify and hold Lessor harmless from and against all claims and demands for loss or damage, including property damage, personal injury or wrongful death, arising out of or in connection with the use or occupancy of the Premises by Lessee or any other person under Lessee, and from any accident or fire on the Premises and from any nuisance made or suffered thereon, and from any failure by Lessee to keep the Premises in a safe condition, and Lessee will reimburse Lessor for all its costs and expenses, including reasonable attorneys' fees, incurred in the defense of any such claims; and Lessee will hold all goods, materials, furniture, fixtures equipment, machinery and other property whatsoever on the Premises at the sole risk of Lessee, and will save Lessor harmless from any claim of loss or damage thereto by any cause whatsoever. If all or part of the improvements placed by Lessee on the demised premises are destroyed by fire, earthquake or other cause, Lessee shall remove the debris and clean up the affected area within 60 days of the occurrence of such destruction, and may surrender to Lessor this lease, together with any interest of Lessee and of any mortgagee in

the resulting insurance proceeds and Lessee may thereby be relieved of any further obligation hereunder.

12. Default-- If Lessee at any time during the term or renewal term of this lease (and regardless of the pendency of any bankruptcy, reorganization, receivership, insolvency or other proceedings, in law, in equity or before any administrative tribunal, which has or might have the effect of preventing Lessee from complying with the terms of this lease) (a) shall fail to make payment of any installment of rent or of any other sum herein specified to be paid by Lessee, or (b) shall fail to observe or perform any of Lessee's other covenants, agreements or obligations hereunder, and if any such default shall not be cured as to (a) within ten days after Lessor shall have given Lessee written notice of such failure to make payment, or as to (b) within thirty (30) days after Lessor shall have given to Lessee written notice specifying such default or defaults, Lessee shall not have commenced diligently to cure such default; or if Lessee has filed a voluntary petition or has become subject to an involuntary petition under any provision of the Bankruptcy Act, 11 U.S.C. 701 et. seq; or if Lessee finally and without further possibility of appeal or review is adjudicated a bankrupt or insolvent; or if Lessee has a receiver or a Trustee appointed for all or substantially all of its business or assets on the ground of Lessee's insolvency; or if Lessee has itself appointed as debtor-in-possession in a proceeding for a reorganization or an arrangement; or if Lessee shall make an assignment for the benefit of its creditors, then in any such event Lessor shall have the right, at its election, then or at any time thereafter, and while such default, defaults or events shall continue, to give Lessee written notice of Lessor's intention to terminate this lease and all of Lessee's rights hereunder, on the date specified in such notice, which date shall not be less than thirty (30) days after the date of giving of such notice; and on the date specified in such notice this lease and all rights granted Lessee hereunder shall terminate as fully as if the lease had then expired by its own terms; and Lessee hereby covenants to peaceably and quietly surrender to Lessor said leased Premises and all structures, buildings improvements and equipment located thereon, subject to paragraph 7 (a) above and to execute and deliver to Lessor such instrument or instruments which may be required by Lessor to properly evidence termination of Lessee's rights and interest hereunder.

In the event of termination of this lease as provided in this paragraph 12, Lessor shall have the right to repossess the leased Premises and such structures, buildings, improvements and equipment, thereon and subject to paragraph 5 above either with process of law or through any form of suit or proceeding, as well as the right to sue for and recover all rents and other sums accrued up to the time of such termination, and damages arising out of any breach on the part of Lessee, including damages for rent for the balance of the lease term not then accrued. Lessor shall also have the right, without taking possession of the premises or terminating this lease, to sue for and recover all rents and other sums, including damages, at any time and from time to time which may accrue hereunder as a result of any default of Lessee.

13. Condemnation-- If the whole or any part of the demised premises shall be taken for any public or quasi-public use, under any statute or by right of eminent domain or private purchase in lieu thereof, by any public or quasi-public body vested with the power of eminent domain, then when possession shall be taken thereunder of the leased Premises, or any part thereof, the following provisions shall control:

a. Taking of All Premises-- If all of the Premises are taken by condemnation; the term of this lease and all rights of the Lessee hereunder shall immediately terminate, and the rent shall be adjusted as of the time of such termination so that Lessee shall have paid rent only up to the time of such taking. Lessor shall

be entitled to the full condemnation proceeds, except that portion thereof attributable to the value of the buildings or improvements placed on the Premises by Lessee.

b. Taking of Substantial Part of Premises-- If the taking by condemnation reduces the ground area of the leased Premises by at least thirty percent (30%), or materially affects the use being made by the Lessee of the demised premises, Lessee shall have the right, by written notice to Lessor made not later than one hundred eighty (180) days after possession shall be taken, to elect to terminate or to not terminate this lease under the provisions set forth herein. If the election to terminate is made the provisions of (a) of this paragraph relating to the taking of the whole Premises shall govern. If the election not to terminate is made the lease shall continue and Lessor shall be entitled to the full condemnation proceeds except the portion thereof attributable to the value of the buildings or structural improvements placed on the Premises by Lessee; and rent at the existing rate and amount shall be adjusted as of the date of the taking of possession, and the rent for the balance of the term, except as modified from time to time under paragraph 1 of attachment 1 hereof, shall be reduced so that the new rent shall be that part of the former rent (before condemnation) which the unimproved value of the untaken Premises (appraised after the taking) bears to the unimproved value of the entire Premises immediately before the taking. Any dispute, controversy or claim arising out of or relating to the fixing of the new rent shall be settled by arbitration as provided herein.

c. Taking of Insubstantial Part of Premises-- If the taking is of such an insubstantial portion of the ground area that the use being made by Lessee of the leased premises is not materially affected, the provisions of this paragraph regarding Lessee's election not to terminate shall govern.

14. Quiet Enjoyment-- Provided Lessee is not in default hereunder, Lessor covenants that Lessee shall have peaceful and quiet enjoyment of the leased Premises without let or hindrance on the part of Lessor, and Lessor will warrant and defend Lessee in the peaceful and quiet enjoyment of the leased Premises.

15. Notices-- All notices required or permitted under this agreement shall be made by certified or registered mail, postage prepaid, to the parties at the following addresses.

To The Lessor: _____

To The Lessee: _____

16. Rights or Remedies-- Except as may be inconsistent with or contrary to any provision of this lease, no right or remedy herein conferred upon or reserved to Lessor shall be exclusive of any other right or remedy, and each and every right or remedy shall be cumulative and in addition to any other right or remedy given hereunder, or now or hereafter existing at law or in equity or by statute.

17. Waiver or Forebearance-- The receipt of rent by the Lessor, with or without knowledge of any breach of the lease by the Lessee, or of any default on the part of the Lessee in the observance or performance of any of the conditions or covenants of this lease, shall not be deemed to be a waiver of any provision of this lease. No failure on the part of the Lessor to enforce any covenant or provision herein contained, nor any waiver of any right hereunder by the Lessor, unless in writing, shall discharge or invalidate such term or covenant; nor shall any forebearance or

written waiver affect the right of the Lessor to enforce any term or covenant in the event of any subsequent breach or default. The receipt by Lessor of rent or any other sum of money or the termination, in any manner, of the lease term or the giving by Lessor of any notice hereunder to effect such termination, shall not reinstate, continue, or extend any term herein leased, or destroy, or in any manner impair the validity of any such notice of termination as may have been given hereunder by the Lessor to the Lessee prior to the receipt of any such sum of money or other consideration, unless the contrary effect shall be expressed in writing and signed by the Lessor.

18. Inspection-- Lessor shall, at all reasonable times have access to the Premises for the purpose of inspection.

19. Successors in Interest-- This Lease shall be binding upon and inure to the benefit of the respective heirs, successors in interest and assigns of the parties hereto.

20. Assignment or Subletting-- Lessee shall not sublet or assign the leased premises or any part thereof, without the prior written consent of Lessor to such subletting or assignment, which consent shall not be unreasonably withheld, subject to use provisions of this lease. However, Lessee, without prior authorization may assign this Lease, or any part thereof, to a duly licensed and authorized lending institution for loan security purposes, provided that this right to assign shall not operate as a subordination of Lessor's rights hereunder, nor a subordination of its fee. Lessor agrees that upon receipt of application for assignment by Lessee, it will consent to or deny a proposed subletting or assignment by Lessee. No assignment or subletting of the Premises or any portion thereof by Lessee shall void Lessee's obligation to pay the rent herein reserved for the full term of this sublease or any extensions thereof. Anything contrary in the foregoing notwithstanding, Lessee shall have the right to sublease all or any portion of the enclosed space in any building which Lessee may construct upon the leased Premises without prior written approval of Lessor.

21. Soil Conditions and Water Drainage-- Lessor makes no warranty and assumes no liability regarding the soil conditions or water drainage upon the leased premises.

22. Mineral Reservation-- The Lessor hereby expressly saves, excepts and reserves out of the grant hereby made, unto itself, its lessees, successors, and assigns forever, all oils, gases, coal, ores, minerals, fissionable materials, and fossils of every name, kind or description, and which may be in or upon said lands above-described, or any part thereof, and the right to explore the same for such oils, gases, coal, ores, minerals, fissionable materials and fossils. All coal, oil, gas and other minerals and all deposits of stone or gravel valuable for extraction or utilization, are excepted from the operation of a surface lease. Specifically, the lessee of the surface rights shall not sell or remove for use elsewhere any timber, stone, gravel, topsoil, or any other material valuable for building or commercial purposes; provided, however, that material required for the development of the leasehold may be used. It also hereby expressly saves and reserves out of the grant hereby made, unto itself, its lessee, successors, and assigns forever, the right to enter by itself, its or their agents, attorneys, and servants upon said lands, or any part or parts thereof, at any and all times, for the purpose of opening, developing, drilling and working mines or wells on these or other lands and taking out and removing

therefrom all such oils, gases, coal, ores, minerals, fissionable materials and fossils; and to that end it further expressly reserves out of the grant hereby made, unto itself, its lessees, successors, and assigns forever, the right by its or their agents, servants and attorneys at any and all times to erect, construct, maintain, and use all such buildings, machinery, roads, pipelines, powerlines, and railroads, sink such shafts, drill such wells, remove such soil, and to remain on said lands or any part thereof for the foregoing purposes and to occupy as much of said lands as may be necessary or convenient for such purposes, hereby expressly reserving to itself, its lessees, successors, and assigns, as aforesaid, generally all rights and power in, to and over said land, whether herein expressed or not, reasonably necessary or convenient to render beneficial and efficient the complete enjoyment of the property and rights hereby expressly reserved.

Provided, however, no rights shall be exercised by the Lessor or its mineral lessees, until provision has been made by the Lessor or its mineral lessees to pay to the Lessee of the land, upon which the rights herein reserved to the Lessor or its mineral lessees, are sought to be exercised, full payment for all damages sustained by said Lessee, by reason of entering upon said land; and provided that if said Lessee for any cause whatever refuses or neglects to settle said damages, the Lessor or its mineral lessees, or any applicant for a mineral lease or contract from the Lessor or its lessees for the purpose of prospecting for valuable minerals, or option contract or lease for mining coal or lease for extracting petroleum or natural gas, shall have the right, after posting a surety bond with the Director issued by a corporation qualified to do business in Alaska and licensed to sell insurance in Alaska, or a bond executed by one or more individual sureties approved by the Director, after due notice and opportunity to be heard, to be sufficient in amount and security to secure the said Lessee full payment for all such damages, to enter upon the land in the exercise of said reserved rights, and shall have the right to institute such legal proceedings in a court of competent jurisdiction wherein the land is situated, as may be necessary to determine the damages which the surface lessee of such lands may suffer.

23. Mortgage of Leasehold Interest of Tenant— A leasehold mortgagee, a beneficiary of a deed of trust, or a security assignee shall have and be subrogated to any and all rights of Lessee with respect to the curing of any default hereunder by Lessee. If the holder of any such mortgage, the beneficiary of any such deed of trust, or the security assignee shall give Lessor, before any default shall have occurred in the Lease, a written notice containing the name and post office address of such holder, Lessor shall thereafter give to such holder a copy of each notice of default by Lessee at the same time as any notice of default shall be given by Lessor to Lessee; and Lessor will not thereafter enter into any modification of this Lease without the prior written consent of such mortgagee, beneficiary or security assignee. If by reason of any default of Lessee, either this Lease or any renewal thereof shall be terminated at the election of Lessor prior to the stated expiration thereof, Lessor shall enter into a new Lease with the leasehold mortgagee, the beneficiary of a deed of trust, or the security assignee, for the unexpired portion of the lease term, effective as of the date of such termination, at the rent and on the terms herein contained, subject to the following conditions.

Mortgagees, beneficiary or security assignee shall do the following:

a. Make written request to Lessor for a new lease within forty (40) days after the date of such termination; and such written request shall

be accompanied by payment to Lessor of all sums then due Lessor under this lease as if termination had not occurred but with such costs as are permitted under this Lease.

b. pay to Lessor, at the time of the execution and delivery of such new Lease, any and all sums due thereunder, in addition to those which would at the time of the execution and delivery thereof be due under this Lease but for such termination, and in addition thereto, any reasonable expenses, including legal and attorneys' fees to which Lessor shall have been subjected by reason of such default.

c. on or before the execution and delivery of such new Lease, perform all other conditions required to be performed by Lessee, to the extent that Lessee shall have failed to perform such conditions.

24. Arbitration-- Any dispute between the parties arising under this lease or through the performance or non-performance of any term of this lease shall be first subject to resolution by arbitration, under the authority and procedures contained in Alaska Statutes 09.43. Appointment of an arbitrator shall be made by agreement between the parties. If no agreement can be reached, each party shall appoint an arbitrator, who shall by agreement between themselves appoint a third arbitrator. If any State Board of Land Appeals is later created which shall have jurisdiction over disputes which may arise under this lease, such Board shall assume jurisdiction and no requirement for arbitration shall thereafter be imposed during the pendency of such jurisdiction.

25. Integration and Modification-- This document including attachments which by reference are made a part hereof, contains the entire agreement of the parties hereto. All negotiations, statements, representations, warranties, and assurances, whether oral or written, which are in any way related to the subject matter of this lease, and the performance by either party hereto, are merged and integrated into the terms of this document.

This Lease may not be modified nor amended except by a writing signed by both parties hereto, and any purported amendment or modification is without effect until reduced to a writing signed by both parties hereto.

IN WITNESS WHEREOF the State of Alaska, Lessor, acting through the Director of the Division of Lands of the Department of Natural Resources, lawfully authorized thereunto, has caused these presents to be executed at Anchorage, Alaska, in duplicate, and the said Lessee has hereunto set his hand, agreeing to keep, observe and perform the rules and regulations promulgated under AS 38.05, as amended, the terms, conditions and provisions herein contained, on the Lessee's part to be kept, observed and performed.

_____
Director, Division of Lands

APPROVED:

_____
Trustee

_____ _____
COMMISSIONER, DEPARTMENT OF NATURAL RESOURCES
STATE OF ALASKA

_____
LESSEE(S)

UNITED STATES OF AMERICA)
ss
State of Alaska)

THIS IS TO CERTIFY that on the _____ day of _____, 19____, before me, the undersigned Notary Public, personally appeared _____ known to me and known by me to be the _____ of the Division of Lands of the Department of Natural Resources, and acknowledged to me that he executed the foregoing lease for an on behalf of said State, freely and voluntarily and for the use and purposes therein set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

_____
Notary Public in and for the State of Alaska
My commission expires _____

UNITED STATES OF AMERICA)
ss
State of Alaska)

THIS IS TO CERTIFY that on this _____ day of _____, 19____, before me, the undersigned, a Notary Public in and for Alaska duly commissioned and sworn, personally appeared _____ to me personally known to be one of the persons described in and who executed the within instrument and the said _____ acknowledged to me that he signed and executed the same freely and voluntarily for the uses and purposes therein mentioned.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year of this certificate first above written.

_____
Notary Public in and for the State of Alaska
My commission expires _____

APPROVED AS TO FORM:

_____
ATTORNEY GENERAL

By_____
Deputy Attorney General

Attachment No. 1 Commercial-Industrial Lease

ADL NO. _____

The following clauses are hereby included in and by reference made a part of the attached lease document.

1. Modified Rentals

(a) Beginning with the lease year and continuing at five-year intervals thereafter, the annual rental shall be modified so as to equal _____ percent of the fair market value of the premises at such appraisal dates, as determined by appraisal as hereinafter specified; provided, however that the premises shall be valued and appraised at the date of the rental modification, as unimproved land as defined herein. For purposes of rental modification, unimproved land shall mean the leased land in its original condition at the commencement date of the Lease, disregarding all building or structural improvements above or below grade, excavation or backfill, and disregarding all landscaping, paving, leases or encumbrances placed on the property by the Lessee. The foregoing notwithstanding, any improvements above or below grade placed on or made available to the property by the Lessor or at the expense of the

Lessor shall not be disregarded. The unimproved land, as above defined, shall be appraised at its highest and best use regardless of its actual use, but subject to existing use restrictions and zoning.

2. Special Assessments--In the event any general or special assessment is levied on the Premises for a part of the cost of any public work or improvement assessed according to benefit found by levying authority to accrue therefrom to the demised Premises, Lessor shall pay for the same.

3. Permitted Uses--The lands described herein are intended to permit uses common to industrial development areas. Such uses may include but are not limited to light manufacturing, processing, storage, wholesaling, and distribution operations as well as limited commercial uses.

4. Liability Insurance--Lessee will at its own expense obtain and maintain during the term of this Lease and any renewal term thereof comprehensive general liability insurance with respect to the leased Premises, naming Lessor as additional assured, from an insurance company authorized to do business in Alaska, with minimum

limits of not less than $200,000 for injury to one person and not less than $1,000,000 for injury to more than one person in any one accident or occurrence, and insurance in a sum not less than $200,000 against claims for property damage, or such higher limits as Lessor may from time to time determine, with due regard to then prevailing prudent business practice in the State of Alaska, as reasonably adequate for it's protection, and Lessee will from time to time upon receipt thereof deposit promptly with Lessor upon demand current certificates of such insurance.

Attachment No. 1 Residential Lease

ADL No. _____

The following clauses are hereby included in and by reference made a part of the attached lease document.

1. The annual rent in the sum of _____ payable by Lessee each year beginning with the lease year and modified at five-year intervals thereafter as provided for under paragraph 2(a) excepting waivers of rental as provided for in paragraph 2(b). This lease shall continue until the _____ day of _____, _____ a period of fifty-five years, and shall be payable in _____ installments.

2. (a) The annual rental shall be modified so as to equal _____ percent of the fair market value of the premises, at such appraisal dates as determined by appraisal in a manner as hereinafter specified; provided, however, that the premises shall be valued and appraised at the date of the rental modification as unimproved land as defined herein. For the purposes of rental modification, unimproved land shall mean the leased land in its original condition at the commencement date of the lease, disregarding all building or structural improvements above or below grade, excavating or backfill, and disregarding all landscaping, paving, leases

or encumbrances placed on the property by the Lessee. The foregoing notwithstanding, any improvements above or below grade placed on or made available to the property by the Lessor or at the expense of the Lessor shall not be disregarded. The unimproved land, as above defined, shall be appraised at its highest and best use regardless of its actual use, but subject to existing classification, zoning, and lease use restrictions.

(b) If a waiver of rent adjustments is necessary for obtaining long-term financing of residential development which has occurred or in actuality will occur on the leased premises, then upon approval of Lessee's application for waiver of rent adjustments, the annual rent for the thirty years next succeeding, or for the remainder of the lease term, whichever is less, shall from the date of approval of such waiver be determined by appraisal as hereinbefore provided, upon approval of such appraisal by the Lessor. Lessee shall pay all expenses of such appraisal. Approval or rejection of such appraisal shall be given by the Lessor within two weeks after its submission to the Lessor, which approval shall not be unreasonably withheld. Such appraisal, upon approval, shall be

used to determine the rental under the waiver of rent adjustments if the effective date of the appraisal is not earlier than one year prior to the date of application for the waiver. Upon termination of such waiver, rental shall be adjusted upon the anniversary date of the next ensuing five-year interval from the lease commencement date.

(c) If an appraisal as provided for in paragraph (a) has been performed, and is applicable to the portion for which the waiver is granted such appraisal may be used to determine the rental under said waiver as long as the effective date o the appraisal is not earlier than one year prior to the date of the application for waiver.

(d) Anything to the contrary notwithstanding, upon approval of sublease, the Lessor shall have the right to readjust the rental of all parcels subleased at that time. Such parcels so adjusted and subject to waiver shall be leased at the new rental for the duration of such waiver. Any portion of those lands legally described herein which are not subject to sublease shall be reduced

in rental in proportion to the amount of land subleased at that time. Upon such adjustment the annual rental shall be the cumulative amount of annual rental for each portion and shall be based on the methods and rate stated in paragraph (a) of this clause.

3. Special Assessments--In the event any general or special assessment is levied on the premises for a part of the cost of any public work or improvement assessed according to the benefit found by levying authority to accrue therefrom to the demised premises, Lessee shall pay for the same.

4. Permitted Uses--The lands described herein are intended for residential use.

Attachment No. 1 Utility Lease

ADL No. _____

The following clauses are hereby included in and by reference made a part of the attached lease document:

1. Modified Rentals--(a) Beginning with the lease year and continuing at five-year intervals thereafter, the annual rental shall be modified so as to equal _____ percent of the fair market value of the premises at such appraisal dates, as determined by appraisal as hereinafter specified; provided, however that the premises shall be valued and appraised at the date of the rental modification as unimproved land as defined herein. For purposes of rental modification, unimproved land shall mean the leased land in its original condition at the commencement date of the Lease, disregarding all building or structural improvements above or below grade, excavation or backfill, and disregarding all landscaping, paving, or encumbrances placed on the property by the Lessee. The foregoing notwithstanding, any improvements above or below grade placed on or made available to the property by the Lessor or at the expense of the Lessor shall not be disregarded. The unimproved land, as above defined, shall be appraised at its highest and best use regardless of its actual use, but subject to existing classification and zoning.

2. Special Assessments--In the event any general or special assessment is levied on the Premises for a part of the cost of any public work or improvement assessed according to benefit found by levying authority to accrue therefrom to the demised Premises, Lessee shall pay for the same.

3. Permitted Uses--The lands described herein are intended to permit any use which is consistent with zoning and building restrictions and statutes and governmental regulations now in effect or hereafter adopted by any governmental authority.

4. Liability Insurance--In the event of uses other than residential or agricultural, Lessor may require that Lessee will at his own expense obtain and maintain during the term of this Lease and any renewal term thereof comprehensive general liability insurance with respect to the leased Premises, naming Lessor as additional assured, from an insurance company authorized to do business in Alaska, with minimum limits of not less than $200,000 for injury to one person and not less than $1,000,000 for injury to more than one person in any one accident or occurrence, and insurance in a sum not less than $200,000 against claims for property damage, or such higher limits as Lessor may from time

to time determine, with due regard to then prevailing prudent business practice in the State of Alaska, as reasonably adequate for its protection, and Lessee will from time to time upon receipt thereof deposit promptly with Lessor upon demand current certificates of such insurance.

Attachment No. 1 Recreational Lease

ADL No. _____

The following clauses are hereby included in and by reference made a part of the attached lease document:

1. Modified Rentals--(a) Beginning with the lease year and continuing at five-year intervals thereafter, the annual rental shall be modified so as to equal _____ percent of the fair market value of the premises at such appraisal dates, as determined by appraisal as hereinafter specified; provided, however, that the premises shall be valued at the date of the rental modification as unimproved land as defined herein. For purposes of rental modification, unimproved land shall mean the leased land in its original condition at the commencement date of the Lease, disregarding all building or structural improvements above or below grade, excavation or backfill, and disregarding all landscaping, paving, leases or encumbrances placed on the property by the Lessee. The foregoing not withstanding, any improvements above or below grade placed on or made available to the property by the Lessor or at the expense of the lessor shall not be disregarded. The unimproved land, as defined above, shall be appraised at its highest and best use regardless of its actual use, but subject to existing use restrictions and zoning.

2. Special Assessments--In the event any general or special assessment is levied on the premises for a part of the cost of any public work or improvement assessed according to benefit found by levying authority to accrue therefrom to the demised premises, Lessee shall pay for the same.

3. Permitted Uses--Whereas the lands described herein are intended for recreational use they shall under the terms of this lease have a maximum use density of one recreational dwelling or structure and accessory building or structure which are reasonably necessary for the use and enjoyment of and are in keeping with the nature of the recreational lease.

Attachment No. 1 Agricultural Lease

ADL No. _____

The following clauses are hereby included in and by reference made a part of the attached lease document:

1. Modified Rentals--(a) Beginning with the lease year and continuing at five-year intervals thereafter, the annual rental shall be modified so as to equal _____ percent of the fair market value of the premises at such appraisal dates, as determined by appraisal as hereinafter specified; provided however that the premises shall be valued at the date of the rental modification as unimproved land as defined herein. For purposes of rental modification, unimproved land shall mean the leased land in its original condition at the commencement date of the Lease, disregarding all building or structural improvements above or below grade, excavation or backfill, and disregarding all landscaping, paving, leases or encumbrances placed on the property by the Lessee. The foregoing notwithstanding, any improvements above or below grade placed on or made available to the property by the Lessor or at the expense of the Lessor shall not be disregarded. The unimproved land, as above defined, shall be appraised at its highest and best use regardless of its actual use, but subject to existing use restrictions and zoning.

2. Special Assessments--In the event any general or special assessment is levied on the premises for a part of the cost of any public work or improvement assessed according to benefit found by levying authority to accrue therefrom to the demised premises, Lessee shall pay for the same.

3. Permitted Uses--Whereas the lands described herein are permitted agricultural uses, they shall, under the terms of this lease, shall be limited to the following rights of use:

(a) The right to develop one single family dwelling and accessory buildings or structures for the family's use.

(b) The right to develop and utilize the property for agricultural purposes that include grazing of livestock, cultivation of crops or forage, and storage of crops, feed, animals, and agricultural equipment and supplies.

(c) The right to construct fences, structures, and buildings reasonably required for agricultural production on the property.

(d) The right to harvest timber only as needed to clear fields, pastures, and roadways.

THE PRECEDING PAGES WERE TREATED AS
A UNIT IN THE ORIGINAL FILE.

Anch Times
2/15/77

Committee Opts For Ceiling On Increase Of Land Leases

A governor's committee on land disposal policies has decided to keep a ceiling on the amount leases on state-owned land can be increased after each five-year appraisal.

At a public hearing earlier this month, leaseholders objected to the 100 per cent increase in the ceiling, saying this would mean they could be paying millions of dollars in annual rent by the end of the 55 year leases, as well as experience great difficulty in getting financing for capital improvements on the land.

There is no ceiling limit on current lease last year some leaseholders experienced rent increases of as much as 1,000 per cent.

The committee has decided to leave the ceiling provision in its recommendations which have been presented to Gov. Jay Hammond and his administration, Ted Smith, director of the state division of land and water management, said today. Smith co-chaired the special land policy committee.

Smith said the group did decide, however, that current leaseholders would have the option of converting to new leases which would contain committee recommendations.

Those who choose not to convert their leases wouldn't be subject to the 100 per cent increase ceiling. New leaseholders wouldn't have this option.

An administration bill incorporating the 18 recommendations for changes in state policies concerning sale and lease of state lands should be introduced in the state legislature this week, Smith said.

He said he had hoped to get the recommended changes incorporated into a Senate Resources Committee substitute bill of a Senate bill also recommending changes in the lease law but the committee failed to do this. "Now it means we'll have to get a governor's bill introduced."

157 x 3 = 471,000

Big Lake

157 ac

$830/yr '70 $14 K appraisal

$8500/yr '75 $141 K appraisal

$35,000 investment

remote location

2½% mineral on commercial land

Real Estate Sec of AR

Ken Gavin 374-7636
Frank King
Patti Kee Boyd Anderson

5 ac, 3-4K
5 ac. 20-25K

60-71 water

6 [illegible]

Ron Bond
Ark appraisal

last 25 [illegible]

The Governor's meeting has been changed to every Tuesday at 4:15 & has been expanded to include House members so it will now be held in the Gov. conference room Briefing on Royalty oil and gas.

Cancelled!

SB
159
.S9Z

Real Estate Services Corporation

Appraisers, Counselors, Investment Analysts

KENNETH JAY GAIN, M.A.I., S.R.P.A., C.R.E.C.
PRESIDENT

FRANKLIN M. KING, JR., M.A.I.
EXECUTIVE VICE-PRESIDENT

GARRETT W. WALDNER, R.M., S.R.A.
SECRETARY-TREASURER

STATEWIDE SERVICE

507 W. NORTHERN LIGHTS BLVD.
ANCHORAGE, ALASKA 99503
(907) 274-7636

March 25, 1977

Senator Joe Orsini
Pouch V
Juneau, Alaska 99801

Dear Senator Orsini:

Enclosed herewith is a copy of our survey of Anchorage Realtors, which I discussed with you on the telephone yesterday.

If you have any questions concerning this survey, please feel free to call me.

Sincerely,

REAL ESTATE SERVICES CORPORATION

Kenneth Jay Gain
MAI, SRPA, CRSS, CREC

KJG/jfg

Real Estate Services Corporation

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ANCHORAGE, ALASKA 99503
(907) 274-7636

April 8, 1977

Senator Joseph Orsini
Alaska State Senate
Pouch V
Juneau, Alaska 99811

RE: Committee Substitute for Senate Bill #159

Dear Senator Orsini:

I have reviewed a copy of the above-referenced bill which you sent to me. Basically, I consider it an improvement over the present leasing policy. It would appear that it will be easier to finance improvements on leases due to the fact that rents will be fixed with 10-year periods and that there will be less likelihood for small businessmen and homeowners leasing State land to be forced to abandon or sell their leases because of the ravages of inflation. Likewise, during periods in which cumulative inflation is less than 70% during any 10-year period, the State will be able to adjust the rents to Fair Market Values at the end of each lease period.

However, because of the longer periods between rental adjustments and the fact that maximum rental adjustments are provided for, in periods in which there is rapid inflation or rapid increases in land value, a Lessee could accumulate a sizeable leasehold interest which could be sold at a substantial profit. Since I am certain that it is your desire to make State land readily available to the citizens of the State of Alaska, but not allow them to speculate at the expense of other taxpayers, I would suggest that the following change be made to the bill: "In the event that a leaseholder sells or assigns his lease to another party, a re-determination of the annual rental shall be made pursuant to Paragraph 4E and the purchaser or assignee shall be obligated to pay that rental until the next rental adjustment period." I feel this amendment will allow the Lessee to have the advantages and protection provided for in this bill without allowing him to receive a windfall profit at the expense of the State and its other taxpayers.

In sub-paragraph J, where the term MAI Appraiser is used, a more proper definition would be "an appraiser who is a member of the American Institute of Real Estate Appraisers holding the MAI designation". Since there are now a number of Alaskan appraisers who have the MAI designation, it might be advisable to require that, in addition to holding the MAI designation, the appraiser also be a resident of and doing business in the State of Alaska.

It is my opinion that resident appraisers will be able to do a better appraisal at less cost. If this provision is not included in the bill, in some cases, Lessees may bring in non-resident appraisers (I am assuming that the State will uphold it's philosophy of local hire) who, because of their lack of familiarity with Alaskan conditions, will require a greater time to complete an accurate appraisal. Since the State will be paying half of the cost of such appraisals, I see no justification for the taxpayers of Alaska to pay the cost of travel and lodging non-residents, plus the additional fee that will be required for a non-resident to familiarize himself with Alaskan conditions.

While I am sure that no bill can be written that will be 100% satisfactory to everyone, I feel that with the above-referenced changes, this bill will be a marked improvement over the present law. If I can provide you with any additional information, please feel free to call on me.

Sincerely,

REAL ESTATE SERVICES CORPORATION

Kenneth Jay Gain, MAI, SRPA, CRSS, CREC
President

KJG/kaj

SB 159 Leasing of State Land

A. Areas of agreement
1. Present leasing policy must be changed – but how much?
2. Some lessees will be financially injured, even with moderate changes – but it may be a result of bad decisions
3. Certain ~~~~ fundamental aspects of state leases (e.g. no "lease-purchase") make state leases less attractive than private leases – but how much?
4. Some sort of ceiling on ~~~~ rental increases must be imposed – but how much?

B. Two fundamental differences in philosophies of state leases
1. Leases should be made at the "market rate" ~~~~ thus maximizing long term income to the state. (or to the trust benficiary) (trustor)
2. Leases should be made at a nominal less-than-market rate, the main objective being to derive some income while still retaining ownership of the land and encouraging development

C. Two different types of land being leased
1. Land in trust for mental health, schools & U of A
2. Unrestricted state-owned land

3. Approximately 80% of the state leases are for trust land

D 159 (Finance) expresses both philosophies
1. Low ceiling and appraisal restrictions
2. "Market rate" definition for annual rental rate

E. Problems with the bill
1. no acknowledgement of two different types of land to be leased
2. ~~Ineffective~~ Administrative problems will result from certain aspects e.g. only 11 MAI appraisers in the state
3. See 38.05.105 (6)(2) page 4 - to what are attributable the "general" increase in land valuation - public actions or private actions?

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1976 SURVEY OF THE ANCHORAGE REAL ESTATE MARKET AND ANCHORAGE REAL ESTATE BUSINESS

The following survey is the fourth annual survey of the Anchorage real estate market and Anchorage real estate businesses by Real Estate Services Corporation. The survey is conducted by distributing questionnaires to Anchorage Realtors. The first survey was conducted in September of 1973, and this survey was conducted during September of 1976. This year's survey is based upon the compilation of replies from 91 participating Realtors. While this number only constitutes approximately 10% of all the active Realtors in the Anchorage market, it is felt to be a large enough sample for statistical purposes.

The theory and reasoning behind the survey is that it is difficult, time consuming, and very expensive to obtain all information contained in this survey if it were to be determined by factual analysis. However, it is our opinion that the cumulative opinions of a large number of informed Realtors, when analyzed on a statistical basis, can be a reliable indicator. Nevertheless, caution must be excercised in utilizing the results of this survey because they are based merely on averaged opinion and not necessarily provable facts.

Classification of Present Real Estate Market: In response to the question, "How would you generally classify the real estate market at present?"

65.5% indicated that it was a Buyer's Market.

28.9% indicated that it was a Balanced Market.

5.6% indicated that it was a Seller's Market.

It is obvious that as of September it was the feeling of the majority of Realtors that buyers had the upper hand in the market place with only a small minority feeling that sellers had the advantage. This is a complete reversal of last years survey in which only 13.6% indicated it was a buyer's market and 55.5% indicated it was a sellers market.

Anticipation of Next Year's Interest Rates. In response to the question, "How do you expect interest rates to be in the next year?"

38.0% expect interest rates to be higher.

17.2% expect interest rates to be lower.

44.8% expect no change in interest rates.

It is interesting to note that this year only 38.0% expect interest rates to be higher, whereas last year 62.5% expected interest rates to be higher. Last year 31.9% expected no change in interest rates, whereas this year 44.8% expect no change.

The Real Estate Business During the Past Year: In response to the question, "How has your business done in the period September 1975 through August 1976 as compared with the period September 1974 through August 1975?"

62.8% indicated that their business had been better.

24.3% indicated that their business had been about the same.

12.9% indicated that their business had been poorer.

This is the first year in which our survey has indicated any decrease in the real estate business. In past years, the response indicating that business had been better had always been in the high 70% range, but this year only 62.8% indicated that their business had been better. There was an increase this year from 16.7% to 24.3% for those who said their business had been about the same, and an increase from 5.5% to 12.9% who indicated that their business had been poorer.

Expectations for Real Estate Business next Year: In response to the question, "How do you expect your business to do next year as compared to the past year?"

67.8% expect their business to be better.

27.8% expect their business to be about the same.

4.4% expect their business to be poorer.

It is interesting to note that the response to this question parallels the question on how real estate business has been during the past year. Last year almost 80% of the respondents felt business would be better. This year, only 67.8% feel that their business will be better. There has also been an increase from 20.3% last year, to 27.8% this year of those who feel their business will be about the same next year and an increase from 0% last year to 4.4% this year, of those who expect business to be poorer.

CAPITAL MOVE QUESTIONS

Because the capital move issue was a major election issue this year, we asked several questions pertaining to the capital move.

Will the capital move justify the cost: In response to the question, "Do you feel that moving the capital will provide sufficient benefits to justify its costs?"

85.2% indicated yes

14.8% indicated no

It, therefore, appears there is extremely strong support for the capital relocation amongst Anchorage Realtors.

Capital Location Preference: In response to the question, "This November voters will have the opportunity to select one of the first three capital locations listed below. If the choices were expanded to the five listed below, which would you prefer?"

55.1% indicated a preference for the Willow Site.

5.6% indicated a preference for the Mt. Yenlo Site.

2.2% indicated a preference for the Larson Lake Site.

31.5% indicated a preference for Anchorage.

5.6% indicated a preference for Juneau.

Impact of Capital Relocation on Real Estate Investments: In response to the question, "If the capital is moved to a location in the Matanuska-Susitna Borough, which area do you feel will offer the best return on investments in real estate?"

50.6% indicated they felt the Matanuska-Susitna Borough would offer the best return.

49.4% indicated they felt the Municipality of Anchorage would offer the best return.

Confidence Rating of Agencies, Organizations, and Professions: In an effort to determine the confidence that local Realtors have in various agencies, organizations, and professions, we asked them to indicate their opinion of a number of these agencies, organizations, and professions by indicating a rating of 5 for very good, a rating of 4 for good, a rating of 3 for fair, a rating of 2 for poor, and a rating of 1 for very poor. This is a listing of the agencies in order of their confidence ratings for this year. The numerical rating figure and last years rank and numerical rating follow.

Order of Rank	Agency, Organization, or Profession	Numerical Rating	Last Year's Rating Order Of Rank	Last Year's Rating Numerical Rating
1	Alaska Housing Finance Corp.	4.06	2	3.61
2	Title Companies	3.61	1	3.89
3	Local Fee Appraisers	3.35	3	3.54
4	State Division of Veterans	3.15	7	2.93
5	Local Banks	3.08	5	3.10
6	Federal Veterans Admin.	2.92	8	2.89
7	Local Attorneys	2.90	6	3.03
8	Municipality of Anchorage	2.61	*	*
9	State of Alaska	2.60	9	2.77
10	Federal Housing Administration	2.45	11	2.29

* Last year the Municipality did not exist. In last year's study the City of Anchorage rated #4 with a rating of 3.35 and the Greater Anchorage Area Borough rated #10 with a rating of 2.29. Thus, the Municipality is rated poorer than the old City of Anchorage, but better than the old Borough.

Analysis of Local Rental Market: In an effort to determine what the supply and demand situation is in the local rental market for various types of space, we asked the question, "What is your opinion of the rental market for the following types of space?" The following are the replies for this year and replies to the identical question last year, indicated as a percentage of the total response.

Type of Space	Oversupply of Vacant Space 1975	1976	Supply and Demand in Balance 1975	1976	Shortage of Available Space 1975	1977
Office	65.2%	71.6%	30.3%	27.2%	4.5%	1.2%
Retail	14.5%	14.1%	62.9%	64.1%	22.6%	21.8%
Apartments	-0-	19.3%	12.9%	61.4%	87.1%	19.3%
Warehouses	21.9%	27.4%	50.0%	41.1%	28.1%	31.5%

As can be seen this year's replies closely parallel those of last year except for the apartment rental market in which there has been a marked change. Last year no one felt there was an oversupply, but this year 19.3% felt that there was an oversupply of vacant space. Last year 87.1% felt there was a shortage of available space and only 19.3% felt that way this year. Overall, the majority of 61.4% felt that the apartment market is now in balance rather than a shortage as was evident last year. This year, as in the past year, an overwhelming majority of 71.6% felt that there is an oversupply of vacant office space. An analysis indicates that there is essentially a balanced market for retail and warehouse space which closely parallels the results of last year's survey.

Investment Preferences: In an effort to determine the preferences of local Realtors for investments, we asked them to list, in order of their preference, their choices for the best investment potential over the next five years. They were to indicate their choice by number, i.e., (1) is first choice, etc. In order of preference with the numerical rating following are the various types of property. Also, included are last year's results to the identical question.

Order	Type of Property	Numerical Rating	1975 Order	1975 Rating
1	Vacant Land - Zoned Commercial	3.11	2	3.48
2	Vacant Land - Zoned Apartment	3.74	1	3.15
3	Commercial Buildings	3.95	7*	4.71
4	Vacant Land - Zoned Residential	4.17	3	3.71
5	Vacant Land - Zoned Industrial	4.38	5	4.61
6	Apartment Buildings	4.44	4	3.79
7	Industrial Buildings	4.70	8	5.71
8	Single Family Houses	4.99	6*	4.71

In analyzing the responses, it is interesting to note the relationship between the investment preferences and the opinions concerning the supply and demand balance in the rental market. For example, last year most Realtors felt there was a shortage of available apartments for rent and this year felt that the market was balanced. Accordingly, apartment buildings dropped

* Indicates a tie in preference

in preference from #3 last year to #6 this year. Also, vacant land zoned for apartments dropped from #1 in preference last year to #2 this year. The interesting change in this year's survey is the almost meteoric rise in preference for commercial buildings. Last year commercial buildings rated #7, but this year have moved up to #3 and commercial zoned land moved from second place to first place. However, most Realtors still feel that there is an oversupply of vacant office space and a balance in the market for retail space, which are the two types of spaces comprising commercial buildings. Assuming that there is a relationship between vacant rental space and the value of such rental property, it would appear that most Realtors must feel that the vacancy in office space has peaked and will begin declining in the near future.

Where Do Realtors Earn Their Income: This year we included a new question to find out from which activities Realtors earn the majority of their income. In response to the question, "From which of the following activities do you derive 50% or more of your earned income (Do not count rents, interest, and other investment income)?"

51.8% indicated the majority of their income came from commissions from the sale of houses.

12.6% indicated the majority of the income came from commisions from sale of vacant land.

16.1% indicated the majority of their income came from commissions from sale of improved commercial and investment property.

3.4% indicated the majority of their income came from fees from real estate services such as appraising, property management and counseling.

9.2% indicated the majority of their income came from salaries, fees or business profit from administration of a real estate business in a position such as broker or sales manager.

6.9% indicated the majority of their income came from non-real estate income from another job.

Growth in Value of Real Estate: In the next series of questions we asked local Realtors by what percentage they felt the values of various types of real estate had increased in the past year. (September 1975 through August 1976) We have combined these results in a chart with the results of the surveys for the past three years. Therefore, this chart shows the increase from September of 1972 through August of 1976. We also asked participants to make projections of their estimate of what the increases will be from September of 1976 through August of 1977 and these results are also included in the chart, but not in the following graphs. (Results for industrial buildings and industrial zoned land are not shown for 1973 because they were first included in the 1974 survey).

As stated earlier in this report, there is no method of accurately predicting future values, but it is our opinion that the cumulative opinion of a large number of Realtors, when analyzed on a statistical basis, is as reliable guide as any. Nevertheless, caution must be exercised in utilizing these figures because they are based merely on average opinion and not provable facts. It should also be remembered that the percentages shown are merely the arithmetic mean, and in several cases the standard deviation can be fairly large. Utilizing a plus and minus of one standard deviation, the most probable indicated range of value increases is shown on the following chart. The average increase (arthimetic mean) in both dollars and percentage is graphically shown on the following graphs, utilizing as a base of comparison an assumed typically priced property in September of 1972.

GROWTH IN VALUE OF ANCHORAGE REAL ESTATE

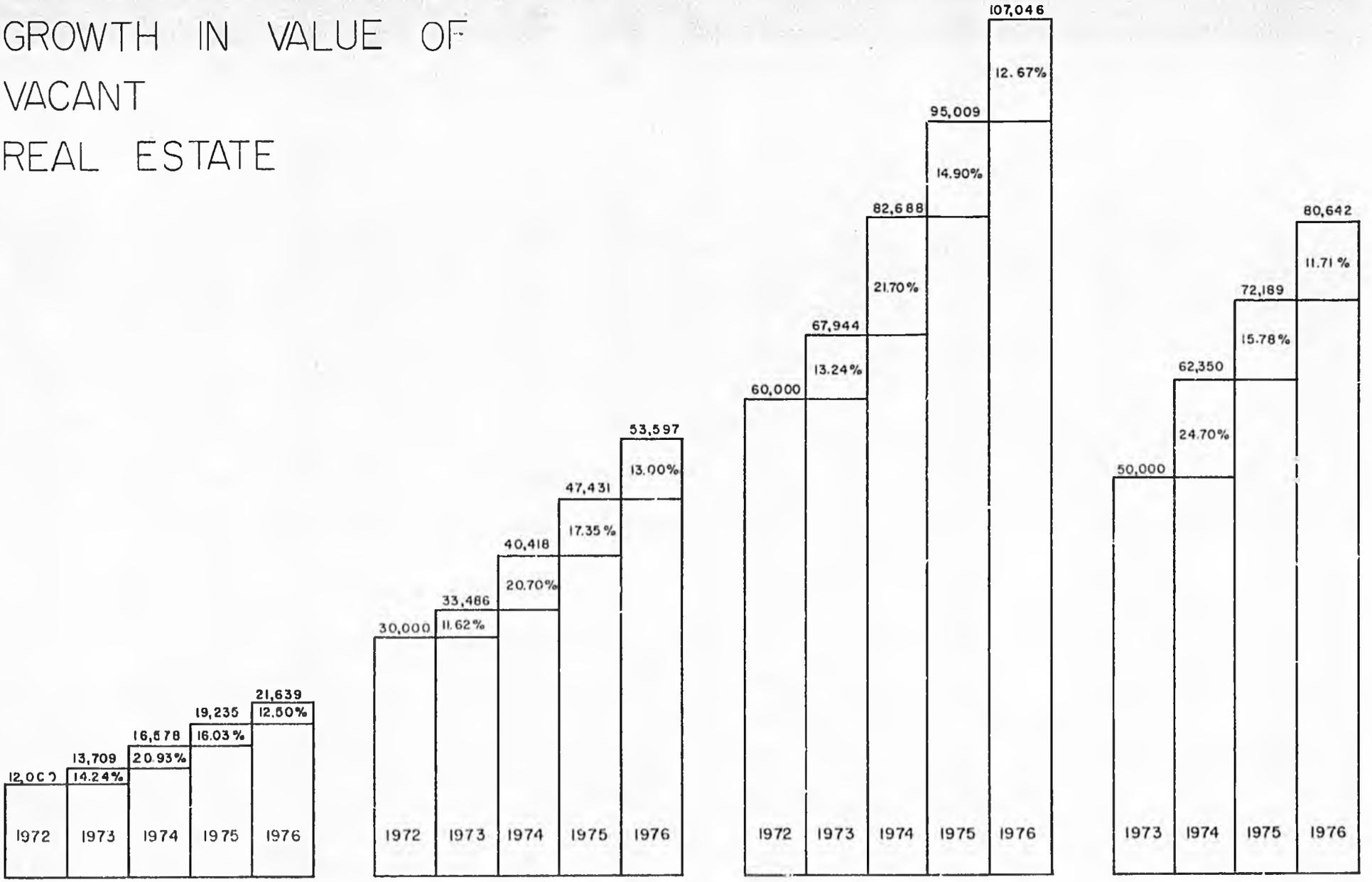
Based on a Survey of Anchorage Realtors

	1973	1974	1975	1976	Projected for 1977
Single Family Residences (arithmetic mean)	5.24%-10.84% 8.04%	11.00%-23.00% 17.00%	10.39%-20.41% 15.40%	5.50%-13.40% 9.45%	3.10%-10.44% 6.77%
Apartment Buildings (arithmetic mean)	0.76%-8.80% 4.79%	6.40%-20.20% 13.30%	10.84%-24.64% 17.74%	5.18%-16.58% 10.88%	3.66%-11.58% 7.62%
Commercial Buildings (arithmetic mean)	2.20%-10.24% 6.22%	9.00%-21.80% 15.40%	7.89%-17.25% 12.57%	2.23%-15.63% 8.93%	4.34%-13.22% 8.78%
Industrial Buildings (arithmetic mean)	Not Surveyed	7.60%-28.80% 18.20%	6.52%-16.48% 11.50%	6.45%-17.85% 12.15%	4.08%-12.60% 8.34%
Residential Zoned Land (arithmetic mean)	7.55%-20.93% 14.24%	11.04%-30.82% 20.93%	9.16%-22.90% 16.03%	5.90%-19.10% 12.50%	3.87%-12.85% 8.36%
Apartment Zoned Land (arithmetic mean)	4.08%-19.16% 11.62%	9.40%-32.00% 20.70%	9.85%-24.85% 17.35%	6.80%-19.20% 13.00%	4.82%-15.76% 10.29%
Commercial Zoned Land (arithmetic mean)	6.69%-19.79% 13.24%	9.80%-33.60% 21.70%	9.24%-20.56% 14.90%	4.28%-21.06% 12.67%	4.80%-15.20% 10.00
Industrial Zoned Land (arithmetic mean)	Not Surveyed	7.00%-42.40% 24.70%	6.31%-25.25% 15.78%	2.57%-20.85% 11.71%	2.66%-14.64% 8.65%

Based on a survey by

REAL ESTATE SERVICES CORPORATION

GROWTH IN VALUE OF VACANT REAL ESTATE



LAND ZONED FOR SINGLE FAMILY USE ASSUMING $12,000 VALUE IN SEPTEMBER 1972

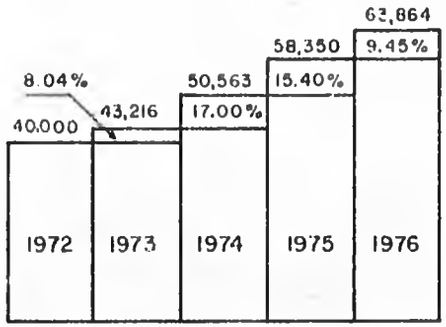
LAND ZONED FOR MULT-FAMILY USE - $30,000

LAND ZONED FOR COMMERCIAL USE - $60,000

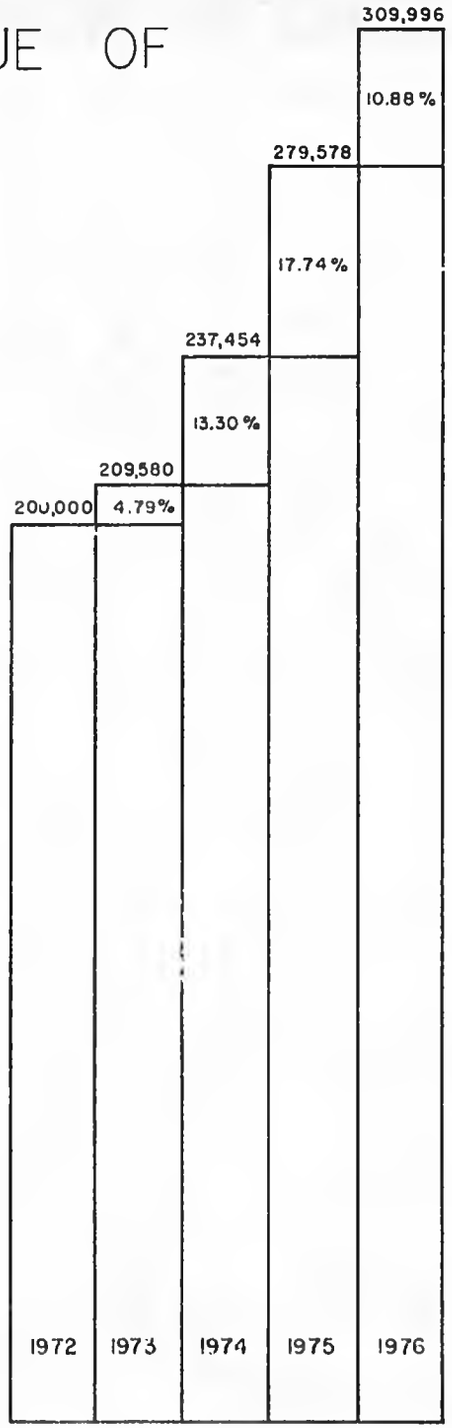
LAND ZONED FOR INDUSTRIAL USE - $50,000 - 1973

BASED ON A SURVEY TAKEN BY REAL ESTATE SERVICES CORPORATION

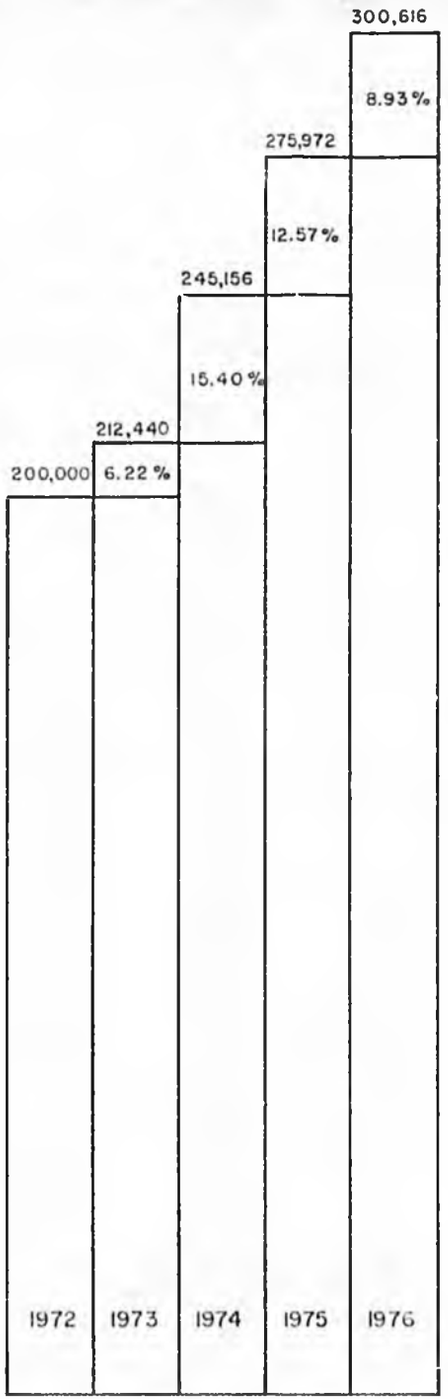
GROWTH IN VALUE OF IMPROVED REAL ESTATE



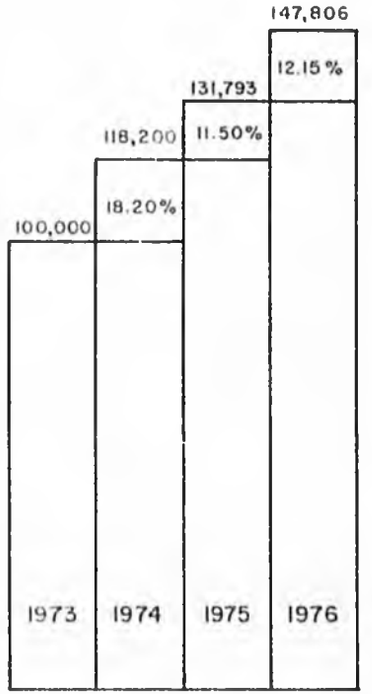
SINGLE FAMILY RESIDENCE ASSUMING $40,000 VALUE IN SEPTEMBER 1972



MULTI-FAMILY RESIDENCE — $200,000



COMMERCIAL & OFFICE BUILDINGS — $ 200,000



INDUSTRIAL BUILDINGS - $ 100,000 - 1973

GROWTH IN VALUE IN TERMS OF "INFLATION FREE OR CONSTANT DOLLARS"

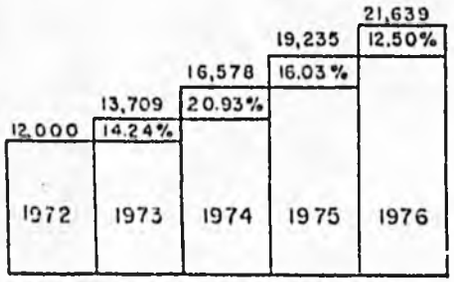
The percentage rates of growth for various types of real estate as shown on the preceding chart and graphs are expressed in straight percentages without adjustment for decreasing value of the dollar. This is the same method used to indicate the percentage return for competing investments. However, since it is common practice for real estate appraisers and real estate investment analysts to make future projections in terms of constant dollars, without regard to inflation, we have included the following table.

The following table shows the cumulative percentage increase for the various types of properties during the period September 1972 through August 1976, and also shows the average rate of increase based on annual compounding. Next is reflected the cumulative increase in the cost of living index from October 1972 through September 1976 (the nearest dates surveyed) as developed by the Bureau of Statistics of the US Department of Labor, which is considered the authoritative source on increases in cost of living and therefore the rate of inflation. In the column following the cumulative increase in the cost of living is shown the average annual increase in value expressed in terms of constant dollars and assuming annual compounding.

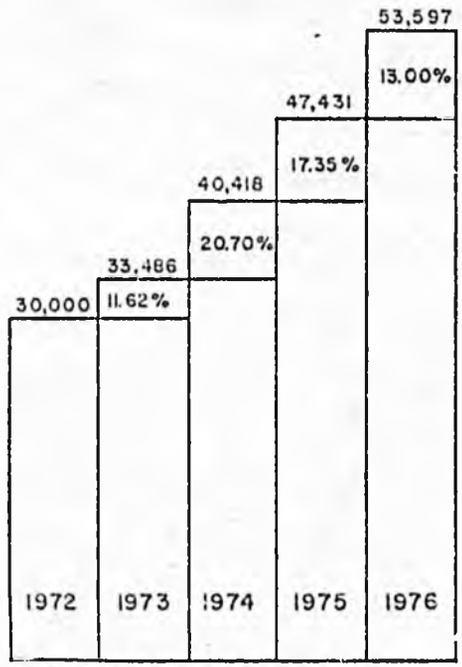
However, since such a table, utilizing constant dollars as a method of comparison, would tend to make it appear that the rate of return is less on a real estate than on other investments, which seldom make constant dollar comparisons, we have included typical yields on competing investments, analyzed in the same manner for the same period of time. The rate utilized for bond yields is based on the average September 1972 figures indicated in the American Institute of Real Estate Appraisers publication, "The Appraiser". The rates for certificates of deposits and savings accounts are the highest rates generally available to average investors during the past four years. All investments assume annual compounding except for the savings accounts and certificates of deposits which assume quarterly compounding. The common stocks are based on indicated average prices during the same period. The comparisons are all made without consideration of income tax consequences, and do not make allowances for dividends on common stocks, nor profit from rentals or mortgage amortization, paid for by tenants, in income producing real estate. Likewise, comparisons do not account for leveraging through mortgages, which in most cases will drastically increase the equity return in real estate investments. The comparison assumes 100% cash purchases for all investments.

Type of Investment	Cumulative Return	Cumulative Return	Cumulative Inflation	Average Constant Dollar Return
Single Family Residences	59.66%	12.41%	43.37%	3.85%
Apartment Buildings	55.00%	11.58%	43.37%	2.79%
Commercial Buildings	50.31%	10.73%	43.37%	1.69%
Industrial Buildings	47.81%	13.91%	35.38%	3.98%
Residential Zoned Land	80.33%	15.88%	43.37%	8.18%
Apartment Zoned Land	78.66%	15.61%	43.37%	7.85%
Commercial Zoned Land	78.41%	15.57%	43.37%	7.80%
Industrial Zoned Land	61.28%	17.27%	35.38%	7.98%
Savings Accounts (5.25%)	23.20%	5.35%	43.37%	-5.48%
Certificates of Deposit (7.50%)	34.61%	7.71%	43.37%	-2.27%
US 5-Yr. Bonds (6.01%)	26.30%	6.01%	43.37%	-4.57%
A rated-Municipal Bonds (5.49%)	23.84%	5.49%	43.37%	-5.29%
Baa rated-Corporate Bonds (8.19%)	37.01%	8.19%	43.37%	-1.63%
Dow Jones Industrial Average-Stock	5.29%	1.32%	43.37%	-11.29%
Standard & Poors - 500 Stock Average	-2.75%	-0.69%	43.37%	-14.32%
New York Stock Exchange Average	-5.00%	-1.27%	43.37%	-15.23%

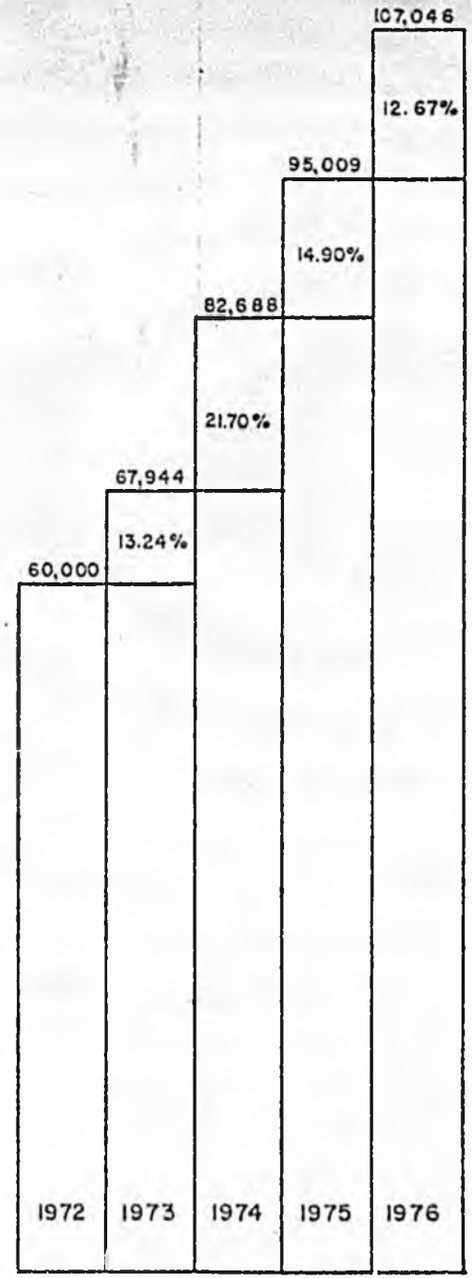
GROWTH IN VALUE OF VACANT REAL ESTATE



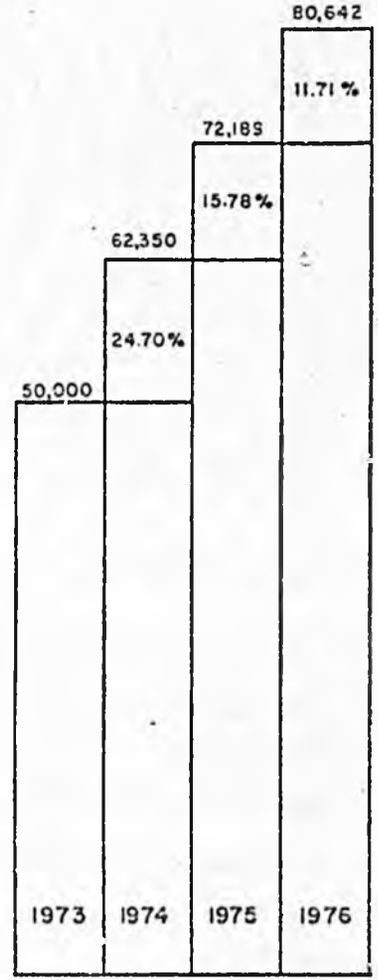
LAND ZONED FOR SINGLE FAMILY USE
ASSUMING $12,000 VALUE IN SEPTEMBER 1972



LAND ZONED FOR MULT-FAMILY USE-
$30,000



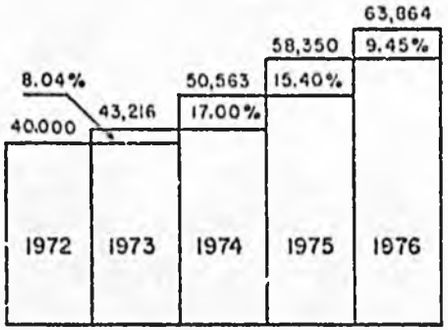
LAND ZONED FOR COMMERCIAL USE-
$60,000



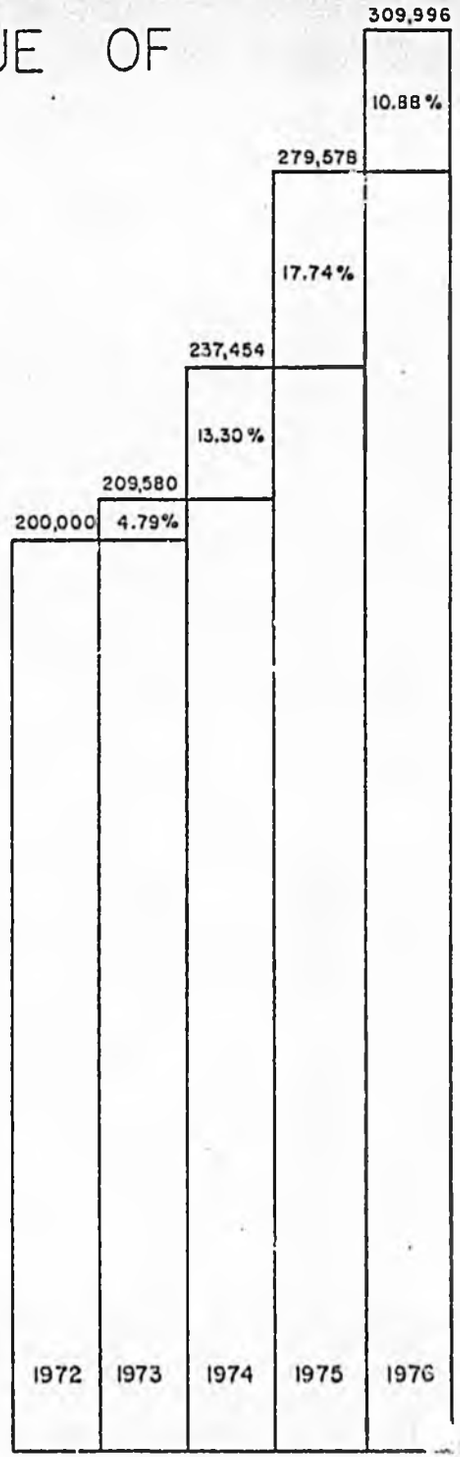
LAND ZONED FOR INDUSTRIAL USE-
$50,000 - 1973

BASED ON A SURVEY TAKEN BY REAL ESTATE SERVICES CORPORATION

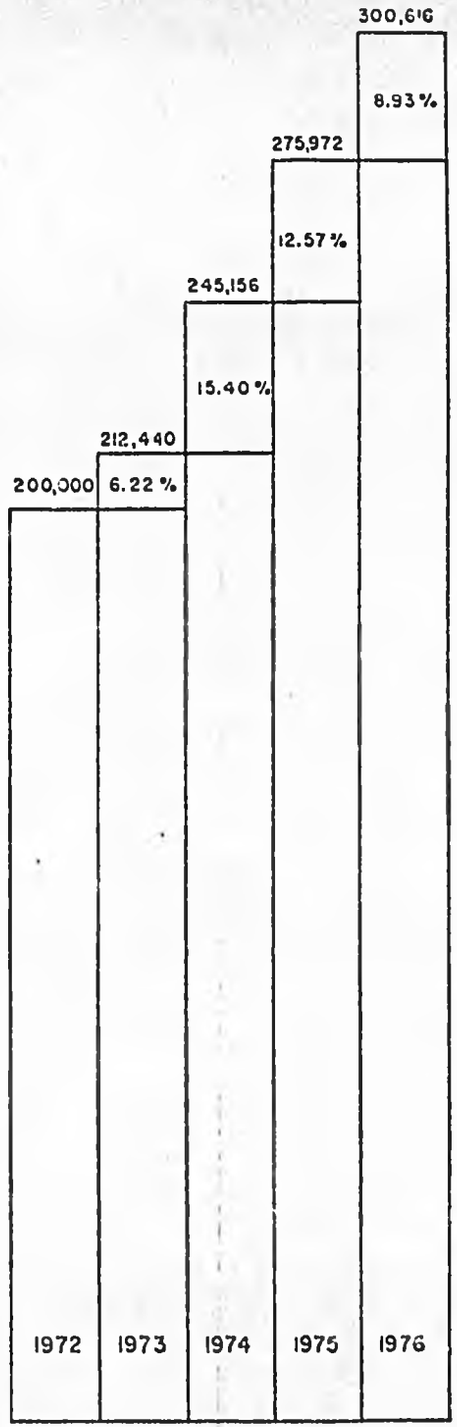
GROWTH IN VALUE OF IMPROVED REAL ESTATE



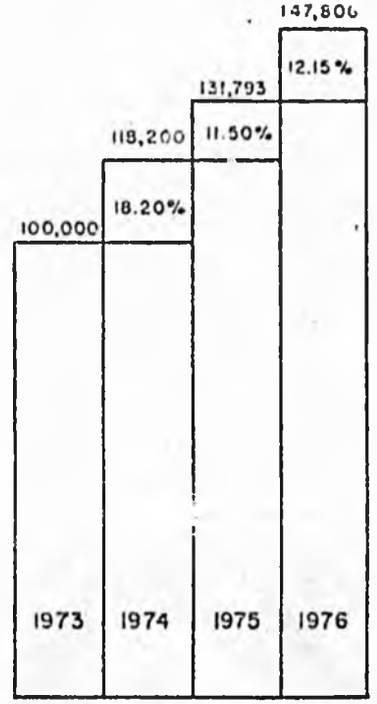
SINGLE FAMILY RESIDENCE ASSUMING $40,000 VALUE IN SEPTEMBER 1972



MULTI-FAMILY RESIDENCE — $200,000



COMMERCIAL & OFFICE BUILDINGS — $200,000



INDUSTRIAL BUILDINGS - $100,000 - 1973

Alaska State Legislature

SENATOR
JOE ORSINI
2912 ALDER DRIVE
ANCHORAGE, ALASKA 99504

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA
99811

Senate

April 20, 1977

Representative Hugh Malone
Pouch V
Juneau, Alaska 99811

Dear Hugh:

Enclosed are some calculations for hypothetical examples of leasing state land. They are based on 10 year reappraisal periods, 10% maximum rental rate, and 170% maximum allowable rental increase from one period to the next. Case #1 is probably the most "typical" case, where 6% rental rate is used (the rate charged for the last 10 years) and an increase in property valuation of 100% in 10 years (the "historic" pre-pipeline rate).

This concept is the one I presented to the Senate Finance Committee, and I think is a compromise between the proposal in CSSB 159 (which a prominent banker said was a "ripoff" from the state) and the current situation (which a prominent legislator said was a "ripoff" by the state).

If I can be of any help, let me know.

Sincerely,

Joe

JOE ORSINI
Senator

JO:gd

Case # 1

Rental rate = 6% ; assessed value increases 100% every ten years; $10,000 initial value

$10,000
× .06
$600/yr
annual rental
years 1 - 10

$20,000
× .06
$1200/yr
annual rental
years 11 - 20

$600
× 10
$6000

$1200
× 10
$12,000

$$\frac{6000 + 12{,}000}{10{,}000} = \underline{\underline{1.8}}$$

total payments in 20 years equal 1.8 times initial appraised value.

Case # 2

Rental rate = 6% ; $10,000 initial value ;
assessed value increases 340% every 10 years

$10,000
× .06
$600/yr

annual rental
years: 1 – 10

$44,000
× .06
$2640/yr

but
maximum allowable
= 170% increase

$600
× 10
$6000

$27,000
× .06
$1620

$1620
× 10
$16,200

$$\frac{6000 + 16{,}200}{10{,}000} = 2.22$$

total payment in 20 years is
2.22 times initial appraised value

Case # 3

Rental rate = 10%; $10,000 initial value;
assessed value increases 100% every 10 years

$10,000
× .10
$1000/yr
annual rental
years 1-10

20,000
× .10
$2000/yr
annual rental
years 11-20

$1000
× 10
$10,000

$2000
× 10
$20,000

$$\frac{10,000 + 20,000}{10,000} = 3.0$$

total payment in 20 years is
3.0 times initial appraised
value

Case # 4

Rental rate = 10% ; $10,000 initial value ;
assessed value increases 340% every 10 years

$ 10,000
.10
$ 1000 /yr
annual rental
years 1 - 10

$ 1000
x 10
$ 10,000

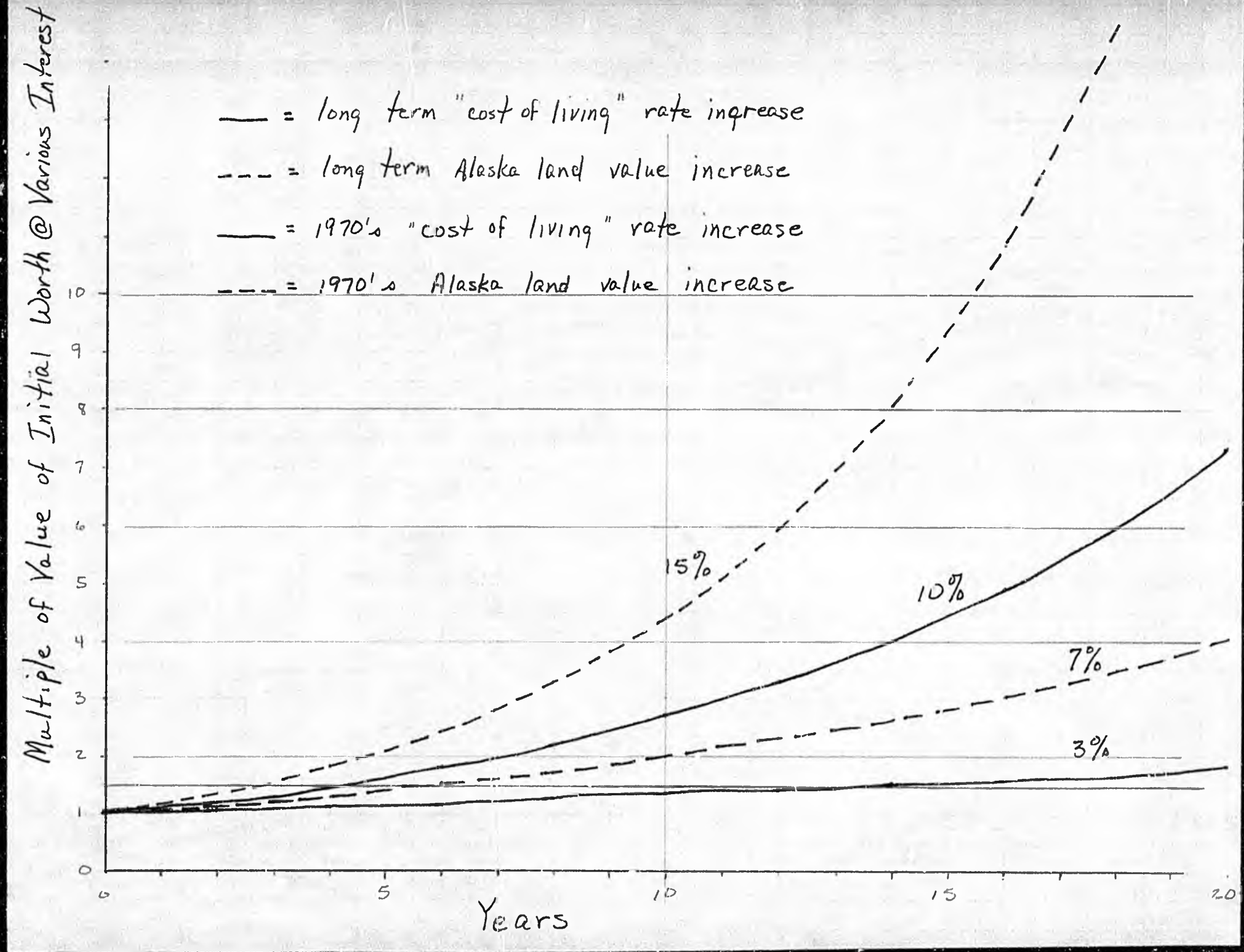
44,000
x .10
$ 4400 /yr
but
maximum allowable
increase in 170%

$ 27,000
.10
$ 2700

$ 2700
x 10
$ 27,000

$\frac{10,000 + 27,000}{10,000} = 3.7$

total payment is 3.7 times
the initial appraised value


Multiple of Value of Initial Worth @ Various Interest
— = long term "cost of living" rate increase
--- = long term Alaska land value increase
— = 1970's "cost of living" rate increase
--- = 1970's Alaska land value increase
15%
10%
7%
3%
0
1
2
3
4
5
6
7
8
9
10
0
5
10
15
20
Years

HCS CS SB 159 was not adopted

p. 5, l. 1	Amendment No. 1 - Adopted	UNANIMOUS
p. 2, l. 10	Amendment No. 2 - Adopted	29yes - 11 No
	Amendment No. 3 - Failed	18 yes - 22 No
	Amendment No. 4 - Adopted (superseded by No. 6)	UNANIMOUS
	Amendment No. 5 - Failed	UNANIMOUSLY withdrawn
	Revised Amendment No. 5 - Failed	13yes - 27 No
	Amendment No. 6 - Failed	UNANIMOUSLY withdrawn
Title	Revised Amendment No. 6 - Adopted	UNANIMOUS

Original sponsors: Poland, Croft, and Huber

Offered: 4/6/77
Referred: Rules

IN THE SENATE BY THE FINANCE COMMITTEE

CS FOR SENATE BILL NO. 159 (Finance) am

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating ~~to the leasing of~~ to state lands ~~other than for the extraction of natural resources,~~ and providing for an effective date." (amendment No. 6)

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

* Section 1. AS 38.05.085 is repealed and re-enacted to read:

Sec. 38.05.085. TERM OF LEASE. (a) The lease shall provide that

(1) for the initial 25-year period of the lease, the lessee shall pay the state a fixed base annual rent to be agreed upon by the parties in compliance with the provisions of this chapter; however, this annual rent may not exceed 10 per cent of the fair market value of the property as determined in (b) of this section;

(2) the fixed base annual rent to be paid by the lessee shall be readjusted when the initial 25-year period of the lease has expired and, thereafter, every 10 years; and

(3) the readjusted annual rent may not exceed 10 per cent of the value of the property as determined in (b) of this section or 50 per cent more than the amount paid each year during the initial period or the preceding 10-year period, whichever is lower.

(b) When it becomes necessary to determine the fair market value of property as required by (a) of this section, the lessee shall appoint an M.A.I. appraiser and the state shall appoint an M.A.I. appraiser. The two appraisers so appointed shall, within a specified period of time agreed upon by the parties, make their appraisals of the property in question. If the two appraisers agree upon the fair market value, the

determination is absolutely binding on the parties. In the event the two appraisers are unable to agree, they shall together appoint a third M.A.I. appraiser who shall then make his appraisal of the property in question. When the third appraisal is completed, the two of the three appraisals which are nearest each other in their determination of the fair market value shall be averaged and the resultant sum shall be the fair market value of the matter in question and absolutely binding on the parties. All costs incurred in making the appraisals provided for in this subsection shall be borne by the state and the lessee equally.

Amendment No. 2

(c) The lessee shall make advance payments of the annual rent or portion of it as the director, with the approval of the commissioner, may require.

(d) A preference right lessee of grazing or forest land may follow the payment schedule established in his cancelled federal lease or grazing permit if he so desires.

(e) Notice of all actions by the department affecting the rights of a lease or lessee shall be given to the lessee.

(f) A violation of a provision of this chapter or of a term or provision of a lease subjects the lessee to appropriate legal action, including, but not limited to, a forfeiture of the lease.

(g) In this section,

(1) "annual rent" means the amount of rent paid annually determined by multiplying the fair market value by the rental rate computed at the time of the initial 25-year period of the lease or of each subsequent 10-year period of the lease;

(2) "rental rate" means the rate, expressed as a percentage of fair market value, which a comparable class of privately owned property would bring in the open market with the same conditions of lease as offered by the state.

* Sec. 2. AS 38.05 is amended by adding a new section to read:

Sec. 38.05.103. RIGHTS OF HOLDER OF SECURITY INTEREST. (a) If there is a breach or default of a term of a lease or of the provisions of this chapter relating to a lease, the division shall provide written notice of the breach or default by personal service or by registered or certified mail to the lessee and to any holder of record having a security interest in the leased property. The notice shall also make demand upon the lessee to cure or remedy the breach or default within 60 days from the date of receipt of the notice and demand. If a lessee fails to cure or remedy the breach or default within 60 days, or within the additional time which the division may allow for good cause, the state may, subject to (b) of this section, exercise any right which it may have at law or as set out in the lease.

(b) If a lessee fails to cure or remedy a breach or default within the time allowed in (a) of this section, a holder of a security interest who has received notice under (a) of this section may cure or remedy the breach or default if the breach or default can be cured by the payment of money or, if this cannot be done, by performing or undertaking in writing to perform the terms, convenants, restrictions and conditions of the lease capable of performance by the holder. The holder shall act within 60 days from the date of receipt of notice under (a) of this section, or within an additional period as the director may allow for good cause.

* Sec. 3. AS 38.05.105 is repealed and re-enacted to read:

Sec. 38.05.105. PERIODIC RENT ADJUSTMENTS. (a) Each lease shall stipulate that at the conclusion of the initial 25-year period of the lease and at intervals of 10 years thereafter the annual rent payment is subject to adjustment. Charges or adjustments shall be based primarily on an adjusted fair market value. However, if the director of

the division of lands determines that single-family residential development is the best use of the land, the reappraisal period may be lengthened or the readjustment waived in accordance with regulations adopted by the department. Before a waiver of rent adjustment is issued, the land shall have a current reappraisal. A waiver is valid only if single-family residential development actually occurs. The regulations adopted under this section shall ensure that the state receives a fair return from the land.

(b) The provisions of sec. 85(b) of this chapter are applicable to reappraisals of leases required by this section, except that, in determining an adjusted market value

(1) changes in property value due to governmental actions, including zoning reclassifications, shall be included; and

(2) changes in property value due to private improvements made to the property since originally entering into the lease shall be excluded.

* Sec. 4. The provisions of this Act are applicable to state leases which are in existence on or before the effective date of this Act if a lessee under a lease elects, in writing, to be bound by this Act. When a lessee elects to be bound by the provisions of this Act, the state shall enter into a new lease with the lessee for a term equal to the remaining period of the original lease which is being terminated that is consistent with the provisions of this Act. However, for purposes of determining the annual rent by the state, the fair market value of the property which is used to establish the fixed base annual rent for the initial period of the lease may not exceed the fair market value as it was last appraised on or before January 1, 1975, brought forward to January 1, 1976, at the rate of 10 per cent per year, or, if the lease was entered into after January 1, 1975, on the basis of the fair market value at the time the lease was entered into.

Amendment No. 1

* Sec. 5. The provisions of sec. 4 of this Act expire on January 1, 1979.

* Sec. 6. This Act takes effect immediately in accordance with AS 01.10.-070(c).

Amendment #1

Original sponsors: Freeman, Haugen, Gardiner, et al

Offered: 3/25/77
Referred: Rules

IN THE HOUSE BY THE JUDICIARY COMMITTEE

CS FOR HOUSE BILL NO. 2 am

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act authorizing state land to be made available as homesites."

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

* Section 1. PURPOSE OF ACT. The longstanding policy of the state, declared in the Constitution of the State of Alaska (art. VIII, sec. 1) and the Alaska Land Act (AS 38.05.350), has been to encourage the settlement of the state's land and the development of its resources by making them available for maximum use consistent with the public interest. In authorizing the classification of land for settlement as homesites, this Act is intended to further that policy explicitly, by recognizing that the immediate production of revenues to the state through the auction of land to the highest bidder, virtually the only method by which state land has been made available to the public for residential use, is secondary in importance to the primary, and ultimately more beneficial and productive, goal of providing land for Alaskans to settle at a cost reasonably within their means, and that the highest and best use of some land may clearly be for habitation.

* Sec. 2. AS 38 is amended by adding a new chapter to read:

CHAPTER 8. HOMESITES.

Sec. 38.08.010. CLASSIFICATION OF LAND FOR HOMESITE ENTRY. (a) The director shall classify, survey, and plat for homesite entry state land which is otherwise vacant, unappropriated and unreserved and is suitable for erection of residential dwellings to use as a permanent abode.

(b) Land classified as homesite entry land shall be divided into

parcels not exceeding two and one-half acres, in reasonably compact form, with boundaries conforming as nearly as practicable to natural geologic and topographic features.

(c) Nothing in this section shall be construed to mean that the director must classify all vacant, unappropriated or unreserved state land as homesite entry land.

Sec. 38.08.020. OFFERING OF LAND FOR HOMESITE ENTRY. Following classification of land for homesite entry, offerings of homesite entry land shall be made on a rotating basis from among the four judicial districts of the state. The director shall publish notice of the availability of the land for at least three consecutive weeks through the electronic media and in at least three newspapers of general circulation in the state, at least one of which, if possible, shall be a newspaper of general circulation in the vicinity of the available land.

Sec. 38.08.030. APPLICATIONS FOR HOMESITE ENTRY; FEES. (a) To qualify for a homesite entry permit, an applicant shall

(1) at the time of application have attained the age of 18;

(2) submit proof acceptable to the commissioner that he is a resident of the state at the time of application, and that he has been a resident of the state for not less than three years immediately preceding the date his application was submitted, or that he has been a resident for 20 years cumulatively;

(3) agree to comply with the requirements for obtaining a patent to land set out under sec. 60 of this chapter.

(b) Fees for filing an application may not exceed $10.

Sec. 38.08.040. ISSUANCE OF ENTRY PERMIT. (a) An applicant meeting the qualifications for homesite entry under sec. 30 of this chapter shall be issued a revocable permit to occupy and improve the homesite in order to qualify for issuance of patent as provided in this

chapter. The application fee is the sole rent chargeable on the permit for its duration.

(b) If the number of applicants qualified for homesite entry exceeds the number of available homesites offered, or if several applicants apply and qualify for the same homesite, priority in award of an entry permit shall be accorded to that applicant showing proof of the longest residency in the state.

(c) The permit may not be assigned, conveyed or otherwise transferred, but rights under the permit may devolve by testate or intestate succession. An attempt to assign, convey, or to otherwise transfer the permit, is void and constitutes a substantial breach.

(d) An applicant may apply for more than one available homesite. No person holding a homesite patent may apply for a homesite entry permit, no person may simultaneously hold more than one homesite entry permit, and no person who is a member of the homesite entry permit holder's household may be issued a homesite entry permit while a member of the homesite entry permit holder's household.

Sec. 38.08.050. REVOCATION OF ENTRY PERMIT. (a) The entry permit may only be revoked for failure to erect a dwelling as required under sec. 60 of this chapter, or for other substantial breach of the terms and conditions of the homesite entry permit.

(b) Upon revocation and termination of a permit, improvements or chattels upon the homesite shall be managed, and subsequent issuance of a permit for entry on the homesite shall be conditioned, in the same manner as provided in AS 38.05.090 for removal or reversion of improvements upon termination of leases of state land.

Sec. 38.08.060. ISSUANCE OF PATENT. (a) A person who enters upon homesite entry land under a permit issued by the director shall be issued a patent to the land conveying an unencumbered title if that

person

(1) occupies the land for a cumulative total of 21 months within the three-year period following issuance of the homesite entry permit;

(2) erects a habitable, permanent, single-family dwelling on the homesite, which meets all applicable state and local regulations, within three years of the date of issuance of the homesite entry permit; for the purposes of this paragraph, mobile homes are not considered to be permanent dwellings unless they are placed on a permanent foundation;

(3) reimburses the state for the survey and platting undertaken in accordance with this chapter. The director shall provide by regulation for installment payments of this reimbursement.

(b) Nothing in this chapter shall be construed to prohibit a person issued a homesite entry permit from residing in a temporary habitable dwelling on the homesite until revocation of the homesite entry permit or issuance of a patent to the homesite.

(c) No person may be issued more than one patent during his lifetime, nor may any person who is a member of a patent holder's household be issued a patent while a member of the patent holder's household.

(d) If a dwelling is found to have been substantially completed under sec. 100 of this chapter, patent shall be issued upon completion of the dwelling, notwithstanding (a)(2) of this section.

Sec. 38.08.070. LAND LOCATED WITHIN MUNICIPALITIES. No state land which is located within the boundaries of an organized borough or city may be classified for homesite entry under this chapter until the proposed use of the land has been studied and approved jointly by the director and the local planning authority. Nothing in this section or AS 29.18.190 prevents the director from selecting and classifying for homesite entry land which would otherwise be available for borough or

city selection under AS 29.18.190. If classified for homesite entry, the land shall not be available for city or borough selection.

Sec. 38.08.080. REQUIRED ZONING. No state land which is located within the boundaries of a municipality which exercises planning and zoning authority under AS 29 may be offered by the director for homesite entry under this chapter until the land has been zoned by the governing body of the municipality for residential use only. No state land which is located within a municipality which does not exercise planning and zoning authority, or which is located in the unorganized borough, may be offered by the director for homesite entry under this chapter unless the division of lands has adopted zoning regulations under AS 38.05.037 to restrict the use of the land to residential purposes.

Sec. 38.08.090. DISCLAIMER OF INTENT TO PROVIDE SERVICES. Nothing in this chapter obligates the state to provide services to lands which are the subject of homesite entry and patent.

Sec. 38.08.100. SUBSTANTIAL COMPLETION OF DWELLING. An entry permit may not be revoked for failure to erect a dwelling in the time required under sec. 60(a)(2) of this chapter if the director finds that erection of the dwelling has been substantially completed and progress toward completion is being made at the expiration of the time required.

Sec. 38.08.110. REGULATIONS. The commissioner shall adopt regulations in accordance with AS 44.62.180 - 44.62.290 to carry out the purposes of this chapter.

Sec. 38.08.120. DEFINITIONS. In this chapter

(1) "commissioner" means the commissioner of natural resources;

(2) "habitable dwelling" means a dwelling of a permanent nature, together with fixtures and facilities, including sanitary facilities, required or customary in the vicinity of the land made

available for homesite entry.

(3) "resident" means a person who is not claiming residence in another state and shows by all attending circumstances that his intent is to make this state his permanent residence.

* Sec. 3. AS 29.33.090 is amended by adding a new subsection to read:

(c) The assembly shall regulate and restrict the use of state land within the borough which is vacant, unappropriated and unreserved and which is found suitable for classification and disposal for homesite entry under AS 38.05.327. Compliance with the provisions of this subsection is a prerequisite to issuance of homesite entry permits for land within the borough.

* Sec. 4. AS 29.13.100 is amended by adding a new paragraph to read:

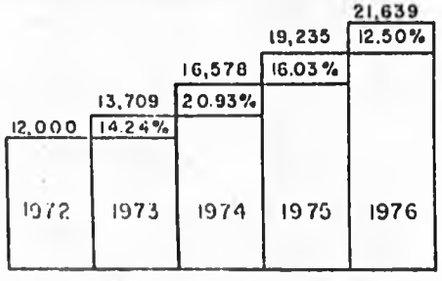
(37) AS 29.33.090(c) (zoning of state land for homesite entry)

Amendment No. 2

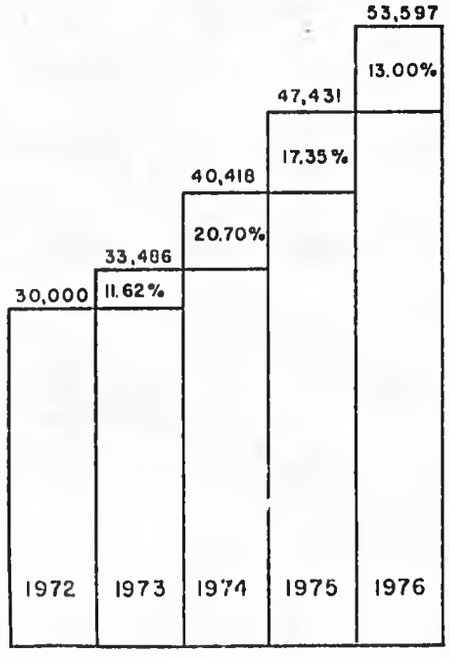
(c) If the director determines that private recreational or residential development is the best use of the land, the reappraisal period provided in this section may be lengthened, the initial rate may be ad-

justed, or the rent adjustment may be waived in accordance with regulations adopted by the commissioner. Before action is taken under this subsection, the director shall prepare a written finding that the extension, rental rate adjustment, or waiver of rent adjustment is in conformity with this section and is in the best interests of the state. Notwithstanding the provisions of AS 38.05.315(d), if the rental rate is adjusted, the adjusted rent may not exceed four per cent of the fair market value of the property. An extension, rent adjustment, or waiver is valid only if private recreational or residential development actually occurs.

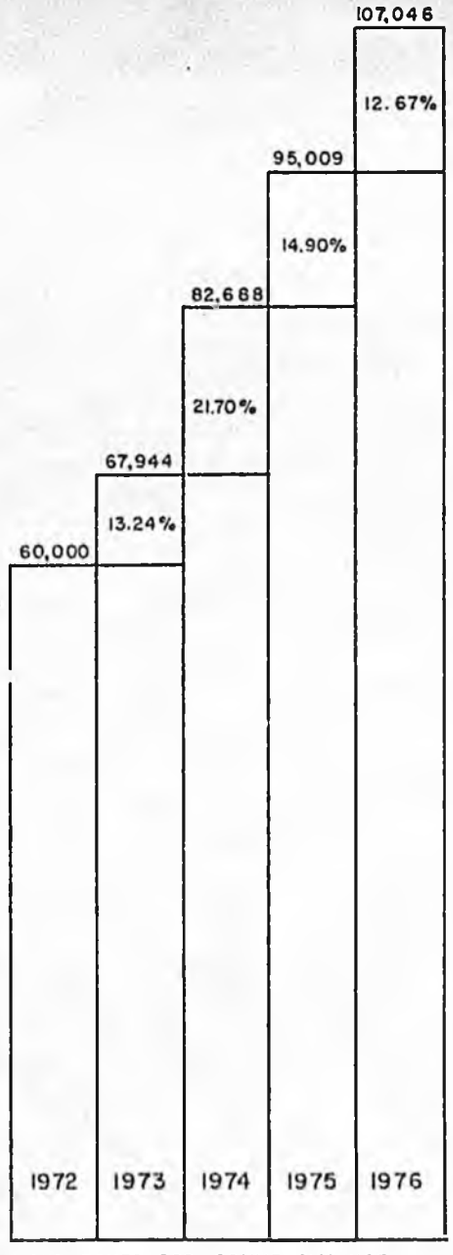
GROWTH IN VALUE OF VACANT REAL ESTATE



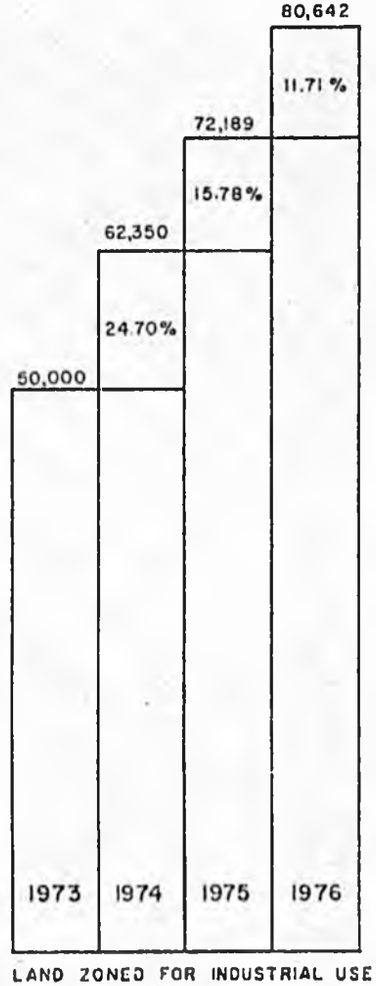
LAND ZONED FOR SINGLE FAMILY USE
ASSUMING $12,000 VALUE IN SEPTEMBER 1972



LAND ZONED FOR MULT-FAMILY USE -
$30,000



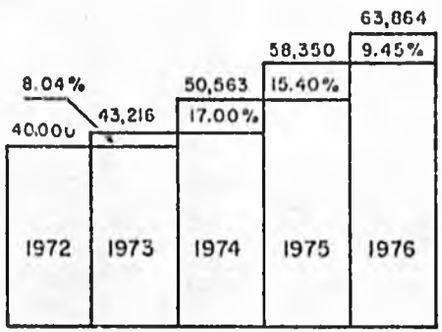
LAND ZONED FOR COMMERCIAL USE -
$60,000



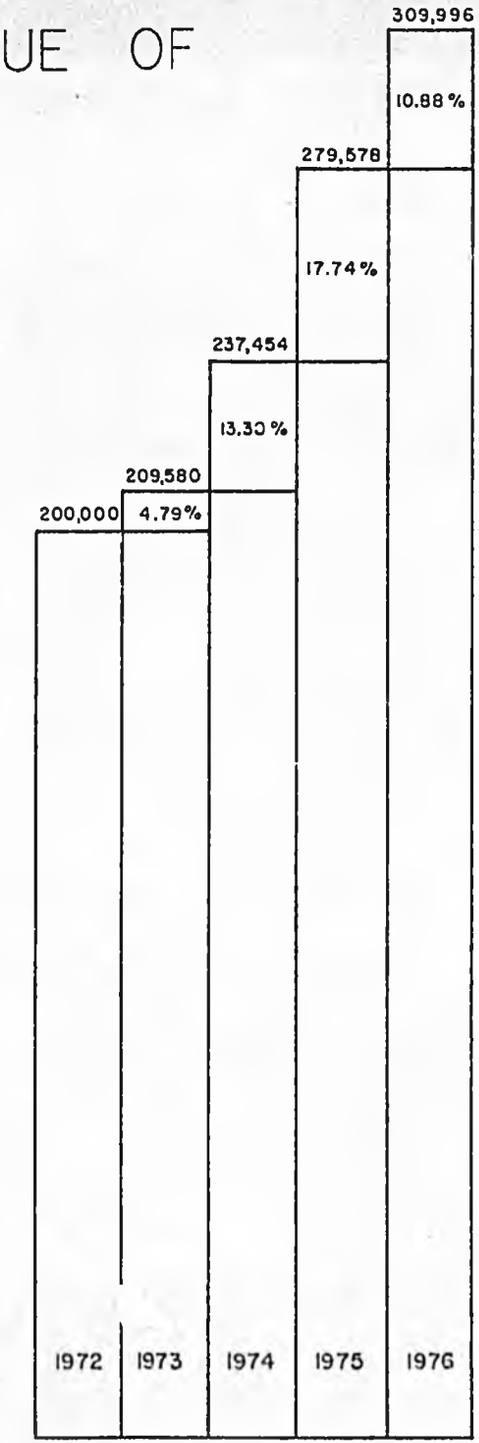
LAND ZONED FOR INDUSTRIAL USE -
$50,000 - 1973

BASED ON A SURVEY TAKEN BY REAL ESTATE SERVICES CORPORATION

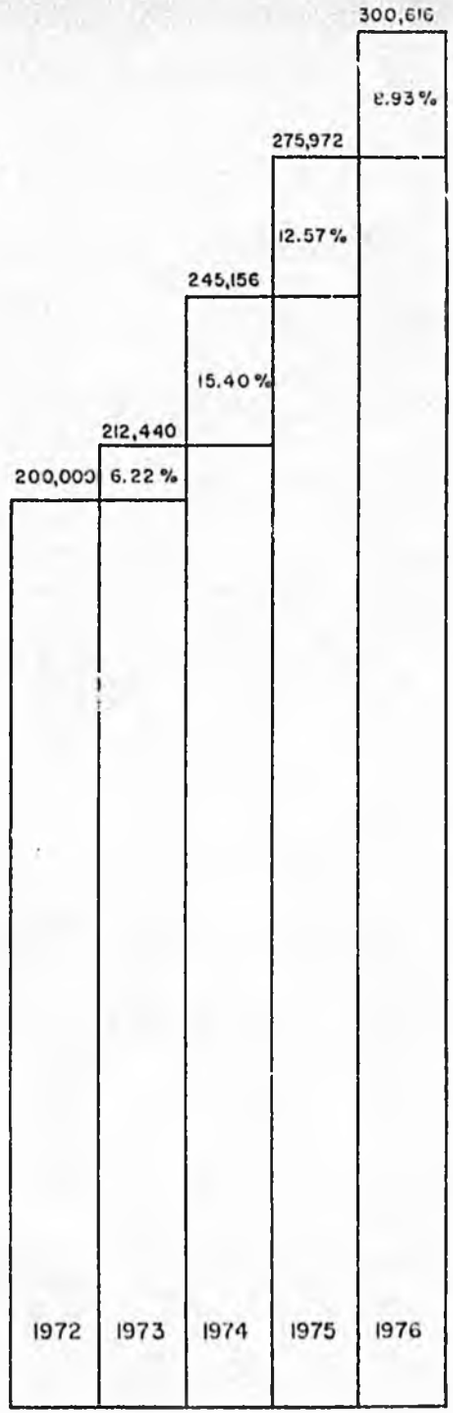
GROWTH IN VALUE OF IMPROVED REAL ESTATE



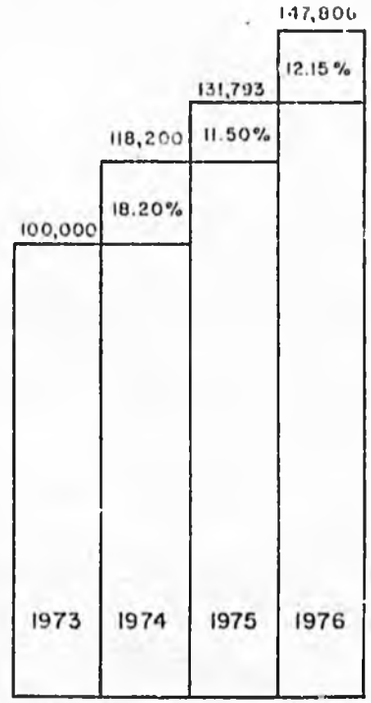
SINGLE FAMILY RESIDENCE ASSUMING $40,000 VALUE IN SEPTEMBER 1972



MULTI-FAMILY RESIDENCE — $200,000



COMMERCIAL & OFFICE BUILDINGS — $200,000



INDUSTRIAL BUILDINGS - $100,000 - 1973

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF LANDS / 323 E. 4TH AVENUE – ANCHORAGE 99501

April 1, 1977

Senator Joseph Orsini
Pouch V
Juneau, Alaska 99811

Dear Joe:

Confirming our conversation this afternoon, the following are my recommendations for amendments for your proposed Finance Committee Susbtitute for Senate Bill 159.

1. On page 3, lines 13-17, delete all after the word "determined" and substitute the following:

   "high bid at public auction, except as provided in Section 70(b) of this chapter".

   This is to conform with the requirement in AS 38.05.075 that the initial offering of the lease be by public auction. There is really no other method possible besides negotiation since at the first offering there is no existing lessee with which to enter the process contemplated in the original SB 159.

2. On page 3, Subsection 85(j), delete the reference to "M.A.I." preceding the word "appraiser" where it appears. There are presently only 11 M.A.I. appraisers in the State and there are a number of competant appraisers who are not Institute members.

3. Also in Subparagraph 85(j) on page 3, provide an alternative method of resolving disputes. After the word "lessee" on the third line of subparagraph (j) insert "may elect to follow either of the following two procedures (1) the lessee". This sentence now reads "The lessee may elect to follow either of two procedures: (1) the lessee shall appoint an appraiser and the state shall appoint..." After the last word in this subparagraph "equally", add "or (2) the lessee may appeal to the Commissioner who may establish an Ad Hoc Hearing Panel to recommend resolution of the dispute."

I am also enclosing the lease method comparisons for your new bill. As I indicated to you on the phone, in my opinion, this bill establishes too much of a negotiable leasehold interest with the lessee when it should properly remain with the trust lands.

Sincerely,

Ted

THEODORE G. SMITH, Director
Land and Water Management

LEASE METHOD COMPARISONS

	(1)	(2)	(3)	(4)
Rent Per Present Law & State Appraisal	$5,691	$5,232	$1,300	$1,650
Rent Per Lessees Appraisal	$4,552	$4,160	N/A	N/A
Rent Per Ad Hoc Committee	$4,552	$4,160	$1,300	$1,650
Rent Per S.B. 159 (Original)	$ 930	$ 800	$ 120	$ 270
(Finance Committee)	$1,498	$1,288	$ 193	$ 435
(Resource Committee)	$ 930	$ 800	$ 120	$ 270

Rent per Ad Hoc Committee for leases (1) and (2) has taken the lower of the two appraisals.

	STATE	NO. 1	NO. 2	NO. 3	NO. 4	Residental NO. 5	NO. 6	NO. 7	NO. 8	NO. 9	NO.10	NO.11	NO. 12
				See Renewal Option	See Renewal Option							See Renewal Option	
TERM	55 YRS.	55 YRS.	55 YRS.	15 YRS.	25 YRS.	75 YRS.	55 YRS.	55 YRS.	55 YRS.	75 YRS.	25 YRS.	5 YRS.	59 YRS.
RENT ADJUSTMENTS	5 YRS.	5 YRS.	1st 10 yr 5 yrs. there after	5 YRS.	5 YRS.	after 30 yrs. then 10 YRS.	APPROX. 4 YRS.	5 YRS.	5 YRS	5 YRS.	5 YRS.	5 YRS.	2&7 Yrs. then 10Yr
NET	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
ADJUSTMENT BASIS:													
REAPPRAISAL (F.M.V.)	X		X	X		After 30 yrs. X		X	X				After 30 yrs. X
C.P.I		X								X	X		
STEPPED RENTAL												X	After 30 yrs.
ASSESSED VALUE					X		X						
% OF GROSS				X									
RATE	VARIES	8% COM	7%	8%	8%	8%	8%	9%	8%	9%	8.6% com	9% Com	8%
FIXED RATE	NO	N/A	YES	YES	YES	YES	YES	YES	YES	N/A	N/A	N/A	YES
RENT CIELINGS			X									X	X 30 Yrs.
REVERSION TO	LESSEE	LESSOR	LESSOR	LESSOR		LESSOR		LESSOR	LESSOR	LESSOR	LESSOR	NOT APPRAISED	LESSOR
SUBORDINATION		X	NO		X			NO	YES	YES	NO	YES	YES
COLLATERAL ASSIGNMENT	X												
OPTION TO PURCHASE		YES	NO			NO		YES	YES	YES	YES	YES	NO
OPTION TO RENEW FOR	55	0 YRS.	10 YRS.	15 YRS.	30 YRS.	0 YRS.		0 YRS.	0 YRS.	0 YRS.	5 YRS.	50 YRS.	0 YRS.

1

LEASE AGREEMENT

THIS AGREEMENT, made and entered into as of this day of September, 1975, by and between [redacted], hereinafter called the Lessor and [redacted], an Alaskan corporation of Anchorage, Alaska, hereinafter referred to as Lessee, WITNESSETH:

1. The Lessor, for and in consideration of the rents, covenants and agreements hereinafter mentioned, and reserved and contained on behalf of the Lessee to be kept, paid and performed, do by these presents grant, demise and let unto the said Lessee all of that certain property situated in the Anchorage Recording District, Third Judicial District, State of Alaska, and more particularly described on the attached Schedule "A" which is by reference incorporated as a part hereof.

Together with all and singular, the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, subject to the rights and reservations in patent to said land, exisiting easements for roads, power, lights and other utilities and restrictions of record, and to encroachment ascertainable by physical inspection of the property.

2. The term of the lease shall be the period of fifty-five (55) years, commencing on the 1st day of September, 1975 and ending midnight, the last day of August, 2030.

3. Lessee shall pay Lessor monthly rentals during the term of this lease of [redacted] each month. The rent shall be paid to Lessor in advance on or before the 1st day of each and every month during the term of this lease. The rental shall be paid to Lessor by mailing to Lessor, at his address following the execution of this agreement or such other address as Lessor shall hereinafter in writing direct. Commencing on the 1st day of September, 1980, and upon the 1st day of September of each five (5) year anniversay date thereafter, the rent shall be adjusted upward or downward to reflect the increase or decrease in the consumer price index, prepared by the United States Bureau of Labor Statistics. The rental is based upon the Index number (153.8) for the month of, July 1975, which appears in the line "All Items" in the column for the "United States", the Consumer Price Index--U.S. (1967 = 100)--New Series, (reflecting the change in prices of goods and services purchased by city wage earners and clerical worker families to maintian their level of living) published by the Bureau of Labor Statistics, United States Department of Labor. A copy of said index for the month of July, 1975, is attached hereto as Schedule "B" and by reference made a part hereof. Subject to the provisions hereinafter set forth, the monthly rental for the five (5) year period, commencing September 1, 1980 and for each month of each five (5) year period thereafter, shall be arrived at by multiplying the rental set forth above by a fraction, the numerator of which shall be the index figure for the month of July of the year preceeding the date of such successive five (5) year adjustment and the denominator shall be the index figure for the month of July, 1975, which is 153.8. If the Bureau of Labor Statistics changes the form or basis of calculating the Consumer Price Index, the parties agree to request the Bureau to make available for the period of this lease, a monthly consumer price index for

55 YEARS FROM

the month of July of the year preceeding the date of each successive five (5) year adjustment and in its present form and calculated on the same basis as the index for July, 1975. However, it is expressly provided that the minimum rental regardless of changes in the Consumer Price Index, shall not be less than the sum of [redacted] per month for the entire term of this lease.

4. Except as hereinafter provided, it is intended by the parties hereto that Lessee shall pay all expenses with respect to the property and any improvements placed upon the property, and Lessor shall receive the rental payments free and clear of any and all expenses of the property. Accordingly, Lessee agrees that Lessee will pay all charges for electricity, water, gas, telephone, sewer, and all other utility services used on the leased premises, all taxes and assessments upon the lease premises which are payable during the lease term, and all other expenses of whatsoever nature incurred in connection with the leased premises. Taxes for the first year of the lease and for the last year of the lease shall be prorated as between Lessee and Lessor, based on the number of months of such year which the lease is to cover.

It is intended by the parties hereto that Lessor at Lessors sole cost and expense shall bring sewer and water to the property leased hereunder and shall backfill said property so as to provide a sufficient foundation for a two story building provided further that such foundation shall be sufficient and proper to support any adjacent property areas.

Lessor owns the adjacent property north of the leased premises and it is further agreed that no improvements above ground level shall be constructed on Lessor's adjacent property within twenty (20) feet of the north property line of the leased premises without the prior written consent of Lessee.

5. Both parties shall have the right of assignment at any time, provided, however, that such assignment shall not release Lessee of any obligations for the performance of each and every obligation contained herein. Lessee may sub-lease a part or all of the premises, and such sub-lease shall be subject to each and every provisions of this lease agreement, and such sub-lease shall not release the Lessee from the obligations of this lease, but Lessee shall remain liable to Lessor for the payment of the rental and the performance of all obligations of this lease.

6. Lessee shall not make or suffer any use or occupancy of the premises contrary to any law or ordinance now or hereafter enforced.

7. Lessee agrees to protect, indemnify and save harmless the Lessor from and against all claims asserted against the Lessor by reason of Lessee's use of the premises.

8. (a) If Lessee fails to pay the rent upon the day when the same shall become due and such failure continues for ten (10) days, after Lessor's or written notice to Lessee of such failure and demand for payment of creditors, or then Lessee shall be in default in the performance of this lease.

(b) If Lessee shall fail to perform any of the other provisions, conditions or covenants of this lease and Lessee shall have failed to perform, correct or cure any such non-performance within thirty (30) days after the date of mailing of written notice by Lessor to Lessee of such non-performance, then the Lessee shall be in default, provided the Lessee shall not be in default if within said thirty (30) day period the Lessee shall have commenced all actions reasonably necessary to perform, correct or cure such non-performance and thereafter continue diligently to prosecute such action to conclusion so as to perform, correct or cure any such non-performance. A copy of any such notice of default from Lessor to Lessee shall be mailed to any financial institution holding a deed of trust or other security interest in the property.

(c) In the event of default in the performance of this lease by Lessee, Lessor may re-enter the premises, either in person or by agent, and re-let the premises as the agent of Lessee and receive the rent therefrom applying the same first to the payment of such expenses as Lessor may be put to in re-entering and re-leting and then to the payment of rents accruing hereunder, the balance, if any, to be paid to Lessee who shall remain liable for any deficiency, or Lessor, at Lessor's option, may terminate this lease and all rights of Lessee hereunder, and in such event all rentals paid in advance by the Lessee may be retained by the Lessors as liquidated damages for the breach of this agreement and as additional rental for the use of the property.

9. Lessor does hereby covenant and agree that Lessee, paying said rent in the manner aforesaid and performing Lessee's obligations to be kept and performed, may and shall have the right at all times during the term of this lease to quietly hold, possess, use, occupy and enjoy the said leased premises and property, and all improvements which may from time to time be placed thereon under and by virtue of this lease. It is agreed that Lessor, or his agent, shall have the right at all reasonable times to enter upon the premises and inspect the same.

10. Lessee, at Lessee's sole cost and expense may construct buildings or other improvements upon the premises, provided, however, that Lessee shall not at any time permit or allow any liens or other encumbrances to be placed against the above-described property or any part thereof, except as hereinafter provided by subordination agreement and that Lessee will at all times hold Lessor and the premises harmless against any expenses or charges arising out of any construction or improvements commenced or carried out at the request of Lessee. Prior to the commencement of any construction or improvements of a total cost which will exceed TEN THOUSAND DOLLARS ($10,000.00), Lessee shall purchase a bond with a reputable insurance company authorized to do business in the State of Alaska, which will be of an amount at least equal to the total cost of such construction or improvements and shall be conditioned for the indemnity of the Lessor, to keep the property free and clear of all labor, material and mechanic's liens and other liens which may arise or be created in the erection of a building or improvements and that when completed, the said building, improvements and premises shall be free of all such liens, excluding those of financial institutions to which Lessor have subordinated the property. A copy of such bond

shall be furnished Lessor prior to commencement of any construction, or improvements costing in excess of TEN THOUSAND DOLLARS ($10,000.00). The Lessor may post a notice of non-responsibility as to all liens in accordance with the Alaska Statutes, Sec. 34.34.065 or other applicable law. Upon termination of the lease or expiration of the lease term, all improvements placed upon the premises shall become the property of Lessor.

11. Lessee, may at any time, mortgage or convey by deed of trust in the nature of a mortgage, its estate in the premises and any building or improvement then or thereafter situated thereon; provided that Lessee shall not be in default in any of the agreements herein contained, to be kept, observed and performed by Lessee and shall have paid all rents, taxes and assessments and all other charges of every kind which shall have accrued hereunder; and provided further that no mortgagee or trustee or beneficiary, under such mortgage or deed of trust shall, by virtue thereof, acquire any greater rights in the premises and any buildings or improvements thereon, than Lessee then has under this lease unless Lessor shall have subordinated Lessor's interest in the property as hereinafter provided.

12. Lessor agrees that Lessor will consent to subordinate Lessor's interest in the property to a deed of trust or to deeds of trust, mortgages, or other security instruments necessary to finance the construction of improvements upon the premises which may hereafter be executed by Lessee and given to a financial institution, mortgage company, insurance company or other financier as security for a loan or loans the proceeds of which are used, directly or indirectly, for construction of improvements upon the premises. Lessor agrees to execute any instruments required to accomplish such subordination. Lessee agrees that Lessee will pay any deed of trust or deeds of trust, mortgage, or other security instrument given as security for construction of improvements upon the premises according to the terms thereof. If Lessee defaults under the terms of any such deed of trust, mortgage, or other security instrument, the proceeds of which were used for the construction of improvements on said real property in accordance with the terms of said instrument, such default shall consititute a default under the provisions of this lease agreement. It is agreed that damages would not be sufficient in the event Lessor fails to execute, upon request, such subordination agreement and Lessee may obtain specific performance of this subordination provisions. It is agreed that Lessee shall prepare any and all documents required for Lessor's signatures and shall pay the reasonable cost of attorney's fees by Lessor in reviewing the legal documents. Lessee agrees that it will carry insurance for protection of improvements against loss by fire or other casualty at least equal in amount to the amount of any mortgage or lien created by Lessee for construction of improvements upon the property.

13. In consideration of the execution of this lease, the undersigned Lessor, hereby grants to Lessee the option to purchase the above-described property covered by this lease at any time after the 1st day of September, 2020, but prior to the 1st day of September, 2035, for an amount equal to the then fair market value of the property, exclusive of any improvements, at the time said option is exercised to be determined by agreement of the parties or by an appraisal as hereinafter set forth. The

Lessee may exercise this option by (1) mailing to the Lessors written notice by registered or certified mail on or before said date of the Lessee's intention to exercise this option and, if the parties have not previously agreed in writing upon the fair market value of the property, (2) setting forth in such written notice the name of the appraiser who shall represent the Lessee in the determination of the fair market value. Within thirty (30) days of receipt of such notice of election to exercise this option, if the parties have not agreed in writing upon the fair market value to be used for the purchase price, the Lessors shall send to the Lessee notice of the appointment of an appraiser to represent the Lessor setting forth the name of such appraiser. The two appraisers so selected shall on or before ten (10) days after the mailing of the notice of the appointment of the appraiser to represent the Lessor, appoint a third appraiser who shall act as chairman of the group. The appraisers shall be disinterested persons not related to either of the parties by consanguinity or affinity. Said appraisers shall then immediately proceed to appraise the market value of the land (exclusive of buildings or improvements) as of the date of the mailing of the notice by Lessee of the Lessee's election to exercise this option and shall report the same in writing to the parties hereto, on or before the thirtieth (30th) day following the selection of the third appraiser. Such report, whether unanimous or by majority, shall be final and binding upon the parties thereto, as to the market value of said premises to be paid by the Lessee to the Lessor for the purchase of the property pursuant to this option. Promptly after the execution of this agreement, the Lessor shall have a warranty deed prepared and execute the same conveying the property to the Lessee free and clear of any and all encumbrances, except those encumbrances arising by acts of the Lessee or persons acting under them, but subject to existing easements for roads, power, lights and other utilities and restrictions of record, as of the date of such conveyance, and subject to any encumbrances placed against the property by reason or improvements constructed on the premises by the Lessee. Said warranty deed shall be placed in the Trust Department of [redacted] at Anchorage or such other bank or financial institution as the parties may hereinafter agree with written instructions signed by the Lessee and the Lessor providing for the delivery of said deed to the Alaska Title Guaranty Company, or any title guaranty company succeeding to the business of said company, to be recorded simultaneously with the deed of trust to be given by the Lessee for payment of the purchase price of the land as determined by the appraisers for the parties. The instructions to the Trust Department shall provide for the delivery of the deed to the title company for recording when the Trustee shall have received the report of value from the appraisers appointed by the parties or upon an agreement for the delivery of the same executed by the parties, their successors assigns or heirs. Upon the conveyance of said property, this lease shall terminate. Promptly and within ten (10) days from the date that said warranty deed has been delivered to the title insurance company, the Lessee shall pay to the Lessor twenty percent (20%) of the purchase price of the property, said purchase price being the fair market value determined by agreement or appraisal as hereinabove set forth. The balance of the purchase price shall be secured by a deed of trust upon the property and payable in equal monthly installments over a period of one hundred twenty (120) months together with interest at the rate of eight percent (8%) upon the unpaid balance of the purchase price.

It is intended that if the Lessee desires to purchase the property, it must exercise the option by the date set forth herein and in the manner set forth and if it fails to do so that Lessee shall have no right to purchase the property during the remaining term of this lease, and extention thereof, or any time thereafter. If this lease is terminated by reason of the default of the Lessee prior to the exercise of this option then this option to purchase shall terminate and thereafter shall be null and void. The instructions to the Trust Department holding the deed shall contain provisions for the redelivery of the deed to the Lessor after the date within which the option is not so exercised, or in the event that this lease is terminated.

If prior to the beginning of the option period provided for herein, the Lessor proposes to sell said property to a bona fide purchaser, the Lessee shall first be afforded an opportunity to purchase the property under the terms herein provided at the same price as offered by the bona fide buyer or at the then determined fair market value, whichever is lower, said fair market value to be determined in accordance with provisions heretofore set out in this paragraph with date of fair market value to be the date Lessor notifies Lessee of Lessors intent to sell the property.

14. The provisions of this lease and all questions arising concerning this lease shall be determined and resolved in accordance with the laws of the State of Alaska.

15. Failure of the Lessor to insist on the strict performance of the terms, conditions and agreements herein contained or any of them, shall not constitute or be construed as a waiver or relinquishment of Lessor's rights to thereafter enforce any such terms, agreements or conditions, but the same shall continue in full force and effect.

16. The provisions of this lease shall extend to and include the heirs, executors, administrators, successors and assigns of the parties hereto.

17. Any notice required to be given by the terms of this lease may be mailed to the address of the person as hereinafter set forth following the signature of each party to this lease or such other address as a party may hereafter in writing direct.

IN WITNESS WHEREOF, the parties have hereunto set their hands as of the date first hereinabove written.

LESSOR:

[redacted]

Address:

[redacted]

LESSEE:

[redacted]

By_____
Its:_____

Address:

[redacted]

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this ____ day of _____, 1975, before me the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared [redacted], known to me and to me known to be the individual named in and who executed the above and foregoing document and he acknowledged to me that, he executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first hereinabove written.

_____
Notary Public in and for Alaska
My Commission Expires:_____

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this ____ day of _____, 1975, before me the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared _____, known to me and to me known to be the _____ of [redacted], and he acknowledged to me that he executed the said document for and on behalf of [redacted], and he further acknowledged that he had the power and authority to execute for and on behalf of said corporation as granted to him in said corporation Bylaws or key resolution of its Board of Directors.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first hereinabove written.

_____
Notary Public in and for Alaska
My Commission Expires:_____

Lease Agreement

[redacted]

Schedule "A"

The description of the leased property is:

2

LEASE AGREEMENT

THIS INDENTURE OF LEASE is made this 22nd day of July, 1976, by and between [redacted], a domestic corporation, of Anchorage, Alaska, hereinafter called Landlord, and [redacted], hereinafter called Tenant.

W I T N E S S E T H :

1. Premises.-- Landlord, for and in consideration of the rents, covenants and conditions hereinafter specified to be paid, performed and observed by Tenant, does hereby let, lease and demise to Tenant the vacant, unimproved real estate located in the Anchorage Recording District, Third Judicial District, State of Alaska, more particularly described as follows:

[redacted]

2. Appurtenances, Etc.-- Landlord cedes and grants to Tenant all easements, parking and loading rights, right of ingress and egress, fixtures and appurtenances now or hereafter belonging or appertaining to said premises.

3. Encumbrances.-- The described premises are leased, subject to deed restrictions, easements, rights-of-way, if any; zoning and building restrictions and governmental regulations now in effect or hereafter adopted by any governmental authority.

4. Term.-- The term of this Lease shall be fifty-five (55) years, commencing December 1, 1975, through and including November 30, 2030, unless sooner terminated as hereinafter provided, and subject to Tenant's option to extend the term of this Lease for two successive five (5) year periods commencing on December 1, 2030, and December 1, 2035.

In order to exercise the respective successive options to extend, Tenant must give Landlord written notice of its election to extend not less than six (6) months prior to the beginning of each such extended period or such options terminate and become null and void.

5. Rental.-- Tenant agrees to pay, quarterly in advance, on or before December 1, March 1, June 1, and September 1, of every year, during the entire term hereof, a quarterly rental of [redacted], except as rental is hereinafter modified. Provided, that rental shall commence as of June 1, 1976, and additional rent under provision 7 hereof shall commence as of January 1, 1976.

6. Prior Lease Cancelled.-- The Lease Agreement dated November 14, 1975, between Landlord and [redacted] and [redacted] has been cancelled by mutual consent. The sum of [redacted] ([redacted]) paid on execution of the cancelled Lease shall be applied to the quarterly rent due June 1, 1976, under this Lease Agreement.

7. Taxes and Other Charges.-- As additional rent, Tenant agrees to pay to the public authorities charged with collection thereof, promptly as the same become due and payable, all taxes, assessments, general and special, permits, inspection and license fees and other public charges, whether of a like or different nature, levied upon or assessed against the leased premises and any buildings, structures, fixtures or improvements now or hereafter located thereon, or arising in respect of the occupancy, use or possession of the demised premises, and which are assessed and are, or become, a lien during the term of this lease, and Tenant agrees to exhibit to Landlord, on demand, receipts evidencing payment of all taxes, assessments and public charges so payable by Tenant. All real estate taxes for the first and last years of the term hereof shall be equitably prorated between the parties.

It is expressly agreed, however, that Tenant shall not be obligated to pay any income tax, profits tax, excise tax, or other tax or charge that may be payable by or chargeable to Landlord, under any present or future law of the United States or any political or taxing subdivision thereof, or any other governmental agency, upon or with respect to the rent received by Landlord under this lease; provided, however, that in any case where an income tax may be levied, assessed or imposed by the State or any political subdivision thereof upon the income arising from the rents provided hereunder, for the use and occupancy of said demised premises in lieu of or as a substitute for a tax upon said real estate or premises, Tenant, and not Landlord, shall be required, and hereby agrees to pay the same; and provided further, that in no event shall Tenant be obligated to pay for any year any greater amount by way of such substitute income tax had the rentals upon which such tax was imposed been the sole taxable income of Landlord for the year in question. Nor shall Tenant be obligated to pay any inheritance, transfer, estate, succession or similar tax or charge that may be payable under any present or future law of the United States or the said State, or imposed by any political or taxing subdivision thereof, or by any other governmental agency, by reason of the devolution, succession, transfer passing by inheritance, devise, acquisition, or becoming effective of the right to possession and enjoyment of all or any part of the estate of Landlord in said premises, whether by descent, deed, testamentary provision, trust deed, gift, mortgage, or otherwise.

In the event any special assessment is levied on the premises for a part of the cost of any public work or improvement assessed according to benefit found by the levying authority to accrue therefrom to the demised premises and the option is given to pay such assessment in installments, Tenant may elect to pay the same in installments and in that case shall become liable only for such installments as shall accrue during the term of this Lease and during any term or terms for which this Lease shall be extended. In the event that any assessment or installment of assessment coming due and payable during the term of this Lease has added to it any interest or service charge, Tenant shall pay such interest or service charge even though such charge relates back to a date prior to the execution of this Lease. A mortgage or other lien granted by Landlord for special benefits in lieu of a special assessment shall be considered a special assessment hereunder, whether such mortgage exists at the time of the execution of this Lease or is granted hereafter by Landlord and Tenant.

Notwithstanding any of the foregoing provisions, in the event the City of Anchorage or the State of Alaska or any governmental subdivision thereof, shall impose a sales tax on the yearly rentals paid hereunder, Tenant shall reimburse Landlord in the amount of such sales tax.

Tenant shall also pay all charges for water, gas, electri power or other public utility services rendered during term of this Lease as such charges become due.

If the demised premises are not assessed for taxes as a separate parcel, Tenant shall pay taxes on the demised premises based on the valuation of the demised premises as arrived at for that purpose, using the records and methods of the tax assessor, multiplied by the appropriate mill rate.

If the Greater Anchorage Area Borough, or other public authority having jurisdiction requires that the leased premises be platted, Tenant agrees to pay all costs of such platting, including, without limitation, survey costs, filing fees and the like. Tenant agrees to pay all costs of road improvements imposed by public authorities, or desired by Tenant, for roads adjacent to or within the boundaries of the leased premises.

8. Modified Rental.-- Beginning with the lease year commencing December 1, 1985, and continuing at five-year intervals thereafter, the annual rental of [redacted] per year shall be modified so as to equal seven percent (7%) of the fair market value of the premises; as determined by mutual agreement of the parties, or, in case of their inability to agree, by appraisal as hereinafter specified; provided, however, that the premises shall be valued and appraised at the date of the rental modification as unimproved land as defined herein. For purposes of the rental modification, unimproved land shall mean the demised land in its existing condition at the date of valuation or appraisal, disregarding all building or structural improvements above or below grade (building or structural improvements do not include excavation or backfill) and disregarding all landscaping, paving, leases and encumbrances. The unimproved land, as above defined, shall be valued or appraised at its highest and best use regardless of its actual use.

If the Landlord and Tenant are unable to agree on a modified rental as above provided on or before September 1, of the year in which the rent shall be modified, the Landlord and Tenant shall jointly select an appraiser from the regular Alaska membership of the Society of Real Estate Appraisers or the American Institute of Real Estate Appraisers, or the successor body of either group who has been properly designated M.A.I. or S.R.E.A., or S.R.P.A., or any future similar designation which denotes proficiency in the appraisal of commercial property and which is recognized as such by either of the above two groups or their successor bodies. The written report of the above selected appraiser on the appraised fair market value of the demised premises (using the aforesaid definitions and methods) shall be conclusive and binding upon the Landlord and Tenant for the purpose of adjusting the rental, unless either Landlord or Tenant object to such appraised value. The cost of the appraisal report shall be shared equally by the Landlord and Tenant, even if objected to by either party.

If the Landlord and Tenant cannot agree on one appraiser as above provided, or either objects to the written report of the appraiser as above provided, the Landlord and Tenant shall each select an appraiser from either of the above groups who holds any of the above-required designations. Either party may select the appraiser who was jointly selected as above provided and whose report was rejected. Those two appraisers shall select a third appraiser from either of the above groups and who holds any of the required designations. The appraised fair market value agreed upon in writing by two of these appraisers, or upon failure of any two to agree, the average value of the two appraisals closest to each other, shall be conclusive and binding upon Landlord and Tenant for the purposes of adjusting the rental. Each party shall pay the fee of its selected appraiser and one-half the fee of the third appraiser.

Anything in the foregoing paragraph to the contrary notwithstanding, the minimum quarterly rental shall never be less than the quarterly rental for the initial ten (10) year period of the term of this Lease. Nor shall the quarterly rental during the eleventh (11th) through the fifteenth (15th) years increase more than one hundred percent (100%) of the initial quarterly rental; nor the quarterly rental during the sixteenth (16th) through the twentieth (20th) year increase more than fifty percent (50%) of the immediately preceding quarterly rental; nor the quarterly rental during the twenty-first (21st) through the twenty-fifth (25th) year increase more than fifty percent (50%) of the immediately preceding quarterly rental. (By way of example, if the initial quarterly rental were $100, then the maximum quarterly rental during the eleventh (11th) through the fifteenth (15th) years would be $200; the maximum for the sixteenth (16th) through the twentieth (20th) years would be $300; and the maximum for the twenty-first (21st) through the twenty-fifth (25th) years would be $450.) After the twenty-fifth (25th) year, the above maximums shall not apply as limitations on the rental modification provisions of this paragraph 8.

9. Compliance with Laws and Care of Premises.-- Tenant shall comply with all applicable laws, ordinances and regulations of duly constituted public authorities now or hereafter in any manner affecting the demised premises or the sidewalks, alleys, streets, and way adjacent thereto or any buildings, structures, fixtures and improvements or the use thereof, whether or not any such laws, ordinances or regulations which may be hereafter enacted involve a change of policy on the part of the governmental body enacting the same. Tenant agrees to hold Landlord financially harmless (a) from the consequences of any violation of such laws, ordinances and/or regulations, and (b) from all claims for damages on account of injuries, death or property damage resulting from such violation. Tenant further agrees that it will not permit any unlawful occupation, business or trade to be conducted on said premises or any use to be made thereof contrary to any law, ordinance or regulation as aforesaid with respect thereto.

Tenant, at its own cost and expense, shall keep the leased premises and all improvements which at any time during the term of this lease may be situated thereon, in good condition and repair during the entire term of this lease, hereby expressly waiving the right to make repairs at the expense of Landlord as provided for in any statute or law in effect at the time of the

execution of this lease or any amendment thereof, or any other statute or law which may be hereafter passed during the term of this lease.

10. Tenant's Right, Etc.-- Tenant, when not in default of performance of any of its obligations hereunder shall have the following rights, during the term of this Lease, from time to time, in such manner, and to such extent as Tenant may in its sole judgment deem advisable, except where said rights are conditioned upon prior approval of Landlord:

(a) To demolish, remove or otherwise dispose of any improvements presently or subsequently situated upon the demised premises.

(b) To erect, place, or install upon the leased premises, buildings, structures, and improvements as from time to time it shall deem advisable.

(c) To make such alterations, additions and repairs to the leased premises as it may desire.

(d) Anything in the foregoing to the contrary notwithstanding, Tenant must, prior to the commencement of construction of a building or other structure, deliver to Landlord for approval two (2) complete sets of construction plans and specifications for the exterior of said improvements, prepared by a licensed architect or licensed engineer, a plot plan showing the proposed location of said improvements, all utilities and service connections and all places of ingress and egress to public streets and roads and plans for outdoor signs, lighting and landscaping. If approved, such approval shall be endorsed by Landlord upon said plans, specifications and plot plan within thirty (30) days from the receipt thereof, one (1) set of which shall be retained by Landlord. If Landlord does not approve of such plans and specifications, Landlord shall, within thirty (30) days from the receipt thereof, notify Tenant of its reasons for not approving said plans and specifications. Landlord agrees that it will not unreasonably withhold approval of such plans and specifications, and that the Landlord's failure to respond as herein provided within thirty (30) days of receipt of such plans and specifications shall be deemed an approval of same.

(e) No structure or other improvement, including, but not limited to, storage and/or display structures separate from the main structure, the plans, specifications and proposed location of which have not first received the written approval of Landlord, or which does not comply with such approved plans, specifications and locations, shall be constructed or maintained on the leased land. No material addition to or alteration of any building or structure erected on the leased land shall be commenced until plans and specifications covering the exterior of the proposed addition or alteration have been first submitted to and approved by Landlord in the manner above described. Any improvements constructed shall comply with all public laws, ordinances and regulations applicable thereto and shall be completed at the sole cost and expense of Tenant and without any cost, expense or liability of Landlord whatsoever.

(f) The approval by Landlord of any plans and specifications refers only to the conformity of such plans and

specifications to the general architectural plan for the leased land and neighboring land of the Landlord; such plans and specifications are not approved for architectural or engineering design and by approving such plans and specifications, Landlord assumes no liability or responsibility therefor, or for any defect in any structure constructed from such plans or specifications.

(g) All buildings, structures and permanent improvements, including signs which have been or may be installed, placed or attached in or about the leased premises by Tenant, shall remain the property of Tenant until the termination of the Lease. At the expiration or termination of the term of the Lease, or any extended term thereof, Landlord shall become the owner of all improvements located on the demised premises.

(h) Upon termination by expiration of time or otherwise of this Lease, or of any renewal thereof, or at any prior time, Tenant shall have the right, if it is not in default, to remove all trade fixtures and other movable items of personalty, provided that any damage caused to the leased premises by reason of such removal shall be paid by Tenant. Any trade fixtures and other movable items of personalty not so removed by Tenant shall become the property of Landlord. Tenant may, as part of a rebuilding or expansion program, demolish any part or all of the buildings, structures or improvements to be located on the leased premises.

11. Bond for Construction of Improvements.-- Before commencing the construction or installation of improvements on the demised premises, where the contract price or cost of such improvements exceeds the sum of $25,000, Tenant must furnish to Landlord a corporate surety bond in the amount of the cost or contract price of such improvements and the condition of said bond being the payment of all claims for labor and materials used in the construction or installation of such improvements.

12. Liens.-- Tenant will not permit any mechanics', laborers' or materialmen's liens to stand against the leased premises or improvements for any labor or materials furnished to Tenant or claimed to have been furnished to Tenant or to Tenant's agents, contractors, or sublessees, in connection with work of any character performed or claimed to have been performed on said premises or improvements by or at the direction or sufferance of Tenant; provided, however, that Tenant shall have the right to contest the validity or amount of any such lien or claimed lien. In the event of such contest, Tenant shall give to Landlord reasonable security as may be demanded by Landlord to insure payment thereof and prevent any sale, foreclosure or forfeiture of the premises or improvements by reason of such nonpayment. Such security need not exceed one and one-half times the amount of such lien or such claim of lien or Tenant may record the bond contemplated by Section 34.35.072, Alaska Statutes. Tenant will immediately pay any judgment rendered with all proper costs and charges and shall have such lien released or judgment satisfied at Tenant's own expense.

13. Use of Premises.-- The Tenant may use and occupy the demised premises for any lawful purpose.

14. Indemnification.-- Tenant agrees to protect,

defend, indemnify and save harmless Landlord from and against any and all claims, demands and causes of action and of any nature whatsoever, and any expenses incident to defense of and by Landlord therefrom, for any injury to or death of persons or loss of or damage to property occurring on the demised premises, or in any manner arising out of Tenant's use and occupation of said premises, or the condition thereof, during the term of this lease. Tenant shall procure and maintain public liability insurance coverage, naming Landlord as an insured, which coverage, pertaining to the demised premises, shall not be less than (1) $200,000 per person, $500,000 in the aggregate per accident, and $100,000 property damage; or (2) amounts which the Landlord reasonably requires to adequately cover the risks involved, whichever is greater. Tenant agrees to furnish copies of certificates evidencing insurance coverage of the demised premises to Landlord. The term "Tenant" shall not include a leasehold mortgagee unless the mortgagee has taken possession of the leasehold premises or acquires title pursuant to a foreclosure proceeding.

15. Condemnation.-- If the whole or any part of the demised premises shall be taken for any public or quasi-public use, under any statute or by right of eminent domain or private purchase in lieu thereof by a public body vested with the power of eminent domain, then, when possession shall be taken thereunder of the demised premises, or any part thereof, the following provisions shall be operative:

(a) Taking of All Premises.-- The term herein demised and all rights of Tenant hereunder shall immediately cease and terminate, and the rent shall be adjusted as of the time of such termination so that Tenant shall have paid rent up to the time of taking only. Landlord shall be entitled to the full condemnation proceeds, except the portion thereof attributable to the value of the buildings or improvements put up by Tenant.

(b) Taking of Substantial Part of Premises.-- If the taking reduces the ground area of the demised premises by at least thirty percent (30%) or materially affects the use being made by the Tenant of the demised premises, Tenant shall have the right, by written notice to Landlord effected not later than thirty (30) days after possession shall be taken, to elect to terminate this lease.

(1) If the election to terminate be made--

The provisions of (a) of this section relating to the taking of the whole shall govern; or

(2) If the election not be made--

(a) The lease shall continue;

(b) Landlord shall be entitled to the full condemnation proceeds except the portion thereof attributable to the value of the buildings or improvements put up by Tenant; and,

(c) Rent at the old rate shall be adjusted as of the date of taking of possession, and the rent for the balance of the term, except as modified from time to time under provision 8 hereof, shall be reduced so that the new rent shall

be that part of the former rent (before condemnation) which the unimproved value of the untaken premises (appraised after the taking) bears to the unimproved value of the entire premises demised immediately before the taking. Any dispute, controversy or claim arising out of or relating to the fixing of the new rent shall be settled by arbitration held in Anchorage, Alaska, in accordance with the Rule of the American Arbitration Association, and judgment upon any award rendered in such proceedings may be entered in any court having jurisdiction as provided by law.

(c) Taking of Insubstantial Part of Premises.-- If the taking is of such an insubstantial portion of the ground area that the use being made by Tenant of the leased premises is not materially affected, the provisions of (b)(2) above of this section (where election not made) shall govern.

16. Quiet Enjoyment.-- Provided Tenant is not in default hereunder, Landlord covenants that Tenant shall have peaceful and quiet enjoyment of the leased premises without let or hindrance on the part of Landlord, and that Landlord will warrant and defend Tenant in the peaceful and quiet enjoyment of the demised premises.

17. Notices.-- Any and all notices required or permitted under this lease, unless otherwise specified in writing by the party whose address is changed, shall be as follows:

Landlord: [redacted]

Tenant: [redacted]

18. Default.-- If Tenant at any time during the term of this lease (and regardless of the pendency of any bankruptcy, reorganization, receivership, insolvency or other proceedings, in law, in equity or before any administrative tribunal, which have or might have the effect of preventing Tenant from complying with the terms of this lease) shall (a) fail to make payment of any installment of rent or of any other sum herein specified to be paid by Tenant, or (b) fail to observe or perform any of Tenant's other covenants, agreements or obligations hereunder, and if any such default shall not be cured as to (a) within ten (10) days after Landlord shall have given Tenant written notice of such failure to make payment, or as to (b) within thirty (30) days after Landlord shall have given to Tenant written notice specifying such default or defaults, Tenant shall not have commenced to cure such default and proceed diligently to cure the same, or

(1) if Tenant has filed a Petition for an Arrangement under Chapter 11 of the Bankruptcy Act, 11 U.S.C. 701 et. seq.;

(2) or a voluntary petition under any other provision of said Bankruptcy Act; or

(3) if Tenant finally and without further possibility of appeal or review is adjudicated a bankrupt or insolvent; or

(4) has a receiver or a Trustee appointed for all

or substantially all of its business or assets on the ground of Tenant's insolvency; or

(5) has itself appointed as debtor-in-possession in a proceeding for a reorganization or an arrangement; or

(6) files a petition seeking any relief under the Bankruptcy Act of the United States, or any other act of the United States or any state having the same general purposes; or

(7) a petition is filed against Tenant seeking the relief under (6) above, which petition Tenant fails to oppose within twenty-one (21) days after service of said petition, provided, nevertheless, Landlord may terminate this Lease, even though Tenant opposes said petition against it if said petition is not dismissed within thirty (30) days after the date of opposition by Tenant to said petition; or

(8) if Tenant shall make an assignment for the benefit of its creditors,

then in any such event Landlord shall have the right at its election, then or at any time thereafter, and while such default, defaults or events shall continue, to give Tenant notice of Landlord's intention to terminate this lease and all Tenant's rights hereunder, on a date specified in such notice, which date shall not be less than thirty (30) days after the date of giving of such notice, and on the date specified in such notice, the term of this lease and all rights granted Tenant hereunder shall come to an end as fully as if the lease then expired by its own terms, and Tenant hereby covenants peaceably and quietly to yield up and surrender to Landlord said leased premises and all structures, buildings, improvements and equipment located thereon, and to execute and deliver to Landlord such instrument or instruments as shall be required by Landlord as will properly evidence termination of Tenant's rights hereunder or its interest therein.

In the event of termination of this lease as in this paragraph above provided, Landlord shall have the right to repossess the leased premises and such structures, buildings, improvements and equipment, either with process of law or through any form of suit or proceeding, as well as the right to sue for and recover all rents and other sums accrued up to the time of such termination, and damages arising out of any breach on the part of Tenant, including damages for rent not then accrued. Landlord shall also have the right, without resuming possession of the premises or terminating this lease, to sue for and recover all rents and other sums, including damages, at any time and from time to time accruing hereunder.

19. Costs Upon Default.-- In the event either party shall be in default in the performance of any of its obligations under this lease and an action shall be brought for the enforcement thereof, the defaulting party shall pay to the other all the expenses incurred therefor, including a reasonable attorney's fee.

In th event either party shall without fault on its part be made a party to any litigation commenced by or against the other, then such other party shall pay all costs and reasonable attorney's fees incurred or paid by such party in connection with such litigation.

20. Rights or Remedies.-- Except insofar as this is inconsistent with or contrary to any provision of this lease, no right or remedy herein conferred upon or reserved to Landlord is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder, or now or hereafter existing at law or in equity or by statute.

21. Waiver and Forebearance.-- Except to the extent that Landlord may have otherwise agreed in writing, no waiver by Landlord of any breach by Tenant of any of its obligations, agreements or covenants hereunder shall be deemed to be a waiver of any subsequent breach of the same or any other covenant, agreement or obligation. Nor shall any forebearance by Landlord to seek a remedy for any breach of Tenant be deemed a waiver by Landlord of its rights or remedies with respect to such breach.

22. Inspection.-- Landlord shall at all reasonable times during Tenant's business hours have access to the premises for the purpose of inspection.

23. Successors in Interest.-- This Lease shall be binding upon and inure to the benefit of the respective heirs, successors and assigns of the parties hereto.

24. Assignment or Subletting.-- Tenant must not sublet the demised premises, or any part thereof, or assign this Lease, or any part thereof, without the prior written consent of Landlord to such subletting or assignment, provided that Tenant may assign this Lease, or any part thereof, to a lending institution, for loan security purposes, and provided that this right to assign shall not be construed as a subordination of Landlord's rights hereunder, nor a subordination of its fee. Anything contrary in the foregoing notwithstanding, Tenant shall have the right to sublease all or any portion of space in any building which Tenant constructs upon the demised premises. Landlord agrees that it will not unreasonably withhold consent to a proposed subletting or assignment by Tenant.

25. Underground Conditions and Water Drainage.--

(a) Tenant has made, or prior to the construction of any building will make, its own soil tests and this lease is made subject to and without liability because of or resulting from any fill or any subsurface or soil condition upon the leased land.

(b) Tenant shall not drain or discharge water from the leased land on to adjoining land; the leased land shall be graded and drained to cause the discharge of all water on the street adjoining the leased land or into an established drainage easement, if any, on the leased land.

26. Mineral Reservation Clause.-- Landlord expressly reserves unto itself, its successors and assigns, all oil, gas, associated hydro-carbons and minerals and the right to prospect for, mine and remove said oil, gas, hydro-carbons and minerals, provided that such reserved estate and the rights incident thereto are limited to a depth more than five hundred feet (500') below the surface of the real estate conveyed, or more than five hundred feet (500') below any surface use of said real estate, whichever depth is the greater. In any event, the Tenant's use

of the surface and such portion of subsurface as is necessary for effective use of the surface shall not be disturbed or impaired by this mineral reservation or the exercise of any rights pertaining thereto.

27. Underground Utilities.-- Tenant agrees that all utilities within and serving the demised premises shall be installed underground, except the existing above-ground utilities located on the East ten feet (10') of said demised premises, provided that service connections to said existing above-ground utilities shall be installed underground.

28. Destruction of Improvements on Demised Premises.-- If all or part of the improvements placed by Tenant on the demised premises are destroyed by fire, earthquake or other cause, Tenant shall remove the debris and clean up the affected area within 120 days of the occurrence of such destruction.

29. No Dedication.-- Landlord shall have the right to close, from time to time, any or all portions of the parking area or areas to such extent as may, in the opinion of Landlord's counsel, be legally sufficient to prevent a dedication thereof or the accrual of any rights therein to any person or to the public.

30. Screening of Garbage Storage Area.-- Tenant must provide a screened or fenced area for the temporary storage of garbage, trash or snow pending removal of such material. Plans for such screening or fencing are subject to Provision 10 hereof.

31. Holding Over.-- In the event that the Tenant holds over at or after the end of the term, or any extended term, the tenancy shall be deemed a month-to-month tenancy commencing on the first day of the holding over period.

32. Mortgage of Leasehold Interest of Tenant.--

(a) Tenant shall have the unrestricted right to encumber, by mortgage, deed of trust, assignment or other appropriate instrument, Tenant's interest in part or in whole to the leased premises and in and to this Lease.

(b) A leasehold mortgagee, a beneficiary of a deed of trust, or a security assignee shall have and be subrogated to any and all rights of Tenant with respect to the curing of any default hereunder by Tenant.

(c) If the holder of any such mortgage, the beneficiary of any such deed of trust, or the security assignee shall give Landlord, before any default shall have occurred in the Lease, a written notice containing the name and post office address of such holder, Landlord shall thereafter give to such holder a copy of each notice of default by Tenant at the same time as any notice of default shall be given by Landlord to Tenant; and Landlord will not thereafter enter into any modification of this Lease without the prior written consent of the holder of any first mortgage, beneficial interest under a first deed of trust, or security assignment in this Lease.

(d) If by reason of any default of Tenant, either this Lease or any extension thereof shall be terminated at the election of Landlord prior to the stated expiration therefor,

Landlord will enter into a new Lease with the leasehold mortgagee, the beneficiary of a deed of trust, or the security assignee, for the remainder of the term, effective as of the date of such termination, at the rent and additional rent and on the terms herein contained, subject to the following conditions:

1. Such mortgagee, beneficiary or security assignee shall make written request to Landlord for a new Lease within forty (40) days after the date of such termination; and such written request shall be accompanied by a payment to Landlord of all sums then due Landlord under this Lease, as if termination had not occurred, but with such costs as are permitted under provision 19 of this Lease.

2. Such mortgagee, beneficiary, or security assignee shall pay to Landlord, at the time of the execution and delivery of such new Lease, any and all sums due thereunder, in addition to those which would at the time of the execution and delivery thereof be due under this Lease but for such termination, and in addition thereto, any reasonable expenses, including legal and attorneys' fees to which Landlord shall have been subjected by reason of such default.

3. Such mortgagee, beneficiary or security assignee shall, on or before the execution and delivery of such new Lease, perform all the other conditions required to be performed by Tenant to the extent that Tenant shall have failed to perform such conditions.

(c) If the leased premises are rendered unfit for further use for office building purposes by earthquake, ground conditions or other natural disaster, or if a taking of the whole or any part of the demised premises for public or quasi-public use by right of eminent domain or purchase in lieu thereof results in the leased premises no longer being an economically feasible location for an office building financed by a lending institution, the leasehold mortgagee or the Tenant, with the consent of the leasehold mortgagee, may remove all improvements from the leased premises regardless of any provisions to the contrary in this Lease. However, this provision shall not terminate the Lease nor the obligations of Tenant under the Lease.

33. Short Form Acknowledgement of Lease.-- Tenant agrees that it will not record this agreement at full length, but will record a short form acknowledgement of lease in lieu thereof, in the form of Exhibit A attached hereto, unless recording of a short form adversely affects the ability of Tenant to finance improvements on the demised premises, in which event Tenant must request in writing that it be relieved of the provisions hereof.

34. Integration and Modification.-- This document contains the entire agreement of the parties hereto. All negotiations, statements, representations, warranties, and assurances, whether oral or written, which are in any way related to the subject matter of this lease and the performance of either party hereto are merged and integrated into the terms of this document.

This Lease may not be modified nor amended except by a writing signed by both parties hereto, and any purported amendment or modification is without effect until reduced to a writing signed by both parties hereto.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first hereinabove written.

LANDLORD

[redacted]

By [redacted]
Its V.P.

By [redacted]
Its V. Pres.

TENANT

[redacted]

By [redacted]
General Partner

By [redacted]
General Partner

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

THIS IS TO CERTIFY that on this 27 day of July, 1976, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn as such, personally appeared [redacted], known to me to be the Vice President of [redacted], a corporation named above, and known to me to be the person named in and who executed the within and foregoing instrument, for and on behalf of said corporation by authority duly vested in him; and he acknowledged to me that he signed the same freely and voluntarily for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first hereinabove written.

[redacted]
Notary Public in and for Washington
My Commission Expires: 1-11-77

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on thi 22nd day of July, 1976, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared [redacted] and [redacted], known to me to be the General Partners of [redacted], an Alaska General Partnership, and known to me to be the persons named in and who executed the within and foregoing instrument, and they acknowledged to me that they signed the same freely and voluntarily for the uses and purposes therein mentioned.

[redacted]

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first hereinabove written.

[redacted]
Notary Public in and for Alaska
My Commission Expires: 4-26-79

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 7th day of [illegible], 1976, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared [redacted], known to me to be the President of [redacted], a corporation named above, and known to me to be the person named in and who executed the within and foregoing instrument, for and on behalf of said corporation by authority duly vested in him; and he acknowledged to me that he signed the same freely and voluntarily for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first hereinabove written.

[redacted]
Notary Public in and for Alaska
My Commission Expires: 12/7/77

[redacted]

8

GROUND LEASE

LESSOR:

LESSEE:

INITIATION DATE: October 2, 1975

TERM : 55 years

RENTAL: Rent to be 8% of the agreed upon Fair Market Value of $255,000. or $ 20,400. per year until January 2, 1977.

January 2, 1977 to January 1, 1979 rent to remain at $20,400. per year.

January 1, 1979 and beyond the rent is to be established at 8% of Fair Market Value as determined by mutual agreement or an appraisal.

After 1979 rent adjustment, the next reappraisal is not to occur before January 1, 1981 and no rental thereafter shall be made more frequently than once every 5 years.

OPTION TO PURCHASE: Option to purchase for a 6 month period following the expiration of 5 years from the beginning of the term, that is for the 6 month period between January 1, 1981 and June 30, 1981.

Minimum purchase price to be $350,000. and any rental paid during 1981 to be credited against the purchase price.

Purchase price will be the same as agreed upon for the 1981 rental.

DETERMINATION OF FAIR MARKET VALUE

Parties may initiate negotiations to determine the Fair Market Value at any time within the year immediately preceeding the effective date of such determination. If agreement is not reached within 90 days prior to the effective date then either party may institute proceedure for appraisal. In this case each party shall select an appraiser and if they do not agree on Fair Market Value or are not within 5% of one another then they shall appoint a third appraiser. If the two appraisers are within 5% of one another then the Fair Market Value shall be determined as the mid point between these two values.

NET LEASE: Lessee is to pay all taxes, assessments, and utility charges.

SUBORDINATION: Lessee may incumber the lessor's interest with a mortgage.

REVERSION: Upon termination of the lease the improvements shall revert to the lessor without cost to the lessor.

9

LESSOR: on.

LESSEE:

LOCATION:

LEGAL DESCRIPTION:

SIZE:

ZONING: B - 3

COMMENCEMENT DATE: April 1, 1973

TERM: 75 years (April 1, 1973 thru March 31, 2048)

TERMS: Lease entirely net. Rent to be $27,000. per year for the first 5 years until 1978. This figure was based on the land value of $300,000. and the lessors expected date of return of 9%.

The rent is to be adjusted in accordance with the Consumer Price Index and is to be based on the month of March, 1973. - ADJ. THRU EVERY 5 YR'S.

Option to Purchase:

The lessee has the option to purchase the land any time after the first five years of the lease. Purchase price to be based on an appraisal of the land.

Reversion:

Improvements to revert to the lessor upon lease termination.

Subordination:

Lessor to subordinate it's interest to aid the lessee in securing financing of improvements.

DRAFT FINANCE CS for CS SB 159...

(1) Where reference is to a "fixed base annual rental" or "annual rental" throughout the document, the better term would appear to be "annual rent" or just "rent."

(2) Page 1, line 25: for each subsequent five year period until the termination of the lease...

(3) Page 2, line 9 [reference subsection (d) of AS 38.05.085] Are you talking about an annual rental rate or isn't it, in fact, a fixed rate applicable to the determination of the rent due and payable during each year of the particular period (10-year or 5-year) in which the lessee finds himself??

(4) Page 2, line 12: I don't understand the reference to "with the same lease conditions as offered by the state."

(5) Page 2, line 13 [reference to subsection (e)] Wouldn't it be simpler to draw the clear distinction between improvements benefitting the property by their construction by a party who is not the lessee (includable within the determination of the reappraised market value) and those improvements made to the property by the lessee himself or at his direction (exempted from determination of reappraised value).

(6) Page 3, line 1 [fifth line after the start of (j)] It appears that a part of the sentence has been left out following "by the parties,". Perhaps you need only insert the word "submit."

(7) Page 4, line 13: Delete "reappraised annual rental value" and insert "fair market value."

(8) Page 4, line 8 and lines 20 and 21: What is meant by "a single family residential development"? One home?? A subdivision full of only single-family homes??

*

I guess my only serious question is this: On page 2, in subsection (c) of sec. 85, if it is your intent that "fair market value" be redetermined at the commencement of each rental period specified -- 10-year period or 5-year period -- you ought to specify this. As (c) is now written, while I think this is what you mean, the reference only to an appraisal "in its original condition at the time of first entering into the lease" gives pause. Perhaps this could be done by amending to read

> (c) For the purposes of leasing under this section, "market value" or "fair market value" means the price, estimated in terms of money at the commencement of each 10- or 5-year lease period, which the property...

*

I have drafted some language which, I believe, accurately reflects what you have tried to do in the first section of the bill but which may be a little more straight-forward. It is attached...

* Section 1. AS 38.05.085 is repealed and re-enacted to read:

Sec. 38.05.085. TERM OF LEASE. (a) The lease shall provide that

(1) for the initial 10-year period of the lease, the lessee shall pay the state an annual rent which may not exceed 10 per cent of the fair market value of the property

(2) for each of two additional 10-year periods, the lessee shall pay an adjusted annual rent which may not exceed the lower of

(A) 10 per cent of the adjusted fair market value of the property as determined by a reappraisal at the beginning of each of the two 10-year periods; or

(B) 170 per cent of the annual rent paid during the preceding 10-year period;

(3) for each subsequent 5-year period until the expiration of the lease, the lessee shall pay an adjusted annual rent.

(b) In the event of dispute over the fair market value, the adjusted fair market value, or the rental rate applicable to any period under (a) of this section, the lessee shall appoint an M.A.I. appraiser and the state shall appoint an M.A.I. appraiser. The two appraisers so appointed shall, within a specified period of time agreed upon by the parties, make their appraisals of the property in question. If the two appraisers agree upon the appraisals of the property or the annual rental rate, their determination is absolutely binding upon the parties. In the event the two appraisers are unable to agree, they shall together appoint a third M.A.I. appraiser who shall then make his appraisal of the fair market value or the determination of the annual rental rate of the property in question. When the third appraisal or determination is completed, the two of the three appraisals or determinations which are nearest each other in their determination shall be averaged and the resultant sum shall be the fair market value or adjusted fair market value or rental rate of the property in question and absolutely binding on the parties. All costs incurred in making the appraisals or determinations provided for in this subsection shall be borne by the state and the lessee equally.

(c) subsection (f) of your draft

(d) subsection (g) of your draft

(e) subsection (h) of your draft

(f) subsection (i) of your draft

(g) In this section,

(1) "market value" or "fair market value" means the price, estimated in terms of money, which the property, in its condition at the time of first entering into the lease, would bring if offered for sale in the market between a willing seller and a willing buyer, both being fully informed of all the purposes for which the property is best adapted and for which it could be used;

(2) "adjusted market value" means the market value of the property inclusive of any change in its value attributable to improvements or changes made and affecting the property by a party who is not the lessee, including but not limited to zoning reclassifications, but exclusive of any change in its value attributable to improvements or changes made and affecting the property by the lessee since the lease agreement was entered into;

(3) "rental rate" means the rate, expressed as a percentage of fair market value, which a comparable class of privately-owned property would bring in the open market with the same conditions of lease as offered by the state;

(4) "annual rent" means the amount of rent paid annually determined by multiplying the fair market value by the rental rate at the time of commencement of the lease;

(5) "adjusted annual rent" means the amount of rent paid annually determined by multiplying the adjusted fair market value by the rental rate at the time of commencement of each rental period.

Draft 3/23/77

FINAL REPORT AND RECOMMENDATIONS

April, 1977

THE GOVERNOR'S AD HOC ADVISORY COMMITTEE ON STATE LAND PRACTICES AND PROCEDURES

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I. SUMMARY OF THE COMMITTEE'S FORMATION, MISSION, AND ACCOMPLISHMENTS

On October 8, 1976 the Governor's Ad Hoc Advisory Committee on State Land Practices and Procedures met for the first time. The mission of the committee was outlined by Guy Martin, Commissioner of the Department of Natural Resources. He said that the Governor desired a small, precise, and efficient panel to find new ways to improve state land practices and procedures, not to set policy but to address the legal and technical aspects of disposal and other contractual relationships. Judgments, criticisms, and new recommendations were to be effected. Michael C. T. Smith, Director of the Division of Lands, clarified the mission further by adding that the committee should:

1) consider primarily revenue production, as opposed to social benefits, in its analysis;

2) make no assumptions as to state policy regarding the number, size, and location of land sales or other disposals; and

3) recommend changes that will be applicable to any likely state land policy.

The committee made a dedicated attempt to accomplish its mission. The tasks of studying existing statutes, regulations, and practices, and examining them in light of current land disposal and contractual relationships was formidable, but many members worked successfully to this end. Uncovering and identifying disposal and contractual problems involved considerable time and effort. Correct identification of a particular problem of this nature is a major step toward solving it. Perhaps the greatest success of the committee was discerning from Division of Lands personnel and state lessees the exact nature of their problems and concisely defining them. This action will have a lasting effect on Division of Lands personnel who are charged with formulating policy and procedures for land disposals and contractual relationships. The committee did make significant recommendations to effect changes in statutes, regulations, and Division procedures and policy. The lease form used by the State was revised to include terms and conditions that would offer benefits to both the State and the lessee. The recommendations of the committee in general give the State more flexibility to respond to client needs. Both client and State will benefit greatly if the committee's recommendations are carried out. The mission of the committee has been accomplished with admirable success in this regard.

Selected areas were covered, specifically those of sales and leasing. The committee states that this report is not meant, by any means, to be all-inclusive.

II. THE INDIVIDUALS ON THE COMMITTEE

The individuals who served on the committee volunteered considerable time and effort. Each member was selected on the basis of having specialized knowledge and expertise. The following list of present members and their qualifications shows considerable diversity.

Mike Colletta - State Senator

Hugh Gellert - President of Bear Fritz, Inc., a land development company with interests in Anchorage and the Kenai Peninsula.

Herb Lang - President of Anchorage Sand and Gravel.

Jamie Love - Director of the Alaska Public Interest Research Group (AkPIRG).

David McCabe - Private Appraisor.

William Mack - Chairman of the Alaska Land and Lease Holders Association.

Carl Marrs - Land Manager for Cook Inlet Region, Inc.

John Norman - Attorney specializing in the area of corporate and natural resources law.

Lidia Selkregg - Anchorage Assemblywoman; Professor of Regional Planning at the Arctic Environmental Information and Data Center in Anchorage.

Theodore G. Smith - Former State Representative; present Director of the State Division of Land and Water Management.

III. COMMITTEE WORK PROCESS

The committee worked in a series of sessions which were all open to the public. Meetings were held weekly from October 8, 1976 to March 30, 1977 with the exception of 12/17/76 - 1/5/77, when the committee recessed for the holidays. Two additional evening work sessions were held, and two evening meetings to hear public comments took place on 12/1/76 and 3/3/77. The meetings were loosely structured to accomodate those attending and to provide time for public comment.

The committee addressed the area of sales in its first sessions and proceeded to the area of leases in the later sessions. There was considerable public input from concerned individuals, and organizations, and many persons with specialized knowledge were invited. A great deal of support was provided by many state agencies, particularly by the State Division of Lands and the Department of Law. Considerable time was spent in information gathering. The Division often was requested to provide information on current procedures. Considerable information on Division activities was compiled. The changes recommended were made cautiously and are well supported by the information gathered. The committee's recommendations were made in the form of motions which were voted on by majority vote at the meetings. Recommendations were made freely as each subject area was explored.

Many meetings, including the two evening public comment sessions, were advertised in two newspapers. Press releases and newspaper articles appeared locally. Mass mailouts provided general information and announced upcoming meetings; lists of meeting dates were available at all sessions. The interested public was encouraged to contact the Division of Lands with any verbal or written questions and comments. Copies of materials used by the committee were available to the public and public comment was specifically taken on the committee's interim recommendations and draft bill to the Governor.

Almost all sessions were tape recorded in their entirety. Written minutes of meetings were time-keyed to the tapes to allow verification. The public is welcome to listen to or make copies of these tapes by contacting the Division of Lands.

IV. FINDINGS AND RECOMMENDATIONS OF THE COMMITTEE

The findings of the committee were numerous but can be grouped into major categories:

1) State lessees are dissatisfied with the state interpretation of lease contract terms, especially those relating to appraisal. Many lessees testified before the committee as to their grievances.

2) The Division's regulations covering sales and leases are often outdated and conflicting with statutes in some cases.

3) The State's lease contract form is not in line with commercial contracts and has many ambiguities in it.

4) Some state statutes in Title 38.05 are vague and unclear.

5) Payment methods for state sales contracts do not match those used in the private sector and may contribute to ballooning land values.

These findings outline the basis for the committee's recommendations which follow.

The recommendations of the committee concern statute, policy, and regulation changes, and can be grouped by topic.

The following three items are of general concern:

1. The committee wishes to note that in the course of public testimony it was apparent that Division of Aviation lessees had significant problems with their current leases. This subject was not within the scope of the committee's deliberations and, therefore, not addressed.

2. To comply with new statutes the committee recommends a major overhaul of Division of Lands regulations. The committee has found many of the regulations now in effect to be outdated and superceded by statutes.

3. The committee recommends that the Legislature apply the provisions found in Title 38 to those in Title 3, Title 19, and Title 35. The rationale would be to make land laws uniform among the Division of Aviation, Department of Highways, and Division of Lands.

In order to provide predictability in appraisals and reappraisals, for the benefit of the State and the public, the committee recommends the following:

1. At present many lessees are suffering hardship due to rent increases of several hundred percent. To provide for this relief and as a curative for such future increases the statutory provisions found in section nine of the attached bill are recommended. Provision for optional conversion of present leases to ones that will place a ceiling of 100% on rental increases every five years will largely prevent future hardship cases and resolve satisfactorily the present cases. With a rent ceiling, lease rental increases will be more predictable resulting in more financial stability for the lessee. (The Alaska Industrial Subdivision hearing panel recommends insuring predictability by placing some control over the size of the rental increase through utilization of a ceiling on the size of the increase in rental every five years.)

   Sections 8 and 9 of the attached bill will accomplish the above recommendations.

2. The committee recommends that land offered over the counter be reviewed at 90 to 120 day intervals to determine if an increase in value has occurred. This

review is desired so that parcels are not undervalued by progressive changes in the market.

Section 10 of the attached bill would accomplish this.

3. Since public notice is covered in AS 38.05.345 the change to "appraisal" for AS 38.05.310 is warranted by its present content. The committee recommends that land may be appraised 120 days in advance of a sale or lease. The change from 90 to 120 days would be desirable in that minimum bid information could be given to the public well in advance of the actual sale or lease auction. In addition 11 AAC 54.140 should be repealed.

Section 10 of the attached bill will accomplish this.

4. In order to provide a workable solution to the problems of confidentially of appraisal data, the committee recommends that the Director of the Division of Lands refrain from including confidential information in any appraisal prepared for the Division of Lands use. The committee recommends adoption of the following policy statement:

The director may make confidential those portions of appraisals and supporting data which contain information provided the appraiser in confidence. Such appraisals shall be subject to review by the local chapter of the American Institute of Real Estate Appraisers or the Society of Real Estate Appraisers to determine if the appraisal is acceptable under the professional practices and guidelines of the reviewing organization.

5. The committee believes that the word "primarily" may imply special consideration to some lessees. In order to treat all lessees fairly and equitably the committee recommends that the word "primarily" be stricken. Deleting "primarily" would clarify the basis for reappraisal. (This was also recommended by the Alaska Industrial Subdivision hearing panel.)

Section 8 of the attached bill will accomplish this.

To improve <u>accounting policies</u>, the following are recommended:

1. The committee recommends that all sales contracts over $400.00 per year have the option of paying in quarterly installments instead of annual installments. It is the committee's belief that this would ease the financial

strain on the buyer and yet not add significantly to the State's administrative costs. To provide quarterly payments would require a change in AS 38.05.065 with the present annual payments deleted and the quarterly payment provision adopted in its place.

Section 3 of the attached bill would accomplish this.

2. The committee recommends that a $10.00 fee charge to cover administrative costs be given to those who make sale or lease payments with checks that are returned. It is a standard business practice to provide for such charges and is recommended to protect the State's interests.

3. The committee recommends instituting default charges for late sale or lease payments. At present, there exists no penalty and many payments are late. The form of penalty recommended is notification charges to all delinquent payments and penalty charges to payments delinquent more than 30 days. The notification charge would be $5.00 for the first notice, $20.00 for the second notice and a penalty charge of 6 percent of the payment.

It is suggested that the fee charges be adopted as a regulation under authority of AS 38.05.035 (4)(5) as follows:

11 AAC 54.365. Delinquent Payments.

In the event of a delinquent payment, the following charges will apply:

1. A $10.00 penalty for payment with a check that is returned.

2. A $5.00 penalty for notification of payments over thirty-five days late.

3. A $20.00 penalty for a second notification of payments more than fifty days late.

4. A penalty of 6 percent of the rental or sale payment for payments delinquent by more than thir / days.

(Eff. ___ ___ Register _____)Authority AS 38.05.035.

In order to achieve more flexibility and simplicity in handling land disposal transactions, the following are recommended:

1. The committee recommends that the State charge a market rate of interest in its sales contracts. The interest rate, at present 6%, is below market levels and may have contributed to inflated prices at state land sales. By setting interest rates at market levels, the State would help prevent inflated land prices and at the same time return more income to the State. To provide for a market rate of interest in sales contracts, no change in AS 38.05.065 would be required. The addition of a statement of market rate in this statute would be desirable, however.

Section 3 of the attached bill would accomplish this.

2. The committee recommends that the State adopt a system of level payments in place of declining payments in its sale contracts. The system of level payments is in common use in the business world, and the payment figures are easily set forth in a contract. The disadvantage of the present method is that interest must be recalculated every year and the payments decrease each year. From both the State's and the buyers' viewpoints, the level payment method would be preferred. The State would receive slightly more in interest payments over the contract terms and the buyer would not have to make as high initial payments. To provide

level payments would require a change in AS 38.05.065 with the present system deleted and the level payment system adopted in its place.

Sections 2 and 3 of the attached bill would accomplish this.

3. The committee recommends that in Title 38.05 the term "fair market value" be used in place of "fair appraised market value" and "market value." The meaning is felt to be the same in all cases. The committee would like to see one standard term used to avoid confusion and misunderstanding.

Sections 4, 5, 7, and 13 of the attached bill would accomplish this.

4. The current procedures for informing the public of state lands transactions are covered in AS 38.05.305 and AS 38.05.345. The two procedures do not mesh in a clear manner. The committee recommends that the procedures be clarified in a manner that will be flexible enough to inform the public fully and yet not require multiple advertising for minor negotiated transactions.

Section 11 of the attached bill will accomplish this.

5. The committee recommends that the Director be given the authority to set the payment period from one to twenty years. This type of flexibility would allow the State and buyers greater market possibilities. To provide for this would require that the installment clause in AS 38.05.065 be deleted and replaced by the one to twenty year provision.

Section 3 of the attached bill would accomplish this.

6. The committee recommends that the State be given more flexibility to resolve contract of sale violations. This is necessary to prevent foreclosure as the only remedy for minor contract violations.

Section 3 of the attached bill would accomplish this.

To institute improvements in the leasing system, the following are recommended:

1. To implement the new lease provisions recommended by this committee new lease forms for various types of leases will be required. It is the committee's recommendation that the Division draft new lease forms to comply with the statutes adopted, and that the new forms be reviewed by this committee.

The attachments to the standard lease in Appendix C accomplish this.

2. The committee recommends that all state leases to other public agencies be at the normal fair market value rate of payment.

This reflects a regulation change.

3. The committee recommends that state government agencies get out of residential leasing.

This would reflect a policy change.

4. To provide the lessee insurance against a land boom or unexpected increase the committee recommends that rental increases at the five year reappraisal periods not exceed 100 percent of the prior existing annual rental rate. This action would increase the predictability of the lessee's payments. The stability thus created would add significant borrowing power for the lessee to finance improvements on the leased ground.

Section 8 of the attached bill would accomplish this.

5. The duration of a lease and the economic life of substantial improvements, such as stores or factories, may not coincide. In order to see that state leased land is used in a rational, economically productive manner the committee recommends that lessees of long-term leases be given a renewal option for up to fifteen years. This type of option would grant the lessee more flexibility in maximizing his investment returns, especially during the final years of his lease. It would also increase the lessee's planning possibilities for use of the leased ground. This action would also soften the impact of termination of the lease. Specifically, this would permit a lessee to make substantial repairs to a building when the remaining term of the lease would not otherwise justify it.

Section 6 of the attached bill would accomplish this.

6. The committee agrees that a lease should be converted at its present classification, and the leaseholder should then have the option to change classification subject to Division of Lands approval.

This reflects an implementation recommendation in the event that House Bill 383 passes.

7. The committee recommends that a level term for recreational leases not be provided.

8. The Alaska Industrial Subdivision hearing panel recommends that in accord with the provisions of the lease, lessees should be encouraged to record expenses incurred in site preparation so that the "original condition" can be more adequately ascertained.

The Ad Hoc committee concurs. This recommendation is handled in the attached lease document.

9. The Alaska Industrial Subdivision hearing panel recommends that lease language should be clarified to remove any possible inconsistencies with 11 AAC 58.520 (Adjustment of Rental).

The Ad Hoc committee concurs.

10. The Alaska Industrial Subdivision hearing panel recommends eliminating the floating easement. The State could exercise the right of eminent domain to condemn. The condemnation would probably result in greater compensation for damages to the lessee, especially in view of the Supreme Court decision in State v. Hammer,

550 P.2d 830, thus the lease would be more attractive to the leasing market. Additionally, the language in the current lease is ambiguous as to damages compensable. This ambiguity only encourages litigation.

The Ad Hoc committee concurs. This has been accomplished in the attached lease form.

11. The Alaska Industrial Subdivision hearing panel states that, if its recommendations are adopted, the State would be assured a competitive position in the lease market, would encourage development of the leaseholds consistent with the intent of the leasing regulations, and would be equitable to the lessee. The hearing panel also believes the State should be able to obtain a good return on its land. Accordingly, the rental rate should be changed to reflect the removal of the undesirable aspects of the state lease.

The Ad Hoc committee concurs. Continuing to include rate as an appraisal element will accomplish this objective. This change is found in the attached lease form.

To provide a vehicle for arbitrating protests and appeals involving land transactions, the following is recommended:

1. The Division of Lands has had many protests from private parties over the past few years leading the committee to believe that a board of appeals is highly desirable and needed at this time. At present there exists no arbitration board or board of appeals to handle appeals allowed by Division of Lands regulations. The creation of a board of appeals would effect a responsive mechanism for solving most problem cases arising out of Division of Lands transactions that affect private parties. The board of appeals would be faster and less costly to private parties than legal recourse, which would still be available. The board is structured to maintain adequate expertise while attempting to eliminate bias in favor of the Division of Lands. The appeal board would substitute for the Commissioner in the present appeal process. (The Alaska Industrial Subdivision hearing panel also recommends such an appeal process.)

   Section 9 of the attached bill would accomplish this.

The committee recommends the following to improve trust land management:

1. The committee believes that state trust lands (school, mental health, and university) are now and have been managed at low intensity. These lands may be returning only a fraction of their potential value that could be realized by a small, full-time management staff. The Division manages these lands at no charge to the various trust funds and receives no reimbursement for its services. Therefore, it has traditionally placed low priority on management of these lands. This committee recommends that the State Legislature authorize each trust board the authority to freely contract with any agency or private firm for the management of its lands for revenue production in accordance with the State's land act.

2. In order to provide a uniform 55 year limit for all long-term leases the committee recommends deletion of the 99 year provision found in 38.05.070(c) for school lands.

Section 6 of the attached bill would accomplish this.

V. APPENDIX A

LIST OF PUBLIC GIVING COMMENTS AT AD HOC MEETINGS

GRAHAM, Joe

AKERS, Merle (Anchorage International Airport Pilots' Association)

FORD, R. G. (Anchorage Camper Center--Alaska Industrial Subdivision)

DAVIS, Ken (Alaska Industrial Subdivision--school land lessee)

RICHARDSON, Phil (Talkeetna lessee)

BAER, Paul (International Airport Road--lessee/attorney)

NORENE, Larry (appraiser/broker)

SIMMONS, Errol (appraiser)

CUTLER, Dale (Chairman, Anchorage International Airport Pilots' Association)

BROWN, Leon (A&W Drive-In, Brown's Electrical--Alaska Industrial Subdivision)

FERRARA, Fred (appraiser, retained by Alaska Industrial Subdivision)

BEAMER, Mr.

HOGAN, L. L.

CHRISTOPHER, Jim (Alaska Industrial Subdivision)

WEEKS, Lloyd E.

LEDBETTER, Charles (recreational lease, Rocky Lake, Matanuska Valley)

GRAY, Brian Mark

MacNUTT, Lowell (Alaska Industrial Subdivision)

DAVIS, Ken (Alaska Industrial Subdivision)

PENNEY, Bob (Penland Subdivision)

HOGE, Andrew (attorney)

BIELAWSKI, Joe (Alaska Industrial Subdivision)

MALONEY, Dennis

WILHOUR, Joe (Alaska Industrial Subdivision)

TROEH, Paul

VANDERMOLEN, John (HUD/FHA--Anchorage Insuring Office)

MEEKINS, Russ (Alaska Land & Leaseholders Association)

HURLEY, Katherine (State Board of Education)

HEINE, Darwin (School Trust Lands--Fairbanks)

KERNS, Dick (Department of Highways)

GEORGE, Al (University of Alaska--Fairbanks)

DENHAM, Bob (Pastor, 1st Church of the Nazarene)

FLAVIN, Frank (State Ombudsman)

RIGSBEE, Alberta

ROETMAN, Emmett

BAILY, Douglas (Attorney for Alaska Industrial Subdivision)

MORRIS, Lloyd

V. APPENDIX B.

Introduced: 3/22/77
Referred: Resources

IN THE HOUSE

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

HOUSE BILL NO. 383

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to state land; and providing for an effective date."

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

* Section 1. AS 38.05.030 is amended by adding a new subsection to read:

(f) Each trust for which the director exercises land management functions shall be assessed the cost of that management which shall be negotiated annually between the division and the respective trust boards.

* Sec. 2. AS 38.05.055 is amended to read:

Sec. 38.05.055. SALE PROCEDURES. Except as provided in sec. 315(d) of this chapter, the sale shall be made at public auction to the highest qualified bidder as determined by the director. An aggrieved bidder may appeal to the commissioner within five days after the sale for a review of the d rector's determination. The sale shall be conducted by the director or his representative, and at the time of sale the successful bidder shall deposit an amount <u>determined by the director but not less than five per cent</u> [EQUAL TO ONETENTH] of the purchase price. The director or his representative shall immediately issue a receipt containing a description of the land or property purchased, the price bid, and the terms of sale, which receipt shall be acknowledged in writing by the bidder. A contract of sale on a form approved by the attorney general shall be signed by the purchaser and, after approval of the commissioner, the contract shall also be

signed by the director on behalf of the state.

* Sec. 3. AS 38.05.065 is amended to read:

Sec. 38.05.065. TERMS OF CONTRACT OF SALE. The contract of sale shall require the remainder of the purchase price to be paid over a period of not more than 20 years, to be set for each sale by the director. Installment payments plus interest must be set on the level-payment basis. The interest rate to be charged on installment payments is the prevailing rate on similar land transactions at the time the contract is signed, as determined by the director, but in no case may it be below five per cent per year or above the current usury rate as set by AS 45.45.010(b) and (d) [IN ANNUAL INSTALLMENTS OF NOT LESS THAN 10 PER CENT OF THE PURCHASE PRICE, WITH INTEREST AT THE RATE OF NOT LESS THAN FIVE PER CENT A YEAR]. The director, with the consent of the commissioner, may also impose conditions, limitations and terms which he considers necessary and proper to protect the interest of the state. Violations of any provision of this chapter or the terms of the contract of sale subject the purchaser to appropriate administrative and legal action, including but not limited to specific performance, foreclosure, ejectment, or other legal remedies in accordance with applicable state law [LEGAL ACTION, INCLUDING A FORECLOSURE ACTION IN ACCORDANCE WITH APPLICABLE STATE LAW].

* Sec. 4. AS 38.05.067(b) is amended to read:

(b) The director shall not sell the lands under this section at less than their fair [APPRAISED] market value. The director shall make regulations necessary to ensure that lands sold under this section are for bona fide residential use and not for speculation.

* Sec. 5. AS 38.05.068(a) is amended to read:

(a) Before offering to the public any land which is subject to a valid existing United States Forest Service permit in effect in a

state-selected area at the time the area was patented to the state, or which is subject to a lease issued under sec. 87 of this chapter, the director shall offer the land for sale to the permittee or his successor in title, if he can be found, at not less than its fair [APPRAISED] market value before offering to the general public.

* Sec. 6. AS 38.05.070(c) is amended to read:

(c) A lease may be issued for a period up to 55 years, if it appears to be in the best interest of the state and if the commissioner approves. A lease for a period in excess of 25 years must grant the lessee an option entitling him to extend the term of the lease for up to three consecutive five-year periods in addition to the original term. If the commissioner determines that the land or a part of it which is the subject of a grazing lease is not being used for the purpose issued, the lease may be declared void. [HOWEVER, A NON-RENEWABLE LEASE FOR SCHOOL LANDS MAY BE ISSUED FOR A PERIOD NOT TO EXCEED 99 YEARS.]

* Sec. 7. AS 38.05.087(a) is amended to read:

(a) Before offering to the public any land for lease which is subject to a valid existing United States Forest Service permit in effect in a state-selected area at the time the area was patented to the state, the director shall offer the land for leasing to the permittee at not less than its fair [APPRAISED] market value before offering it to the general public.

* Sec. 8. AS 38.05.105 is amended to read:

Sec. 38.05.105. PERIODIC RENTAL ADJUSTMENTS. (a) Each lease shall stipulate that the annual rental payment is subject to adjustment at five-year intervals and changes or adjustments shall be based [PRIMARILY] on a reappraised annual rental value. Any increase due to reappraisal may not exceed 100 per cent of the annual rental for the

preceding five-year period. However, if the director of the division of lands determines that residential development is the best use for the land, the reappraisal period may be lengthened or the readjustment waived in accordance with regulations adopted by the commissioner. Before a waiver of rental readjustment is issued, the land shall have a current reappraisal. A waiver is valid only if residential development actually occurs, and only if it is necessary for obtaining primary long-term financing. The regulations adopted under this section shall ensure that the state receives a fair return from the land.

(b) The 100 per cent limit on increases in annual rental applies only to leases executed after the effective date of this Act and to leases converted under sec. 106 of this chapter.

* Sec. 9. AS 38.05 is amended by adding new sections to article 3 to read:

Sec. 38.05.106. CONVERSION OF LEASES. (a) Any person holding a valid lease under secs. 70 - 106 of this chapter, or who is an approved assignee of such a lessee under the terms of the lease, may convert his lease to obtain the benefits described in (b) of this section, which were not available to him at the time his lease was originally entered, if he makes all payments due under the lease as computed according to this section and is not in violation of any other lease provision.

(b) Those lease benefits which must be made available to a lessee qualifying under (a) of this section are all of those lease provisions authorized to be included in new leases executed by the state after the effective date of this Act.

(c) The effective annual rental value at conversion shall be based on the most recent reappraisal if reappraisal was within two years after the effective date of this Act. In all other cases, the

annual rental value at conversion shall be based on the next reappraisal after conversion.

(d) The rate which is applied to the fair market value of lease property to compute annual rental value shall be the current market rate except the director may reduce it to not less than six per cent.

(e) Any lease conversion as to trust lands is effective only if approved by the appropriate board of trustees.

(f) Applications for conversion must be made within three years after the effective date of this Act.

Sec. 38.05.108. STATE BOARD OF LAND APPEALS; REGULATIONS. (a) There is created in the department a Board of Land Lease Appeals of five members, one of whom is the commissioner or his designated representative. The other members of the board are to be appointed by the governo from the general public, after consideration of the desirability of legal, natural resource, or real estate training and experience as criteria.

(b) The director shall provide administrative support for the board.

(c) The terms of the public members are three years each, except that the initial terms of one of the members first appointed under this chapter shall be for one year and one member for two years. The public members are entitled to compensation in the amount of $50 a day for each day or portion of a day spent in actual meeting or on authorized official business incident to their duties, and to all transportation and per diem allowances authorized by AS 39.20.180.

(d) Jurisdiction of the board extends to matters arising under secs. 70 - 106 of this chapter related to the leasing of state land other than for the extraction of natural resources from which an appeal may be taken under statute or regulation to the commissioner

from a decision of the director. The board in all those appeals filed after the effective date of this Act has the authority to hear evidence and recommend decisions to the commissioner when the director's decision is appealed to the commissioner. The commissioner,, after consultation with the board, shall adopt regulations governing the procedures of the board.

* Sec. 10. AS 38.05.310 is amended to read:

Sec. 38.05.310. NOTICE AND APPRAISAL. (a) No land may be sold or leased, or a renewal lease issued [WITHOUT PUBLIC NOTICE,] except in the case of an oil or gas or mineral lease, unless it has been appraised within 120 [90] days before the date of [FIXED FOR THE] sale or lease. For over-the-counter sale under (b) of this section, an appraisal [WHEN LAND IS OFFERED AT PUBLIC SALE BUT IS NOT SOLD AND IS AVAILABLE AT PRIVATE SALE, NO REAPPRAISAL] is required unless the director finds [CONSIDERS] that a change in value of the lands has not [MAY HAVE] occurred. A grazing lease may be granted to a lessee of federal grazing lands without prior appraisal, if his federal lease was cancelled to allow the state to select the lands under lease. No land may be sold or leased for less than fair [THE APPROVED, APPRAISED] market value, except as provided in secs. 315 and 320 of this chapter and secs. 75 - 85 of this chapter. No land or interest in land may be sold, leased, or otherwise disposed of without public notice.

(b) When land is offered at public sale but is not sold, it may be available for sale over the counter. The director shall review the list of parcels of land available on a quarterly basis and shall certify that there has been no change in value since the last reappraisal. If an increase in value occurs in any parcel, the director shall withdraw that parcel from sale over the counter.

* Sec. 11. AS 38.05.345(a) is amended to read:

(a) Public notice of an auction sale [, LEASE OR OTHER DISPOSAL] of land or interest in it shall be substantially as follows.

* Sec. 12. AS 38.05.345 is amended by adding a new subsection to read:

(e) Public notice of a sale, lease, or other disposal of land or an interest in it other than by auction, or notice of a classification or other action concerning land, shall conform to the requirements of sec. 305 of this chapter and of this subsection. That notice must comply with the provisions of (b) and (d) of this section, except that the disposal may be made more than five weeks following the last appearance of the published notice.

* Sec. 13. AS 38.05.365 is amended by adding a new paragraph to read:

(24) "market value" or "fair market value" means the price, estimated in terms of money, which the property would bring if exposed for a sale for a reasonable time in the open market, with a seller, willing but not forced to sell, and a buyer, willing but not forced to buy, both being fully informed of all the purposes for which the property is best adapted or could be used.

REVISED 3/23/77

V. APPENDIX C

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF LANDS

323 East Fourth Avenue

Anchorage, Alaska 99501

ADL NO._____

LEASE AGREEMENT

THIS Lease agreement made and entered into this _____ day of _____, 19___, by and between the State of Alaska, through the Director of the Division of Lands, with the consent and approval of the Commissioner of the Department of Natural Resources, acting for and on its behalf under and pursuant to AS 38.05, as amended, and the regulations promulgated thereunder, as amended or hereafter amended, hereinafter referred to as the LESSOR; and _____ _____ of _____ hereinafter referred to as the LESSEE:

WHEREAS, the Lessor has caused the lands herein demised to be appraised and such appraisal was made and approved on or after _____, 19_____; and

WHEREAS, the Lessor has caused a notice of intent to lease the lands herein demised to be published as required by law or caused notices of intent to lease to be posted as required by law; and

WHEREAS, an auction of the herein demised property was held at the time and place designated by notice and said sale was approved by the Director of the Division of Lands, Department of Natural Resources, State of Alaska:

NOW THEREFOR, the Lessor has agreed to let and does hereby let and demise to the Lessee, and the Lessee has agreed to take and does hereby take from the Lessor the surface estate of all that lot, piece, or parcel of land more particularly bounded and described, as follows:

_____

_____

_____

_____

_____

Located in the _____ Recording District, State of Alaska.

TO HAVE AND TO HOLD the said demised premises for a term of _____ ( ) years commencing on the _____ day of _____, 19_____, and ending at 12 o'clock midnight on the _____day of _____, _____, unless sooner terminated as hereinafter provided.

The Lessee shall pay to the Lessor rental as follows: Equal _____ payments, in advance, on or before the _____ day of _____ of every year during said term at the rate of _____ Dollars ($_____) per _____; such payments to be subject to adjustment as hereinafter required from the effective date hereof, as provided herein.

It is agreed that each of the covenants, terms and agreements herein contained shall be binding upon the parties and upon their respective successors and assigns.

1. Appurtenances, and Encumbrances-- Lessor leases and grants to Lessee all easements, parking and loading rights, rights of ingress and egress, fixtures and appurtenances now or hereafter belonging or pertaining to said premises. The des-

cribed premises are leased, subject to patent restrictions, easements, rights-of-way, if any, zoning and building restrictions and statutes and governmental regulations now in effect or hereafter adopted by any governmental authority.

2. Payment of Taxes and Assessments-- Lessee agrees to pay to the public authorities charged with collection thereof, promptly as the same may become due and payable, all taxes, permit, inspection and license fees and other public charges, whether of a like or different nature, except for general and special assessments lawfully levied upon the leasehold estate and any buildings, structures, fixtures, improvements or leasehold interest now or hereafter located thereon, or arising in respect of the occupancy, use or possession of the leased Premises, and which are charged against and are, or may become, a lien during the term of this lease; and Lessee agrees to exhibit to Lessor, on demand receipts evidencing payment of all taxes, fees and other similar public charges so payable by Lessee. Lessee shall also pay all charges of water, sewer, gas, electricity, power or other public utility services rendered on or to the Premises during the term of this lease as such charges become due.

3. Documentation of Improvements-- Lessee must within 90 days of completion of any site improvements, including but not limited to clearing, leveling, excavation, and backfill, and exclusive of any structures, file with the lessor adequate and reasonable documentation of such improvements including any applicable costs and quantities. Such documentation is intended to aid in future determinations of the original condition of the Premises.

4. Notification and Late Payment Charge-- In the event lessee becomes 30 days delinquent in payments due, a late payment charge of 6% of such amount due shall be levied against the lease. Additionally, a charge for notification for payments 30 days late shall be made at the rate of $5.00 for the first notice and $20.00

for the second notice.

5. Permitted Uses— (a) The Lessee shall use the leased Premises for uses and purposes consistent with those cited in Attachment 1, and in conformance with applicable local zoning ordinances. At any time Lessee may request a change in permitted uses, provided that Lessee's existing or proposed use of the Premises is consistent with existing zoning. If the Lessor concurs with such change of permitted use, then this lease shall terminate, and a new lease, upon a form and containing terms, appraisal and rental rate applicable to the changed classification; shall be executed for the balance of the unexpired lease term, or renewal term if applicable, then remaining.

b. Lessee may request that part of the leased Premises be severed from the Premises for purposes of changing of that part for a use or uses not permitted under the then existing permitted uses of the Premises. If the Lessor concurs, then this lease shall terminate as to the part so severed, and a new lease, upon a form and containing terms, appraisal and rental rate applicable to the changed permitted uses; shall be executed for the balance of the unexpired lease term, or renewal term if applicable, then remaining. The annual rentals applicable to the original leased Premises shall be adjusted to reflect the effect of severance of the part permitted by this paragraph for the balance of the original lease term or the renewal term, if applicable. If severance of a portion of the Premises is permitted, Lessee shall comply with all state and local laws and ordinances regarding the subdivision of real property, and shall bear the expenses and costs attributable to survey, recording and other compliance with said laws and ordinances.

6. Compliance with Laws' Ordinance and Regulations— Lessee shall comply with all applicable laws, ordinances and regulations of duly constituted public au-

thorities now or hereafter in existence which in any manner affect the leased Premises or the sidewalks, alleys, streets, and ways adjacent thereto, or any buildings, structures, fixtures or improvements or the use thereof. Lessee further agrees that it will not permit any unlawful occupation, business or trade to be conducted on the Premises, or any use to be made thereof contrary to any law, ordinance or regulation applicable thereto.

The lessee, at its own cost and expense, shall keep the leased Premises and all improvements which at any time during the term of this lease may be situated thereon, in good maintenance, condition and repair during he entire term of this lease, and hereby expressly waives any right to make repairs to the Premises at the expense of Lessor which may be allowed by any statute or law in effect at the time of the execution of this lease or any amendment thereof, or by any other statute or law which may be hereafter passed during the term of this lease. The Lessee's rights under this Lease may be terminated by the Director, in whole or in part, if the leased Premises are used for a purpose unlawful under Federal or State law or regulation, or local Government ordinance as applicable.

7. Lessee's Rights of Occupancy and Use-- Lessee, when not in default of performance of any of its obligations hereunder, shall have the following rights, during the term of this Lease, from time to time and in such manner, and to such extent, as Lessee may in its sole judgment deem advisable, except where any of said rights is conditioned upon prior approval of Lessor: (a) The right to demolish, remove or otherwise dispose of any improvements presently or subsequently situated upon the leased Premises; (b) The right to erect, place, or install upon the leased Premises buildings, structures, and improvements as from time to time it shall deem advisable; (c) The right to make such alterations, additions and repairs to the leased Premises as it may desire.

8. Disposition of Improvements Upon Termination— (a) All buildings, structures and permanent improvements, including any signs which are installed, placed or attached in or about the leased Premises by Lessee, shall remain the property of Lessee at the expiration or termination of this lease, or of any renewal term thereof. The lessee shall within 60 days after termination or expiration of the lease remove all improvements located on the leased Premises, provided that such removal will not cause injury or damage to the leased Premises; and further provided that the Lessor may extend the time for removing such improvements in a case where hardship is demonstrated. Following removal Lessee shall leave Premises in a safe and natural condition. The retiring lessee may, with the consent of the Lessor, sell his improvements to the succeeding lessee.

(b) If any improvements and/or chattels having an appraised value in excess of $10,000.00, as determined by the Lessor, are not removed within the time allowed, such improvements and/or chattels shall, upon due notice to the Lessee, be sold at public sale under the direction of the Lessor. The proceeds of sale shall inure to the Lessee who placed such improvements and/or chattels on the lands after payment to the Lessor of all rents due and owing and expenses incurred in holding such sale. In case there are no other bidders at any such sale, the Lessor is authorized to bid on such improvements and/or chattels. The Lessor shall acquire all rights, both legal and equitable, that any other purchaser could acquire by reason of said sale and purchase.

(c) If any improvements and/or chattels having an appraised value of $10,000.00 or less, as determined by the Lessor, are not removed within the time allowed, such improvements and/or chattels shall revert to, and absolute title shall vest in, the Lessor.

9. Freedom From Liens— Lessee will not permit any mechanics', laborers', or

materialmens' liens to stand against the leased Premises or improvements for any labor or materials furnished to Lessee, or claimed to have been furnished to Lessee or to Lessee's agents, contractors, or sublessees, in connection with work of any character performed on said Premises or improvements by or at the direction or sufferance of Lessee; provided, however, that Lessee shall have the right to contest the validity or amount of any such lien or claimed lien. In the event of such contest, Lessee shall give to Lessor such reasonable security as may be demanded by Lessor to insure payment thereof and to prevent any purported sale, foreclosure or forfeiture of the premises or improvements by reason of such non-payment. Such security need not exceed one and one-half times the amount of such lien or such claim of lien. Lessee shall record such bond as contemplated by Section 34.35.072, Alaska Statutes upon Lessor's demand. Lessee shall immediately pay any judgment rendered on any proven claim of lien, together with all proper costs and charges, and shall have such lien released or judgment satisfied at Lessee's own expense. The State may file such notices of non-responsibility as it may deem necessary, pursuant to A.S. 34.35.065.

10. Lawful Use of Premises— The Lessee may use and occupy the leased Premises for any lawful purpose provided such purpose is allowed under Attachment 1 of this Lease.

11. Indemnity to Lessor— Lessee will indemnify and hold Lessor harmless from and against all claims and demands for loss or damage, including property damage, personal injury or wrongful death, arising out of or in connection with the use or occupancy of the Premises by Lessee or any other person under Lessee, and from any accident or fire on the Premises and from any nuisance made or suffered thereon, and from any failure by Lessee to keep the Premises in a safe condition, and Lessee will reimburse Lessor for all its costs and expenses, including reasonable attorneys' fees, incurred in the defense of any such claims; and Lessee will hold all goods,

materials, furniture, fixtures equipment, machinery and other property whatsoever on the Premises at the sole risk of Lessee, and will save Lessor harmless from any claim of loss or damage thereto by any cause whatsoever. If all or part of the improvements placed by Lessee on the demised premises are destroyed by fire, earthquake or other cause, Lessee shall remove the debris and clean up the affected area within 60 days of the occurrence of such destruction, and may surrender to Lessor this lease, together with any interest of Lessee and of any mortgagee in the remaining insurance proceeds and Lessee may thereby be relieved of any further obligation hereunder.

12. Default— If Lessee at any time during the term or renewal term of this lease (and regardless of the pendency of any bankruptcy, reorganization, receivership, insolvency or other proceedings, in law, in equity or before any administrative tribunal, which has or might have the effect of preventing Lessee from complying with the terms of this lease) (a) shall fail to make payment of any installment of rent or of any other sum herein specified to be paid by Lessee, or (b) shall fail to observe or perform any of Lessee's other covenants, agreements or obligations hereunder, and if any such default shall not be cured as to (a) within ten days after Lessor shall have given Lessee written notice of such failure to make payment, or as to (b) within thirty (30) days after Lessor shall have given to Lessee written notice specifying such default or defaults, Lessee shall not have commenced diligently to cure such default; or if Lessee has filed a voluntary petition or has become subject to an involuntary petition under any provision of the Bankruptcy Act, 11 U.S.C. 701 et. seg; or if Lessee finally and without further possibility of appeal or review is adjudicated a bankrupt or insolvent; or if Lessee has a receiver or a Trustee appointed for all or substantially all of its business or assets on the ground of Lessee's insolvency; or if Lessee has itself appointed as debtor-in-possession in a proceeding for a reorganization or an arrangement; or if Lessee shall make an assignment for the benefit of its creditors, then in any such event Lessor shall have the right,

at its election, then or at any time thereafter, and while such default, defaults or events shall continue, to give Lessee written notice of Lessor's intention to terminate this lease and all of Lessee's rights hereunder, on the date specified in such notice, which date shall not be less than thirty (30) days after the date of giving of such notice; and on the date specified in such notice this lease and all rights granted Lessee hereunder shall terminate as fully as if the lease had then expired by its own terms; and Lessee hereby covenants to peaceably and quietly surrender to Lessor said leased Premises and all structures, buildings improvements and equipment located thereon, subject to paragraph 7 (a) above and to execute and deliver to Lessor such instrument or instruments which may be required by Lessor to properly evidence termination of Lessee's rights and interest hereunder.

In the event of termination of this lease as provided in this paragraph 12, Lessor shall have the right to repossess the leased Premises and such structures, buildings, improvements and equipment, thereon and subject to paragraph 5 above either with process of law or through any form of suit or proceeding, as well as the right to sue for and recover all rents and other sums accrued up to the time of such termination, and damages arising out of any breach on the part of Lessee, including damages for rent for the balance of the lease term not then accrued. Lessor shall also have the right, without taking possession of the premises or terminating this lease, to sue for and recover all rents and other sums, including damages, at any time and from time to time which may accrue hereunder as a result of any default of Lessee.

13. Condemnation-- If the whole or any part of the demised premises shall be taken for any public or quasi-public use, under any statute or by right of eminent domain or private purchase in lieu thereof, by any public or quasi-public body vested with the power of eminent domain, then when possession shall be taken thereunder of the leased Premises, or any part thereof, the following provisions

shall control:

a. Taking of All Premises-- If all of the Premises are taken by condemnation the term of this lease and all rights of the Lessee hereunder shall immediately terminate, and the rent shall be adjusted as of the time of such termination so that Lessee shall have paid rent only up to the time of such taking. Lessor shall be entitled to the full condemnation proceeds, except that portion thereof attributable to the value of the buildings or improvements placed on the Premises by Lessee.

b. Taking of Substantial Part of Premises-- If the taking by condemnation reduces the ground area of the leased Premises by at least thirty percent (30%), or materially affects the use being made by the Lessee of the demised premises, Lessee shall have the right, by written notice to Lessor made not later than one hundred eighty (180) days after possession shall be taken, to elect to terminate or to not terminate this lease under the provisions set forth herein. If the election to terminate is made the provisions of (a) of this paragraph relating to the taking of the whole Premises shall govern. If the election not to terminate is made the lease shall continue and Lessor shall be entitled to the full condemnation proceeds except the portion thereof attributable to the value of the buildings or structural improvements placed on the Premises by Lessee; and rent at the existing rate and amount shall be adjusted as of the date of the taking of possession, and the rent for the balance of the term, except as modified from time to time under paragraph 1 of attachment 1 hereof, shall be reduced so that the new rent shall be that part of the former rent (before condemnation) which the unimproved value of the untaken Premises (appraised after the taking) bears to the unimproved value of the entire Premises immediately before the taking. Any dispute, controversy or claim arising out of or relating to the fixing of the new rent shall be settled by arbitration as provided herein.

c. Taking of Insubstantial Part of Premises— If the taking is of such an insubstantial portion of the ground area that the use being made by Lessee of the leased premises is not materially affected, the provisions of this paragraph regarding Lessee's election not to terminate shall govern.

14. Quiet Enjoyment— Provided Lessee is not in default hereunder, Lessor covenants that Lessee shall have peaceful and quiet enjoyment of the leased Premises without let or hindrance on the part of Lessor, and Lessor will warrant and defend Lessee in the peaceful and quiet enjoyment of the leased Premises.

15. Notices— All notices required or permitted under this agreement shall be made by certified or registered mail, postage prepaid, to the parties at the following addresses.

To The Lessor: _____

To The Lessee: _____

16. Rights or Remedies— Except as may be inconsistent with or contrary to any provision of this lease, no right or remedy herein conferred upon or reserved to Lessor shall be exclusive of any other right or remedy, and each and every right or remedy shall be cumulative and in addition to any other right or reme given hereunder. or now or hereafter existing at law or in equity or by statute.

17. Waiver or Forebearance— The receipt of rent by the Lessor, with or without knowledge of any breach of the lease by the Lessee, or of any default on the part of the Lessee in the observance or performance of any of the conditions or covenants of this lease, shall nct be deemed to be a waiver of any provision of this lease. No failure on the part of the Lessor to enforce any covenant or provision herein

contained, nor any waiver of any right hereunder by the Lessor, unless in writing, shall discharge or invalidate such term or covenant; nor shall any forebearance or written waiver affect the right of the Lessor to enforce any term or covenant in the event of any subsequent breach or default. The receipt by Lessor of rent or any other sum of money or the termination, in any manner, of the lease term or the giving by Lessor of any notice hereunder to effect such termination, shall not reinstate, continue, or extend any term herein leased, or destroy, or in any manner impair the validity of any such notice of termination as may have been given hereunder by the Lessor to the Lessee prior to the receipt of any such sum of money or other consideration, unless the contrary effect shall be expressed in writing and signed by the Lessor.

18. Inspection— Lessor shall, at all reasonable times have access to the Premises for the purpose of inspection.

19. Successors in Interest-- This Lease shall be binding upon and inure to the benefit of the respective heirs, successors in interest and assigns of the parties hereto.

20. Assignment or Subletting— Lessee shall not sublet or assign the leased premises or any part thereof, without the prior written consent of Lessor to such subletting or assignment, which consent shall not be unreasonably withheld, subject to use provisions of this lease. However, Lessee, without prior authorization may assign thi ase, or any part thereof, to a duly licensed and authorized lending institution for loan security purposes, provided that this right to assign shall not operate as a subordination of Lessor's rights hereunder, nor a subordination of its fee. Lessor agrees that upon receipt of application for assignment by Lessee, it will consent to or deny a proposed subletting or assignment by Lessee. No assignme or subletting of the Premises or any portion thereof by Lessee shall void Lessee's

obligation to pay the rent herein reserved for the full term of this sublease or any extensions thereof. Anything contrary in the foregoing notwithstanding, Lessee shall have the right to sublease all or any portion of the enclosed space in any building which Lessee may construct upon the leased Premises without prior written approval of Lessor.

21. Soil Conditions and Water Drainage-- Lessor makes no warranty and assumes no liability regarding the soil conditions or water drainage upon the leased premises.

22. Mineral Reservation-- The Lessor hereby expressly saves, excepts and reserves out of the grant hereby made, unto itself, its lessees, successors, and assigns forever, all oils, gases, coal, ores, minerals, fissionable materials, and fossils of every name, kind or description, and which may be in or upon said lands above-described, or any part thereof, and the right to explore the same for such oils, gases, coal, ores, minerals, fissionable materials and fossils. All coal, oil, gas and other minerals and all deposits of stone or gravel valuable for extraction or utilization, are excepted from the operation of a surface lease. Specifically, the lessee of the surface rights shall not sell or remove for use elsewhere any timber, stone, gravel, topsoil, or any other material valuable for building or commercial purposes; provided, however, that material required for the development of the leasehold may be used. It also hereby expressly saves and reserves out of the grant hereby made, unto itself, its lessee, successors, and assigns forever, the right to enter by itself, its or their agents, attorneys, and servants upon said lands, or any part or parts thereof, at any and all times, for the purpose of opening, developing, drilling and working mines or wells on these or other lands and taking out and removing therefrom all such oils, gases, coal, ores, minerals, fissionable materials and fossils; and to that end it further expressly reserves out of the grant hereby made, unto itself, its lessees, successors, and assigns forever, the right by

its or their agents, servants and attorneys at any and all times to erect, construct, maintain, and use all such buildings, machinery, roads, pipelines, powerlines, and railroads, sink such shafts, drill such wells, remove such soil, and to remain on said lands or any part thereof for the foregoing purposes and to occupy as much of said lands as may be necessary or convenient for such purposes, hereby expressly reserving to itself, its lessees, successors, and assigns, as aforesaid, generally all rights and power in, to and over said land, whether herein expressed or not, reasonably necessary or convenient to render beneficial and efficient the complete enjoyment of the property and rights hereby expressly reserved.

Provided, however, no rights shall be exercised by the Lessor or its mineral lessees, until provision has been made by the Lessor or its mineral lessees to pay to the Lessee of the land, upon which the rights herein reserved to the Lessor or its mineral lessees, are sought to be exercised, full payment for all damages sustained by said Lessee, by reason of entering upon said land; and provided that if said Lessee for any cause whatever refuses or neglects to settle said damages, the Lessor or its mineral lessees, or any applicant for a mineral lease or contract from the Lessor or its lessees for the purpose of prospecting for valuable minerals, or option contract or lease for mining coal or lease for extracting petroleum or natural gas, shall have the right, after posting a surety bond with the Director issued by a corporation qualified to do business in Alaska and licensed to sell insurance in Alaska, or a bond executed by one or more individual sureties approved by the Director, after due notice and opportunity to be heard, to be sufficient in amount and security to secure the said Lessee full payment for all such damages, to enter upon the land in the exercise of said reserved rights, and shall have the right to institute such legal proceedings in a court of competent jurisdiction wherein the land is situated, as may be necessary to determine the damages which the surface lessee of such lands may suffer.

23. Mortgage of Leasehold Interest of Tenant— A leasehold mortgagee, a beneficiary of a deed of trust, or a security assignee shall have and be subrogated to any and all rights of Lessee with respect to the curing of any default hereunder by Lessee. If the holder of any such mortgage, the beneficiary of any such deed of trust, or the security assignee shall give Lessor, before any default shall have occurred in the Lease, a written notice containing the name and post office address of such holder, Lessor shall thereafter give to such holder a copy of each notice of default by Lessee at the same time as any notice of default shall be given by Lessor to Lessee; and Lessor will not thereafter enter into any modification of this Lease without the prior written consent of such mortgagee, beneficiary or security assignee. If by reason of any default of Lessee, either this Lease or any renewal thereof shall be terminated at the election of Lessor prior to the stated expiration thereof, Lessor shall enter into a new Lease with the leasehold mortgagee, the beneficiary of a deed of trust, or the security assignee, for the unexpired portion of the lease term, effective as of the date of such termination, at the rent and on the terms herein contained, subject to the following conditions.

Mortgagees, beneficiary or security assignee shall do the following:

a. make written request to Lessor for a new lease within forty (40) days after the date of such termination; and such written request shall be accompanied by payment to Lessor of all sums then due Lessor under this lease as if termination had not occurred but with such costs as are permitted under this Lease.

b. pay to Lessor, at the time of the execution and delivery of such new Lease, any and all sums due thereunder, in addition to those which would at the time of the execution and delivery thereof be

due under this Lease but for such termination, and in addition thereto, any reasonable expenses, including legal and attorneys' fees to which Lessor shall have been subjected by reason of such default.

c. on or before the execution and delivery of such new Lease, perform all other conditions required to be performed by Lessee, to the extent that Lessee shall have failed to perform such conditions.

24. Arbitration— Any dispute between the parties arising under this lease or through the performance or non-performance of any term of this lease shall be first subject to resolution by arbitration, under the authority and procedures contained in Alaska Statutes 09.43. Appointment of an arbitrator shall be made by agreement between the parties. If no agreement can be reached, each party shall appoint an arbitrator, who shall by agreement between themselves appoint a third arbitrator. If any State Board of Land Appeals is later created which shall have jurisdiction over disputes which may arise under this lease, such Board shall assume jurisdiction and no requirement for arbitration shall thereafter be imposed during the pendency of such jurisdiction.

25. Integration and Modification— This document including attachments which by reference are made a part hereof, contains the entire agreement of the parties hereto. All negotiations, statements, representations, warranties, and assurances, whether oral or written, which are in any way related to the subject matter of this lease, and the performance by either party hereto, are merged and integrated into the terms of this document.

This Lease may not be modified nor amended except by a writing signed by both parties hereto, and any purported amendment or modification is without

effect until reduced to a writing signed by both parties hereto.

IN WITNESS WHEREOF the State of Alaska, Lessor, acting through the Director of the Division of Lands of the Department of Natural Resources, lawfully authorized thereunto, has caused these presents to be executed at Anchorage, Alaska, in duplicate, and the said Lessee has hereunto set his hand, agreeing to keep, observe and perform the rules and regulations promulgated under AS 38.05, as amended, the terms, conditions and provisions herein contained, on the Lessee's part to be kept, observed and performed.

_____

Director, Division of Lands

APPROVED:

_____

Trustee

_____ _____

COMMISSIONER, DEPARTMENT OF NATURAL RESOURCES

STATE OF ALASKA

_____

UNITED STATES OF AMERICA) LESSEE(S)

ss

State of Alaska)

THIS IS TO CERTIFY that on the _____ day of _____, 19____, before me, the undersigned Notary Public, personally appeared _____ known to me and known by me to be the _____ of the Division of Lands of the Department of Natural Resources, and acknowledged to me that he

executed the foregoing lease for an on behalf of said State, freely and voluntarily and for the use and purposes therein set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

_____

Notary Public in and for the State of Alaska

My commission expires _____

UNITED STATES OF AMERICA)

ss

State of Alaska)

THIS IS TO CERTIFY that on this _____ day of _____, 19____, before me, the undersigned, a Notary Public in and for Alaska duly commissioned and sworn, personally appeared _____ to me personally known to be one of the persons described in and who executed the within instrument and the said _____ acknowledged to me that he signed and executed the same freely and voluntarily for the uses and purposes therein mentioned.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year of this certificate first above written.

_____

Notary Public in and for the State of Alaska

My commission expires _____

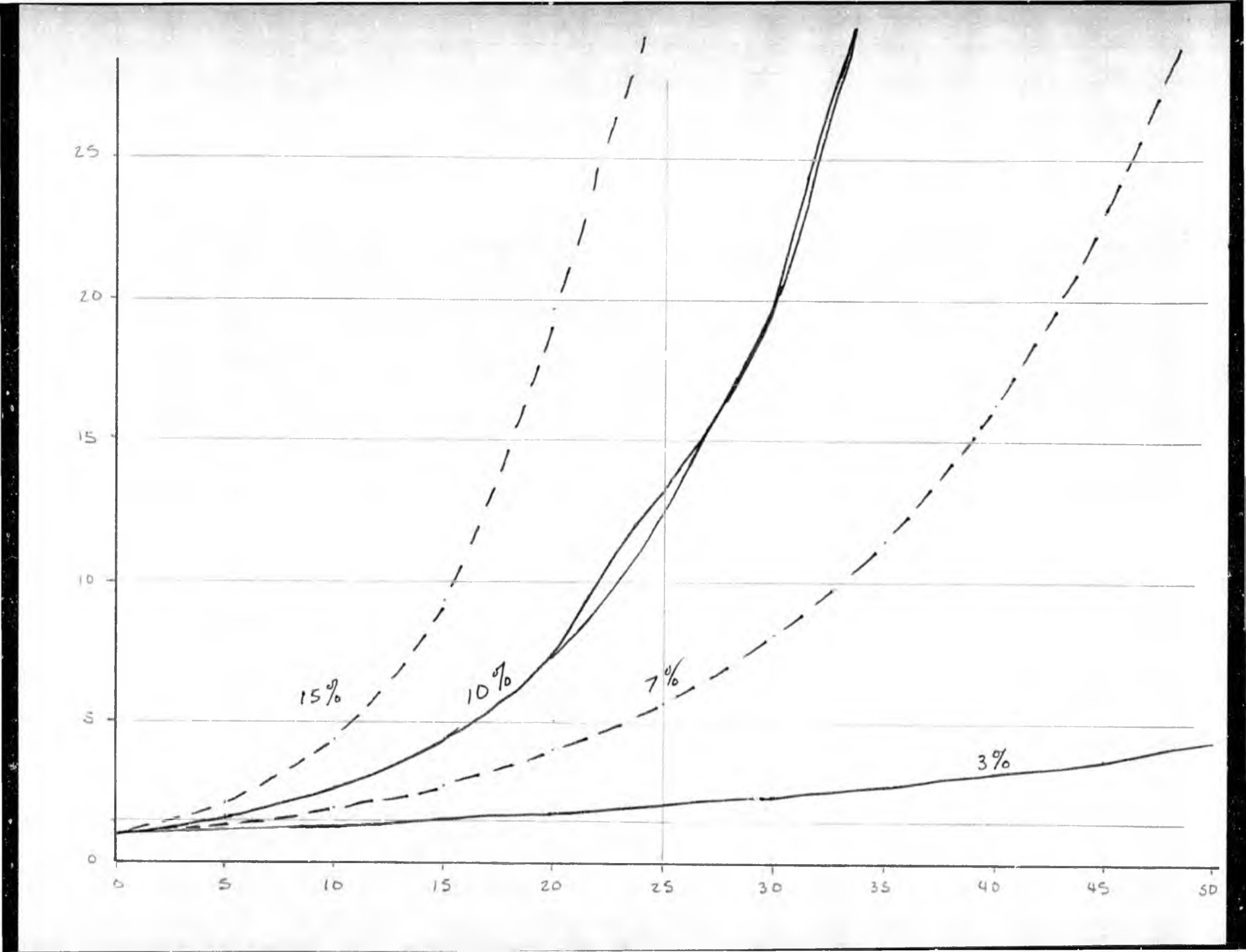
APPROVED AS TO FORM:

_____

ATTORNEY GENERAL

By_____

Deputy Attorney General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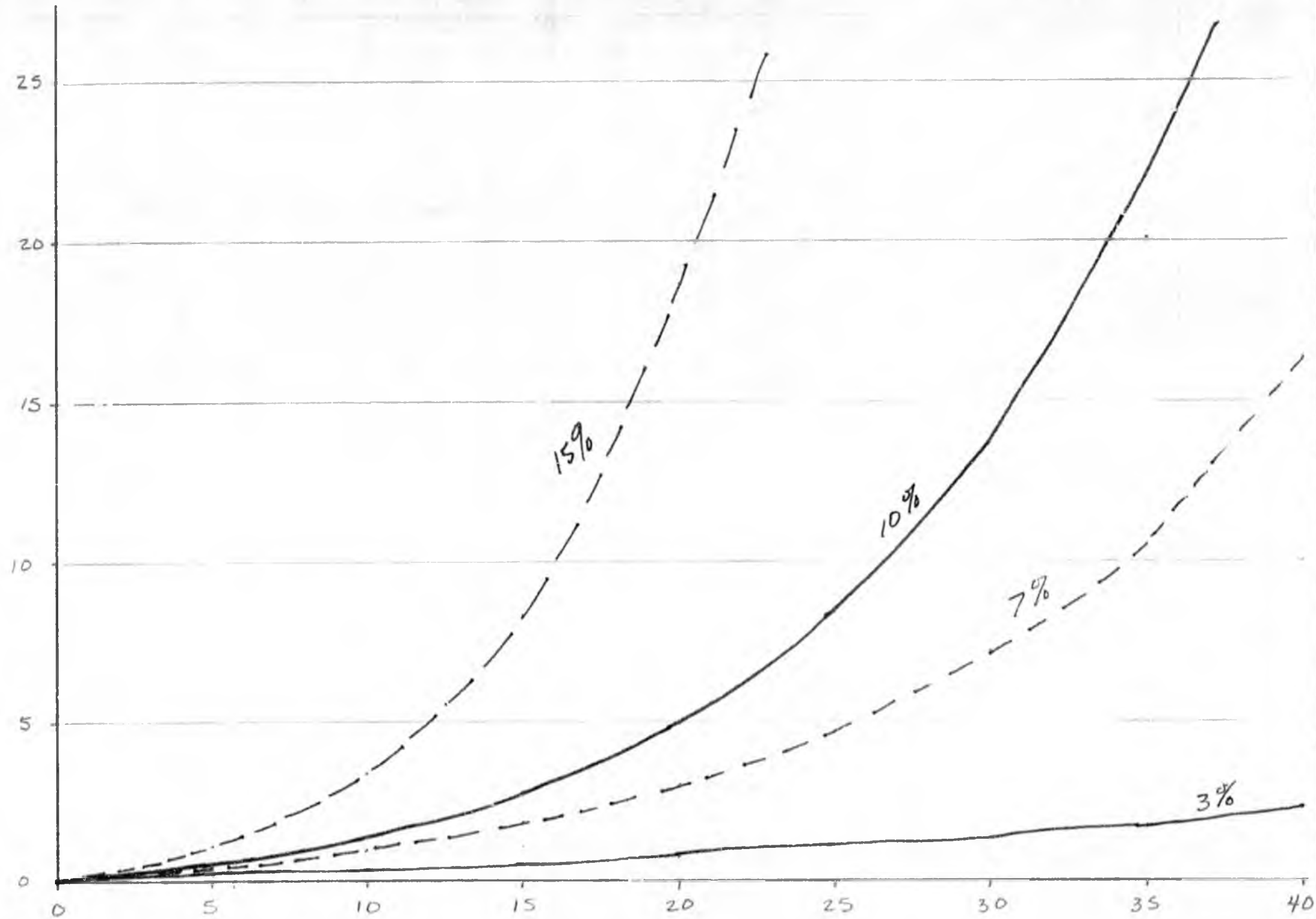
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COMPOUND INTEREST AND ANNUITY TABLE

3.00 % ANNUAL

YR		Amount Of 1 What a single $1 deposit grows to in the future. The deposit is made at the beginning of the first period. $S=(1+i)^n$	Amount Of 1 Per Period What a series of $1 deposits grow to in the future. A deposit is made at the end of each period $Sa=\frac{(1+i)^n-1}{i}$	Sinking Fund Payment The amount to be deposited at the end of each period that grows to $1 in the future. $\frac{1}{Sa}=\frac{i}{(1+i)^n-1}$	Present Worth Of 1 What $1 to be paid in the future is worth today. Value today of a single payment tomorrow. $V^n=\frac{1}{(1+i)^n}$	Present Worth Of 1 Per Period What $1 to be paid at the end of each period is worth today. Value today of a series of payments tomorrow. $Aa=\frac{1-V^n}{i}$	Periodic Payment To Amortize 1 The mortgage payment to amortize a loan of $1. An annuity certain, payable at the end of each period, worth $1 today. $\frac{1}{Aa}=\frac{i}{1-V^n}$	Constant Annual Percent The annual payment, including interest and principal, to amortize completely a loan of $100.	Total Interest The total interest paid over the term on a loan of $1. The loan is amortized by regular periodic payments.	Annual Add-on Rate The average annual interest rate on a loan that is completely amortized by regular periodic payments.	YR
1	1	1.030000	1.000000	1.00000000	0.970874	0.970874	1.03000000	103.00	0.030000	3.00	1
2	2	1.060900	2.030000	0.49261084	0.942596	1.913470	0.52261084	52.27	0.045222	2.26	2
3	3	1.092727	3.090900	0.32353036	0.915142	2.828611	0.35353036	35.36	0.060591	2.02	3
4	4	1.125509	4.183627	0.23902705	0.888487	3.717098	0.26902705	26.91	0.076108	1.90	4
5	5	1.159274	5.309136	0.18835457	0.862609	4.579707	0.21835457	21.84	0.091773	1.84	5
6	6	1.194052	6.468410	0.15459750	0.837484	5.417191	0.18459750	18.46	0.107585	1.79	6
7	7	1.229874	7.662462	0.13050635	0.813092	6.230283	0.16050635	16.06	0.123544	1.76	7
8	8	1.266770	8.892336	0.11245639	0.789409	7.019692	0.14245639	14.25	0.139651	1.75	8
9	9	1.304773	10.159106	0.09843386	0.766417	7.786109	0.12843386	12.85	0.155905	1.73	9
10	10	1.343916	11.463879	0.08723051	0.744094	8.530203	0.11723051	11.73	0.172305	1.72	10
11	11	1.384234	12.807796	0.07807745	0.722421	9.252624	0.10807745	10.81	0.188852	1.72	11
12	12	1.425761	14.192030	0.07046209	0.701380	9.954004	0.10046209	10.05	0.205545	1.71	12
13	13	1.468534	15.617790	0.06402954	0.680951	10.634955	0.09402954	9.41	0.222384	1.71	13
14	14	1.512590	17.086324	0.05852634	0.661118	11.296073	0.08852634	8.86	0.239369	1.71	14
15	15	1.557967	18.598914	0.05376658	0.641862	11.937935	0.08376658	8.38	0.256499	1.71	15
16	16	1.604706	20.156881	0.04961085	0.623167	12.561102	0.07961085	7.97	0.273774	1.71	16
17	17	1.652848	21.761588	0.04595253	0.605016	13.166118	0.07595253	7.60	0.291193	1.71	17
18	18	1.702433	23.414435	0.04270870	0.587395	13.753513	0.07270870	7.28	0.308757	1.72	18
19	19	1.753506	25.116868	0.03981388	0.570286	14.323799	0.06981388	6.99	0.326464	1.72	19
20	20	1.806111	26.870374	0.03721671	0.553676	14.877475	0.06721671	6.73	0.344314	1.72	20
21	21	1.860295	28.676486	0.03487178	0.537549	15.415024	0.06487178	6.49	0.362307	1.73	21
22	22	1.916103	30.536780	0.03274739	0.521893	15.936917	0.06274739	6.28	0.380443	1.73	22
23	23	1.973587	32.452884	0.03081390	0.506692	16.443608	0.06081390	6.09	0.398720	1.73	23
24	24	2.032794	34.426470	0.02904742	0.491934	16.935542	0.05904742	5.91	0.417138	1.74	24
25	25	2.093778	36.459264	0.02742787	0.477606	17.413148	0.05742787	5.75	0.435697	1.74	25
26	26	2.156591	38.553042	0.02593829	0.463695	17.876842	0.05593829	5.60	0.454398	1.75	26
27	27	2.221289	40.709634	0.02456421	0.450189	18.327031	0.05456421	5.46	0.473234	1.75	27
28	28	2.287928	42.930923	0.02329323	0.437077	18.764108	0.05329323	5.33	0.492211	1.76	28
29	29	2.356566	45.218850	0.02211467	0.424346	19.188455	0.05211467	5.22	0.511325	1.76	29
30	30	2.427262	47.575416	0.02101926	0.411987	19.600441	0.05101926	5.11	0.530578	1.77	30
31	31	2.500080	50.002678	0.01999893	0.399987	20.000428	0.04999893	5.00	0.549967	1.77	31
32	32	2.575083	52.502759	0.01904662	0.388337	20.388766	0.04904662	4.91	0.569492	1.78	32
33	33	2.652335	55.077841	0.01815612	0.377026	20.765792	0.04815612	4.82	0.589152	1.79	33
34	34	2.731905	57.730177	0.01732196	0.366045	21.131837	0.04732196	4.74	0.608947	1.79	34
35	35	2.813862	60.462082	0.01653929	0.355383	21.487220	0.04653929	4.66	0.628875	1.80	35
36	36	2.898278	63.276944	0.01580379	0.345032	21.832252	0.04580379	4.59	0.648937	1.80	36
37	37	2.985227	66.174223	0.01511162	0.334983	22.167235	0.04511162	4.52	0.669130	1.81	37
38	38	3.074783	69.159449	0.01445934	0.325226	22.492462	0.04445934	4.45	0.689455	1.81	38
39	39	3.167027	72.234233	0.01384385	0.315754	22.808215	0.04384385	4.39	0.709910	1.82	39
40	40	3.262038	75.401260	0.01326238	0.306557	23.114772	0.04326238	4.33	0.730495	1.83	40
41	41	3.359899	78.663298	0.01271241	0.297628	23.412400	0.04271241	4.28	0.751209	1.83	41
42	42	3.460696	82.023196	0.01219167	0.288959	23.701359	0.04219167	4.22	0.772050	1.84	42
43	43	3.564517	85.483892	0.01169811	0.280543	23.981902	0.04169811	4.17	0.793019	1.84	43
44	44	3.671452	89.048409	0.01122985	0.272372	24.254274	0.04122985	4.13	0.814113	1.85	44
45	45	3.781596	92.719861	0.01078518	0.264439	24.518713	0.04078618	4.08	0.835333	1.86	45
46	46	3.895044	96.501457	0.01036254	0.256737	24.775449	0.04036254	4.04	0.856677	1.86	46
47	47	4.011895	100.396501	0.00996061	0.249259	25.024708	0.03996061	4.00	0.878144	1.87	47
48	48	4.132252	104.408396	0.00957777	0.241999	25.266707	0.03957777	3.96	0.899733	1.87	48
49	49	4.256219	108.540648	0.00921314	0.234950	25.501657	0.03921314	3.93	0.921444	1.88	49
50	50	4.383906	112.796867	0.00886549	0.228107	25.729764	0.03886549	3.89	0.943276	1.89	50

YR		Amount Of 1 What a single $1 deposit grows to in the future. The deposit is made at the beginning of the first period $S=(1+I)^n$	Amount Of 1 Per Period What a series of $1 deposits grow to in the future. A deposit is made at the end of each period. $Sa=\frac{(1+I)^n-1}{I}$	Sinking Fund Payment The amount to be deposited at the end of each period that grows to $1 in the future $\frac{1}{Sa}=\frac{I}{(1+I)^n-1}$	Present Worth Of 1 What $1 in the future is worth today. Value today of a single payment tomorrow. $V^n=\frac{1}{(1+I)^n}$	Present Worth Of 1 Per Period What $1 to be paid at the end of each period is worth today. Value today of a series of payments tomorrow. $Aa=\frac{1-V^n}{I}$	Periodic Payment To Amortize 1 The mortgage payment to amortize a loan of $1. An annuity certain, payable at the end of each period, worth $1 today. $\frac{1}{Aa}=\frac{I}{1-V^n}$	Constant Annual Percent The annual payment, including interest and principal, to amortize completely a loan of $100	Total Interest The total interest paid over the term on a loan of $1. The loan is amortized by regular periodic payments	Annual Add-on Rate The average annual interest rate on a loan that is completely amortized by regular periodic payments	YR
1	1	1.040000	1.000000	1.00000000	0.961538	0.961538	1.04000000	104.00	0.040000	4.00	1
2	2	1.081600	2.040000	0.49019608	0.924556	1.886095	0.53019608	53.02	0.060392	3.02	2
3	3	1.124864	3.121600	0.32034854	0.888996	2.775091	0.36034854	36.04	0.081046	2.70	3
4	4	1.169859	4.246464	0.23549005	0.854804	3.629895	0.27549005	27.55	0.101960	2.55	4
5	5	1.216653	5.416323	0.18462711	0.821927	4.451822	0.22462711	22.47	0.123136	2.46	5
6	6	1.265319	6.632975	0.15076190	0.790315	5.242137	0.19076190	19.08	0.144571	2.41	6
7	7	1.315932	7.898294	0.12660961	0.759918	6.002055	0.16660961	16.67	0.166267	2.38	7
8	8	1.368569	9.214226	0.10852783	0.730690	6.732745	0.14852783	14.86	0.188223	2.35	8
9	9	1.423312	10.582795	0.09449299	0.702587	7.435332	0.13449299	13.45	0.210437	2.34	9
10	10	1.480244	12.006107	0.08329094	0.675564	8.110896	0.12329094	12.33	0.232909	2.33	10
11	11	1.539454	13.486351	0.07414904	0.649581	8.760477	0.11414904	11.42	0.255639	2.32	11
12	12	1.601032	15.025805	0.06655217	0.624597	9.385074	0.10655217	10.66	0.278626	2.32	12
13	13	1.665074	16.626838	0.06014373	0.600574	9.985648	0.10014373	10.02	0.301868	2.32	13
14	14	1.731676	18.291911	0.05466897	0.577475	10.563123	0.09466897	9.47	0.325366	2.32	14
15	15	1.800944	20.023588	0.04994110	0.555265	11.118387	0.08994110	9.00	0.349117	2.33	15
16	16	1.872981	21.824531	0.04582000	0.533908	11.652296	0.08582000	8.59	0.373120	2.33	16
17	17	1.947900	23.697512	0.04219852	0.513373	12.165669	0.08219852	8.22	0.397375	2.34	17
18	18	2.025817	25.645413	0.03899333	0.493628	12.659297	0.07899333	7.90	0.421880	2.34	18
19	19	2.106849	27.671229	0.03613862	0.474642	13.133939	0.07613862	7.62	0.446634	2.35	19
20	20	2.191123	29.778079	0.03358175	0.456387	13.590326	0.07358175	7.36	0.471635	2.36	20
21	21	2.278768	31.969202	0.03128011	0.438834	14.029160	0.07128011	7.13	0.496882	2.37	21
22	22	2.369919	34.247970	0.02919881	0.421955	14.451115	0.06919881	6.92	0.522374	2.37	22
23	23	2.464716	36.617889	0.02730906	0.405726	14.856842	0.06730906	6.74	0.548108	2.38	23
24	24	2.563304	39.082604	0.02558683	0.390121	15.246963	0.06558683	6.56	0.574084	2.39	24
25	25	2.665836	41.645908	0.02401196	0.375117	15.622080	0.06401196	6.41	0.600299	2.40	25
26	26	2.772470	44.311745	0.02256738	0.360689	15.982769	0.06256738	6.26	0.626752	2.41	26
27	27	2.883369	47.084214	0.02123854	0.346817	16.329586	0.06123854	6.13	0.653441	2.42	27
28	28	2.998703	49.967583	0.02001298	0.333477	16.663063	0.06001298	6.01	0.680363	2.43	28
29	29	3.118651	52.966286	0.01887993	0.320651	16.983715	0.05887993	5.89	0.707518	2.44	29
30	30	3.243398	56.084938	0.01783010	0.308319	17.292033	0.05783010	5.79	0.734903	2.45	30
31	31	3.373133	59.328335	0.01685535	0.296460	17.588494	0.05685535	5.69	0.762516	2.46	31
32	32	3.508059	62.701469	0.01594859	0.285058	17.873551	0.05594859	5.60	0.790355	2.47	32
33	33	3.648381	66.209527	0.01510357	0.274094	18.147646	0.05510357	5.52	0.818418	2.48	33
34	34	3.794316	69.857909	0.01431477	0.263552	18.411198	0.05431477	5.44	0.846702	2.49	34
35	35	3.946089	73.652225	0.01357732	0.253415	18.664613	0.05357732	5.36	0.875206	2.50	35
36	36	4.103933	77.598314	0.01288688	0.243669	18.908282	0.05288688	5.29	0.903928	2.51	36
37	37	4.268090	81.702246	0.01223957	0.234297	19.142579	0.05223957	5.23	0.932864	2.52	37
38	38	4.438813	85.970336	0.01163192	0.225285	19.367864	0.05163192	5.17	0.962013	2.53	38
39	39	4.616366	90.409150	0.01106083	0.216621	19.584485	0.05106083	5.11	0.991372	2.54	39
40	40	4.801021	95.025516	0.01052349	0.208289	19.792774	0.05052349	5.06	1.020940	2.55	40
41	41	4.993061	99.826536	0.01001738	0.200278	19.993052	0.05001738	5.01	1.050712	2.56	41
42	42	5.192784	104.819598	0.00954020	0.192575	20.185627	0.04954020	4.96	1.080688	2.57	42
43	43	5.400495	110.012382	0.00908989	0.185168	20.370795	0.04908989	4.91	1.110865	2.58	43
44	44	5.616515	115.412877	0.00866464	0.178046	20.548841	0.04866464	4.87	1.141240	2.59	44
45	45	5.841176	121.029392	0.00826246	0.171198	20.720040	0.04826246	4.83	1.171811	2.60	45
46	46	6.074823	126.870568	0.00788205	0.164614	20.884654	0.04788205	4.79	1.202574	2.61	46
47	47	6.317816	132.945390	0.00752189	0.158283	21.042936	0.04752189	4.76	1.233529	2.62	47
48	48	6.570528	139.263206	0.00718065	0.152195	21.195131	0.04718065	4.72	1.264671	2.63	48
49	49	6.833349	145.833734	0.00685712	0.146341	21.341472	0.04685712	4.69	1.295999	2.64	49
50	50	7.106683	152.667084	0.00655020	0.140713	21.482185	0.04655020	4.66	1.327510	2.66	50

COMPOUND INTEREST AND ANNUITY TABLE

5.00 % ANNUAL

YR		Amount Of 1 What a single $1 deposit grows to in the future. The deposit is made at the beginning of the first period. $S=(1+i)^n$	Amount Of 1 Per Period What a series of $1 deposits grow to in the future. A deposit is made at the end of each period. $Sa=\frac{(1+i)^n-1}{i}$	Sinking Fund Payment The amount to be deposited at the end of each period that grows to $1 in the future. $\frac{1}{Sa}=\frac{i}{(1+i)^n-1}$	Present Worth Of 1 What $1 to be paid in the future is worth today. Value today of a single payment tomorrow. $V^n=\frac{1}{(1+i)^n}$	Present Worth Of 1 Per Period What $1 to be paid at the end of each period is worth today. Value today of a series of payments tomorrow. $Aa=\frac{1-V^n}{i}$	Periodic Payment To Amortize 1 The mortgage payment to amortize a loan of $1. An annuity certain, payable at the end of each period, worth $1 today. $\frac{1}{Aa}=\frac{i}{1-V^n}$	Constant Annual Percent The annual payment, including interest and principal, to amortize completely a loan of $100.	Total Interest The total interest paid over the term on a loan of $1. The loan is amortized by regular periodic payments.	Annual Add-on Rate The average annual interest rate on a loan that is completely amortized by regular periodic payments.	YR
1	1	1.050000	1.000000	1.00000000	0.952381	0.952381	1.05000000	105.00	0.050000	5.00	1
2	2	1.102500	2.050000	0.48780488	0.907029	1.859410	0.53780488	53.79	0.075610	3.78	2
3	3	1.157625	3.152500	0.31720856	0.863838	2.723248	0.36720856	36.73	0.101626	3.39	3
4	4	1.215506	4.310125	0.23201183	0.822702	3.545951	0.28201183	28.21	0.128047	3.20	4
5	5	1.276282	5.525631	0.18097480	0.783526	4.329477	0.23097480	23.10	0.154874	3.10	5
6	6	1.340096	6.801913	0.14701747	0.746215	5.075692	0.19701747	19.71	0.182105	3.04	6
7	7	1.407100	8.142008	0.12281982	0.710681	5.786373	0.17281982	17.29	0.209739	3.00	7
8	8	1.477455	9.549109	0.10472181	0.676839	6.463213	0.15472181	15.48	0.237775	2.97	8
9	9	1.551328	11.026564	0.09069008	0.644609	7.107822	0.14069008	14.07	0.266211	2.96	9
10	10	1.628895	12.577893	0.07950457	0.613913	7.721735	0.12950457	12.96	0.295046	2.95	10
11	11	1.710339	14.206787	0.07038889	0.584679	8.306414	0.12038889	12.04	0.324278	2.95	11
12	12	1.795856	15.917127	0.06282541	0.556837	8.863252	0.11282541	11.29	0.353905	2.95	12
13	13	1.885649	17.712983	0.05645577	0.530321	9.393573	0.10645577	10.65	0.383925	2.95	13
14	14	1.979932	19.598632	0.05102397	0.505068	9.898641	0.10102397	10.11	0.414336	2.96	14
15	15	2.078928	21.578564	0.04634229	0.481017	10.379658	0.09634229	9.64	0.445134	2.97	15
16	16	2.182875	23.657492	0.04226991	0.458112	10.837770	0.09226991	9.23	0.476319	2.98	16
17	17	2.292018	25.840366	0.03869914	0.436297	11.274066	0.08869914	8.87	0.507885	2.99	17
18	18	2.406619	28.132385	0.03554622	0.415521	11.689587	0.08554622	8.56	0.539832	3.00	18
19	19	2.526950	30.539004	0.03274501	0.395734	12.085321	0.08274501	8.28	0.572155	3.01	19
20	20	2.653298	33.065954	0.03024259	0.376889	12.462210	0.08024259	8.03	0.604852	3.02	20
21	21	2.785963	35.719252	0.02799611	0.358942	12.821153	0.07799611	7.80	0.637918	3.04	21
22	22	2.925261	38.505214	0.02597051	0.341850	13.163003	0.07597051	7.60	0.671351	3.05	22
23	23	3.071524	41.430475	0.02413682	0.325571	13.488574	0.07413682	7.42	0.705147	3.07	23
24	24	3.225100	44.501999	0.02247090	0.310068	13.798642	0.07247090	7.25	0.739302	3.08	24
25	25	3.386355	47.727099	0.02095246	0.295303	14.093945	0.07095246	7.10	0.773811	3.10	26
26	26	3.555673	51.113454	0.01956432	0.281241	14.375185	0.06956432	6.96	0.808672	3.11	26
27	27	3.733456	54.669126	0.01829186	0.267848	14.643034	0.06829186	6.83	0.843880	3.13	27
28	28	3.920129	58.402583	0.01712253	0.255094	14.898127	0.06712253	6.72	0.879431	3.14	28
29	29	4.116136	62.322712	0.01604551	0.242946	15.141074	0.06604551	6.61	0.915320	3.16	29
30	30	4.321942	66.438848	0.01505144	0.231377	15.372451	0.06505144	6.51	0.951543	3.17	30
31	31	4.538039	70.760790	0.01413212	0.220359	15.592811	0.06413212	6.42	0.988096	3.19	31
32	32	4.764941	75.298829	0.01328042	0.209866	15.802677	0.06328042	6.33	1.024973	3.20	32
33	33	5.003189	80.063771	0.01249004	0.199873	16.002549	0.06249004	6.25	1.062171	3.22	33
34	34	5.253348	85.066959	0.01175546	0.190355	16.192904	0.06175545	6.18	1.099685	3.23	34
35	35	5.516015	90.320307	0.01107171	0.181290	16.374194	0.06107171	6.11	1.137510	3.25	36
36	36	5.791816	95.836323	0.01043446	0.172657	16.546852	0.06043446	6.05	1.175640	3.27	36
37	37	6.081407	101.628139	0.00983979	0.164436	16.711287	0.05983979	5.99	1.214072	3.28	37
38	38	6.385477	07.709546	0.00928423	0.156605	16.867893	0.05928423	5.93	1.252801	3.30	38
39	39	6.704751	114.095023	0.00876462	0.149148	17.017041	0.05876462	5.88	1.291820	3.31	39
40	40	7.039989	120.799774	0.00827816	0.142046	17.159086	0.05827816	5.83	1.331126	3.33	40
41	41	7.391988	127.839763	0.00782229	0.135282	17.294368	0.05782229	5.79	1.370714	3.34	41
42	42	7.761588	135.231751	0.00739471	0.128840	17.423208	0.05739471	5.74	1.410578	3.36	42
43	43	8.149667	142.993339	0.00699333	0.122704	17.545912	0.05699333	5.70	1.450713	3.37	43
44	44	8.557150	151.143006	0.00661625	0.116861	17.662773	0.05661625	5.67	1.491115	3.39	44
45	45	8.985008	159.700156	0.00626173	0.111297	17.774070	0.05626173	5.63	1.531778	3.40	46
46	46	9.434258	168.685164	0.00592820	0.105997	17.880066	0.05592820	5.60	1.572697	3.42	46
47	47	9.905971	178.119422	0.00561421	0.100949	17.981016	0.05561421	5.57	1.613868	3.43	47
48	48	10.401270	188.025393	0.00531843	0.096142	18.077158	0.05531843	5.54	1.655285	3.45	48
49	49	10.921333	198.426663	0.00503965	0.091564	18.168722	0.05503965	5.51	1.696943	3.46	49
50	50	11.467400	209.347996	0.00477674	0.087204	18.255925	0.05477674	5.48	1.738837	3.48	50

COMPOUND INTEREST AND ANNUITY TABLE

1.00 % ANNUAL

YR		Amount Of 1 What a single $1 deposit grows to in the future. The deposit is made at the beginning of the first period. $S=(1+i)^n$	Amount Of 1 Per Period What a series of $1 deposits grow to in the future. A deposit is made at the end of each period. $Sa=\frac{(1+i)^n-1}{i}$	Sinking Fund Payment The amount to be deposited at the end of each period that grows to $1 in the future. $\frac{1}{Sa}=\frac{i}{(1+i)^n-1}$	Present Worth Of 1 What $1 to be paid in the future is worth today. Value today of a single payment tomorrow. $V^n=\frac{1}{(1+i)^n}$	Present Worth Of 1 Per Period What $1 to be paid at the end of each period is worth today. Value today of a series of payments tomorrow. $Aa=\frac{1-V^n}{i}$	Periodic Payment To Amortize 1 The mortgage payment to amortize a loan of $1. An annuity certain, payable at the end of each period, worth $1 today. $\frac{1}{Aa}=\frac{i}{1-V^n}$	Constant Annual Percent The annual payment, including interest and principal, to amortize completely a loan of $100.	Total Interest The total interest paid over the term on a loan of $1. The loan is amortized by regular periodic payments.	Annual Add-on Rate The average annual interest rate on a loan that is completely amortized by regular periodic payments.	YR
1	1	1.010000	1.000000	1.00000000	0.990099	0.990099	1.01000000	101.00	0.010000	1.00	1
2	2	1.020100	2.010000	0.49751244	0.980296	1.970395	0.50751244	50.76	0.015025	0.75	2
3	3	1.030301	3.030100	0.33002211	0.970590	2.940985	0.34002211	34.01	0.020066	0.67	3
4	4	1.040604	4.060401	0.24628109	0.960980	3.901966	0.25628109	25.63	0.025124	0.63	4
5	5	1.051010	5.101005	0.19603980	0.951466	4.853431	0.20603980	20.61	0.030199	0.60	5
6	6	1.061520	6.152015	0.16254837	0.942045	5.795476	0.17254837	17.26	0.035290	0.59	6
7	7	1.072135	7.213535	0.13862828	0.932718	6.728195	0.14862828	14.87	0.040398	0.58	7
8	8	1.082857	8.285671	0.12069029	0.923483	7.651678	0.13069029	13.07	0.045522	0.57	8
9	9	1.093685	9.368527	0.10674036	0.914340	8.566018	0.11674036	11.68	0.050663	0.56	9
10	10	1.104622	10.462213	0.09558208	0.905287	9.471305	0.10558208	10.56	0.055821	0.56	10
11	11	1.115668	11.566835	0.08645408	0.896324	10.367628	0.09645408	9.65	0.060995	0.55	11
12	12	1.126825	12.682503	0.07884879	0.887449	11.255077	0.08884879	8.89	0.066185	0.55	12
13	13	1.138093	13.809328	0.07241482	0.878663	12.133740	0.08241482	8.25	0.071393	0.55	13
14	14	1.149474	14.947421	0.06690117	0.869963	13.003703	0.07690117	7.70	0.076616	0.55	14
15	15	1.160969	16.096896	0.06212378	0.861349	13.865053	0.07212378	7.22	0.081857	0.55	15
16	16	1.172579	17.257864	0.05794460	0.852821	14.717874	0.06794460	6.80	0.087114	0.54	16
17	17	1.184304	18.430443	0.05425806	0.844377	15.562251	0.06425806	6.43	0.092387	0.54	17
18	18	1.196147	19.614748	0.05098205	0.836017	16.398269	0.06098205	6.10	0.097677	0.54	18
19	19	1.208109	20.810895	0.04805175	0.827740	17.226008	0.05805175	5.81	0.102983	0.54	19
20	20	1.220190	22.019004	0.04541531	0.819544	18.045553	0.05541531	5.55	0.108306	0.54	20
21	21	1.232392	23.239194	0.04303075	0.811430	18.856983	0.05303075	5.31	0.113646	0.54	21
22	22	1.244716	24.471586	0.04086372	0.803396	19.660379	0.05086372	5.09	0.119002	0.54	22
23	23	1.257163	25.716302	0.03888584	0.795442	20.455821	0.04888584	4.89	0.124374	0.54	23
24	24	1.269735	26.973465	0.03707347	0.787566	21.243387	0.04707347	4.71	0.129763	0.54	24
25	25	1.282432	28.243200	0.03540675	0.779768	22.023156	0.04540675	4.55	0.135169	0.54	25
26	26	1.295256	29.525631	0.03386888	0.772048	22.795204	0.04386888	4.39	0.140591	0.54	26
27	27	1.308209	30.820888	0.03244553	0.764404	23.559608	0.04244553	4.25	0.146029	0.54	27
28	28	1.321291	32.129097	0.03112444	0.756836	24.316443	0.04112444	4.12	0.151484	0.54	28
29	29	1.334504	33.450388	0.02989502	0.749342	25.065785	0.03989502	3.99	0.156956	0.54	29
30	30	1.347849	34.784892	0.02874811	0.741923	25.807708	0.03874811	3.88	0.162443	0.54	30
31	31	1.361327	36.132740	0.02767573	0.734577	26.542285	0.03767573	3.77	0.167948	0.54	31
32	32	1.374941	37.494068	0.02667089	0.727304	27.269589	0.03667089	3.67	0.173468	0.54	32
33	33	1.388690	38.869009	0.02572744	0.720103	27.989693	0.03572744	3.58	0.179005	0.54	33
34	34	1.402577	40.257699	0.02483997	0.712973	28.702666	0.03483997	3.49	0.184559	0.54	34
35	35	1.416603	41.660276	0.02400368	0.705914	29.408580	0.03400368	3.41	0.190129	0.54	35
36	36	1.430769	43.076878	0.02321431	0.698925	30.107505	0.03321431	3.33	0.195715	0.54	36
37	37	1.445076	44.507647	0.02246805	0.692005	30.799510	0.03246805	3.25	0.201318	0.54	37
38	38	1.459527	45.952724	0.02176150	0.685153	31.484663	0.03176150	3.18	0.206937	0.54	38
39	39	1.474123	47.412251	0.02109160	0.678370	32.163033	0.03109160	3.11	0.212572	0.55	39
40	40	1.488864	48.886373	0.02045560	0.671653	32.834686	0.03045560	3.05	0.218224	0.55	40
41	41	1.503752	50.375237	0.01985102	0.665003	33.499689	0.02985102	2.99	0.223892	0.55	41
42	42	1.518790	51.878989	0.01927563	0.658419	34.158108	0.02927563	2.93	0.229576	0.55	42
43	43	1.533978	53.397779	0.01872737	0.651900	34.810008	0.02872737	2.88	0.235277	0.55	43
44	44	1.549318	54.931757	0.01820441	0.645445	35.455454	0.02820441	2.83	0.240994	0.55	44
45	45	1.564811	56.481075	0.01770505	0.639055	36.094508	0.02770505	2.78	0.246727	0.55	45
46	46	1.580459	58.045885	0.01722775	0.632728	36.727236	0.02722775	2.73	0.252476	0.55	46
47	47	1.596263	59.626344	0.01677111	0.626463	37.353699	0.02677111	2.68	0.258242	0.55	47
48	48	1.612226	61.222608	0.01633384	0.620260	37.973959	0.02633384	2.64	0.264024	0.55	48
49	49	1.628348	62.834834	0.01591474	0.614119	38.588079	0.02591474	2.60	0.269822	0.55	49
50	50	1.644632	64.463182	0.01551273	0.608039	39.196118	0.02551273	2.56	0.275637	0.55	50

COMPOUND INTEREST AND ANNUITY TABLE

2.00 %
ANNUAL

YR		Amount Of 1	Amount Of 1 Per Period	Sinking Fund Payment	Present Worth Of 1	Present Worth Of 1 Per Period	Periodic Payment To Amortize 1	Constant Annual Percent	Total Interest	Annual Add-on Rate	YR
		What a single $1 deposit grows to in the future. The deposit is made at the beginning of the first period.	What a series of $1 deposits grow to in the future. A deposit is made at the end of each period.	The amount to be deposited at the end of each period that grows to $1 in the future.	What $1 to be paid in the future is worth today. Value today of a single payment tomorrow.	What $1 to be paid at the end of each period is worth today. Value today of a series of payments tomorrow.	The mortgage payment to amortize a loan of $1. An annuity certain, payable at the end of each period, worth $1 today.	The annual payment, including interest and principal, to amortize completely a loan of $100.	The total interest paid over the term on a loan of $1. The loan is amortized by regular periodic payments.	The average annual interest rate on a loan that is completely amortized by regular periodic payments.	
		$S=(1+i)^n$	$S_{\overline{n}}=\frac{(1+i)^n-1}{i}$	$\frac{1}{S_{\overline{n}}}=\frac{i}{(1+i)^n-1}$	$V^n=\frac{1}{(1+i)^n}$	$A_{\overline{n}}=\frac{1-V^n}{i}$	$\frac{1}{A_{\overline{n}}}=\frac{i}{1-V^n}$				
YR											YR
1	1	1.020000	1.000000	1.00000000	0.980392	0.980392	1.02000000	102.00	0.020000	2.00	1
2	2	1.040400	2.020000	0.49504950	0.961169	1.941561	0.51504950	51.51	0.030099	1.50	2
3	3	1.061208	3.060400	0.32675467	0.942322	2.883883	0.34675467	34.68	0.040264	1.34	3
4	4	1.082432	4.121608	0.24262375	0.923845	3.807729	0.26262375	26.27	0.050495	1.26	4
5	5	1.104081	5.204040	0.19215839	0.905731	4.713460	0.21215839	21.22	0.060792	1.22	5
6	6	1.126162	6.308121	0.15852581	0.887971	5.601431	0.17852581	17.86	0.071155	1.19	6
7	7	1.148686	7.434283	0.13451196	0.870560	6.471991	0.15451196	15.46	0.081584	1.17	7
8	8	1.171659	8.582969	0.11650980	0.853490	7.325481	0.13650980	13.66	0.092078	1.15	8
9	9	1.195093	9.754628	0.10251544	0.836755	8.162237	0.12251544	12.26	0.102639	1.14	9
10	10	1.218994	10.949721	0.09132653	0.820348	8.982585	0.11132653	11.14	0.113265	1.13	10
11	11	1.243374	12.168715	0.08217794	0.804263	9.786848	0.10217794	10.22	0.123957	1.13	11
12	12	1.268242	13.412090	0.07455960	0.788493	10.575341	0.09455960	9.46	0.134715	1.12	12
13	13	1.293607	14.680332	0.06811835	0.773033	11.348374	0.08811835	8.82	0.145539	1.12	13
14	14	1.319479	15.973938	0.06260197	0.757875	12.106249	0.08260197	8.27	0.156428	1.12	14
15	15	1.345868	17.293417	0.05782547	0.743015	12.849264	0.07782547	7.79	0.167382	1.12	15
16	16	1.372786	18.639285	0.05365013	0.728446	13.577709	0.07365013	7.37	0.178402	1.12	16
17	17	1.400241	20.012071	0.04996984	0.714163	14.291872	0.06996984	7.00	0.189487	1.11	17
18	18	1.428246	21.412312	0.04670210	0.700159	14.992031	0.06670210	6.68	0.200638	1.11	18
19	19	1.456811	22.840559	0.04378177	0.686431	15.678462	0.06378177	6.38	0.211854	1.12	19
20	20	1.485947	24.297370	0.04115672	0.672971	16.351433	0.06115672	6.12	0.223134	1.12	20
21	21	1.515666	25.783317	0.03878477	0.659776	17.011209	0.05878477	5.88	0.234480	1.12	21
22	22	1.545980	27.298984	0.03663140	0.646839	17.658048	0.05663140	5.67	0.245891	1.12	22
23	23	1.576899	28.844963	0.03466810	0.634156	18.292204	0.05466810	5.47	0.257368	1.12	23
24	24	1.608437	30.421862	0.03287110	0.621721	18.913926	0.05287110	5.29	0.268906	1.12	24
25	25	1.640606	32.030300	0.03122044	0.609531	19.523456	0.05122044	5.13	0.280511	1.12	25
26	26	1.673418	33.670906	0.02969923	0.597579	20.121036	0.04969923	4.97	0.292180	1.12	26
27	27	1.706886	35.344324	0.02829309	0.585862	20.706898	0.04829309	4.83	0.303913	1.13	27
28	28	1.741024	37.051210	0.02698967	0.574375	21.281272	0.04698967	4.70	0.315711	1.13	28
29	29	1.775845	38.792235	0.02577836	0.563112	21.844385	0.04577836	4.58	0.327572	1.13	29
30	30	1.811362	40.568079	0.02464992	0.552071	22.396456	0.04464992	4.47	0.339498	1.13	30
31	31	1.847589	42.379441	0.02359635	0.541246	22.937702	0.04359635	4.36	0.351487	1.13	31
32	32	1.884541	44.227030	0.02261061	0.530633	23.468335	0.04261061	4.27	0.363539	1.14	32
33	33	1.922231	46.111570	0.02168653	0.520229	23.988564	0.04168653	4.17	0.375656	1.14	33
34	34	1.960676	48.033802	0.02081867	0.510028	24.498592	0.04081867	4.09	0.387835	1.14	34
35	35	1.999890	49.994478	0.02000221	0.500028	24.998619	0.04000221	4.01	0.400077	1.14	35
36	36	2.039887	51.994367	0.01923285	0.490223	25.488842	0.03923285	3.93	0.412383	1.15	36
37	37	2.080685	54.034255	0.01850678	0.480611	25.969453	0.03850678	3.86	0.424751	1.15	37
38	38	2.122299	56.114940	0.01782057	0.471187	26.440641	0.03782057	3.79	0.437182	1.15	38
39	39	2.164745	58.237238	0.01717114	0.461948	26.902589	0.03717114	3.72	0.449675	1.15	39
40	40	2.208040	60.401983	0.01655575	0.452890	27.355479	0.03655575	3.66	0.462230	1.16	40
41	41	2.252200	62.610023	0.01597188	0.444010	27.799489	0.03597188	3.60	0.474847	1.16	41
42	42	2.297244	64.862223	0.01541729	0.435304	28.234794	0.03541729	3.55	0.487526	1.16	42
43	43	2.343189	67.159468	0.01488993	0.426769	28.661562	0.03488993	3.49	0.500267	1.16	43
44	44	2.390053	69.502657	0.01438794	0.418401	29.079963	0.03438794	3.44	0.513069	1.17	44
45	45	2.437854	71.892710	0.01390962	0.410197	29.490160	0.03390962	3.40	0.525933	1.17	45
46	46	2.486611	74.330564	0.01345342	0.402154	29.892314	0.03345342	3.35	0.538857	1.17	46
47	47	2.536344	76.817176	0.01301792	0.394268	30.286582	0.03301792	3.31	0.551842	1.17	47
48	48	2.587070	79.353519	0.01260184	0.386538	30.673120	0.03260184	3.27	0.564888	1.18	48
49	49	2.638812	81.940590	0.01220396	0.378958	31.052078	0.03220396	3.23	0.577994	1.18	49
50	50	2.691588	84.579401	0.01182321	0.371528	31.423606	0.03182321	3.19	0.591160	1.18	50

Ken Cain - Real Estate Service of Alaska 3/25/77

274-7636

State normally charges 6% rate -
last few years 8%
West coast ports - 7-10% w/5 yr re-eval
Port of Anch rec: 8-10%

re-leasing can lead to a large cost burden
- but valuation can be increased by lessees efforts
chance to have reappraised on [reassignment] of lease

study { 1976 - 1978 [70 - 100%]
comm, resid 80%; indus 73-76 = 63%
'74 + 75 were biggest increases
const ↓ - 8%/yr growth

60's 2-3%/yr COL increase
60's 10%/yr land "
70's 7%/yr COL incr
70's 15%/yr land "

{ historic $

SB

182

February 24, 1977

The Honorable John L. Rader
President of the Senate
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. President:

Under the authority of art. III, sec. 18 of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill which would expand the authority of general law municipalities in imposing taxes on liquor.

This bill has been requested by the Interdepartmental Coordinating Committee on Alcoholism to give incorporated communities greater flexibility in using a sales tax to generate revenues needed to pay some of the costs created by the use of alcohol. Section 1 would amend AS 04.15.070(a) by removing its present prohibition against putting a tax on intoxicating liquor when other commodities are not taxed. Section 2 would amend AS 29.53.415(a) to authorize the taxing of a single class of commodity, and expressly permit a higher rate on intoxicating liquor. It also permits the setting of various rates within the ceiling on different classes of commodities.

Sincerely,

Jay S. Hammond
Governor

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K – STATE CAPITOL
JUNEAU 99811

March 11, 1977

Senator Mike Coletta, Chairman
Special Committee on Alcoholism
Alaska State Senate
Pouch V, State Capitol
Juneau, Alaska 99811

Re: Senate Bill 182

Dear Senator Coletta:

In our final draft of this measure for the Governor's Office, we inadvertently failed to make a change in the title, necessitated by a late alteration in the body of the bill. We, therefore, would request your committee to make the following amendment:

Page 1, line 6:

Delete "sales"

Thank you for your consideration.

Sincerely,

AVRUM M. GROSS
ATTORNEY GENERAL

By: R L Peter
Richard L. Peter
Assistant Attorney General

RLP:jf

F: SB 182

CITY of BETHEL

P. O. Box 388 • Bethel, Alaska 99559
543-2297 — Area Code 907

March 28, 1978

Representative Joe Orsin
Chairman, Senate Community & Regional Affairs Committee
Pouch V
Juneau, Alasaka 99811

RE: Senate Bill No. 182, and House Bill No. 232, "AN ACT RELATING TO MUNICIPAL SALES TAX.

Dear Representative Orsin:

At the regular Bethel City Council Meeting of March 13, 1978, the Council passed Resolution No. 227, endorsing Senate Bill No. 182, and House Bill No. 232, "AN ACT RELATING TO MUNICIPAL SALES TAX." and encourages the State Legislature to pass and approve this legislation.

Although the City of Bethel has voted not to have the sale of intoxicating liquor under the local option this proposed legislation would give a municipality another option in administrating the necessary problems of alcohol. Since there exists such a variation in the size of communities in Alaska ranging from under 25, to a population of over 50,000, it seems quite difficult for the Alcohol Beverage Control Board to regulate each individual community. It is because of the varied sizes of communities in Alaska and the vast area in Alaska I believe that any legislation giving more local or regional control to the people that must inevitably live with the problems is the direction that the State must look at.

Going back to the two bills by giving a community the option to levy a higher sales tax on intoxicating liquor this could give each Community a revenue source that could eliminate many of the increased problems that arise from any community that does sell intoxicating liquor such as increased activity at the alcohol treatment centers, increased traffic problems, and increase social problems at home.

Sincerely,

Lyman Hoffman

Lyman Hoffman
City Manager

LH:lf

"Deep Sea Port and Transportation Center of the Kuskokwim"

CITY OF BETHEL, ALASKA
RESOLUTION NO. 227

A RESOLUTION OF THE CITY OF BETHEL, ALASKA ENDORSING THE GOVERNORS REQUEST FOR AN ACT ENTITLED "AN ACT RELATING TO MUNICIPAL SALES TAX." IN THE FORM OF SENATE BILL NO. 182 AND HOUSE BILL NO. 232.

WHEREAS, these bills would enable a municipality to levey a sales tax at a higher rate on the sale of intoxicating liquor, and

WHEREAS, the City of Bethel has been dry since 1973, and has experienced numerous problems because of "bootleggers", and

WHEREAS, these bIlls would give the option to a municipality to provide regulations governing the barter, sale and possession of alcohol and the orderly conduct of business of selling intoxicating liquor.

NOW THEREFORE BE IT RESOLVED THAT The City of Bethel, Alaska endorses Senate Bill No. 182, and House Bill No. 232, "An Act Relating to Municipal Sales Taxes", and encourages the State Legislature to pass and approve this legislation.

PASSED, APPROVED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF BETHEL, ALASKA THIS 22 DAY OF March, 1978.

APPROVED BY:

MAYOR

ATTEST:

CITY CLERK

SB

213

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Senator Joe Orsini
Chairman

Senate Bill No. 213 — Croft
Prime Sponsor

_____ Resolution No. _____

This Bill is currently in the Senate Community and Regional Affairs Committee for consideration. Your response, as prime sponsor, to the following questions will serve to hasten Committee action on this Bill.

1. What is the need for your proposed legislation; what is the goal you are trying to accomplish?

   The present $20,000 limit is too restrictive to cover a lot of needed projects.

2. Are there any other viable ways of accomplishing this same goal?

   None as thorough and effective as this

3. Persons or groups you know of who are supporting the legislation.

   Rural Community Action Program

4. Persons or groups you know of who are opposing the legislation.

   None

5. Can you foresee any new problems that might be caused as a result of enactment of your bill?

   No

6. What is the earliest time you would like the Senate Community and Regional Affairs Committee to consider your bill?

   Week of March 21

STATE OF ALASKA

Inter-Department Route Slip

TO:
MAIL STATION NUMBER 3100

DEPARTMENT Legislature

ATTENTION Sen. Joe Orsini

☐ Approval	☐ Note & Return
☐ Signature	☐ Initial & Return
☐ Comment	☐ Return As Requested
☐ Contact Me	☐ Return For Approval
☐ Prepare Reply	☐ Necessary Action
☐ For Your File	☐ Your Information

Remarks: As requested

Re: SB 213

FROM:
MAIL STATION NUMBER 2100

DEPARTMENT CRA

BY Elee DATE 3/15

02-002 (REV.10/73)

DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS
DIVISION OF COMMUNITY & RURAL DEVELOPMENT

current open RDA Grants

District 1
Southeast

COMMUNITY	FY	AMOUNT	PURPOSE
Haines	77	20,000	Museum construction Phase II
Hydaburg	76	10,000	Smokery - Phase II
~~Kasaan~~	~~76~~	~~19,850~~	~~Electrical system~~ CLOSED 1/31/77
~~Klukwan~~	~~76~~	~~19,000~~	~~Electrification~~ CLOSED 1/31/77
~~Pelican~~	~~77~~	~~20,000~~	~~Community warehouse~~ CLOSED 1/25/77
Tenakee Springs	77	20,000	Community Warehouse
~~Yakutat~~	~~76~~	~~7,100~~	~~Public Safety Building~~ CLOSED 1/18/77

District 2
Fairbanks

Allakaket	75	20,000	Electrification
Anderson	76	10,000	Community library
Anvik	76	10,000	Disaster money, relocation
Arctic Village	76	9,000	Lodge/Community Building
Dot Lake	76	9,500	Material for Health Clinic and office addition
~~Eagle Village~~	~~74~~	~~2,000~~	~~Housing improvement program~~ CLOSED
Ester	76	20,000	Fire hall
Grayling	76	4,000	Community hall
Holy Cross	74	8,000	Recreation hall
Kaltag	76	4,000	Bridge construction/remodel Head Start Building
McGrath	76	19,561	Closed 11/30/76
~~Nenana~~	~~75~~	~~3,000~~	~~Visitor Center improvement~~ CLOSED 1/14/77
Nenana	76	10,000	Community Center improvement
~~Nikolai~~	~~73~~	~~5,000~~	~~Community hall~~ CLOSED
Nikolai	75	20,000	Electrification
North Pole	75	8,000	Phase II - Recreation facility
Spruce Grove	76	6,000	Materials for Community Center
~~Tanana~~	~~74~~	~~3,500~~	~~Community offices~~ CLOSED
Wainwright	76	16,000	Community building

District 3
Nome Region

Gambell	75	20,000	Head Start Building
Kiana	76	11,250	Community Building
Kivalina	76	9,000	Materials and transportation for workshop
Kobuk	74	6,000	Electrification
Little Diomede	76	17,775	Electrification
Point Hope	73	7,500	Repair slough, community
Shismaref	75	10,000	Sea wall repair/airport beacon

District 4
Bethel Region

Akolmuit	75	10,000	River bank stabilization
Akolmuit	62	10,000	Head Start Building
Aniak	72	3,000	Repair dike

COMMUNITY	FY	AMOUNT	PURPOSE
Aniak	75	3,000	Community Building
Cherforank	76	15,000	Electric generator
Kipnuk	75	20,000	Electrification
Kipnuk	76	16,000	supplement
Kapaskiak	76	8,000	Community Building
Newtok	72	8,000	Community Building
Pilot Station	76	5,000	Repair two bridges
~~Tooksook Bay~~	~~75~~	~~18,000~~	~~Multi-purpose building~~ 1/31/77
Tununak	76	20,000	Multi-purpose building

District 5
Anchorage Region

Anchor Point	75	15,000	Fire equipment garage
Chistochina	73	1,500	Complete Community hall
Chistochina	76	15,000	Electrical generator & distribution system
Cooper's Landing	76	17,000	Emergency vehicle building
English Bay	76	15,000	Community hall
Glennallen	76	14,300	Community library
Gulkana	74	8,000	Campground
~~Gulkana~~	~~75~~	~~6,000~~	~~Materials to finish Community Bld~~ closed 1/31/77
Homer	76	20,000	Municipal Building foundation
Houston	76	12,000	Phase II of Fire hall
Port Graham	76	2,225	Village repair shop
Seldovia	76	8,650	Lake Susan drainage
Sutton	76	10,040	Community hall/Fire hall
Tazlina	76	6,000	Building materials for Community hall addition
Whittier	75	10,000	Recreation center
Willow	76	14,000	Central heating and restrooms for Civic Organization building

District 6
Dillingham Region

Akutan	76	5,000	Material to repair water system
Aleknagik	74	5,000	Water system
Chignik Lake	76	3,200	Sewer system
False Pass	74	4,000	Boardwalk construction/repair
Iguigig	76	4,700	Sewer, housing, water
Ivanoff	76	8,650	Water system
Kokhanok	75	10,000	Clinic and Community hall
Nelson Lagoon	73	5,000	Water and sewer
Nikolski	74	5,000	Water systems
Nikolski	76	14,200	Bulk fuel storage
Nondalton	76	10,000	Community Services center
Nondalton	74	6,000	Renovation of building for CO-OP
Perryville	76	15,000	Water system
Pilot Point	76	5,000	Water
Port Heiden	76	10,000	Community Center addition
St. George	75	9,100	Renovate Community Building
Sand Point	77	20,000	Harbormaster house
Togiak	74	5,000	Community hall addition
Twin Hills	76	10,000	Rewire village

SB

220

SB 220

COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

LETTER OF INTENT

The Community and Regional Affairs Committee wishes to emphasize that it is our intent to see that maximum funds derived for this program be granted to communities to assist them in establishing and maintaining their Coastal Zone Management Program, and that the state act primarily as a vehicle in relaying this money to the communities.

The fiscal note that accompanies this bill reflects that the State intends to absorb a significant amount of funding at the State program level, contrary to the intent of this Committee. The Committee, therefore, recommends that before this Act be implemented, that it be demonstrated that the communities will be the recipients of the greatest share of these funds, and that the necessity of existing utilization of Alaska Coastal Management Program funding by state agencies be re-examined with the view toward a redistribution of these funds to the Coastal Zone Management district level.

The Committee does not intend, in approving this bill, to encourage the continued planning and development of the unorganized boroughs solely at State expense. The Committee believes that the day is not too far off when areas of the unorganized borough will be expected to implement local systems of deriving revenue to help support locally controlled

municipal services, such as education and planning, within their respective areas

The Community and Regional Affairs Committee also wishes to complement the Senate Resources Committee in their diligent and competent efforts at drafting this legislation and promoting the concept that the planning of the Coastal Zone Management Program be borne by the affected municipalities and not by a state resource agency.

THE CITY AND BOROUGH OF JUNEAU
CAPITAL OF ALASKA
155 SOUTH SEWARD ST. JUNEAU, ALASKA 99801

DATE: March 30, 1977

FILE NO: SB 220/HB 342

SUBJECT: House Bill 342, Management of the Coastal Resources of the State

The Honorable Lisa Rudd, Chair
House Community and Regional
Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Representative Rudd:

The Legislative Committee of the City and Borough of Juneau has reviewed and considered HB 342 and supports the general approach taken in the bill to management of our coastal resources. The committee supports maximum local participation in the policy making and enforcement aspects of coastal resource management and to that end requests that minor changes be considered which would help maximize local government input, participation and response under the bill.

The membership of the Alaska Coastal Policy Council is made up of seven state department or division heads who have been appointed to their position by the governor or one of his appointees. In addition, the governor appoints eight persons of his choosing from various regions who are elected local government officials. Thus, the governor appoints all fifteen of the council members. The appointment of the eight elected local government officials is made without the advice and consent of either the legislature or the local municipalities. In order to insure that the viewpoint of local government is represented by local government members who reflect the policies of the local governments involved, the appointing power as to the public members should be shifted to the local governments involved. It could be completely shifted to the local governments if the language between lines 28 and 29 on page 2 and lines 1 and 2 on page 3 is deleted and replaced by the following language:

> (1) eight public members, who shall be the mayor or member of the assembly or council of a municipality shall be appointed. One public member shall be appointed from each of the following general regions:

Following line 24 on page 3, add the following language which would be a continuation of (1):

initially, and upon a vacancy or upon or prior to the expiration of the term of an incumbent, public members shall be appointed for the term or unexpired term in the following manner:

(A) Upon notification to municipalities in a general region by the governor or the council of a vacancy or a prospective vacancy in the seat representing the general region, the assembly or council of each municipality therein may, by motion or resolution, nominate its mayor or a member of its assembly or council to fill the vacancy. Upon making such a nomination, the municipality shall notify the governor and each of the other municipalities within the region of its nomination. If, subsequent to the making of such nominations, a majority of the municipalities within the general region adopt resolutions selecting one of the nominees as the region representative, such person shall be deemed appointed to the council.

(B) The person appointed shall notify the governor, the council, and each municipality in the region of the appointment. The person selected shall include with such notice a copy of each of the resolutions selecting that person as the representative of the general region.

(C) If the governor has not received notification of an appointment under (A) and (B) within 90 days of the last date upon which notice to a municipality was sent by the council or the governor, the governor shall appoint a public member for that general region from among the nominations supplied him under (A).

The procedure suggested above could be altered, however, the two elements which are essential to this procedure are:

1. That the representative for the general region should be appointed by the municipalities which will be the front line for enforcement of the coastal resources management program, and

2. That in the event the municipalities are not able to agree, the governor be limited in his appointments to the public member seats to persons who have been nominated by municipalities.

Other references to the appointment of public members by the governor which appear in the bill should be deleted or changed to conform to the change proposed above. Lines 1 and 2 of page 5 should be changed to read as follows:

> (a)(1) of this section, the alternate designated under (d) shall serve until a replacement who shall serve for the unexpired portion of the term has been appointed in accordance with the procedures set forth in (a)(1) of this section.

Municipalities are the key to the implementation of the Alaska coastal management program. By providing municipalities with an opportunity to select their representatives for the council, the state will be taking a step in the direction of creating greater credibility of the state program, encouraging the fullest possible local input to and cooperation with the council and providing an environment in which local enforcement of the district coastal management program can be expected to be the most vigorous. In addition, allowing municipalities to select their representative in each general region will probably help insure a better balance on the council between those who represent state interests and those who most accurately reflect local needs and interest.

While the municipality has not taken a position relative to the following points I believe they are points which might be appropriate for committee discussion.

1. There appears to be a conscious effort not to specify which agency or body has the responsibility for developing the Alaska coastal management program. While it is the council which initially approves the program, it does not clearly appear that the council has any responsibility for developing or assembling the program. It develops guidelines for the preparation of the program; it reviews the program, and it approves the program in part or in whole. Section 46.35.010 on page 6 clearly gives the council the power to review the program but merely provides that the program be revised when appropriate without noting what body or agency has the revisory power. Subsection (c)(1) of subject section provides that the council add newly approved district management coastal programs to the Alaska coastal management program.

2. Proposed sections 60 and 70 set forth the procedure for council approval of district coastal management programs. Proposed section 80 provides that the Alaska coastal management program adopted by the council takes effect upon its approval by the state legislature. Thus, it would appear that district coastal management programs would, by their incorporation in the Alaska coastal management program, be subject to legislative approval. Section 90, however, indicates that council approval is all that is needed for the district coastal management program of a district which exercises zoning or other resource control. Thus, while it is not really clear in the proposed legislation, it does appear that if the state is to be responsible for implementation of a district coastal management program, that program must be approved by both the council and the legislature while council approval is all that is necessary for a district which exercises zoning or other resource controls. If the foregoing reading is accurate as to legislative intent, then changes should be made to the language in section 10(c)(1) which appears to provide for the incorporation of approved district programs into the Alaska program which then receives legislative approval. In addition, the language at lines 12 and 13 on page 13 should be changed so that after the word "programs" in line 12 it would read "which have received final approval by the council or the legislature, as required, and are in effect." Language of this nature would help remove the ambiguity of whether or not both council and legislative approval are required for both state enforced and locally enforced programs. If, on the other hand, it is the intent of the legislature that district programs which are to be implemented through local zoning and other resource controls should be fixed in concrete through the mechanism of legislative approval, section 100 should be redrafted to remove the very strong implication that legislative approval is not needed except where state implementation is contemplated.

3. Returning to page 7, it does not appear in the list of objectives that the interests of the region or district are to be considered. If these are deemed appropriate for consideration, the addition of the phrase ", the region and the district" at the end of the sentance ending on line 18 on page 7 would incorporate such standards.

4. It would appear from reading section 30 starting on page 8, and in particular subsections (5) and (6), that implementation of the district coastal management program is contemplated through a mechanism which is

similar to conditional use procedures in conventional zoning programs. If it is contemplated that each use of land or water regulated under the district program is to be regulated as a conditional use, this aspect of the legislation could be subject to attack as many courts do not hesitate to overturn ordinances which purport to be zoning ordinances but under which all or almost all land uses are subject to the conditional use procedure. Such courts seem to balk at the idea that the legislative or regulatory body can decide on a case-by-case basis whether each or most uses under a general zoning will be allowed. Such an approach can be likened to spot zoning for each use. Of course, if there are sufficient standards that there is little discretion as to whether or not an application for a particular use is to be granted, such procedures are less vulnerable to attack.

5. At pages 10 and 11, the bill contemplates a mediation process which is to be utilized as to those district programs or parts thereof which are not approved by the council. The committee may want to consider whether it would be more appropriate to give the coastal resource district an opportunity to revise all or certain parts of its plan to bring it into compliance with council requirements before forcing the district into mediation. While the conventional concept of mediation involves a neutral third party who attempts to obtain agreement between the disputants, it appears that section 60(b) contemplates that the council itself acts as mediator. This appears to be something more akin to negotiation than mediation. However, it appears that in either event the coastal resource district is not in much of a position to resist changes requested by the council as the council has the ultimate authority to order the program amended. It must be admitted, however, that this is a commendable effort to provide a vehicle for the resolution of disputes between inferior and superior agencies prior to the superior agency invoking its power of a final and formal disapproval.

In closing, the municipality encourages the committee to increase or strengthen the authority and role of municipalities in the coastal resource management scheme.

Very truly yours,

Gerald L. Sharp
City/Borough Attorney

cc: Representatives Smith, Anderson, Miles, Ose, Snider, Kelly, Lethin and Phillips
Don Berry, Executive Director
Alaska Municipal League

GLSmmb

Main Points; SB 220/HB 342

"Management of Coastal Resources"

1. The bill specifies the uses and areas which should be addressed within the coastal management program. It explains that coastal management is not regulation of everything that is happening along Alaska's shores and coasts. Many citizens and local government officials have had the impression that coastal management means regulation of any kind of use or activity, no matter how minor or local.

2. The bill establishes policies, or guidelines if you wish to call them that, in law which explain the State's interest in regulating the major uses and areas defined in the legislation.

3. The bill would establish the tie between state regulation and local planning and zoning. The guidelines for coastal areas and activities would become the basis for completing and reviewing local (municipal) coastal programs. Local governments would have a role in planning for uses and areas along the coast, in close cooperation with state agencies.

4. The bill provides a mechanism for resolving conflicts between the state and local governments.

5. The bill provides means for residents of the unorganized borough to participate in the coastal management program.

One question that could be raised here relates to federal approval of the State's coastal management program. That is, will this bill make the State's program approvable under the terms of the Coastal Zone Management Act of 1972?

The State can seek approval on the basis of state authorities alone, or on the basis of a partnership between the State and local governments. Every state which is actively involved in coastal management has chosen to involve local governments in a significant way. The bill would allow the State to use local planning and zoning authorities as an important part of the management program.

The coastal management process described in the bill is based on the existing local and state agencies. The only "new" feature is the Alaska Coastal Policy Council. This group, composed of 8 local government officials and 7 Commissioners, provides guidance for the program and resolves disputes between the State and local governments.

For more information, contact:
Glenn Akins, Coordinator
Alaska Coastal Management Program
Pouch A-D, Juneau, Ak. 99811
(907) 465-3574

02 001B

STATE
of ALASKA

MEMORANDUM

TO: Recipients of Fiscal Note for
SB 220/HB 342

DATE : April 11, 1977

FROM: Murray R. Walsh
Deputy Coordinator
Alaska Coastal Management Program
Office of the Governor

SUBJECT: Additions to Fiscal Note

We were asked to define some of the budgetary terms used in the Fiscal Note for SB 220/HB 342, and I have added pages 5 and 6 to do that. Attached is a complete copy of the expanded note.

There may yet be other questions or uncertainties about this note and we will be happy to answer any inquiries or supplement the note even further.

Murray

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 220 / HB 342
Title "An Act relating to the management of coastal resources of the state"
Requested by The Senate Rules Committee by request of the joint Administration-Legislative Committee on coastal management Date 3/7/77

II. FISCAL DETAIL
Agency Affected Office of the Governor (DPDP) and Dept. of Comm. & Reg. Affai
Program Category Affected Coastal Zone Management
Budget Request Unit(s) Affected 01-47-6-02-00-00

EXPENDITURES (Thousands of Dollars)

		FY 77	FY 78	FY 79	FY 80	FY 81	FY 8
100	PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200	TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300	CONTRACTUAL	-0-	-0-	1,000.0	1,000.0	1,000.0	1,000.0
400	COMMODITIES	-0-	-0-	-0-	-0-	-0-	-0-
500	EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600	LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700	GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
	TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	1,000.0	1,000.0	1,000.0	1,000.0
OTHER (Specify)						

POSITIONS

FULL TIME	4	4	4	4	4	4
PART TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

A. Assumptions.

1. Passage of the bill will make federal approval under section 306 of the Coastal Zone Management Act of 1972, and award of additional funding under that section, possible; and this should occur in June of 1978.
2. No increase in state cash appropriations will be needed to match the incoming federal grants. The larger federal grants can be matched with local participation and state agency in-kind services.
3. Only four new positions in state government (3 in CRA, 1 in DPDP) should be needed to implement the bill. Almost all of the bill's provisions can be met with the existing personnel now in place in various state agencies as a result of the existing Alaska Coastal Management Program(ACMP). The new positions will be needed because of the substantial new role of local governments and the needs of the new council.

IV. DATE 3/23/77 PREPARED BY Murray R. Walsh
AGENCY DPDP, Governor's Office
PHONE 465-4973

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 10/76)

III. Analysis, Continued

B. Program Summary.

The purpose of a fiscal note is usually to show what increases in state staff or expenditures can be expected as a result of legislation. In this case, SB 220/HB 342 would become the centerpiece of an existing program which began in the summer of 1974. The program, which is called the Alaska Coastal Management Program (ACMP) just as in the bill, has changed in many respects since it began, but the overall goal of wise use and protection of the coastal resources has never changed nor has the programmatic goal of federal approval under section 306 of the Coastal Zone Management Act of 1972 changed.

Analysis by the ACMP staff in the Office of the Governor, the Dept. of Law, and the federal Office of Coastal Zone Management shows that the proposed bill should make it possible for ACMP to be federally approved with little difficulty if the bill is enthusiastically administered. This approval would permit larger federal CZM grants to be made to the state. So, while the face sheet of this note is filled out according to the instructions for fiscal notes, we provide a more thorough look at the ACMP budget on the following charts. Grant application and BRU data, as well as ACMP staff experience and expectation have been melded to form general budget charts for fiscal years 1977, 78, and 79. The figures are reliable insofar as general allocations and magnitude; but they are not exact since there are many unknowns. The figures for FY 77 are also rough since they are drawn from two separate grant applications and a possible supplemental application.

The first chart might be thought of as the "pre-bill situation." Since FY 77 will end just after passage of the bill, there will be little of the bill reflected in the FY 77 chart. This is not awkward, since many of the bill's provisions were anticipated. The major difference from FY 77 to FY 78 and beyond will be the amount of local government involvement, which was only voluntary and rather novel at the start of FY 77.

The second chart, for FY 78, is a projection of program development expenditures as the implementation of the bill begins. There is much to do: Local governments must be provided with enough funds to get their programs underway, and the Council will have quite a job in getting organized and establishing its guidelines and procedures. Additionally, the ACMP office will be pursuing approval of the program by the end of the fiscal year, and this will involve substantial time and money.

The third chart can be thought of as the first year of "regular" program administration. By this time the larger Sec. 306 grants will be available and local programs should be well underway. Also, some local governments may be done with developing their programs, and thus be eligible for administration grants with which to maintain their programs. This last topic

is not addressed in the proposed legislation, but making grants of CZM 306 funds for regular municipal and borough administration of local coastal programs is certainly permitted and encouraged in the national CZM program.

The first and second charts will be largely unchanged whether or not SB 220/HB 342 passes or not, except that the funds for local grants in the second (FY 78) chart might be less because the local demand would probably not be as high without the existence of a bill like SB 220/HB 342.

The third chart (FY 79) may not be valid at all if the bill does not pass because there is considerable uncertainty over whether ACMP could be federally approved without the help of SB 220/HB 342, or something similar.

Chart One-Fiscal Year 77.

Approximate ACMP Receipts:*

Federal:	$1,200,000
State Cash Appropriation:	250,000
TOTAL	$1,450,000

Approximate ACMP Expenditures:

ACMP Office Use...	
Public Participation	$ 200,000
Program Elements	100,000
Grant and Contract Adm.	50,000
Grants to Local Gov'ts	350,000
Assistance to Local Gov't	225,000
State Agency Projects	525,000
	$1,450,000

Chart Two-Fiscal Year 78

Approximate ACMP Receipts:*

Federal:	$1,200,000
State Appropriation:	250,000
TOTAL	$1,450,000

Approximate ACMP Expenditures:

ACMP Office Use...	
Public Participation	$ 225,000
Program Elements	75,000
Grant and Contract Adm.	50,000
Grants to Local Gov'ts	625,000
Assistance to Local Gov't	75,000
State Agency Projects	400,000
TOTAL	$1,450,000

Chart Three-Fiscal Year 79 (If approval under Sec. 306 of the Coastal Zone Management Act has been achieved, and the federal funding is thereby available.)

Approximate ACMP Receipts:*

Federal:	$2,000,000
State Appropriation:	250,000
TOTAL	$2,250,000

Approximate ACMP Expenditures:

ACMP Office Use:	
Public Participation:	$200,000
Program Elements:	75,000
Grant and Contract Adm:	75,000
Program Development Grants to local government:	700,000
Program Administration Grants to local gov't:	600,000
Assistance to Local gov't:	100,000
State Agency Projects:	500,000
TOTAL	$2,250,000

* The receipts shown here are those monies under ACMP Office control only. The federal grants do require state matching shares, of which the annual ACMP appropriation is a part. The rest of the match is made up from local and state agency in-kind contributions to the program. Grants to local governments usually require that the local government contribute some value to its own program in cash or in kind, and this contribution is used as part of the overall match for the federal funds. The match ratio now is 4 federal dollars for every 1 state dollar. The state ususally has no trouble finding enough matching share, and this is why we do not expect to ask for any larger annual appropriation than $250,000 per year.

C. Personnel.

SB 220/HB 342 will cause a dramatic increase in local involvement in ACMP. Thus, we see the need of at least three mid-range planners in addition to the existing CRA staff to handle the increased demand for grants and services. All other aspects of SB 220/HB 342 have been forseen except the Alaska Coastal Policy Council, and the ACMP office will need a para-proffessional administrator to attend to the needs of the Council. All these people can easily be paid from the present program revenue.

D. Budgetary Terms Defined

The terms used in the three budget charts for the Program Summary in (B) above may not be familiar to everyone, so descriptions are provided below for better understanding of the Alaska Coastal Management Program activities and expenditures.

"ACMP Office Use" means the funds expended directly from the Alaska Coastal Management Program Office within the Division of Policy Development and Planning in the Office of the Governor. The other funds are spent by other state agencies or passed through to local governments. The ACMP Office applies for the entire amount and arranges contracts with the other state agencies. The next three terms are more specific activities undertaken by the ACMP staff.

"Public Paticipation" There are basically two objectives of public participation: The first and current effort is to learn as much as possible from the public about Alaskan coastal affairs, and in return to acquaint the public as much as possible with the nature of ACMP. The second objective, which will begin soon, is to enable thorough public review, understanding, and comment on the policies and other more specific details about the program, which have only now begun to solidify. Both objectives are pursued with a community workshop series, a monthly newsletter, a group of special interest representatives, an array of slide programs, brochures, films, etc, and by staff visits to communities and group meetings. There are presently two staff people working on public participation, with help from others. Much of the work is done by contractors. People from other state agencies assist as well.

"Program Elements" This refers to a series of tasks whose purpose is to lead to approval of ACMP under Section 306 of the federal Coastal Zone Management Act. Many of the duties that the Council would perform with passage of SB 220/HB 342 are complemented by ongoing program elements, which include assembling a unified policy base, defining land and water uses of state concern, listing and defining special areas in the coast which need extra attention in management, coordinating the array of state authorities, organizing the array of state procedures for better management, coordinating and consulting with federal agencies, and eventually producing a program document which unifies and describes all these elements. This work is done by two and a half staff people with some contracted assistance.

"Grant and Contract Administration" This is the task of applying for and managing the large sums of money that flow into the program. Grant applications require forcasting the often uncertain program needs over a year or more in the future, and balancing the many demands for the use of the funds. Then, a number of contracts with agencies and consultants must be consummated, coordinated, kept track of, reported on, and eventually audited. One and one-half staff people do this work. The grants are audited every year.

"Grants to Local Governments" The ACMP Office contracts with the Dept. of Community and Regional Affairs to provide funds for local planning efforts. Some of this activity is specifically related to planning for OCS development impacts on the communities, and the rest is for general coastal management planning. If the bill passes, this same mechanism would be used to support the local planning effort called for in the bill. A matching share is usually required of the local governments in return for grants, but this is only 20% of the value of the project and can be in-kind services as well as cash. When the ACMP is approved under section 306, we will be able to provide funds for administration of local programs as well as for the planning.

"Assistance to Local Governments" In addition to the direct grants, CRA assists local governments by providing individual and general staff and consultant assistance. Often, a local government will need help for a project, but the size of the project does not warrant hiring a local planner. The job may only take three months. In cases like this, CRA will provide professional staff assistance to the local government. In other cases, several local governments may be faced with the same kind of problem, and help can be provided to all with a CRA staff project or a consultant project. The product or report is then given to the local governments which need it. Whatever the situation, this form of assistance is basically just support to local planning by means other than direct grants. A final example is a project by two or local governments want to work together on a project, and CRA can relieve both of paperwork difficulties if a contractor is to be used.

"State Agency Projects" These are tasks undertaken by state agencies at the request of ACMP or at the agency's own initiative. In the former case, ACMP needed information on the biophysical relationship of the marine waters to the specific uplands of Alaska. The Dept. of Fish and Game was contracted for this work. The result will assure adequate program coverage of the important processes of nature. In other cases, an agency may look ahead to its duties related to ACMP and ask for funds to conduct a study or inventory. In all cases, the ACMP Office assures that the project will be of value to ACMP and in most cases, also of value to local governments.

"Program Development Grants to Local Government" and " Program Administration Grants to local government" are both terms that are subsumed under "Grants to Local Government."

02-001B

STATE
of ALASKA

MEMORANDUM

TO: Senator Poland
Senator Orsini
Representative Rudd
Jack Chenoweth
Ron Lind
Fran Ulmer

DATE : March 25, 1977

FROM:

SUBJECT: SB 220/HB 342: Fiscal Note

Murray Walsh
Alaska Coastal Management Program
Division of Policy Development and Planning
Office of the Governor

We have prepared a fiscal note for SB 220/HB 342. Since the bill will complement and augment an existing program, we have tried to present a basic understanding of the present and near future financial expectations of the Alaska Coastal Management Program, rather than just showing the expected increases that would result from passage and implementation of SB 220/HB 342.

We hope this information is useful and instructive to you, and please call on us for further explanation or clarification of the fiscal or any other aspects of the coastal program.

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 220 / HB 342

Title "An Act relating to the management of coastal resources of the state"

Requested by The Senate Rules Committee by request of the joint Administration-Legislative Committee on coastal management Date 3/7/77

II. FISCAL DETAIL

Agency Affected Office of the Governor (DPDP) and Dept. of Comm. & Reg. Affai

Program Category Affected Coastal Zone Management

Budget Request Unit(s) Affected 01-47-6-02-00-00

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	1,000.0	1,000.0	1,000.0	1,000.0
400 COMMODITIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	1,000.0	1,000.0	1,000.0	1,000.0
OTHER (Specify)						

POSITIONS

FULL TIME	4	4	4	4	4	4
PART TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

A. Assumptions.

1. Passage of the bill will make federal approval under section 306 of the Coastal Zone Management Act of 1972, and award of additional funding under that section, possible; and this should occur in June of 1978.
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IV. DATE 3/23/77 PREPARED BY Murray R. Walsh

AGENCY DPDP, Governor's Office

PHONE 465-4973

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 10/76)

III. Analysis, Continued

B. Program Summary.

The purpose of a fiscal note is usually to show what increases in state staff or expenditures can be expected as a result of legislation. In this case, SB 220/HB 342 would become the centerpiece of an existing program which began in the summer of 1974. The program, which is called the Alaska Coastal Management Program (ACMP) just as in the bill, has changed in many respects since it began, but the overall goal of wise use and protection of the coastal resources has never changed nor has the programmatic goal of federal approval under section 306 of the Coastal Zone Management Act of 1972 changed.

Analysis by the ACMP staff in the Office of the Governor, the Dept. of Law, and the federal Office of Coastal Zone Management shows that the proposed bill should make it possible for ACMP to be federally approved with little difficulty if the bill is enthusiastically administered. This approval would permit larger federal CZM grants to be made to the state. So, while the face sheet of this note is filled out according to the instructions for fiscal notes, we provide a more thorough look at the ACMP budget on the following charts. Grant application and BRU data, as well as ACMP staff experience and expectation have been melded to form general budget charts for fiscal years 1977, 78, and 79. The figures are reliable insofar as general allocations and magnitude; but they are not exact since there are many unknowns. The figures for FY 77 are also rough since they are drawn from separate grant applications and a possible supplemental application.

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ACMP Office Use...	
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Program Elements	100,000
Grant and Contract Adm.	50,000
Grants to Local Gov'ts	350,000
Assistance to Local Gov't	225,000
State Agency Projects	525,000
	$1,450,000

Chart Two-Fiscal Year 78

Approximate ACMP Receipts:*

Federal:	$1,200,000
State Appropriation:	250,000
TOTAL	$1,450,000

Approximate ACMP Expenditures:

ACMP Office Use...	
Public Participation	$ 225,000
Program Elements	75,000
Grant and Contract Adm.	50,000
Grants to Local Gov'ts	625,000
Assistance to Local Gov't	75,000
State Agency Projects	400,000
TOTAL	$1,450,000

Chart Three-Fiscal Year 79 (If approval under Sec. 306 of the Coastal Zone Management Act has been achieved, and the federal funding is thereby available.)

Approximate ACMP Receipts:*

Federal:	$2,000,000
State Appropriation:	250,000
TOTAL	$2,250,000

Approximate ACMP Expenditures:

ACMP Office Use:	
Public Participation:	$200,000
Program Elements:	75,000
Grant and Contract Adm:	75,000
Program Development Grants to local government·	700,000
Program Administration Grants to local gov't:	600,000
Assistance to Local gov't:	100,000
State Agency Projects:	500,000
TOTAL	$2,250,000

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OCS CONFERENCE DISCUSSES 'The MANAGEMENT of CHANGE'

(Reprint from the ANF Management Report)

In meetings, over coffee and in group discussions, they said again and again how much it reminded them of "the old days during the land claims struggle": Then it was the land. And a land freeze kept the situation in abeyance until a final decision could be made. Now there is talk of a new freeze, a "sea freeze," to not allow any oil development until a final decision is made on who controls the subsistence resources of offshore areas.

With powers provided through ANCSA, Alaska's coastal residents have a chance at succeeding with this new cause. Managing the changes inherent in the planned development of Alaska's extensive Outer Continental Shelf petroleum reserves.

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The conference, entitled the "Management of Change," focused on three major topics:

1) What changes can villages expect with OCS development?
2) What are the legal rights with regard to development which affects a community or region?
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Questionnaires filled out by conference participants before the meetings began indicated that people in about half the coastal communities were talking about OCS; while the other half felt a vague uneasiness about the subject, they didn't know enough to discuss it. Several villagers had been to other meetings on OCS, few representatives of either state or federal governments, oil companies or other organizations had visited communities to talk about the subject.

Much of the conference looked specifically at how communities already impacted by OCS have dealt with it. Most affected so far is Yakutat, and many sessions were chaired by representatives from that area, namely Byron Mallott, Sam Demmert, Attorney Dave Wolf, and Vern Wiggins and Bob Sharp, from Tryck, Nyman and Hayes, land planners for Yakutat. Also prominent were Kodiak and English Bay representatives, because these three communities together form specific role models for villages not yet hit by OCS: English Bay has chosen no development at all; Kodiak wants the economic benefits of development, and has formed a partnership with its villages and the borough, and like Yakutat, is trying for the two: to minimize the impact on its life style and culture, and gaining financially.

Kay Poland, State Senator from Kodiak, outlined important legislation which would emphasize the importance of local and subregional control over OCS development. *(Cont. Page Four)*

VILLAGERS EXCHANGE VIEWS, INFORMATION

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Roger Lang, above, former president of AFN and chairman of Alaska Native Human Resource Development, originated the idea of the conference. Over 120 people attended the large group meetings, left. Concentrating on writing down information, below, is Herman Rexford of Kaktovik.

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The major tool available to coastal communities is local government, according to the mayor. Through this method, the North Slope Borough, Yakutat, Kodiak and other towns have used their powers to determine how the development shall take place.

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WELCOME

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SB 220

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kellogg project co-op extension

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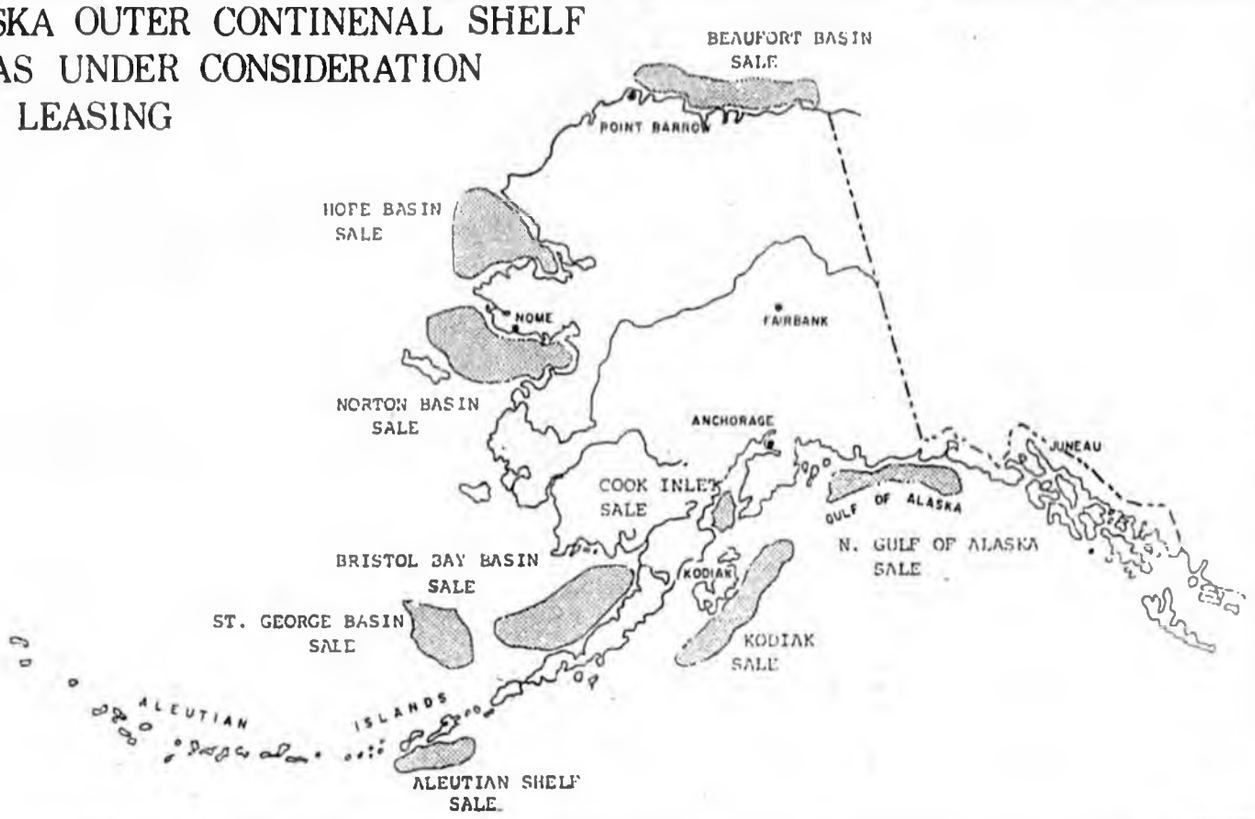

Local Organizations Study Oil, OCS-Related Issues

Several local organizations are presently tackling the OCS issue, planning and preparing for its impact. Some are concentrating on getting people talking about OCS and giving out information; others are more prodevelopment and are trying to attract OCS development to their areas. But all are aware that a lot of public education needs to take place before the oil companies pull into their harbors, in order for local interests to manage the changes inherent in OCS onshore impact.

If you know of, or are involved with, other such organizations, please drop us a note, telling us who's involved, where they can be reached and the types of activities being pursued.

If you're interested in getting information or assistance in setting up your own local OCS Awareness Group should contact one of the following, or ANF-OCS Information, 615 D Street, Anchorage, Alaska 99501.

Gerald Trigg
Nome Eskimo Community
Box 949
Nome, Alaska 99762

Charles Johnson
Kowerak
Box 505
Nome, Alaska 99762

OCS Committee — Chamber of Commerce
c/o Darrell Hargraves
Nome Public Schools
Nome, Alaska 99762

Gerald Trigg of the Nome Eskimo community, who also serves on the Chamber's OCS committee, says both groups are working on getting people aware that OCS is coming. Through the Eskimo community, Trigg says information emphasizes "both sides" of possible development, while the Chamber is focusing on making businesses and local landowners aware of potential methods of doing business with the oil industry. Jack Carpenter of the OCS committee said, "We're trying to make sure no local person gets ripped off -- we may want development, but on our terms."

The Nome OCS committee last month sponsored a public meeting at which Keith Arnold of the Alaska Oil and Gas Association, and a representative of Gulf Oil spoke. About 125 persons attended the meeting. This month, Pat Dobey from the Department of Natural Resources will be in Nome, talking OCS to people.

• • •

Harold Sparck
Nunam Kitlutsisti
Box 267
Bethel, Alaska 99559

Nunam Kitlutsisti, Yupik Eskimo for "protector of the land," was founded in 1973 by the Association of Village Council Presidents to represent the viewpoints of the 56-member villages on subsistence and and policy matters. It has been working toward postponement of the Bering Sea and Norton Sound lease sales to give local people more time to prepare for OCS impact, and "get recognition from the state and federal governments of the importance of subsistence life styles" to the people of that region.

• • •

Stu Dunslow
OCS Activities
Kodiak Island Borough
Kodiak, Alaska

Kodiak's local OCS organization is perhaps the most all-inclusive, highly developed group going for areas not yet hit by onshore impact. It has a planning mechanism called the Kodiak Island Forum, which includes the OCS Commission of the Kodiak Borough, the Planning and Zoning Commission, the Overall Economic Development Plan committee and the entire Borough Assembly. Karl Armstrong of Koniag, Inc., and a member of the Forum, called the effort "enormously successful in dispelling the initial nervousness -- the distrust -- between the different interests." He went on to say that OCS to Kodiak isn't only spelled O-I-L, but F-I-S-H as well, since the present economy is based on the fisheries industry. "We don't want to see that go under for the sake of oil," Armstrong said, so the Forum is trying to incorporate every interest in the community into the approach to OCS.

FREE FILMS FOCUS ON OCS

Prior to the recent conference on OCS, ANF previewed a number of films, slide shows and videotapes on OCS and related issues. These will be listed, along with addresses where they may be obtained, in this and following issues. If you have or know of any media programs on OCS, let us know, and we'll pass the information along to our readers. The following programs were done under the auspices of the Alaska Coastal Management Program and are free.

--Uncertain Summer, a documentary focusing on the reactions of Alaskans to the leasing of the Northeast Gulf; deals mainly with Yakutat, Cordova and the Kenai Peninsula. 28 minutes, color, film or video cassette. Write:

Alaska State Film Libraries
650 International Airport Road
Anchorage, Alaska 99502

Kotzebue Public Library
Box 10
Kotzebue, Alaska 99752

Alaska State Library
Rasmuson Library
University of Alaska
Fairbanks, Alaska 99701

Bethel School District Library
Bethel, Alaska 99559

--Kachemak Bay — A Problem of Progress, a narrative about the quality of life and social costs and benefits of progress; focuses on proposed OCS development of Kachemak Bay. 28 minutes, color, film or video cassette. Same address as above.

--The Value of Things, a slide and tape overview of OCS development and the decisions which must be made by local communities to deal with the issue. 22 minutes, color slides, sync sound. Address for this and the following shows is:

Alaska Coastal Management Program
Office of the Governor
Pouch AD
Juneau, Alaska 99811

--Planning for OCS Development, slide and tape program focusing on Kuskokwim and Bristol Bay area, Yupik narration available. 20 minutes, color slides.

--Interview on OCS, an interview with major state agency figures on OCS, coastal zone and related subjects. 30 minutes, color, video cassette.

CONFERENCE

(Cont. from Page Two)

Saturday featured representatives from the state, federal government and oil industry. Ed Hoffmann, head of BLM's OCS office in Anchorage, said that new procedures may be on the way with the Carter Administration, with greater emphasis on public hearings in the affected regions.

State Speakers, Commissioner Guy Martin, Sandy Sagalkin, Glenn Akins, Kevin Waring, and Jim Wiedeman, discussed various roles of their agencies, passing on a good deal of information. But the villagers, through their questions at the sessions and in their questionnaires after the conference, had a message for the state, too. Few thought available monies should go to the state for planning for OCS (it should go to the regions and villages, they thought), and by a four-to-one margin, villagers thought the state hasn't done enough to assist local areas with OCS information and planning.

Somewhat skeptical (a few downright unfriendly) participants kept oil industry representatives Jim Hart of ARCO, Joe Homer from Exxon, and Waco Shelley of Mobil, busy answering questions on all facets of their companies' activities, from the technical end of OCS development to overall policy decisions and philosophy.

Speaking more directly to the questions of cultural impact and subsistence life styles were Anthony Vaska from KCC in Bethel, Linda Ellanna from Anchorage Community College and Pat Wennekens from the Arctic Environmental Information and Data Center.

Two viewpoints on planning came during the banquet speeches: Eben Hopson, Sr., mayor of the North Slope Borough, urged closer planning and international legislation for peoples along the Arctic coasts, so they can control what happens off their shorelines. John Hope, from the Juneau BIA office, outlined funding available through the Indian Self-Determination Act to villages for OCS planning.

During the three days, special "closed" sessions allowed only those people from affected areas to sit down together and discuss in depth specific information and ask questions about planning for their individual villages or areas. Nearly all participants found this to be an extremely effective method of dealing with the complicated and often-emotional OCS issue.

The questionnaires at the meetings' end showed villagers felt their communities were not ready to make any decisions on OCS, yet needing more information before deciding on any course of action. And they want to know more about OCS: It was unanimous that follow-up activities are needed, such as meetings and workshops in the villages and/or regions; additional funding for local areas to plan together and then develop the resources to carry out those plans. The goal is to manage -- successfully -- the changes that OCS development means for the life styles and futures of coastal village residents.

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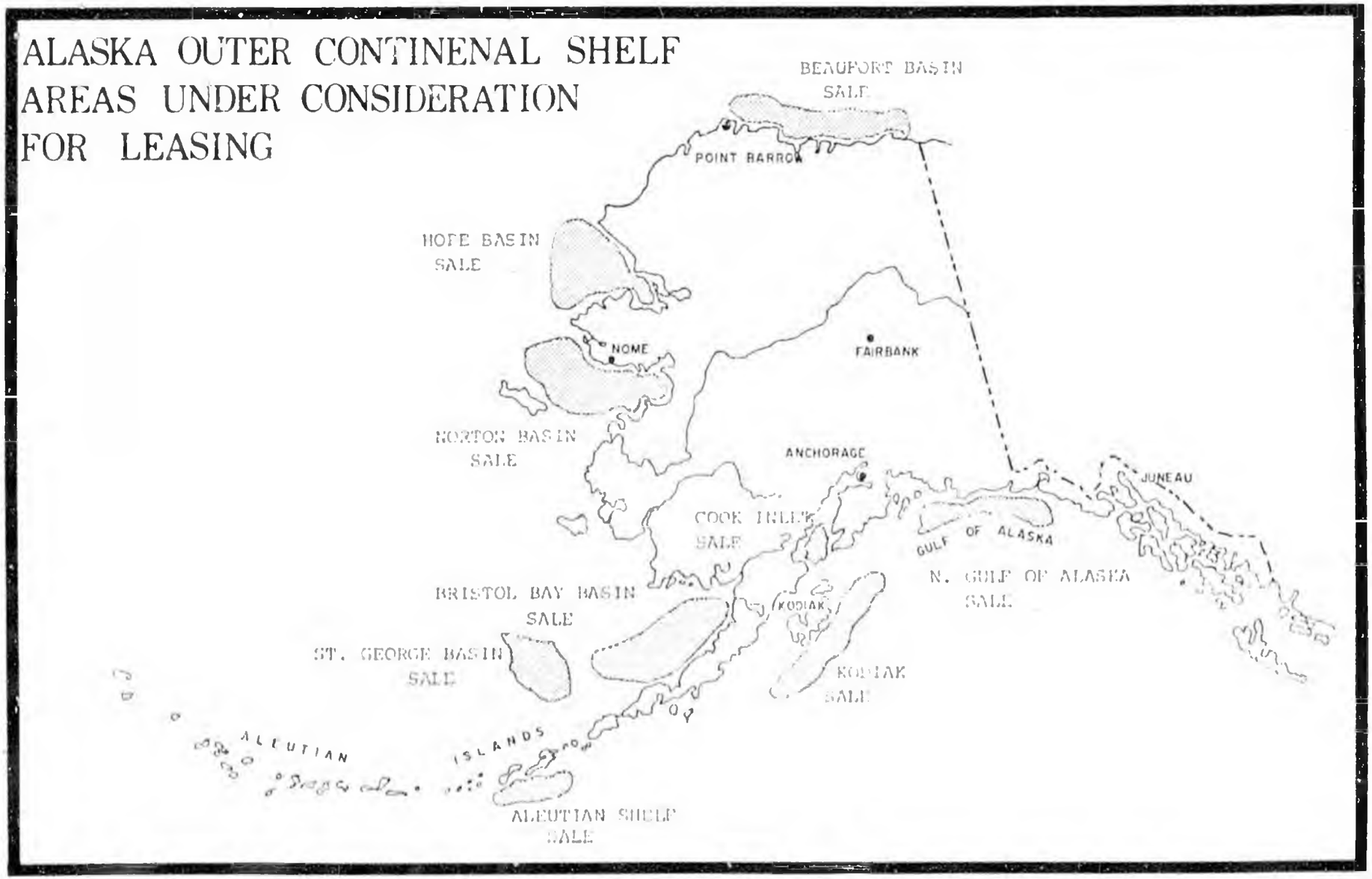

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(Reprint from the ANF Management Report)

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Roger Lang, above, former president of AFN and chairman of Alaska Native Human Resource Development, originated the idea of the conference. Over 120 people attended the large group meetings, left. Concentrating on writing down information, below, is Herman Rexford of Kaktovik.

Local Organizations Study Oil, OCS-Related Issues

Several local organizations are presently tackling the OCS issue, planning and preparing for its impact. Some are concentrating on getting people talking about OCS and giving out information; others are more prodevelopment and are trying to attract OCS development to their areas. But all are aware that a lot of public education needs to take place before the oil companies pull into their harbors, in order for local interests to manage the changes inherent in OCS onshore impact.

If you know of, or are involved with, other such organizations, please drop us a note, telling us who's involved, where they can be reached and the types of activities being pursued.

If you're interested in getting information or assistance in setting up your own local OCS Awareness Group should contact one of the following, or ANF-OCS Information, 510 D Street, Anchorage, Alaska 99501.

Gerald Trigg
Nome Eskimo Community
Box 949
Nome, Alaska 99762

Charles Johnson
Kowerak
Box 505
Nome, Alaska 99762

OCS Committee – Chamber of Commerce
c/o Darrell Hargraves
Nome Public Schools
Nome, Alaska 99762

Gerald Trigg of the Nome Eskimo community, who also serves on the Chamber's onshore impact. It has a planning mechanism called the Kodiak Island Forum, which includes the OCS Commission of the Kodiak Borough, the Planning and Zoning Commission, the Overall Economic Development Plan committee and the entire Borough Assembly. Karl Armstrong of Koniag, Inc., and a member of the Forum, called the effort "enormously successful in dispelling the initial nervousness -- the distrust -- between the different interests." He went on to say that OCS to Kodiak isn't only spelled O-I-L, but F-I-S-H as well, since the present economy is based on the fisheries industry. "We don't want to see that go under for the sake of oil," Armstrong said, so the Forum is trying to incorporate every interest in the community into the approach to OCS.

FREE FILMS FOCUS ON OCS

Prior to the recent conference on OCS, ANF previewed a number of films, slide shows and videotapes on OCS and related issues. These will be listed, along with addresses where they may be obtained, in this and following issues. If you have or know of any media programs on OCS, let us know, and we'll pass the information along to our readers. The following programs were done under the auspices of the Alaska Coastal Management Program and are free.

CONFERENCE

(Cont. from Page Two)

Saturday featured representatives from the state, federal government and oil industry. Ed Hoffmann, head of BLM's OCS office in Anchorage, said that new procedures may be on the way with the Carter Administration, with greater emphasis on public hearings in the affected regions.

State Speakers, Commissioner Guy Martin, Sandy Sagalkin, Glenn Akins, Kevin Waring, and Jim Wiedeman, discussed various roles of their agencies, passing on a good deal of information. But the villagers, through their questions at the sessions and in their questionnaires after the conference, had a message for the state, too. Few thought available monies should go to the state for planning for OCS (it should go to the regions and villages, they thought), and by a four-to-one margin, villagers thought the state hasn't done enough to assist local areas with OCS information and planning.

Somewhat skeptical (a few downright unfriendly) participants kept oil industry

OCS committee, says both groups are working on getting people aware that OCS is coming. Through the Eskimo community, Trigg says information emphasizes "both sides" of possible development, while the Chamber is focusing on making businesses and local landowners aware of potential methods of doing business with the oil industry. Jack Carpenter of the OCS committee said, "We're trying to make sure no local person gets ripped off -- we may want development, but on our terms."

The Nome OCS committee last month sponsored a public meeting at which Keith Arnold of the Alaska Oil and Gas Association, and a representative of Gulf Oil spoke. About 125 persons attended the meeting. This month, Pat Dobey from the Department of Natural Resources will be in Nome, talking OCS to people.

* * *

Harold Sparck
Nunam Kitlutsisti
Box 267
Bethel, Alaska 99559

Nunam Kitlutsisti, Yupik Eskimo for "protector of the land," was founded in 1975 by the Association of Village Council Presidents to represent the viewpoints of the 56-member villages on subsistence and land policy matters. It has been working toward postponement of the Bering Sea and Norton Sound lease sales to give local people more time to prepare for OCS impact, and "get recognition from the state and federal governments of the importance of subsistence life styles" to the people of that region.

* * *

Stu Denslow
OCS Activities
Kodiak Island Borough
Kodiak, Alaska

Kodiak's local OCS organization is perhaps the most all-inclusive, highly developed group going for areas not yet hit by

---Uncertain Summer, a documentary looking on the reactions of Alaskans to the leasing of the Northeast Gulf; deals mainly with Yakutat, Cordova and the Kenai Peninsula. 28 minutes, color, film or video cassette. Write:

Alaska State Film Libraries
650 International Airport Road
Anchorage, Alaska 99502

Kotzebue Public Library
Box 10
Kotzebue, Alaska 99752

Alaska State Library
Rasmuson Library
University of Alaska
Fairbanks, Alaska 99701

Bethel School District Library
Bethel, Alaska 99559

---Kachemak Bay — A Problem of Progress, a narrative about the quality of life and social costs and benefits of progress; focuses on proposed OCS development of Kachemak Bay. 28 minutes, color, film or video cassette. Same address as above.

---The Value of Things, a slide and tape overview of OCS development and the decisions which must be made by local communities to deal with the issue. 22 minutes, color slides, sync sound. Address for this and the following shows is:

Alaska Coastal Management Program
Office of the Governor
Pouch AD
Juneau, Alaska 99811

---Planning for OCS Development, slide and tape program focusing on Kuskokwim and Bristol Bay area, Yupik narration available. 20 minutes, color slides.

---Interview on OCS, an interview with major state agency figures on OCS, coastal zone and related subjects. 30 minutes, color, video cassette.

representatives and [illegible] Homer from Exxon, and Waco Shelley of Mobil, busy answering questions on all facets of their companies' activities, from the technical end of OCS development to overall policy decisions and philosophy.

Speaking more directly to the questions of cultural impact and subsistence life styles were Anthony Vaska from KCC in Bethel, Linda Ellanna from Anchorage Community College and Pat Wennekens from the Arctic Environmental Information and Data Center.

Two viewpoints on planning came during the banquet speeches: Eben Hopson, Sr., mayor of the North Slope Borough, urged closer planning and international legislation for peoples along the Arctic coasts, so they can control what happens off their shorelines. John Hope, from the Juneau BIA office, outlined funding available through the Indian Self-Determination Act to villages for OCS planning.

During the three days, special "closed" sessions allowed only those people from affected areas to sit down together and discuss in depth specific information and ask questions about planning for their individual villages or areas. Nearly all participants found this to be an extremely effective method of dealing with the complicated and often-emotional OCS issue.

The questionnaires at the meetings' end showed villagers felt their communities were not ready to make any decisions on OCS yet, needing more information before deciding on any course of action. And they want to know more about OCS: It was unanimous that follow-up activities are needed, such as meetings and workshops in the villages and/or regions; additional funding for local areas to plan together and then develop the resources to carry out those plans. The goal is to manage -- successfully -- the changes that OCS development means for the life styles and futures of coastal village residents.

OCS Legislation Emerges From Senate Committee

By CHUCK KLEESCHULTE
Empire Staff Reporter

After nearly a year of review, a Senate lawmaker has unveiled legislation which would direct planning for use of the state's coastal areas.

The bill, submitted last week by Sen. Kay Poland, D-Kodiak, chairman of a special joint administrative-legislative coastal zone management committee, will require local communities and regions to develop land-use plans to help prevent improper development and lessen the impact of OCS development on existing communities.

The 25-page bill, which would establish the Alaska Coastal Policy Council, is aimed at drawing together all the plans submitted by the local areas into a unified blueprint for development. It is markedly different than the coastal zone bill prepared by Gov. Jay Hammond in 1975. The Hammond proposal died in Senate committee precipitating the appointment of the joint review committee last year—a committee co-chaired by outgoing Commissioner of National Resources Guy Martin.

"In this bill the planning function is left at the level of the local community. If it proves totally inadequate or bars development vital to the state's interests. then its plan can be changed. But basically the bill gives the local people the main voice in determining their destinies," Poland said earlier this week.

The bill divides the state into eight coastal regional zones. Juneau is in the northern Southeast zone with Sitka. All eight of the regions will be represented on the main council by a representative appointed by the governor. The representative must be a borough or city assembly official.

The eight public members will then be joined by seven governmental members, mostly heads of state agencies.

The council, a necessary ingredient for the state to continue to receive federal coastal zone planning funds, will be responsible for setting up district councils which will formulate initial policy plans in conjunction with coastal communities. The local district groups must be established and have identified major problems facing their areas within six months after the act goes into effect.

The districts then have 30 months to hold hearings and complete plans outlining what type of development should be allowed in given areas, what areas should be closed to development and the time schedules for development. The districts can also make recommendations for other uses of the land.

After the district plans are drafted, the statewide council will review them and if they are found undesirable, differences in the plans will be mediated between the two councils. If agreement can't be reached, the state council, meeting as a court, can then select the plans it wishes to impose on the local communities.

The final plan is then sent to the state legislature which would have to approve the entire package before it goes into effect.

Once the plan is approved by the legislature, state agencies are barred from refusing permits and development permission for projects unless they are barred from development in a given area by the plan. Under the initial administration proposal, the state's council would have had the power to deny or grant construction permits regardless of the wishes of local communities.

"Under the old bill all that would have happened is that an onerous layer of government would have been added. The state would have centralized the power and local communities would have been in trouble," Poland, chairman of Senate Resources Committee, said.

The bill does give the state council the power to override local community wishes when statewide interests are involved and gives the council the power to head to state Superior Courts to gain judicial enforcement for its edicts.

Poland, however, stressed that the bill calls basically for land-use planning as the main goal.

Committee hearings on the bill are slated for March 30. The bill then needs to move through the Senate Community and Regional Affairs and the Finance Committee before hitting the Senate floor and then the House. The lengthy committee referrals on the bill makes it improbable it will gain approval this session.

Poland, however, would like to see the bill approved this year to implement the process prior to proposed oil lease sales, the first of which are now slated for the Beaufort Sea in late 1978.

House leaders agree that the bill is needed this session, but express pessimism that the bill will be approved before late spring adjournment. "We certainly need this type of planning, but we needed it five years ago. One more year might not be critical," said Rep. Mike Miller, D-Juneau, House majority leader.

Poland said that if the bill isn't passed this year, she would hope the state administration would begin to implement some of the ideas in the bill on its own. "A lot of the practices can be put into effect without the bill having to become law," Poland said.

SEA Empire 3/16/77

Anch. Times 3/20/77

Rational Approach To Land Decisions

By Joe Josephson

IT'S NOT HARD to understand why Sen. Mike Gravel parted company with Gov. Hammond, Sen. Ted Stevens and Rep. Don Young over an Alaska position on the D2 land issue in Congress.

Gravel charged the other day that the "consensus" reached by his Republican peers was not "realistic" — code language meaning that their proposals wouldn't derail the legislative engines that are pulling D2 measures forward in Congress.

As the lone Democrat in the congressional delegation, serving in a heavily Democratic Congress under a Democratic president, Sen. Gravel has to assert a position that he feels is realistic and has a credible chance of winning on the House and Senate floor.

After all, if Alaska's Republican leaders assume a position that Congress will never buy, it's the Democratic party that will be portrayed as having rejected an Alaska-made consensus. That's one reason why Mr. Gravel would have preferred a consensus that reflects the old saw that "politics is the art of the possible."

REP. DON YOUNG, on the other hand, has said that the congressional mood is shifting and that the legislation which he, Sen. Stevens and Gov. Hammond are developing might hold the right ideas at the right instant. Of course time will tell, and there's no reason to question the good faith of any of our statewide office holders. But at least it's possible that the Republican leaders understand that if they "propose," a Democratic Congress will "dispose." If their consensus proposition fails, the sored by a joint administration and legislative committee on coastal management, and it's far better than its 1975 and 1976 predecessors.

THE NEW BILL has well stated and balanced objectives. It includes a strong effort to involve local governments in decisions about the coastal areas. At present, regulation of activities in the coastal area is a potpourri of work of a variety of agencies. The result is not good for conservation and not good for development. At times, one state agency isn't aware of what another is doing in the same place.

In at least one instance, a state agency complained to the Corps of Engineers about a dock permit application, on the grounds that piecemeal development shouldn't be allowed in the coastal zone without an environmental impact statement, while another state agency had issued mineral prospecting permits for the submerged lands at the same place.

But if the coastal zone program reflects the benefit of lengthy study and public comment the governor's forestry practices act should be sent back to the drawing board. It would give the commissioner of Natural Resources major responsibilities and a lot of unbridled discreton to determine what can happen in privately-owned forests. For example, the commissioner could bar timber harvesting on private lands, in an area he believes to have potential value for recreation and tourism if kept in a natural state, if he finds that harvesting would impair the "scenic and aesthetic" quality of the private lands.

there's no reason to question the good faith of any of our statewide office holders. But at least it's possible that the Republican leaders understand that if they "propose," a Democratic Congress will "dispose." If their consensus proposition fails, the responsibility, they may say, will not be theirs.

My view on the legislative substance — somewhat safer ground for opinion than is the political motivation of others — has always been that the degree and character of federal controls over state and private lands is the "cutting edge" of the D2 proposals. Pending bills would permit and direct federal officials supervising the proposed expanded parks and refuges to exert a large say-so over state and native land use.

All over the country, of course, government controls over private lands use are becoming stronger. In some cases, it's the private interests themselves that welcome government controls, for effective government regulations of one's neighbor can help protect private property values and landowner objectives. Properly administered, local zoning ordinances are a very traditional case in point.

BUT IN OTHER cases, government regulations can frustrate initiative and complicate unduly the life of the private entrepreneur. In the Alaska context, where officials in Washington can make critical decisions about far-away lands, and even do it anonymously, there's plenty of room for honest concern about federal administrative rules and standards.

But it's not just Uncle Sam that's asking for or taking more and more regulatory power over what happens on the lands of others. The State of Alaska has some proposals, too.

A good drafting job is reflected by SB 220, the new 1977 model coastal management bill. It's spon-

he believes to have potential valu for recreation and tourism if kept a natural state, if he finds that ha vesting would impair the "scen and aesthetic" quality of the privat lands.

NO MATTER whether the pr vate landowner wants to encourag recreation of tourism, and no matte that the timber harvest would occu under sustained yield manageme principles. The aesthetic judgme of the commissioner — and beauty in the eyes of the beholder — wou prevail over the landowner's ow wishes.

In the forestry practices bill cri cal terms, like the "scenic and ae thetic" phrase I've mentione aren't even defined.

No wonder then that private la downers look askance at the for stry practices bill. They ask for e dence that state government h more expertise, more interest, mo incentive and more time and ma power than they do themselves develop and maintain sound forest planning.

We live in an age in which gove nment's role in land use and la planning decisions will grow. F most of us, that's sometimes a ha pill to swallow, imbued as we a with the individualistic, frontie psychology of Alaska and the West

But some of us who complain t most are also the first to call on go ernment for help to protect our la values, to curtail erosion, to furni public services or to irrigate o lands or maintain air quality.

THE CRITICAL questions of t moment aren't really this D2 prope al or that, or this or that bill in J neau. The critical questions of t moment arise from the need to d fine the respective jurisdictions government, on the one hand, a people, on the other. If we can co up with wise answers to those qu tions, the legislative issues will f into place.

In this age, a time of increas resource scarcity, populati growth in Alaska and national c cern about a wilderness and pa and wildlife heritage for the futu government monitoring and cont over land use is sure to increase.

Our goal ought to be that gove ment activity be rational, und standable, predictable, appealab balanced, competent and resp sive.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE

POUCH B – JUNEAU 99811

April 20, 1977

Dear Coastal Mayors and Managers:

This is to bring you up-to-date on the recent Coastal Energy Impact Program (CEIP) workshops held in Juneau and Anchorage on April 11, 12 and 13. For those who attended the workshops, we trust this summary accurately reflects the proceedings. For those who were unable to attend, we hope it helps keep you informed and encourages your continued participation in CEIP.

As you may recall from our previous letters, this series of CEIP workshops were conducted at the request of the Federal Office of Coastal Zone Management, which is the agency responsible for administering CEIP within the U.S. Department of Commerce and is part of the National Oceanographic and Atmospheric Administration (NOAA). A five person delegation represented OCZM, lead by Joellyn Murphy, Acting Director of National Programs. Ms. Murphy has visited with us before, and as always, led thorough and informative workshop sessions.

The Monday workshop in Juneau was mainly attended by State officials, although some local representation was present. On Tuesday in Anchorage, local representation was emphasized. At both, the same basic four topics were disucssed, as follows:

1. Inter-state (federal to state) allotment of CEIP assistance;

2. Application forms and procedures for participation in CEIP;

3. Intra-state (within state) allocation of CEIP assistance to State agencies and local goverrments; and

4. Consistency requirements of section 307 of the Coastal Zone Management Act as amended in 1976.

The Wednesday workshop was narrowly reserved for a state-local discussion of the intra-state allocation of CEIP assistance. As you may recall, the development of a process for distributing CEIP assistance among State agencies and eligible units of local government is an absolute pre-requisite to participation in CEIP. Therefore, before any local government can receive assistance, the "intrastate allocation process" must be in place. This requirement is contained in 308 (g)(2) of the Coastal Zone Management Act amended in 1976 and has become known as the "g-2" process, for ease of reference.

The obvious importance of developing a satisfactory "g-2" process mandates immediate action. In preparation for Wednesday's workshop, we contracted with Scott Goldsmith of ISER who prepared a discussion paper on a possible "g-2" process. This paper was distributed at the Wednesday workshop and acted as the springboard for a lively dialogue. We still have a few copies of the paper and would be pleased to send one to any interested persons unable to attend the workshop. If you would like a copy, please give a call or write.

The "g-2" process discussion pointed up several things, not the least of which is the difficulty in designing a system for equitably and efficiently allocating CEIP assistance. At the workshop, however, we made good progress. General goals were agreed upon, including effective local participation, minimization of Administrative burden and costs. It was decided that the planning assistance would be distributed directly to local governments authorized to perform planning functions, with the State acting as the planning agency for the unorganized borough as provided by law. Credit assistance and Environmental and Recreational grants would be available to all potentionally impacted local governments.

Toward the close of the Wednesday workshop, it was decided that a committee composed of the following members would meet in early June to draft a proposed final "g-2" process:

Local:

Johnny Johnston	City Manager-City of Seward
Stuart Denslow	Borough Planner/Manager-Kodiak Island Borough
Tom Nelson	OCS/CZM Planner-Municipality of Anchorage

State

Palmer McCarter	Director-Local Government Assistance
Kevin Waring	Director-Community Planning
Glen Akins	Coordinator-Office of Coastal Zone

Your comments and suggestions are encouraged. We will be notifying you as to further developments. In the meantime, if you would like to prepare written comments to be reviewed by the "g-2" committee at it's June meeting, you may contact any committee member or send them directly to us.

After the "g-2" committee has prepared the final proposed "g-2" guidelines, they will be distributed to all local governments and state agencies with a 45 day "review and comment" period before becoming effective.

We look forward to hearing from you.

Sincerely,
Chuck Cohen

By: Palmer McCarter
Director

P.S. The Division of Local Government Assistance is currently recruiting for a CEIP Coordinator whose primary responsibility will be to assist local governments in preparing applications for loan and grant assistance. If you know of anyone who you feel to be qualified and interested, please let me know. Thanks. PJM

PJMcC: sg

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF COMMUNITY PLANNING / POUCH B – JUNEAU 99811

April 18, 1977

Ms. Joellyn Murphy
Director, Office of Federal Programs
Office of Coastal Zone Management
U.S. Department of Commerce
3300 Whitehaven Street, N.W.
Washington, D.C.

Dear Joellyn

Following our recent meetings in Juneau, I note that you and your collegues offered to calculate the Credit Allotment that the State of Alaska would receive under the alternative formula we suggested to you. This would enable us to compare it with the allotment from your original model.

You also asked my staff to set out in detail their comments on your proposals to allocate planning grants. These are laid out below.

On page 5 of the document, the Federal Coastal Zone Office shows a formula which outlines the planning need factor for each facility. It shows that the planning grant money allocated to any state will depend on the population increase resulting from the construction of each project, modified by three factors. These are environment, safety and population density. I have no quarrel with the first of these two, but the use of population density as a factor in this equation could be very unfair. What this formula proposes is that states with high population densities around new energy facilities will receive large grants while those states with relatively small populations in the coastal zone will receive only 1/3 as much. As all coastal areas of Alaska are sparsely populated, this means that the grants received will be very low. I would suggest that the planning difficulties involved are in fact much greater when population is small than when it is large. I would, therefore, propose that this factor should be inverted and that instead of giving the value of three to high density areas and one, to low density areas, the process should be reversed and a value of three given to areas with a small number of people such as Alaska, and one, to built-up areas. The rationale for this is as follows:

A. Alaska and all its coastal communities are very sensitive, much more so than say Texas, Louisiana or California. The need for planning is therefore that much greater.

B. Given the very small population in most Alaskan coastal communities, any change of a given size will have much greater impact than it would in a populous state such as California. For example, our calculations for the Kodiak shelf OCS Sale No. 46 show that population increase expected should be around 7,000 people. This would be perfectly easily to absorb in an area like southern California with many millions of people, but in an area like Kodiak which has only 9,000, the impact will be enormous. The doubling of population would mean virtually all public services would have to be completely replanned. In contrast, in California some spare capacity exists in public facilities and there would be no problem in absorbing population change of this magnitude.

C. Not only does Alaska consist of small communities very sensitive to impact, there are also additional problems which do not occur anywhere else in America. The most obvious is the problems of coping with extreme cold when building. In areas such as Nome, Kotzebue and Barrow, buildings have to be raised off the ground on pilings in order to prevent them sinking into the permafrost. This obviously means that the planning effort for any given increase in population has to be much greater in arctic Alaska than it does in areas such as Louisiana and Texas.

The State of Alaska feels very strongly that planning need is proportionately greater in small communities than large ones, and the population density factor in the formula should reflect this. However, we realise that other states may dissent from this view and we would accept as a compromise, the complete removal of this factor from the calculations.

As we indicated at the meeting, we are very concerned at the use of employment estimates from the Environmental Impact Statements. BLM itself discounts the validity of the EIS estimates for planning purposes. The EIS estimates have proven conservative compared to actual events in the Gulf of Alaska and BLM's estimates are invariably substantially below our own calculations. In the tables below, we show the estimate prepared by Bureau of Land Management of the number of direct jobs created by OCS Sale #39 in the Northern Gulf of Alaska. On the following pages, we show the estimates prepared by my staff. It is clear that employment impact is directly related to the success of exploration. As this factor is unknown at the moment, Community and Regional Affairs have adopted a multiple scenario approach and analysed five (5) different levels of development. These are as follows:

B.L.M. Estimates - NORTHERN GULF OF ALASKA

Total Direct Employment--All Activities: The total direct employment to result from oil and gas activities resulting from this sale is tabulated below.

TABLE 67

Total Direct Employment--All Activities

Year	Exploration	Development	Construction	LGN Facility Operation	Total
1975					
1976	296				296
1977	888				888
1978	1,184		100		1,284
1979	1,184		100		1,284
1980	888	438	300		1,626
1981	444	642	600		1,686
1982	148	846	600		1,594
1983		1,050	1,100		2,150
1984		1,220	1,100	50	2,370
1985		1,356	450	50	1,856
1986		1,288	100	50	1,438
1987		1,152	100	50	1,302

Note: Employment continues at 1987 level during the life of the production.

Source: Alaska OCS Office. Anchorage, Alaska.

Table 3.13 Total OCS Employment (Northern Gulf) D.C.R.A Estimates

Year	Case 1			Case 2a			Case 2b			Case 3			Case 4		
	on shore	off shore	tot.	on shore	off shore	tot.	on shore	off shore	tot.	on shore	off shore	tot.	on shore	off shore	tot.
1976	55	139	194	55	139	194	55	139	194	55	139	194	55	139	194
1977	135	417	552	190	556	746	190	556	746	230	695	925	355	695	1050
1978	190	556	746	365	1112	1477	365	1112	1477	465	1112	1577	655	1136	1791
1979	95	278	373	270	834	1104	270	834	1104	800	1529	2329	1010	2014	3024
1980	55	139	194	545	834	1379	270	834	1104	1045	1875	2920	1995	2011	4006
1981	0	0	0	1170	902	2072	190	556	746	1695	2079	3774	3205	2079	5284
1982				1755	1005	2760	210	523	733	2885	1945	4830	2930	2637	5567
1983				955	1202	2157	310	720	1030	1970	2170	4140	4150	3518	7668
1984				645	994	1639	445	994	1439	2690	3152	5842	4735	4392	9127
1985				765	1268	2033	565	1268	1833	3955	2908	6863	6340	4238	10,578
1986				745	1158	1903	545	1158	1703	2270	2390	4660	3550	3412	6926
1987				710	1096	1806	510	1096	1606	1520	2192	3712	2430	3288	5718
1988				670	974	1644	470	974	1444	1440	1948	3388	2350	3056	5406
1989				630	852	1482	430	852	1282	1305	1582	2887	2160	2556	4716
1990				575	730	1305	375	730	1105	1210	1326	2536	1985	2044	4029

Case 1 - U.S.G.S. low estimate 0.1 billion barrels of oil found

Case 2a - Moderate success 1.5 billion barrels of oil found. Developed with marine terminal and pipeline

Case 2b - Moderate success 1.5 billion barrels of oil found. Fields developed with S.B.M.s.

Case 3 - U.S.G.S. high estimate 2.8 billion barrels of oil found. 6 trillion ft. of gas. This is the reserve estimated used in the EIS.

Case 4 - Bonanza 5 billion barrels of oil found. 9 trillion ft. of gas

You will note that even case 2a, which involves discovery of oil reserves approximately half of those used in the BLM study, and has no gas development, still produces a higher employment figure than the impact statement. You may or may not be aware that U.S.G.S.'s estimates of offshore resource potential are widely regarded as very conservative by the oil industry. Indeed, one senior company geologist indicated to us that reserves in the Northern Gulf could conceivably turn out to be as high as 10 billion barrels, which is a far cry from U.S.G.S.'s maximum of 2.8 billion. Accordingly, we thought it wise to calculate the employment impact for a bonanza scenario with 5 billion barrels of oil discovered and 9 trillion cubic feet of gas. This produces a maximum employment level of 10,600 - 41/2 times the BLM peak.

Concern was also expressed at the meeting, that the cost of planning factor in Alaska was regarded as similar to that in California. We have obtained salary scales from the State of California and these are compared with Alaska in the section below. Table 1 shows the job descriptions for both states and the minimum qualifications required in each case. As you can see, the three grades studied appear to be identical. In Table 2, the salary scales are compared and a differential worked out.

Table 1

Minimum Qualifications	California	Alaska
Bachelors Degree and four (4) years experience	Senior Staff Intergovernmental Program Analyst	Planning Supervisor
Bachelors Degree and three (3) years experience	Staff Intergovernmental Program Analyst	Senior Planner
Bachelors Degree and two (2) years experience	Associate Intergovernmental Program Analyst	Associate Planner

Job Titles from Office of Planning and Research State of California

Table 2

Grade	California Salary[1]	Alaska Salary[2] [4]	Ratio Alaska[3] / California
1	$1705	$2474	145.1
2	$1555	$2136	137.6
3	$1453	$1842	126.8

Average ratio of California salary to Alaska salary, when California = 100 is 136.5.

Alaska planning salaries are 36.5% higher on average than California.

Notes:

1/ Source: State of California, Governor's Office, Office of Planning Research

2/ Source: State of Alaska, Department of Administration

3/ California = 100

4/ The old table of salary scales for Alaska is attached as evidence. These have been increased by 5% w.e.f. 1.1.77 and so the figures in Table 2 have been calculated accordingly.

R01-021-0010 SALARY SCHEDULE

STATE OF ALASKA

SCHEDULE A

BASE SCHEDULE

MONTHLY - HOURLY 05/16/76

RANGE NO.		STEP A	STEP B	STEP C	STEP D	STEP E	STEP F	(LONGEVITY INCREMENTS OF FINAL STEP) J	K	L	M	RANGE NO.
05	MONTHLY	800.00	824.00	850.00	876.00	903.00	928.00	965.00	1,002.00	1,039.00	1,078.00	05
	37.5 H-W	4.92	5.07	5.23	5.39	5.56	5.71	5.94	6.17	6.39	6.63	
06	MONTHLY	850.00	876.00	903.00	928.00	957.00	987.00	1,025.00	1,063.00	1,103.00	1,144.00	06
	37.5 H-W	5.23	5.39	5.56	5.71	5.89	6.07	6.31	6.54	6.79	7.04	
07	MONTHLY	903.00	928.00	957.00	987.00	1,018.00	1,051.00	1,090.00	1,132.00	1,173.00	1,218.00	07
	37.5 H-W	5.56	5.71	5.89	6.07	6.26	6.47	6.71	6.97	7.22	7.50	
08	MONTHLY	957.00	987.00	1,018.00	1,051.00	1,083.00	1,120.00	1,161.00	1,204.00	1,250.00	1,296.00	08
	37.5 H-W	5.89	6.07	6.26	6.47	6.66	6.89	7.14	7.41	7.69	7.98	
09	MONTHLY	1,018.00	1,051.00	1,083.00	1,120.00	1,156.00	1,190.00	1,236.00	1,282.00	1,331.00	1,381.00	09
	37.5 H-W	6.26	6.47	6.66	6.89	7.11	7.32	7.61	7.89	8.19	8.50	
10	MONTHLY	1,083.00	1,120.00	1,156.00	1,190.00	1,231.00	1,270.00	1,318.00	1,368.00	1,418.00	1,472.00	10
	37.5 H-W	6.66	6.89	7.11	7.32	7.58	7.82	8.11	8.42	8.73	9.06	
11	MONTHLY	1,156.00	1,190.00	1,231.00	1,270.00	1,312.00	1,356.00	1,407.00	1,459.00	1,513.00	1,571.00	11
	37.5 H-W	7.11	7.32	7.58	7.82	8.07	8.34	8.66	8.98	9.31	9.67	
12	MONTHLY	1,231.00	1,270.00	1,312.00	1,356.00	1,407.00	1,459.00	1,513.00	1,571.00	1,630.00	1,692.00	12
	37.5 H-W	7.58	7.82	8.07	8.34	8.66	8.98	9.31	9.67	10.03	10.41	
13	MONTHLY	1,312.00	1,356.00	1,407.00	1,459.00	1,513.00	1,571.00	1,630.00	1,692.00	1,754.00	1,821.00	13
	37.5 H-W	8.07	8.34	8.66	8.98	9.31	9.67	10.03	10.41	10.79	11.21	
14	MONTHLY	1,407.00	1,459.00	1,513.00	1,571.00	1,630.00	1,692.00	1,754.00	1,821.00	1,889.00	1,960.00	14
	37.5 H-W	8.66	8.98	9.31	9.67	10.03	10.41	10.79	11.21	11.62	12.06	
15	MONTHLY	1,513.00	1,571.00	1,630.00	1,692.00	1,754.00	1,821.00	1,889.00	1,960.00	2,034.00	2,109.00	15
	37.5 H-W	9.31	9.67	10.03	10.41	10.79	11.21	11.62	12.06	12.52	12.98	
16	MONTHLY	1,630.00	1,692.00	1,754.00	1,821.00	1,889.00	1,960.00	2,034.00	2,109.00	2,187.00	2,271.00	16
	37.5 H-W	10.03	10.41	10.79	11.21	11.62	12.06	12.52	12.98	13.46	13.98	
17	MONTHLY	1,754.00	1,821.00	1,889.00	1,960.00	2,034.00	2,109.00	2,187.00	2,271.00	2,356.00	2,445.00	17
	37.5 H-W	10.79	11.21	11.62	12.06	12.52	12.98	13.46	13.98	14.50	15.05	

(1)

RANGE 05, STEPS A, B, C, D, E; RANGE 06, STEPS A, B, C, AND RANGE 07, STEP A DO NOT APPLY TO EMPLOYEES IN THE GENERAL GOVERNMENT BARGAINING UNIT.

R01-021-0010 SALARY SCHEDULE

S T A T E O F A L A S K A

SCHEDULE A

BASE SCHEDULE

MONTHLY - HOURLY 05/16/76

RANGE NO.		STEP A	STEP B	STEP C	STEP D	STEP E	STEP F	LONGEVITY INCREMENTS OF FINAL STEP J	K	L	M	RANGE NO.
18	MONTHLY	1,889.00	1,960.00	2,034.00	2,109.00	2,187.00	2,271.00	2,356.00	2,445.00	2,534.00	2,630.00	18
	37.5 H-W	11.62	12.06	12.52	12.98	13.46	13.98	14.50	15.05	15.59	16.18	
19	MONTHLY	2,034.00	2,109.00	2,187.00	2,271.00	2,356.00	2,445.00	2,534.00	2,630.00	2,730.00	2,831.00	19
	37.5 H-W	12.52	12.98	13.46	13.98	14.50	15.05	15.59	16.18	16.80	17.42	
20	MONTHLY	2,187.00	2,271.00	2,356.00	2,445.00	2,534.00	2,630.00	2,730.00	2,831.00	2,938.00	3,048.00	20
	37.5 H-W	13.46	13.98	14.50	15.05	15.59	16.18	16.80	17.42	18.08	18.76	
21	MONTHLY	2,356.00	2,445.00	2,534.00	2,630.00	2,730.00	2,831.00	2,938.00	3,048.00	3,161.00	3,281.00	21
	37.5 H-W	14.50	15.05	15.59	16.18	16.80	17.42	18.08	18.76	19.45	20.19	
22	MONTHLY	2,534.00	2,630.00	2,730.00	2,831.00	2,938.00	3,048.00	3,161.00	3,281.00	3,403.00	3,531.00	22
	37.5 H-W	15.59	16.18	16.80	17.42	18.08	18.76	19.45	20.19	20.94	21.73	
23	MONTHLY	2,730.00	2,831.00	2,938.00	3,048.00	3,161.00	3,281.00	3,403.00	3,531.00	3,664.00	3,802.00	23
	37.5 H-W	16.80	17.42	18.08	18.76	19.45	20.19	20.94	21.73	22.55	23.40	
24	MONTHLY	2,938.00	3,048.00	3,161.00	3,281.00	3,403.00	3,531.00	3,664.00	3,802.00	3,942.00	4,091.00	24
	37.5 H-W	18.08	18.76	19.45	20.19	20.94	21.73	22.55	23.40	24.26	25.18	
25	MONTHLY	3,161.00	3,281.00	3,403.00	3,531.00	3,664.00	3,802.00	3,942.00	4,091.00	4,245.00	4,403.00	25
	37.5 H-W	19.45	20.19	20.94	21.73	22.55	23.40	24.26	25.18	26.12	27.10	
26	MONTHLY	3,281.00	3,403.00	3,531.00	3,664.00	3,802.00	3,942.00	4,091.00	4,245.00	4,403.00	4,569.00	26
	37.5 H-W	20.19	20.94	21.73	22.55	23.40	24.26	25.18	26.12	27.10	28.12	
27	MONTHLY	3,403.00	3,531.00	3,664.00	3,802.00	3,942.00	4,091.00	4,245.00	4,403.00	4,569.00	4,740.00	27
	37.5 H-W	20.94	21.73	22.55	23.40	24.26	25.18	26.12	27.10	28.12	29.17	
28	MONTHLY	3,531.00	3,664.00	3,802.00	3,942.00	4,091.00	4,245.00	4,403.00	4,569.00	4,740.00	4,917.00	28
	37.5 H-W	21.73	22.55	23.40	24.26	25.18	26.12	27.10	28.12	29.17	30.26	
29	MONTHLY	3,664.00	3,802.00	3,942.00	4,091.00	4,245.00	4,403.00	4,569.00	4,740.00	4,917.00	5,103.00	29
	37.5 H-W	22.55	23.40	24.26	25.18	26.12	27.10	28.12	29.17	30.26	31.40	
30	MONTHLY	3,802.00	3,942.00	4,091.00	4,245.00	4,403.00	4,569.00	4,740.00	4,917.00	5,103.00	5,295.00	30
	37.5 H-W	23.40	24.26	25.18	26.12	27.10	28.12	29.17	30.26	31.40	32.58	

(2)

RANGE 28, STEP F AND LONGEVITY STEPS OF RANGE 28 DO NOT APPLY TO DEPUTY DEPARTMENT HEADS OF THE PRINCIPAL EXECUTIVE DEPARTMENTS (AS 39.20.080 (b)).

RANGE 28, STEP F DOES NOT APPLY TO EMPLOYEES IN THE GENERAL GOVERNMENT, SUPERVISORY AND CONFIDENTIAL BARGAINING UNITS.

Barrow + Kotzebue Salary Scales

P01-021-0010 SALARY SCHEDULE — S T A T E O F A L A S K A — SCHEDULE H

PLUS NINE STEPS

MONTHLY - HOURLY 05/16/76

RANGE NO.		STEP A	STEP B	STEP C	STEP D	STEP E	STEP F	(LONGEVITY INCREMENTS OF FINAL STEP) J	K	L	M	RANGE NO.
05	MONTHLY	1,051.00	1,083.00	1,120.00	1,156.00	1,190.00	1,231.00	1,277.00	1,324.00	1,375.00	1,426.00	05
	37.5 H-W	6.47	6.66	6.89	7.11	7.32	7.58	7.86	8.15	8.46	8.78	
06	MONTHLY	1,120.00	1,156.00	1,190.00	1,231.00	1,270.00	1,312.00	1,362.00	1,413.00	1,467.00	1,520.00	06
	37.5 H-W	6.89	7.11	7.32	7.58	7.82	8.07	8.38	8.70	9.03	9.35	
07	MONTHLY	1,190.00	1,231.00	1,270.00	1,312.00	1,356.00	1,407.00	1,459.00	1,513.00	1,571.00	1,630.00	07
	37.5 H-W	7.32	7.58	7.82	8.07	8.34	8.66	8.98	9.31	9.67	10.03	
08	MONTHLY	1,270.00	1,312.00	1,356.00	1,407.00	1,459.00	1,513.00	1,571.00	1,630.00	1,692.00	1,754.00	08
	37.5 H-W	7.82	8.07	8.34	8.66	8.98	9.31	9.67	10.03	10.41	10.79	
09	MONTHLY	1,356.00	1,407.00	1,459.00	1,513.00	1,571.00	1,630.00	1,692.00	1,754.00	1,821.00	1,889.00	09
	37.5 H-W	8.34	8.66	8.98	9.31	9.67	10.03	10.41	10.79	11.21	11.62	
10	MONTHLY	1,459.00	1,513.00	1,571.00	1,630.00	1,692.00	1,754.00	1,821.00	1,889.00	1,960.00	2,034.00	10
	37.5 H-W	8.98	9.31	9.67	10.03	10.41	10.79	11.21	11.62	12.06	12.52	
11	MONTHLY	1,571.00	1,630.00	1,692.00	1,754.00	1,821.00	1,889.00	1,960.00	2,034.00	2,109.00	2,187.00	11
	37.5 H-W	9.67	10.03	10.41	10.79	11.21	11.62	12.06	12.52	12.98	13.46	
12	MONTHLY	1,692.00	1,754.00	1,821.00	1,889.00	1,960.00	2,034.00	2,109.00	2,187.00	2,271.00	2,356.00	12
	37.5 H-W	10.41	10.79	11.21	11.62	12.06	12.52	12.98	13.46	13.98	14.50	
13	MONTHLY	1,821.00	1,889.00	1,960.00	2,034.00	2,109.00	2,187.00	2,271.00	2,356.00	2,445.00	2,534.00	13
	37.5 H-W	11.21	11.62	12.06	12.52	12.98	13.46	13.98	14.50	15.05	15.59	
14	MONTHLY	1,960.00	2,034.00	2,109.00	2,187.00	2,271.00	2,356.00	2,445.00	2,534.00	2,630.00	2,730.00	14
	37.5 H-W	12.06	12.52	12.98	13.46	13.98	14.50	15.05	15.59	16.18	16.80	
15	MONTHLY	2,109.00	2,187.00	2,271.00	2,356.00	2,445.00	2,534.00	2,630.00	2,730.00	2,831.00	2,938.00	15
	37.5 H-W	12.98	13.46	13.98	14.50	15.05	15.59	16.18	16.80	17.42	18.08	
16	MONTHLY	2,271.00	2,356.00	2,445.00	2,534.00	2,630.00	2,730.00	2,831.00	2,938.00	3,048.00	3,161.00	16
	37.5 H-W	13.96	14.50	15.05	15.59	16.18	16.80	17.42	18.08	18.76	19.45	
17	MONTHLY	2,445.00	2,534.00	2,630.00	2,730.00	2,831.00	2,938.00	3,048.00	3,161.00	3,281.00	3,403.00	17
	37.5 H-W	15.05	15.59	16.18	16.80	17.42	18.08	18.76	19.45	20.19	20.94	

(13)

RANGE 05, STEPS A, B, C, D, E; RANGE 06, STEPS A, B, C, AND RANGE 07, STEP A DO NOT APPLY TO EMPLOYEES IN THE GENERAL GOVERNMENT BARGAINING UNIT.

Barrow and Kotzebue Salary Scales.

R01-021-0010 SALARY SCHEDULE — STATE OF ALASKA — SCHEDULE H

PLUS NINE STEPS

MONTHLY - HOURLY 05/16/76

RANGE NO.		STEP A	STEP B	STEP C	STEP D	STEP E	STEP F	(LONGEVITY INCREMENTS OF FINAL STEP) J	K	L	M	RANGE NO.
18	MONTHLY	2,630.00	2,730.00	2,831.00	2,938.00	3,048.00	3,161.00	3,281.00	3,403.00	3,531.00	3,664.00	18
	37.5 H-W	16.18	16.80	17.42	18.08	18.76	19.45	20.19	20.94	21.73	22.55	
19	MONTHLY	2,831.00	2,938.00	3,048.00	3,161.00	3,281.00	3,403.00	3,531.00	3,664.00	3,802.00	3,942.00	19
	37.5 H-W	17.42	18.08	18.76	19.45	20.19	20.94	21.73	22.55	23.40	24.26	
20	MONTHLY	3,048.00	3,161.00	3,281.00	3,403.00	3,531.00	3,664.00	3,802.00	3,942.00	4,091.00	4,245.00	20
	37.5 H-W	18.76	19.45	20.19	20.94	21.73	22.55	23.40	24.26	25.18	26.12	
21	MONTHLY	3,281.00	3,403.00	3,531.00	3,664.00	3,802.00	3,942.00	4,091.00	4,245.00	4,403.00	4,569.00	21
	37.5 H-W	20.19	20.94	21.73	22.55	23.40	24.26	25.18	26.12	27.10	28.12	
22	MONTHLY	3,531.00	3,664.00	3,802.00	3,942.00	4,091.00	4,245.00	4,403.00	4,569.00	4,740.00	4,917.00	22
	37.5 H-W	21.73	22.55	23.40	24.26	25.18	26.12	27.10	28.12	29.17	30.26	
23	MONTHLY	3,802.00	3,942.00	4,091.00	4,245.00	4,403.00	4,569.00	4,740.00	4,917.00	5,103.00	5,295.00	23
	37.5 H-W	23.40	24.26	25.18	26.12	27.10	28.12	29.17	30.26	31.40	32.58	
24	MONTHLY	4,091.00	4,245.00	4,403.00	4,569.00	4,740.00	4,917.00	5,103.00	5,295.00	5,493.00	5,698.00	24
	37.5 H-W	25.18	26.12	27.10	28.12	29.17	30.26	31.40	32.58	33.80	35.06	
25	MONTHLY	4,403.00	4,569.00	4,740.00	4,917.00	5,103.00	5,295.00	5,493.00	5,698.00	5,912.00	6,132.00	25
	37.5 H-W	27.10	28.12	29.17	30.26	31.40	32.58	33.80	35.06	36.38	37.74	
26	MONTHLY	4,569.00	4,740.00	4,917.00	5,103.00	5,295.00	5,493.00	5,698.00	5,912.00	6,132.00	6,364.00	26
	37.5 H-W	28.12	29.17	30.26	31.40	32.58	33.80	35.06	36.38	37.74	39.16	
27	MONTHLY	4,740.00	4,917.00	5,103.00	5,295.00	5,493.00	5,698.00	5,912.00	6,132.00	6,364.00	6,601.00	27
	37.5 H-W	29.17	30.26	31.40	32.58	33.80	35.06	36.38	37.74	39.16	40.62	
28	MONTHLY	4,917.00	5,103.00	5,295.00	5,493.00	5,698.00	5,912.00	6,132.00	6,364.00	6,601.00	6,850.00	28
	37.5 H-W	30.26	31.40	32.58	33.80	35.06	36.38	37.74	39.16	40.62	42.15	
29	MONTHLY	5,103.00	5,295.00	5,493.00	5,698.00	5,912.00	6,132.00	6,364.00	6,601.00	6,850.00	7,107.00	29
	37.5 H-W	31.40	32.58	33.80	35.06	36.38	37.74	39.16	40.62	42.15	43.74	
30	MONTHLY	5,295.00	5,493.00	5,698.00	5,912.00	6,132.00	6,364.00	6,601.00	6,850.00	7,107.00	7,373.00	30
	37.5 H-W	32.58	33.80	35.06	36.38	37.74	39.16	40.62	42.15	43.74	45.37	

(14)

RANGE 28, STEP F DOES NOT APPLY TO EMPLOYEES IN THE GENERAL GOVERNMENT, SUPERVISORY AND CONFIDENTIAL BARGAINING UNITS.

As you can see, salaries in Alaska appear to be 36.5% higher than California. Given California's cost of planning index of 1.17, that for Alaska should be 1.365 X 1.17 = 1.60.

The Salary levels shown above are those paid by the State in Juneau and Anchorage. In other parts of Alaska, especially the North and West, salaries are very much higher. One such area of the state which should be impacted by OCS developments in the near future is the North Slope Borough, where a joint Federal/State lease sale has been tentatively scheduled for 1978. A comparison between salaries paid by the state in Juneau and Barrow has been made and this is shown in Table 3. This is relevant as pay for planners in local government in Alaska is generally based on local state salary scales.

Position	Juneau Salary	Barrow Salary	Barrow / Juneau X
Planning Supervisor	$2474	$3281	139.2
Senior Planner	2136	2973	139.2
Associate Planner	1842	2567	139.4

The average differential between Barrow and Juneau is 139.2 - Barrow salaries are 39.2% above those in Juneau.

The salary scales paid by the State in Barrow are attached.

In FY 1978, it seems reasonable to suppose that the North Slope Borough might engage in 10% of the Coastal Energy planning, in view of the upcoming lease-sale in the Beaufort Sea. Our original cost of planning factor for Alaska, 1.60, would therefore have to be modified in the following manner.

1.60 X 1 + (0.392 X 10%)

= 1.60 X 1.0392

= 1.66

Therefore, for the State of Alaska and impacted local governments together, the cost of planning factor is 1.66.

In addition to higher salaries, there are many other costs of planning which are higher in Alaska. These concern the very large distances which planners have to travel in order to work. The round trip distance between Juneau and Barrow, for example, is 3,000 miles. The air fare is

$360. A great deal of time is also lost in traveling. For example, in order to go to a meeting in Nome, planners would have to leave Juneau at around 9 or 10 A.M. the previous day, thus losing an entire day's work. None of these problems are faced by professionals in other states and it seems quite clear that costs for Alaska should be revised upwards quite radically to allow for this.

At the end of the document, a number of details are given about some of the energy facilities in Alaska, chiefly the trans-Alaska pipeline and the proposed gas pipelines. My main quarrel with these is that the employment figures given are absurdly low. For example, for the trans-Alaska pipeline, they show peak construction employment at 400. I am not quite sure where they get this figure from, but my information is that the work force on the pipeline itself came to 19,000 at the peak. There were another 4,500 workers working on the terminal at Valdez and another 4,500 on the field itself at Prudhoe. Quite how this 28,000 or so was reduced to 400 I am not quite sure!

If you study these comments, I am sure that you will be able to revise your formula in such a way that it produces a level of planning grants more appropriate for the State of Alaska and its local governments. In order to expedite resolution of any disagreements we may have about the planning and credit assistance allotment formulae and data, Mr. Niall Trimble, a petroleum economist on our staff, is prepared to meet with you or appropriate members of your staff when he is in Washington, D.C. during the week of May 2, 1977. He will contact you to arrange an appointment.

Finally, it is not absolutely clear to me what the ground rules and dealines are for comment upon the allotment formulae, as described in the two technical papers, and upon the employment data assumed for the formulae. Can you please clarify the significant deadlines and ground rules for me.

Lastly and mostly, I want to extend thanks to you and your staff, on behalf of local officials as well as the State, for the exceptional efforts and pace you are maintaining in order to get the CEIP operational as early as possible. From Palmer McCarter's account, the Anchorage workshop was worthwhile and appriciated by the local officials attending.

I will plan to drop in to check up on progress when I am in D.C. on April 28-29.

Sincerely,

Kevin W.

Kevin Waring
Director

cc: Palmer McCarter
Steve Perles
Glenn Akins

SB

249

EXPLANATION OF HB 354 AND SB 249
RELATING TO SUITS AGAINST LOCAL GOVERNMENTS

The Bill revises AS 09.65.070 in its entirety with nominal amendment of subsections (a) and (b), clarification of subsection (c), and primarily adding subsection (d) to amend the present statute which makes municipalities liable for all of their acts without regard to whether the act was discretionary or ministerial or was related to a governmental as opposed to a proprietary function. Definitional subsection (e) is added to clarify its application to municipalities and villages.

Subsection (d) prescribes limited exceptions to municipal liability. The municipality will not be subject to suit for acts falling within the exceptions. Employees and officers, while acting as such, will not be subject to suit for acts which are expected.

The first exception, which is in subparagraph (d)(a)(A)-(C) is similar, in part, to the language in SB 151 which would create an additional exception to the liability of the state pertaining to inspections. This exception is needed by the state's political subdivisions as well as the state itself. It would remove the threat of suit against the municipality

and its officers and employees for their failure to inspect property, their failure to discover violations or hazards and their failure to adequately abate violations and hazards discovered.

This exception is needed to limit the liability of municipalities which

1. adopt various safety and health codes (fire, building, health, sanitation, vehicle, etc.) which they are unable to vigorously enforce 100% of the time, or
2. conduct inspections for the purpose of enforcing safety and health codes, or
3. do not enforce safety and health codes

The alternative to having such statutory reassurance is the withdrawal of municipalities from the safety and health enforcement fields. The State of Alaska has already partially withdrawn from the fire inspection field as a result of the Adams and Jennings cases which imposed liability for failure to discover hazards and failure to abate discovered hazards. More injury will be done to the public by such a withdrawal than by granting the exception and allowing municipalities to proceed on a best efforts basis. The property owner, contractor, or other person responsible for an injury will be and remains liable to the injured person in either situation so the injured person is not without remedy under this exception.

The second exception, which appears in subparagraph (d)(2), confers to municipalities the same exception which the state already has under AS 09.50.250(1). Discretionary acts cover those acts which are essentially policy or planning in nature. They include such things as decisions to initiate or terminate a program, to stop maintenance of a road during the winter, to fund a program at a certain level, to concentrate on the enforcement of certain codes, etc. Municipalities do not now have the statutory protection the state has in this area and could be held liable for the exercise of their discretion in a situation where the state could not under identical circumstances. Municipalities, like the state, must be able to perform discretionary acts without fear of suit. This is not to say, however, that once the municipality has exercised its discretion to, say, build or maintain a road, it may build or maintain it in a negligent manner. It may not. Municipalities will, subject to the limitations of this section, remain liable for their ministerial torts.

The third exception, which appears in subparagraph (d)(3), covers an area in which municipalities are occasionally sued for damages. The threat of suit for damages should not play any part in the decision of a municipal official or body to issue, deny or suspend a permit or privilege of any nature. Also, this section would remove the possibility of liability

which is based on the theory that the issuance of a permit is a warranty that the plans, proposal, etc., upon which the permit was based met all applicable codes, ordinances, laws and constituted a reasonable method or proposal. The person responsible for the plans, etc., upon which the permit, etc is issued will still be liable for his work. This section would not limit the applicant's or permittee's right to go to court to force the issuance, grant, etc., if it is one to which the person is entitled.

The fourth exception, which appears in subparagraph (d)(4), is copied from the exception for the state which appears in AS 09.50.250(3) with the change here that the misrepresentation exception would be for only negligent misrepresentation, not all misrepresentation as in the case for the state. The municipality would be excepted from liability for the causes of action listed in the subparagraph. Officers and employees would be protected when the act complained of was done in the exercise of one of the actor's duties and was an act which was within his authority as an officer or employee. Thus, the zoning administrator could be held liable for falsely arresting someone while a policeman usually could not. The zoning administrator does not have the authority to arrest in the discharge of his duties so such an act would constitute an act outside his employment status, often known

in law as a frolic, and he would be personally liable. On the other hand, the policeman is not hired to administer the zoning code and could not, as a municipal official, make any statement to a citizen regarding the zoning of a particular parcel of land. The policeman would be personally liable for any misrepresentation in the course of making such a statement. The zoning administrator, and through him, the municipality would be liable for a misrepresentation if the misrepresentation was intentional. Again, this subparagraph extends to municipalities and its employees and officers most of what the state already has.

The fifth exception, which appears in subparagraph (d)(5), represents an application of the Good Samaritan principle to insulate the municipality from liability where it gratuitously responds to a need outside its limits. For example, a municipality could not be held liable for its acts in fighting a fire outside its limits. A municipality having no contractual duty to respond beyond its jurisdictional limits fears the consequences of liability and adverse insurance costs and is induced to abstain. It simply is not worth the added liability exposure. Yet, as with the inspection problem discussed above, even an occasional negligent response is more than likely far more beneficial than an across the board policy of non-response.

The sixth exception, which appears in subparagraph (d)(6), is needed for reasons which are basically the same as those relating to extra-territorial service exception

discussed immediately above. Commonly occuring examples are local police called to respond in the temporary absence of the Trooper, and mutual aid agreements respecting assistance at state airports.

In conclusion, municipal non-immunity will remain the rule. Judicially-recognized municipal liability respecting certain functions coupled with increasing difficulty in obtaining insurance to cover the risk compel local governments to re-examine and diminish the scope of their activities rather than suffer liability exposure and inability to respond in damages. This legislation is intended to afford limited liability with a view toward non-curtailment of certain traditional functions predicated on public policy favoring the municipalities to proceed on a best efforts basis.

Prepared and submitted by:

L.B. Jacobson, attorney for Petersburg, Kake, Hoonah, Skagway and Craig

Lee Sharp, attorney for Juneau

Ted Berns, assistant attorney for Anchorage

City May Have To Shoulder Fire Liability

By SUSAN GILMORE
Empire Staff Reporter

Juneau could find itself on the expensive end of a liability lawsuit as a result of recent action taken by the state firemarshal's office disavowing responsibility for conducting fire inspections.

Last month the state notified Juneau and several other Alaskan cities that "responsibilities for fire prevention and inspection and enforcement of state fire safety regulations... is deferred to your local jurisdiction."

The order reportedly was precipitated by a recent Alaska Supreme Court action holding the state partially liable for a hotel fire in Anchorage.

In this case, according to city attorney Lee Sharp, state fire officials inspected the Gold Rush Hotel and discovered fire hazards. He said the state failed to take immediate action to abate the hazard, even though the hotel owner was notified of the danger. The Supreme Court held the failure of the state to remedy the hazard may have contributed to injuries suffered by the guests.

The state has now backed off of any local fire inspections, unless the inspection involves a state-owned building or the inspection is needed for licensing, as a day care center.

"The reaction in most municipalities seems to be 'thanks, but no thanks,'" Sharp said. He said under the supreme court decision, Juneau could be held liable for injuries suffered in a fire if local inspectors failed to abate a hazard, failed to locate a hazard, or even fail to inspect a building.

To counter the state's action deferring jurisdiction, Sharp has drafted an ordinance which will be considered by the Assembly in April.

This ordinance disavows any intent by the city and borough of Juneau to conduct inspections "for the purpose of enforcing codes, regulations or laws of the State of Alaska."

While this ordinance may be a bandaid on a potential liability suit, several statewide municipal officials have convinced lawmakers to introduce legislation giving municipalities immunity from such lawsuits.

Already adopted by the Senate, the bill would give cities protection where they inspected property and either didn't discover a hazard, failed to take action against a hazard or failed to inspect the property at all.

According to Sharp, the legislation would allow municipalities the same umbrella of law the state has enjoyed for years—the umbrella that the state can't be held liable for not conducting an inspection, only for failing to find or abate a hazard once an inspection is made.

"This bill picks up the language giving the state immunity in discretionary acts," Sharp said: "We are asking the veil of state law be extended to municipalities."

According to state fire officials, the laissez-faire edict was prompted by the Anchorage fire and by a work overload involving new construction and increased arson investigation.

"This doesn't mean if there is local political pressure we wouldn't assist," said one official. "Once a hazard is called to our attention we can't sit on it –we have to act."

"This still doesn't let us off the hook if a hazard hasn't been corrected," he added. "We still get calls, but refer them to the city."

Buildings inspected include public buildings, stores, apartment buildings, hotels, schools, hospitals and other facilities required by state law to pass safety tests. Some are inspected annually, others monthly.

According to assistant Juneau fire chief Sev Swanson, inspections include heating equipment, wiring, exits, general housekeeping and storage.

He said inspections are still being conducted on a local level, but the city is now limited on how many inspections can be made and how often follow-up probes are conducted.

A direct affect the fire inspection decision could have on property owners is a boost in fire insurance rates.

The Fire Rating Bureau, which sets the standards for insurance rates, has rated Juneau a weak five on a scale of one to 10. A 10 is an unprotected district. The scale is derived by beginning at a base figure and crediting fire districts for certain aspects of fire protection—as fire hydrants, number of firemen, and inspections.

Sharp said if fire inspections are ceased, Juneau's rating will probably rise to a six and fire insurance premiums could increase 10 per cent.

Sharp also said that the threat the city could be named in a liability suit evolving from a fire inspection could also hike city-borough insurance rates. "Even if we win (a suit)," he said, "the defense is expensive."

SOUTHEAST ALASKA EMPIRE

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CITY OF VALDEZ

P. O. BOX 506
PHONE: (907) 835-4313

ZIP CODE 99686

March 25, 1977

Senator Joseph L. Orsini
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Subject: HB 354 and SB 249

Dear Senator Orsini:

The subject bills provide tort liability protection for municipalities. We urge you to support these bills.

Because of two recent court decisions, i.e. the Gold Rush fire and Nordale Hotel fire, municipalities are now confronted with liability they never had before. As a result, the municipalities are confronted with two major problems. One, the cities are finding they can no longer obtain insurance; or, if they are fortunate enough to get insurance, the premium costs are prohibitive.

With the constant increase in the cost of providing even minimal services, the addition of this type of liability and its attendant costs is rapidly forcing many communities to the brink of bankruptcy.

When government becomes so expensive that no one can afford it, our whole system will break down. It is vital that municipalities be held responsible for only those acts which are willful, negligent or malicious.

Very truly yours,

Herbert W. Lehfeldt
City Manager

HWL:ss

(2)

Municipality of Anchorage

POUCH 6 650
ANCHORAGE, ALASKA 99502
(907) 274-2525

GEORGE M. SULLIVAN,
MAYOR

OFFICE OF THE MUNICIPAL ATTORNEY

A CASE FOR LIMITED MUNICIPAL TORT IMMUNITY IN ALASKA

Municipal tort immunity refers to the legal doctrine by which a state legislature, as a matter of public policy, has defined specific types of municipal activities for which municipalities may not be held liable for damages. At the outset, it is important to state that no one would argue for total immunity from suit for local governments in Alaska. If a municipal vehicle injures a pedestrian or if a city fails to correct a dangerous condition on publicly owned property the local government should be held liable to pay damages to injured parties. However, for many other activities undertaken by municipalities, it is less clear whether government should be under the threat of multi-million dollar damage judgments which could devastate the operation of both large and small municipalities in Alaska.

The case for limited municipal tort immunity in Alaska is perhaps best illustrated by the so-called "Good Samaritan" doctrine. As an example of this principle, consider a physician who, returning home from his office, comes upon a man lying severely injured at the side of the road. At early common law, the physician had no legal duty to stop and attempt to aid the injured man. Moreover, if the doctor did attempt to aid the victim and, because he did not have the necessary medicines, equipment, etc., accidentally caused some additional injury, the physician could find himself the defendant in a lawsuit brought by the very person he had attempted to aid.

To avoid the undesirable consequences described above, states began to offer statutory protection from lawsuits to physicians and other health care providers who voluntarily rendered aid to persons in need of medical attention. In Alaska, the Legislature has adopted AS 09.65.090 which provides that persons attempting to administer aid in certain emergency circumstances need not fear the threat of a lawsuit if, in the course of their efforts, an accident

(76)

occurs. The public policy supporting limited tort immunity for persons rendering emergency aid is the belief that it is important to encourage such voluntary actions as essentially a public service. This is to say that we, the people, want the assurance that physicians and other persons will voluntarily attempt to render aid to those in need and that we are willing to provide a limited measure of tort immunity to encourage such actions.

Municipal governments, in undertaking many of their activities, are often acting essentially as "good samaritans". No rule of law states that a community must provide, for example, a fire inspection program designed to reduce threats to the health and safety of its citizens. Municipalities do not conduct such programs for pecuniary gain or other financial benefit. Rather, the people have in many cases decided to voluntarily provide this service to individual property owners for the common good.

No one contends that municipal officers or employees are perfectly efficient or that mistakes and accidents in the operation of, for example, fire inspection programs will not occur. If the operation of local fire inspection programs is threatened by the possibility of huge damage judgments, the people, and in turn their elected legislators, are faced with circumstances similar to the "good samaritan" situation discussed above. The uncomfortable choice for many local governments in Alaska is between maintaining, for example, the best possible fire inspection program at the risk of devastating lawsuits should a mistake be made, and simply eliminating any inspection program at the risk of allowing serious health and safety hazards to exist in the community. Faced with this untenable situation, Alaskan municipalities are asking the Tenth Legislature to provide a limited measure of tort immunity to cover situations in which local governments voluntarily undertake programs designed to protect the health and safety of their citizens.

The danger that Alaska's local governments will be forced to discontinue or severely limit programs such as building code inspections, enforcement of housing codes, fire inspections, planning and zoning functions, and various public health programs is imminent. In all of the activities listed above, municipalities are, in essence, acting as volunteers or "good samaritans" by extending services to their citizens for the protection of the public health, safety and general welfare. In the case of fire inspection activities, recent decisions by the Alaska Supreme Court indicate that if a municipality undertakes an inspection program it may be held liable for (posssibly) millions of dollars in damages in the event that a mistake is made. See,

for example, Adams v. State, 555 P.2d 235 (Alas. 1976), and City of Fairbanks v. Nordale Hotel, Inc., 555 P.2d 248 (Alas. 1976).

In response to these cases, some local governments in Alaska have already considered the possibility of discontinuing fire inspection activities. In addition, it appears that the reasoning advanced by the Supreme Court in the Adams and Nordale cases could be expanded to cover building, housing, and public health inspection programs and, perhaps, damages allegedly caused by the issuance of various permits which are later discovered to contain error. For example, the Supreme Court of Wasnington has upheld a $2.8 million dollar judgment against the City of Seattle based on the allegedly negligent issuance of a building permit. See, Haslund v. City of Seattle, 547 P.2d 1221.

In conclusion, it is important to stress that the goal of local governments is not to leave injured parties without a remedy in the event of an accident. As noted above, the proposed legislation does not relieve municipalities from liability based on actions that are proprietary in nature such as the operation of municipal vehicles or the maintenance and operation of municipal property. In most other situations, a municipality will be only one of several possible defendants. For example, if a building in a municipality is destroyed by fire, the injured party may have an action against (1) the person or persons directly responsible for the blaze, (2) the person's employer (and his insurance company), and (3) possibly against the manufacturer of any materials and equipment which are discovered to have been negligently constructed or improperly installed. However, given the absence of any municipal immunity, any plaintiff's attorney will also join the municipality as a defendant if it can be alleged that there has been any failure to properly inspect or certify the building or equipment as part of a municipal fire inspection program.

By extending a limited degree of tort immunity to municipalities to cover activities such as fire inspection programs, the injured party in a situation such as the one described above is not left without a remedy. Rather, the burden of liability is merely shifted from municipalities to others who, in most cases, are more directly responsible for the accident. Viewed in another light, the choice for the individual property owner is to (1) look to his private insurance carrier or to other responsible parties, not including a municipality, in the event of, for example, a fire and be assured that he will have the benefit of a local fire inspection program or (2) risk the loss of local fire prevention/inspection services due to the threat of tort

liability. Faced with such a choice, municipalities in Alaska have turned to their state legislators to ask for limited tort immunity to ensure the continuation of essential local services, such as fire, building and health programs, at a cost which is within the reach of local government taxpayers.

TDB:kh

CITY OF KENAI

RESOLUTION NO. 77-35

A RESOLUTION OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, PETITIONING THE KENAI PENINSULA LEGISLATIVE DELEGATION TO SPONSOR AND ENACT LEGISLATION TO LIMIT TORT LIABILITY OF THE MUNICIPALITIES.

WHEREAS, recent State Supreme Court decisions have held municipalities liable for failure to fully exercise and implement inspection procedures, and

WHEREAS, there is no acknowledgement of a good faith effort, and

WHEREAS, the now presumed legal liability threatens the very existence of a municipality.

NOW, THEREFORE BE IT RESOLVED by the Council of the City of Kenai, Alaska, that the Honorable Clem Tillion, Leo Rhode, Hugh Malone are hereby petitioned to seek legislative action to limit the tort liability of those municipalities engaged in inspection activities.

PASSED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 16th day of March, 1977.

James A. Elson

JAMES A. ELSON, MAYOR

ATTEST:

Sue C. Peter

Sue C. Peter, City Clerk

Re: SB 249 From: Sen. Ray and Sen. Ziegler

The Premiums On City Life

Liberalized negligence laws and generous juries have made municipal liability insurance hard and expensive to get. Who pays? The taxpayers, of course.

By LAWRENCE MINARD

On a clear, dry night in 1974, 20-year-old Thomas J. Garchar cruised down a straightaway on Broward County's (Fla.) University Drive and smashed his car headlong into a 560-pound decorative limestone boulder lying on the road's median. Paralyzed from the neck down as a result of his accident, Garchar sued the retirement town of Tamarac (population: 31,000), essentially on the grounds that Tamarac's city fathers knew that the boulder was there, but had not removed it.

In court Garchar admitted to having been up 18 hours straight and to having downed three drinks just prior to the accident. Yet last November, a local jury found Tamarac guilty of negligence and awarded Garchar and his wife $4.7 million in damages. (Broward County, responsible for maintaining the road, and a real estate developer, responsible for placing the boulder on the median, settled out of court for another $1.15 million.) The town is appealing the case, and $1 million of the judgment is covered by liability insurance, but meanwhile, Tamarac faces the prospect of raising taxes to pay the award.

Cases like this are making a nightmarish quagmire of what once was thought to be an insurance underwriter's gold mine: municipal liability. When it comes to buying liability insurance, only doctors have been harder hit than state, county and city governments. Some can no longer buy liability coverage at any price. For those that can, premiums have soared.

Take California, where the problem is (naturally) especially severe. In Sacramento, full liability coverage premiums increased 193% in three years. General liability premiums for 20 cities in Southern California's Orange County climbed an average of 117% between 1974 and 1976. Santa Ana paid $309,000 last year for "first-dollar" coverage, under which all claims—regardless of the amount—are insured. This year, Santa Ana's underwriter refused to renew the policy. Had it been available, said the city's broker, the premium would have been nearly $1 million.

In Florida, according to a recent study, cities with populations of between 20,000 and 50,000 have been socked with average premium increases of 126%. Pompano Beach paid $61,024 for its general liability coverage in 1974. In 1976 the town paid $242,642!—despite the fact that claims in Pompano Beach have declined by one half since 1974. In Boulder, Colo. property and liability premiums were $1 per resident in 1975. By 1976 the rate had climbed to $2.60, with one policy's premiums soaring from $8,500 to $61,000.

Politicians like to blame—who else?—the insurance companies. But the fact is, many companies have dropped a bundle underwriting government liability. Vice President J. Creighton White of American Express Co.'s Fireman's Fund estimates that from 1971 to 1975 his company paid out some $120 for every $100 of municipal liability premiums written. To arrest losses on its municipal liability coverage in California, the Gulf Insurance Group's Insurance Co. of the Pacific figured it had to increase premiums by around 200%. Instead it pulled out of the market in 1975.

Underwriters don't separate their municipal risks from their general liability experience, so no one really knows the aggregate losses. ("Insufficient statistics is one of the reasons we're in this crisis," concedes one executive.) The only feel for a trend insurance men get is from their "miscellaneous liability" experience. Some trend! In 1966 the industry earned $38 million on premiums of $1.2 billion. In 1975 it lost $631 million on premiums of $3.8 billion. Actuaries say last year was probably somewhat better, but not much.

Companies don't really know how much they have dropped on the public-entity business for another reason—the delay in settling claims. "I'm still bleeding to death on all that municipal business we wrote during the

1960s and early 1970s," wails Dunning Lenihan, head of Chubb Corp.'s Pacific Indemnity's San Francisco operations. Lenihan cites the example of a 1973 claim for which his company reserved $10,000. Today, with the claim still inching toward trial, the reserve has been upped to $50,000.

For decades municipal liability was easy—and cheap—to get. For one thing, public entities were protected by sovereign immunity laws, based on the medieval theory that kings can do no wrong. Probably most important, society's litigation mania was but a gleam in trial lawyers' eyes. So eagerly did Pacific Indemnity go after public-entity insurance that by 1974 it had some 70% of the California market. The Insurance Co. of the Pacific had most of the rest.

But sovereign immunity laws were struck down with increasing frequency throughout the 1960s. Even the few immunities that have survived have been narrowed drastically in the courts by such plaintiff superstars as Melvin Belli.

widow is suing, for negligence, the manufacturer of the model, the utility that owns the power lines, the town on whose property the lines are, and the county that issued a construction permit for the lines.

- A gang of motorcyclists tanked up on beer back in 1974 and roared off up a highway in Sonoma, Calif. One fellow drove his bike off the road. He is suing Sonoma for a poorly designed highway.

Under increasingly generous interpretations of "comparative negligence," both the widow and the motorcyclist have good chances of collecting. Comparative negligence says plaintiffs can collect if they are able to persuade juries that the defendants had at least *something* to do with an accident. Thus, in Garchar's suit against Tamarac, the jury found that Garchar's drinking and fatigue prior to his accident contributed 30% to his smashing into the boulder. So Garchar's initial award of $6.75 million was cut by 30%.

"The problem isn't just municipal liability," says Chubb & Son Senior Vice President Robert C. Reiss. "It's really the whole third-party liability field, including medical malpractice and product liability." Each of those lines is being hit by a developing ethos that says, in effect, that society at large is responsible for the unfortunate few.

In some ways municipal liability is even harder to write than product or malpractice coverage. For one thing, politicians like to spend their tax revenues on highly visible items—police and firemen, for example. So they scrimp on expenses like insurance. In practice, this has meant letting a municipality's liability coverage to competitive bidding by the companies, usually every one, two or three years. "This continual bidding situation means we cannot establish long-term relationships," complains Jeremiah Mulhall, vice president of Home Insurance Co. "You can't recoup your losses over one or three years."

Moreover, the actuarial mind boggles at the sheer number of things that can go wrong. One company executive tells of a tree limb falling onto a convertible passing underneath. The driver was paralyzed, and is suing the local town for faulty road maintenance. "Maybe God can predict limbs falling off trees, and rocks rolling down hills, but my company can't," says the underwriter. "So maybe He can underwrite the public-entity liability insurance."

The question now is: What can the governments do? Some are going the way companies went years ago—hiring risk and safety managers, people with responsibility for determining, say, whether a state park can afford to run the liability risk of allowing hang-gliding from cliffs.

Others are going to self-insurance. Reno, Nev., for example, paid $248,000 in premiums in 1975 for first-dollar liability insurance. Its underwriter, International Telephone & Telegraph's Hartford Fire, wanted $900,000 to renew the policy. Instead, Reno now self-insures for individual claims up to $100,000; it carries excess coverage for claims of $101,000 to $5 million. Cost: $158,000 in premiums for the excess coverage, plus a $200,000 reserve fund established from tax revenues.

Across the country, self-insurance is catching on. Los Angeles County self-insures. So do Miami, Minneapolis and St. Louis. But the trend worries some observers. "New York can't pay its policemen or its interest," says one underwriter. "Do you really think they'll spend money to establish reserves?" If governments do *not* have reserves adequate to meet settlement costs, then taxpayers could pay even more than if their managers purchased insurance.

Where *will* it end? Long range, the best hope seems to be a thorough overhaul of the nation's staggeringly costly tort system. Insurance men enviously eye the Canadian system, which they say requires trial lawyers to pay a tax on the difference between what they ask a jury to award, and what the jury actually awards.

"Tort law today has become theater," says a trial lawyer who recently won a multimillion-dollar award from a city. "Applause is measured by the amount of money the juries award. The solution is to reform the tort system by putting limits on general types of damages allowed."

Perhaps tort *reform will* come, as taxpayers—like consumers—find taxes and prices escalating to pay for drunk motorcyclists and inept model airplane flyers. In the meantime, municipalities will be stuck with greater and greater premiums, if not higher taxes to pay off insured damages.

It's a funny thing. No one likes such anachronisms as "Kings can do no wrong." On the other hand, no one likes to pay the cost of putting kings on an equal footing with the masses. ■

"... 'Maybe God can predict limbs falling off trees, and rocks rolling down hills, but my company can't,' says the underwriter. 'So maybe He can underwrite the public-entity liability insurance' ..."

On top of it all, "Sue the bastard!" has become something of a national mind-set, hitting governments as well as companies and individuals.* According to a recent survey of California cities, general liability claims nearly doubled between 1973 and 1975, to an average of 132 claims per city. Settlement costs nearly tripled over the same period, to an average $87,121 per city.

"You wouldn't *believe* what people now sue us for," says an exasperated official in a small town city manager's office. "If they trip on the curb, they sue. If they hit a pothole, they sue. It has become outlandish!"

If some claims are reasonable, others are, well ... preposterous. Items:

- In 1975, a grown man flew his string controlled model airplane into some overhead high-tension power lines and electrocuted himself. His

*A Forbes *reporter recently rode a Manhattan subway. When the car lurched, the reporter, thrown off balance, put his hand through a window. Three elderly citizens rushed over. With handkerchiefs? Condolences? Hardly. They congratulated him on the great settlement he was sure to get from the city. The reporter's hand, as it happened, was bruised but not cut. He did not sue.*

SB 249

Ted here

Does not apply to fact properties in nature e.g. driving a truck
" " " " public property

Does affect fact of num which are regulatory in nature (not reviewing)
Bldg, fire safety are not regd, but are done for public benefit

Dave Rose

Attorneys prob not happy w/249

See d(4) is different from other portions of bill, in that it addresses a course of action rather than inaction.
May want to qualify (4) in some way - dollar limit?
Individual community not affected by bill
Most suits do not go thru for settlement

L.B. Jacobson - Representing several small cities in SE
Ak. Sup Ct. has abrogated sovereign immunity for muni
↳ Nadale vs Gold Rush Hotel was final straw
↳ premise was that high settlements would not force state out of fire insp business - it did!
Insurance rates are being raised. - a number of reasons
Petersburg
Bell vs Peters. Sup Ct - wrongful arrest won, but cost $5K
Rose vs Peters Sup Ct - doctor submitted qual. credentials - requested further documen - sued for defam of char - settled for $4.5K + 2K cost
Mayasha vs Peters - bldg insp case (bldg fell over onto another)
- not ~~adm~~ resolved yet
e.g. will not go in w/state for emer. fire response outside of city limits - nothing but gotten headaches.
Rake - advised not to adopt bldg/fire codes because of liab

(2)

Craig - no coop in fire safety be cause of ~~no coop~~ liability

Skagway - zoning problems

Yakutat - repealed fire prevention code due to Jennings case - also have no police

Summary - Many could comply w/ stds set by Sup Ct, but only - at great expense

Jim Arlin, Ft Yukon

11/74 - 1/76 out of Ct settled 5 cases of ~~police~~ false arrest, etc

How much respon. should govt take for allowing pvt business activities to take place?

Ren-Ker - None - Many dogs Pres

Climate too good for suit - superabundance of capable attys - oppose elim of (4)

Jim Elson - Kenai

Insurance cos. looking @ Alaskans + AK many Fur mism. rate lowered by, insp - if this makes many liable, then rates raised again - dropping insp would go from Class 7 to Class 9, cost ± $\frac{1}{2}$ MM

Sharp - Juneau

Juneau downtown vs Ct 5, drop insp would go to Cl 6 - cause a 10% premium increase - cost = ? $60 K

Insurers are pulling out of mkt - largely due to Sup Ct decisions in these cases.

Where there is authority + should have known of problem then are liable - expenses to defend

AK has limited liab for discretionary powers

Potential for Supt Ct to deny repeal of ordinances, or cessation of other discretionary govt fnct

In Sec(4) - may want to limit by type (degree) of physical activity.

Out-of-court settlements can hurt employee morale

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU, ALASKA 99801

1977 APR 5 AM 12 42

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PMS SENATOR JOSEPH ORSINI

JUN

PURSUANT TO SENATE BILL 249 (HB354) A BILL LIMITING MUNICIPAL LIABILITY IN CERTAIN ACTIONS, THE MAYOR AND CITY MANAGER OF THE MUNICIPALITY OF BETHEL STRONGLY SUPPORT AND URGE YOUR ENDORSEMENT OF THE BILL DURING CURRENT LEGISLATIVE HEARINGS ON THE BILL. THANK YOU AND BEST WISHES,

GENE R PELTOLA, MAYOR AND

BRUCE L BARTLETT, CITY MANAGER

TELEGRAM

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PMS SENATOR ORSINI 0223

JUN

URGENTLY REQUEST THAT YOU SUPPORT SB249. SITUATION SAME AS MEDICAL MALPRACTIC FOR MUNICIPAL LIABILITY INSURANCE. URGENT SOME LIMITS BE PLACED ON EXPOSURE.

LARRY C. FARNEN, CITY MANAGER

HOMER, ALASKA

Test. in favor of SB249

Anchorage

Fairbanks

Juneau

Several small Southeast communities
Kake, Petersburg, Craig, Skagway

Nome

Kenai

Valdez

Bob McVitty

Jennifer Brown

Smack

INDEX

1. SB 249
2. A Case for Limited Municipal Tort Immunity in Alaska
3. Explanation of HB 354 and SB 249

SB
259

REDI-NOTE

DATE April 7, 1977

To Senator Joe Orsini, Alaska STate Senate, Juneau

SUBJECT Utilitu Regulation

For your information, enclosed is a copy of my memo concerning Utility Regulation to the Anchorage Municipal Assembly, dated March 17, 1977. If I can provide further information, or be of assistance, please let me know.

Sincerely,

AUTOMATED COMMUNICATIONS, INC.

Richard E. Hanger
President

AUTOMATED COMMUNICATIONS INC.
ANCHORAGE, ALASKA 99501
(907) 278-2548

SIGNED

Rediform ● 4S462
Poly Pak (50 sets) 4P462

☐ NO REPLY NECESSARY ☐ REPLY REQUESTED - USE REVERSE SIDE

ACI
Automated Communications, Inc.
3138 Commercial Drive
Anchorage, Alaska 99501
(907) 278-2548

March 17, 1977

TO: ANCHORAGE MUNICIPAL ASSEMBLY
FROM: RICHARD E. HANGER, PRESIDENT
AUTOMATED COMMUNICATIONS, INC.

SUBJ: UTILITY REGULATION

As I indicated at your meeting of March 8, 1977, our expertise is only in the area of ATU.

The purpose of this letter is to objectively give each of you what we consider facts in favor and against both methods of regulating the Utilities.

Assembly Regulation of the Utilities

Pro

1. More citizens attend and participate in Assembly meetings than attend PUC hearings. ACI has been the only participants and formal parties at the ATU hearings throughout the past 15 months, at the PUC.

2. Assemblymen are elected officials and are directly accountable to the people.

3. The Assembly may have fewer legal restrictions affecting their judgement and decisions.

Con

1. Tariffs are complex and difficult to understand. In order for the Assembly to effectively "judge", it will necessitate many hours of "homework".

2. Being elected could make it difficult to make good business decisions if decisions would be unpopular politically.

3. The Assembly would have to add additional staff with expertise in tariffs, legal, and accounting. No citizen's committee could spend the time necessary to handle this job.

4. The Municipality would be subject to far more legal suits, -- class action, individual, and special interest groups.

5. Must contend with the morality of the "Board of Directors" regulating their own company, which is a legal monopoly.

6. ATU is tied to a state-wide network, as well as to the "south 48". This automatically involves regulations of the FCC and PUC for inter and intra state activities. The Assembly would have to inter-relate with those agencies.

PUC Regulation of the Facility

Pro

1. Appointed officials are normally less likely to be influenced politically or by special interest groups.

2. Specializes in utility tariffs.

3. Required by law to:

   a. Protect the financial viability of the Utility.
   b. Assure them a fair rate of return.
   c. And determine that tariffs are fair, just, non-discriminatory, non-preferential, and compensatory.

4. Already have a staff, on the Public payroll, who specialize in Utility matters.

5. Have access and experience with the other Utilities throughout Alaska, National Trade Associations (NARUC) etc., to compare requests and filings.

Con

1. Are required by law to adhere to "Due Process" which necessitates formal hearings and notice to the Public.

Miscellaneous "Grey Areas"

1. ATU spent over $400,000 on rate cases in the past 15 months. Some of that was attributable to deficient filings and questionable appeals, and some was attributable to the PUC being excessively lenient with ATU. If filings were better prepared and the regulating body were firmer, there would definitely be savings. Question -- Would the Assembly be more decisive than the PUC, thereby shortening the process?

2. With Assembly control -- They and the Mayor would have direct control over the cash, profits, charges, and where the money was used. Is this good or bad?

3. Would the taxpayers be paying for a second level of government staff, or would the PUC reduce their staff in proportion to that added to the Assembly?

3. Would the taxpayers be paying for a second level of government staff, or would the PUC reduce their staff in proportion to that added to the Assembly?

4. The major motivations for the pending Resolution and changes to AS 77-59 Utilities seem to be:

   a. the excessive costs of recent rate cases.
   b. the over-ruling by the PUC of the Municipal Ordinance which would have returned 100% of the profits to the original City Service Area.
   c. the dismissal of a rate structure that would have increased cash flow and income in initial years, but left expenses and costs to be absorbed by future rate payers.
   d. the refund of 1.2 million that is pending per PUC and Court Order, and which is being contested by ATU.

   Are these valid motivations, and would they have arisen if ATU had been regulated by the Assembly rather than the PUC is a question which should be addressed.

5. Chairman Rose and Assemblyperson Sturgulewski have suggested amendments which would allow the Assembly to monitor and prejudge filings before they go to the PUC. This would seem to be a "safe" way to arrive at some of the answers to the above questions.

ACI, as the only formal participant from the private sector in the past 15 months of hearings, feels qualified and willing to answer any questions of either side.

ACI, being in the telephone business and regulated by the free enterprise system and competition, rather than a regulatory body, feels we should abstain from taking sides. On behalf of our 200 business subscribers, we would need to poll them prior to speaking for them.

Sincerely,

AUTOMATED COMMUNICATIONS, INC.

Richard E. Hanger
President

cc: Mayor George Sullivan

Al Pistorius, Manager
Anchorage Telephone Utility

3/7/77
Joe
We have not met but I'd be happy to discuss this and your interest.
Dale Hanger

SB 259

... " city council or borough assembly may, by ordinance, elect " ....

severability

must act to, get in or get out

SB 208

property tax is main tax base, almost 2 year lag before getting income

SB259

March 18, 1977

Mr. Dave Rose, Chairman
Anchorage Municipal Assembly
4326 East 5th Avenue
Anchorage, Alaska 99504

Dear Mr. Rose:

At the regular meeting of the Water Utility Advisory Commission on Monday, March 14, the Water Utility Advisory Commission went on record opposing any move to remove the Water Utility and other non-competitive utilities from the jurisdiction of the Alaska Public Utilities Commission until such time as a firm plan for properly handling the utilities' financial and regulatory matters has been formulated and approved.

Sincerely,

N. F. Kaelber

Norman Kaelber
Chairman
Water Utility Advisory Commission

/sr

cc: Anchorage Municipal Assembly Members
Mayor George Sullivan

Ed - For your information.

impose those checks

supports legislation relieving noncompeting utilities owned by the Municipality of Anchorage from regulation by the Alaska Public Utilities Commission with respect to all matters other than service area certification.

Passed and approved by the Anchorage Assembly, this ____ day of _____, 1977.

_____
Chairman

ATTEST:

_____
Municipal Clerk

Requested by: Chairman of the Assembly
at the request of the Mayor
Prepared by: Department of Law
For Reading: February 22, 1977

ANCHORAGE, ALASKA
AR NO. 77-7

A RESOLUTION RELATING TO EXEMPTION OF ANCHORAGE MUNICIPAL UTILITIES FROM STATE REGULATION.

WHEREAS, electric, telephone, water and sewer utilities owned by the Municipality of Anchorage are now subject to regulation of all phases of their activities by the Alaska Public Utilities Commission; and

WHERAS, no other municipally-owned utilities in the State of Alaska are subject to such regulation; and

WHEREAS, only the electric utility is engaged in competition with a private utility, and this competition will be eliminated by final certification of service areas; and

WHEREAS, policy reasons which may have existed for regulation of utilities owned by the City of Anchorage have disappeared with unification of the former City and Borough; and

WHEREAS, compliance with expensive, complex, and often inconsistent and unnecessary requirements of the Alaska Public Utilities Commission imposes a substantial and unwarranted burden on the Anchorage municipal ratepayer; and

WHEREAS, the Anchorage Assembly, as elected representative of all citizens in the Municipality of Anchorage, including all municipal utility ratepayers, is fully competent to provide for regulation of its utilities in the same manner as other municipalities;

NOW, THEREFORE, be it resolved that the Assembly of Anchorage

B. Resolution No. AR 77-7, a resolution relating to Exemption of Anchorage Municipal Utilities from State Regulation.

UTILITIES
AR 77-7
Exemption of
Anch. Mun.
Utilities from
State Regulati

Mr. Besser moved, seconded by Mr. Brannon	to adopt AR 77-7.

Mayor Sullivan stated that they have hashed it over and there are feelings pro and con. He said there was an article in the Alaska Industry magazine mentioning how few people turnout at public hearings. We continually talk about home rule, he said, and he thinks this is one of the things that relates to home rule. Most home rule cities are not regulated in other states, he noted, and the finance people indicate this, and he thinks this may cause higher rates for Anchorage. He said that he would like to sit down with the Assembly and to work this out, if this is passed. He said there might be an effective date of July 1st or September 1st.

Chairman Rose handed the gavel to Vice-Chairman Brannon.

Mr. Rose said that he has a letter from Pete Argetsinger, Assistant Municipal Attorney, which goes into depth as to a scheme and pattern for this. He talks of Title 29 and what he himself is proposing is an ordinance that spells out how they will still self-regulate. Mr. Rose asked for a more orderly approach then what the Mayor has recommended. He would like to do two things, he said; one, do not vote it down; two, table it with specific recommendations that the Administration bring back an ordinance and bring it back on the table after the ordinance is introduced.

Mayor Sullivan asked if they would be willing to consider it as an emergency ordinance, and Mr. Rose replied he had no problem with that.

Mrs. Sturgulewski said that she felt nationally there have been developed some suspicion of monopolies and that is why these regulatory commissions are necessary. To request deregulation at this time, she said, is like letting the fox loose with the chickens, while Farmer John is on vacation. She mentioned the Charter Commission and its difficulty in getting information on finance from the utilities, and she felt they had better take a good look at this. She felt that there was a great deal of expertise involved and until they get the whole financial picture straightened out, they should move very slowly.

Mrs. Selkregg said that she supported Arliss' statement and that she would like to vote against it and study the issue for a longer period. She felt there should be a better informed public before making such a decision.

Mr. Walsh moved, but it died for lack of a second,	to postpone action for a period of one month.
Mr. Rose moved, seconded by Mr. Besser	to postpone AR 77-7, pending action by the Administration to draw an ordinance for introduction and hearing, which would basically impose those checks and balances contained in Title 29, applying to a home rule charter, with specific times and dates for hearings.

Mr. Rose said that then on the night of adoption, this resolution could come back before the Assembly.

Mr. Chiei said he would like to abstain from voting because they are under conflict because of the PUC.

NAYS: Walsh, Selkregg, Knowles, Sturgulewski.
ABSTAIN: Chiei.

Mr. Rose moved, seconded by Mr. Besser — to table AR 77-7.

Mrs. Selkregg requested PIO to prepare information for the public as to what the PUC does as an educational process.

Mr. Rose asked if the Administration would assent, they would like to try to rough out an ordinance and flesh it out and make it available to the Assembly.

Vice-Chairman Brannon called for the vote to table, and it passed:

AYES: Walsh, Marsh, Selkregg, Besser, Rose, Baer.
NAYS: Brannon, Knowles, Sturgulewski.
ABSTAIN: Chiei.

C. Ordinance No. AO 77-59, an ordinance Adopting Title 26 of the Anchorage Code to be Entitled "Utilities".
   1. Assembly Memorandum No. AM 142-77, regarding same.
   2. Assembly Memorandum No. AM 142-77A, regarding same.

Chairman Rose again had the gavel and said that he would like to put this aside temporarily and take it up at the later meeting, if there was no objection; there was no objection.

D. Ordinance No. AO 77-23, an ordinance Adopting a Title 24 of the Anchorage Municipal Code to be entitled "Streets and Rights-of-Way".
   1. Assembly Memorandum No. AM 59-77, regarding same.
   2. Resolution No. AR 77-24, a resolution establishing a Schedule of Permit Fees as provided in Section 24.30.090 D of the Municipal Code of Ordinances.
      a. Assembly Memorandum No. AM 59-77B, regarding same.

Mrs. Sturgulewski moved, seconded by Mr. Brannon — to approve AO 77-23.

Mrs. Sturgulewski suggested that the amendments included in AR 77-24 be approved, and Mr. Swing pointed out that AM 9-77B included all the amendments.

Mrs. Sturgulewski moved, seconded by Mr. Walsh — to amend by approving AM 59-77B, which contained all the amendments.

AYES: Chiei, Walsh, Marsh, Selkregg, Besser, Rose, Brannon, Knowles, Sturgulewski, Baer.
NAYS: None.

Chairman Rose then asked for the vote on AO 77-23 as amended, and it passed:

AYES: Chiei, Walsh, Marsh, Selkregg, Besser, Rose, Brannon, Knowles, Sturgulewski, Baer.
NAYS: None.

Mr. Walsh moved, seconded by Mr. Besser — to approve AR 77-24.

Chairman Rose asked if there were any problems with this, and Mr. Swing said that Mr. Bollinger would be able to respond.

Mr. Bollinger said that there will be no fee unless what is proposed endangers the right-of-way, then a fee of $2.50 would be charged.

There was further discussion of planting of trees, retaining walls and rock gardens in this area, and Mr. Bollinger said that if someone was going to put a large boulder on top of a gas line, then there might be a problem, but other than that, he did not foresee any.

seconded by Mr. Smith, and it was passed without objection,

floor until after the public hearing on the next item.

11. Resolution No. AR 77-7, a resolution relating to exemption of Anchorage Municipal Utilities from State Regulation.

UTILITIES AR 77-7

The public hearing on Resolution No. AR 77-7 was opened.

RUTH MOEN stated that she would like the Assembly to not take action on removing non-competitive utilities from under APUC regulation. She does not believe, she said, that the cost to her from the utility would go down were they not regulated by APUC and she views APUC as a sort of guard against the fact that rates could be raised indiscriminately. She lives in an outlying area, she said, and receives no benefit from the profits of the utilities, only pays into them.

RICHARD HANGER stated that he is in business putting in private PBX systems in Anchorage. A legal monopoly is the best reason for regulation, he said. Any changes of tariffs or other provisions, he said, must meet basic rules to stand a test in court, no matter who regulates them. Mr. Hanger noted that the APUC has a budget of $1.3 million and a staff of 31 people. A staff will be required by whoever does the regulating, he said, and he estimated a bare minimum of 3 if the Assembly regulates municipal utilities. He distributed to the Assembly an article on the APUC and a handout relative to typical charges from ATU to an Anchorage business firm.

LLOYD MORRIS of Communications Engineering stated that his firm holds a certificate of convenience and necessity from the APUC to provide radio-telephone service in Anchorage. He has a problem, he said, understanding how ATU is non-competitive, since it does have a certificate to provide the same service as his company, although, it does not at this time to do so. If ATU did provide this service for which it is certified, he said, it would definitely be competing with Communications Engineering, which would place ATU in the identical position of the electric utility competing with CAU. For this reason, Mr. Morris stated, he feels that ATU should be withdrawn from the resolution before the Assembly.

BOB JOHNSON stated that for the past three years he has been on the Water Commission, working with the Anchorage Water Utility. He recommended approval of the resolution before the Assembly. When AWU was placed under the APUC regulation, he recalled, it was placed there because their service extended beyond their jurisdiction and there were excesses practiced on the people outside of their jurisdiction but which received the services. This condition, he said, no longer exists. APUC regulation impacts their growth, he continued; it takes 9 to 18 months to get a case through the Commission because the Commission must weigh that case against all others in the state. But meanwhile, he said the utility cannot sell bonds because there is no revenue coming in to justify bonds. The Water Commission was satisfied, he said, with the work of the APUC. Mr. Johnson recommended that the Administration hire the expertise necessary and take it under Municipal control so that the utilities can move at the speed they need to move. He continued with recommendation that the Municipality establish these utilities as public corporations under one head and that the utilities pay taxes or contributions in lieu of taxes and operate in a business like manner and the Assembly would approve or disapprove any rates. He would envision the Assembly sitting as an appellate body, he continued, rather than a hearing body on rate cases.

PAT REDMOND, speaking as a consumer, stated at first glance she does not want her public utilities taken out from under APUC regulation. Some of the things she considered were the cost of Municipal regulation, the time and the politics. Most utilities are regulated, she said, and she would like for Anchorage's to be regulated, and by APUC.

owned by the former City, she said, go to the former City; and those who live outside need the protection of APUC. If a utility is not competing with others, she continued, that means it is a monopoly and that means it should be regulated. The Assembly should consider, she pointed out, that the APUC has a great deal of expertise; and should be a body that the Municipality works with, rather than against. Were this the case, she said, she doubted that the bills for rate cases would have been as high as they have been. Mrs. Frohne noted that Fairbanks is looking at asking to be regulated by APUC; and in closing she stated that deregulation from APUC and Municipal regulation indeed require a vote of the people under the provisions of the Charter.

JEFF LOWENFELS, a private citizen, noted that he was speaking as such, although in the past he has represented APUC, since he works in the Attorney General's Office. He stressed that he was speaking as a private citizen. Generally, he stated, the rule is that rate case expenses are passed to the subscribers. In the $400,000 Municipal case, he said $150,000 was disallowed by APUC and the rest will be passed on. Speaking to comments in favor of self regulation, Mr. Lowenfels stated that he would hate to think of the quality that would be sacrificed by removal from APUC jurisdiction. The Commission and its staff spend an incredible amount of time, he said, working on the cases that go before them; and he does not feel the Assembly has the time nor the guts to handle a hot rate case. He continued that he did not feel it would be fair to the rate-payers to have the issue of quality, and cost of service kicked around as a political football. In regard to the previous statement that there were no longer any problems of discriminatory rates, Mr. Lowenfels noted that ATU attempted to set up 5 rate zones- the further from the center of town one lived, the higher the rates they would pay.

IKE WALDROP, business manager for IBEW, stated that he favors the resolution, feeling that it could result in substantial savings to the utilities. The consumers would be protected and better served, he continued, because the Assembly is more responsive, being an elected body, elected by the rate-payers.

BERT AYER, representing HALO, stated that his organization is opposed to passage of this resolution. Members of the Hillside feel the need for a disinterested party, he said, which is not a party of the body politic, to regulate their telephone and electric utilities. They do not feel, he continued, that the time has come for Municipal regulations. They were also very upset, Mr. Ayers said, about the condition of the Anchorage Water Utility. They also feel, he said, that ATU would be in better condition if it did not support the general fund as much as it does.

AL PISTORIUS of ATU stated that he felt sure the Assembly could do just as good a job as the APUC and probably with less money. Relative to complaints, Mr. Pistorius said he felt sure the utility was responsive at this time, no matter who was calling with the complaints. If people really looked at the cost of providing the service, in the more outlying areas, he said, the subsidy is really in reverse, with the urbanized area supporting or contributing to service in the outlying areas. Speaking to the telephone systems, Mr. Pistorius noted that last year Anchorage ranked 16th in the nation size-wise among private companies. Speaking to the municipal systems, Mr. Pistorius noted that Alaska has four municipal utility systems and the only other one in the United States is in Montana.

TOM STAHR of the electric utility stated that Seattle City Light is regulated by the municipal government. They provide excellent service, he said, and have the lowest rates in the nation. The State regulates utilities in an adjacent area, he continued, at a much higher cost. Mr. Stahr stated that he felt regulation should be done by the Assembly. Seattle, he noted, does have a rate department and it goes from that rate department to the city council.

he does not look forward to [illegible] said, one before the Assembly and one before the APUC. Mr. Merrell said he had no objection to letting the Assembly know what they are going to do and going to take before the APUC; but he definitely does not want two hearings. Mr. Merrell pointed out to the Assembly that the Anchorage Water Utility started a rate case in late 1974 which went on through all of 1975; an interim rate was granted in 1976 and they just had the final hearings now, in 1977. That's an awfully long time to wait to get a rate established, he said; and he feels the Assembly would be more responsive.

There being no one else who wished to be heard, the hearing was closed.

Mr. Marsh moved, seconded by Mr. Smith, to approve Resolution No. AR 77-7.

Mayor Sullivan noted that the Administration was only asking for non-competitive utilities to be taken out from under the jurisdiction of APUC. This was generally the intent of the statute passed by the Legislature some years ago, he said. The Municipality suffers on its bond sale rates, he continued, because we are regulated by the State. There is delay upon delay with the APUC, he said, because of additional material they request or changes in their rules; and these delays amount to months and months. Some decisions take well over a year, he said. He cited the telephone rate case as an example, it started in 1975, at which time the only figures available were for 1974, then in May of 1976, Mayor Sullivan continued, the Commission directed the Municipality to forget the '74 figures and to work on '75, so that all of the work done and time spent had to be dropped in order for the work on '75 figures to begin. In the meantime, the Mayor said, the Municipality had been negotiating with RCA and was successful in reaching a substantial settlement, which increased the toll revenues. That was what the Municipality needed and along with the settlement the need for cash dropped. If the rate increase had been granted prior to the favorable settlement with RCA, he pointed out, the Municipality would have had to go back to APUC for a rate increase. It was not the APUC action, he said, but the settlement with RCA which improved their case position for ATU.

Mr. Marsh stated that he had served on City Council when the Council managed the utilities; and he felt that they were responsive and effective in their job.

Mrs. Sturgulewski stated that she could not support the motion, feeling that more needed to be known about staffing, time commitment, cost, etc. This is a very sensitive issue, she said, and the Assembly has an extra ordinary responsibility, particularly to the people outside the City Service Area, on the issue. She has not seen enough, she said, in the Municipality proving itself to be able to say that now is the time that it can regulate its own utilities.

Mr. Brannon moved, seconded by Mr. Marsh, to postpone action on Ordinance No. AO 77-59 and Resolution No. AR 77-7 for two weeks; these items to be scheduled as a Special Order of Business at that meeting.

Mr. Chiei asked to be allowed to abstain from voting, noting that he was now involved in a hearing before the APUC.

Question on the motion to postpone was called and it was passed.

AYES: Walsh, Marsh, Rose, Brannon, Smith, Baer

NAYS: Knowles, Sturgulewski

ABSTAINING: Chiei

veto message on Ordinance No. AO 77-32, noting, [illegible] record, the Assembly's official receipt of the veto.

GLEN HEATHERLY came forward and asked why the residents of the area had not heard more about the Ridgeview Manor matter; and Mr. Walsh asked if this item could be taken up as a Special Order of Business next week.

There was no indication from the Assembly that they wished to discuss the matter further.

Mr. Rose noted that with the veto of Ordinance No. AO 77-32 next week's meeting would begin at 6 o'clock and would be under the old Assembly rules of procedure.

There being no further business to come before the Assembly, the meeting was adjourned at midnight.

_____
Chairman

ATTEST:

_____
Municipal Clerk

Date Approved:_____

M E M O R A N D U M April 19, 1977

SUBJECT: CS for SB 259

TO: Guy Van Doren, Administrative Assistant
Senate Rules Committee

FROM: Jack Chenoweth, Legislative Counsel

CS for SB 259, offered by the Senate Community and Regional Affairs Committee, terminates the exemption from regulation by the Alaska Public Utilities Commission of regional electrical authorities. I have been asked to redraft CS for SB 259 to restore regional electrical authorities the exempt status they now enjoy.

The restoration of the exemption can be accomplished by amendment of the Committee Substitute --

Page 1, following line 26: Add a subsection (h) to read:

(h) The provisions of this chapter, other than secs. 221 - 281 of this chapter, do not apply to a public utility owned and operated by a regional electrical authority organized under AS 18.57 unless the owner and operator elects to be subject to the provisions of this chapter.

JC:lnk
cc: Senator Joe Orsini, Chairman
Senate Community & Regional Affairs Committee

Daily News 4/27/77

its snag

r "powerful vested interests in Seattle." adoption of the language would "lock us ecause it would not give the state time or the move before the existing contract Seattle expires.

id he also was concerned about "locking ch has ripped off Alaska for years."

Haugen, R-Petersburg, countered that have serious financial impact on the cost goods to Southeast Alaska because of the ting costs which would be involved from gham.

owper, D-Fairbanks, also worried about e tourist trade.

e Hohman, D-Bethel, said he had ested the Division of Marine Transpor- information on any move plans, but had

minute presentations amount to a Hohman said. "There are special here in Bellingham, too.

ame as the committee was about to close rtation general fund operating budget spute on the spending level of $11.2

eeting, the committee also stalled over he financially troubled University of

railroad BI probe

involved an alleged criminal offense.

GAO investigator Dave Lawson of Seattle efused to provide any details of the investigation. He said the report would be reviewed with the railroad next month before it is release.

William Dorcy, general manager of the railroad, was in St. Louis and unavailable for comment. His staff released this statement:

"The Alaska Railroad acknowledges that it is currently the subject of a periodic GAO audit. The railroad wishes to state that this is a standard audit procedure being performed by the General Accounting Office the same as any other audit that is periodically given other government agencies.

D.L. Allen, the assistant general manager of the railroad, and other ranking railroad officials said they had no idea what matters may have been referred to the FBI.

Utility bill support defeated

By SUZAN NIGHTINGALE
Daily News Staff Writer

The Anchorage Assembly Tuesday angrily defeated a motion to support legislation providing for the deregulation of municipal utilities.

Action on the resolution had been postponed three times previously by the group, which is divided on the need to support deregulation legislation at this time.

LAST WEEK, the assembly voted to postpone action once more on the resolution, pending a comprehensive meeting on municipal utilities. However, a petition circulated by the administration Tuesday changed the assembly's mind.

Titled "Anchorage Assembly Statement of Support for CSSB259," the petition said, "The press of time and the pending absence of several assemblymen makes it impractical for the assembly to act at a regular meeting" to support the legislation. The measure was signed by Ben Marsh, Paul Baer, Don Smith, Fred Chiei, Ernie Brannon and Dave Walsh. Mayor George Sullivan signed for Bill Besser after securing the Hawaii - vacationing Besser's permission over the telephone.

However, at Tuesday's meeting three assembly members — Arliss Sturgulewski, Lidia Selkregg and Tony Knowles — said they had not even seen the petition or had been asked if they wanted to sign it. Municipal attorney Rick Garnett denied that the document had been selectively circulated, but several assembly members were unconvinced.

"THAT'S LUDICROUS," Dave Rose said, referring to the circulation pattern of the petition. "You don't call people in Hawaii if

(Continued on Page 2)

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R-Anchorage, signed the committee report "do not pass."

The resolution would implement most of the recommendations of the Alaska Salary Commission. Under the legislation, the governor would be paid $52,992. The lieutenant governor's salary of $47,304 would also be the new salary level for department commissioners.

Longevity pay increases of 3.75 per cent of the annual salary for each two years of continuous service — starting this year — are included for most state officials except legislators.

State officials received pay raises from the legislature in 197 but the raises were repealed by state voters last August. The legislative raises granted by the resolution are smaller than the $15,000 salaries legislators gave themselves in the 1975 raises.

Ann Spohnholz takes a lun day.

• Bottl

(Continued from Page 1)

expand his facilities to hand returnables. "All of that gets pa sed right on to the consumer," h says.

Walt Beckmann, head of liqu distribution for Anchorage Co Storage, sees the same bi omens.

"The wholesaler and retail would have to add extra space keep the bottles and they'd hav to hire additional help to hand them. The distributor would hav to buy additional trucks, and hav the additional problems of shi ping cans and bottles outside

• Utility bill

(Continued from Page 1)

you aren't going to make a reasonable effort to contact people here."

Selkregg called the petition, which gives the impression the majority of the assembly supports the legislation," despite the fact the body had not taken official action, "a devious approach."

Brannon, who signed the petition, expressed surprise that some assembly members had not seen it. After determining that three members had not seen the document, Brannon said, "If all assemblymen did not have the option to see the petition, I'm going to vote no."

ASSEMBLY MEMBERS Walsh and Chiei, who had signed the petition, said they would change their votes, too, swinging the official vote against the deregulation legislation.

The final vote was 7-2 not to support the utility legislation. Assembl members Rose, Knowles, Walsh Brannon, Sturgulewski, Selkreg and Chiei voted not to support th legislation. Smith and Baer voted i favor of it. Marsh and Besser, wh support the deregulation legislatio were absent.

In other business Tuesday, th assembly:

— Approved a $106 million budge for the Anchorage School District fo 1977-78;

— Adopted a resolution opposin legislation requested by Rep. Mik Beirne which relates to revenu sharing for hospital construction and

— Adopted a resolution supportin Rep. Mike Miller's returnabl beverage container bill. Smit attempted to substitute Sen. Mik Colletta's bill for support instead but his motion died for the lack of second.

Your Jewelry Headquarters
The Quality Jewelry Store to Serve You
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4/27/77

Readers write...

'APUC hurts'

Dear Editor:

Contrary to your editorial of April 21, Anchorage ratepayers are hurt, not helped, by APUC regulation of municipally - owned utilities. The direct costs of regulation in terms of staff time, attorney's fees and the cost of rate studies is very high, in the vicinity of $800,000 for the current rate cases. Much more important however are the indirect effects of regulation on the power of the utilities to raise capital.

Bond counsel for the Municipality recently testified in favor of Senate Bill 259. Counsel pointed out that Alaska is one of very few states in which municipally - owned utilities are subject to regulation as to rates by an appointed state board. Because the Municipality does not have power to control rates, it cannot unequivocally guarantee to bond purchasers that the rates will be sufficient to meet payments on bonds. This being so, the bond buyer is motivated to purchase municipals from a state where no such problem exists. At the very least, the market will demand higher interest, which means more cost to the ratepayer.

Construction of ML&P's waste heat generator has been held up nearly two years because of the PUC's delay in authorizing rate increases sufficient to enable the utility to raise capital for the project. As a result, the taxpayers of Anchorage have lost millions of dollars in wasted fuel consumption and in increased project costs. The Municipality was forced to go to the Supreme Court for an Order requiring the PUC to set rates high enough to meet outstanding bond covenants. Without that Order, the project would still be stalled.

Another example of the inefficiency of the APUC is that in April of 1975 we filed for approval of a standard pass - thru provision allowing the Municipality to increase electric rates by the amount necessary to pay any increased gas fuel costs ordered by the APUC. The commission finally acted on this in January of 1977 and gave a partial favorable ruling. The problem with that ruling is that we have to practically put on a new rate case again before APUC every time they order a gas cost increase to ML&P. In their Order they tend to treat Anchorage differently than the other utilities in Alaska. The other utilities, as I understand it, are more or less allowed automatic fule rate adjustments without having to appear again before APUC and plead the adjustment.

The main difficulties with PUC regulation have been (1) delay, and (2) lack of understanding by the PUC of municipal utilities and their financial operations — all of which are unfavorable to Anchorage rate users.

In recent proposed regulations dealing with utility bond sales, the PUC required 60 days prior notice of the interest rate. However, the interest rate on bonds cannot be known until the day of the sale. Therefore, the proposed rule would stop all utility bond sales. Proposals of this sort simply illustrate the PUC's lack of sensitivity to the realities of running municipal utilities.

Your assertion that without PUC regulation utility rates would be higher than they are is completely unfounded. Your assumption seems to be that local elected officials, responsible to the people, would set higher rates than state level bureaucrats. Such an assumption flies in the face of all logic about the behavior of elected officials and has no support in the experience of other areas which do regulate utility rates locally.

Your bare recitation of numbers and percentages, of course, has no meaning without reference to the wildly increased costs of fuel and labor with which the utilities have been stricken in recent years.

Finally, it should be emphasized that SB 259 does nothing more than give the Anchorage Assembly the option to withdraw from PUC regulation if it believes that such a course is warranted. Obviously, the matter would be fully explored in terms of how to secure the necessary expertise and what administrative structure is most appropriate before any action was taken to deregulate.

It seems inconceivable that persons genuinely committed to local decision - making would reject local option on a matter as important to the community as utility regulation. It also seems odd that the Assembly can approve a $80,000,000 utility budget, but not feel qualified to deal with utility rates.

George M. Sullivan
Mayor

Got something to say? Then say it, and send it to Readers Write, The Daily News, P.O. Box 1660, Anchorage, Alaska 99510. We invite readers to express their views. We ask that letters be typed, if possible, and signed with an address and phone number.

SB 259

Rick Garnett -

PUC is overburdened now ; don't have any public outcry for munic util reg by PUC

Anch utils are regulated because MCP & Chugach are in compet.

Other non-compet munic utils are not regulated

Original hassle btwn Kenai + Homer Elec - one of jurisdiction of territory → PUC in defining service areas

Fbks - boundaries regulated by APUC?

Anch Telephone served areas outside of city → APUC regulation

Unified Anch ended many of these conflict areas

Anch taxpayers & ratepayers pay a cost

Costs:

- delay 1½ → 2 yrs Dec 75 → Feb 77+ of rate increases

e.g. waste heat reclaiming, delay → cost of fuel + incr constr cost

-- prep for APUC (requires heavy burden of proof) $800K so far

Have appointed board supervising elected officials - who know the affected people better

- PUC could use more staffing

Meyer - Seattle - finan consultant to Anch since 1939 - market Anch bonds

Dec 74 began having trouble marketing bonds $7M (MCP) due to insufficient revenues. Public finan again began 7/76

'75 - Fed regs require "full disclosure" - require expanded info., incl sup. ct. decisions, need for short term finan, etc

'77 - $10M elec + $9M Phone. Due to problems of reg → fewer bids, including past bidders - extra cost of $132K for phone $179K for elec. Several underwriters + investors will not buy bonds unless munic. has complete control

Wash, Ore do not have reg of munic util by public util comm.

"Many other" states don't have this

Beligratis (Chicago) - munic bond underwriter - (buys munic bonds for resale to investors)

Auth munic being regulated could → other Ak. munic bonds rates going up

If situation gets sufficiently bad, access to market may be denied

Support concept of munic consol responsibility

Very few states have munic util reg by PUC

Sharp diversity exists in PUC's expertise nationwide

Holman (Seattle) - bond consul (20 yrs) - legal opinion approvals

Could think of no benefits to Auth by reg. by APUC

APUC cannot seem to separate out financing of util from public util financing - don't seem to understand differences.

taxpayers are ratepayers; "gouging" goes to util operation or into gen'l fund.

Elected officials tend to be later authorizing rate increases rather than early

lower cost borrowing gives pub util the advantage over put util more than the savings in not going before PUC

"never seen problem of min overcharging"

Sound operating proced sometimes requires advance rate increases - PUC problem since a base increases on historic data

APUC wanted to regulate rates without regard to existing covenants -

Anch has consistently had reduced rates as greater experience

Killeen - Chm of Pub Util Bd

oppose coming under APUC - well enough regulated now

Mikell - member Pub Util Bd

could foresee problems with timing for

APUC should be an arbitration fact

Zerbetz - APUC Chm - been with them for 6 yrs

not in public interest to change existing law

no change in workload?

Pomp Increase costs due to "tremendous task" of comingling - ?

Net result would be a decrease in APUC costs

Believe would be more costly to Anch public

rate structure (who pays what rates); rate level; consumer complaints

"consumer-oriented commission"

quality of svc

"APUC better able to protect public than are elected officials"

better educated by education (in-house) + OJT

AK. is one of few states with any requirements of PUC members
Commissioners have generated experience due to conducting own
hearings - don't think more ~~exp~~ background is necessary
Full time AG acts as counsel to APUC
APUC approval of bonds would enhance their marketability --
testimony of Meyers before APUC
Rate case expense is heavily spent on consultants -

Markley - ~~Electric~~ Mgr Environ Sys - Chugach Elec Co-op
45,000 customers - largest in state
oppose SB259 - support PUC concept - want to be regulated
- support Comm Sub. (all should be reg by APUC)
Co-op has to be responsible to its members
APUC less subject to polit pressures - is best
APUC should have more $ to reduce regulatory lag.
Coop funding largely thru Fed loans/guarantees (7%)

Berry - Muni League
Policy statement - oppose muni reg by APUC

Bamfield - representing port intil
1970 bill changed existing law to put munis under reg. —
port intil wanted munis utl to be regulated - munis
were willing to accept geographic defn. of area of regulation
but intent was to eliminate compet by dividing it

In FCC on bill they put in that all util would be regulated.

Separation of util fact is not that difficult

Munis should be completely exempt - much more difficult to sell bonds now ~~now~~

Meter reader in Juneau - $19/hr

$135K → $740K for diesel generator

Sharp - Juneau

Local control of util

Have to build the facil, then see how much it would cost

SEN. ORSINI

INDEX

#1 SB 259

#2 CSSB 259

#3 Title 42 PUBLIC UTILITIES & CARRIERS

#4 Sec. 42.05.141 GENERAL POWERS AND DUTIES OF THE COMMISSION on page 6 (paper clipped)

#5 Sec. 42.05.221 CERTIFICATES REQUIRED SUBSECTION (f) on page 10 (paper clipped)

#6 Sec. 42.05.711 EXEMPTIONS on page 31 (paper clipped)

OUTLINE OF MUNICIPALITY OF ANCHORAGE

TESTIMONY TO THE SENATE CRA COMMITTEE RE: SB 259

INTRODUCTION

Appreciate opportunity to be heard. Hope committee will review situation carefully in light of the facts and testimony presented. Will show that the present regulation is unsound in theory, harmful in practice, and likely to become more harmful in the future. Problem is systemic rather than personal in nature.

A. Status quo. Under the present statutory scheme all Anchorage municipallly-owned utilities are regulated by the PUC because one of those utilities, ML&P, is "in competition." No other municipally-owned utilities in the entire state are subject to regulation except on a voluntary basis.

B. How the status quo evolved.

a) PUC regulation was extended to municipal utilities primarily because of service area disputes between those utilities and private utilities. In two well known Supreme Court cases, Homer Electric v. Kenai, and Chugach v. Anchorage, the Supreme Court requested the Legislature to deal with the service area problem.

b) With respect to one municipal utility, ATU, there may have been some rationale for rate regulation because ATU served customers outside the boundaries of its owner, the City of Anchorage.

C. Changed Circumstances. Since unification rate payers and taxpayers are virtually the same. Service area delineation has occured. SB 259 does not effect the PUC's service area jurisdiction.

D. Historical Arguments. It is asserted that the City of Anchorage impaired the capital of its utilities. But

a) payments in lieu of taxes, allowed by Commission, exceeds payments made to City (Exhibit A).

b) There was no harm to consumer. City error, if any, was not seeking rate increase sooner.

E. Past and Present Harm From Regulations.

a) Substantial delays have occurred in securing needed rate increases (Exhibit B). These delays increased the cost of capital improvements to the detriment of rate payers. See, generally, Stahr memo (Exhibit C).

b) Direct costs are large. Rate studies required to meet the "burden of proof" imposed by the Commission are very expensive (Exhibit D).

c) Litigation over PUC decisions has been extensive. Power has a tendency to expand, especially bureaucratic regulatory power. Municipality has prevailed in many cases. Refer to APUC v. GAAB, Carlson interfund decision, ML&P bond case, rate suspension case. Litigation is very costly in terms of attorney's fees (Exhibit E) and delays. There is a close analogy to City-Borough conflicts which spurred unification. Costs will be a particular problem if the ATU order disallowing costs of litigation stands (Exhibit F).

F. Indirect And Potential Harm Based On Bond Market Reactions. Very few municipal utilities are regulated as to rates (Exhibit G). Of those which are regulated, most do not raise capital primarily by sale of revenue bonds. Testimony of bond counsel and financial advisors Beligratis, Holman.

G. Capability of PUC. PUC is substantially overburdened and this factor accounts for much of the delay and hasty consideration of issues. Anchorage matters are a substantial factor in the PUC's work load (Exhibit H). (b) The APUC has no particular expertise in local government affairs, particularly financing of local utilities. Consistnetly attempts to force municipal utilities into m-old of private utilities. See Sterling Gallagher testimony (Exhibit I).

H. General Policies - There Is A Double Anomaly in the Status Quo.

The present regulatory scheme asserts implicityly that the Anchorage Assembly is unable and unwilling to protect its taxpayers and ratepayers by responsible management of its utilities. Only Anchorage stands under this implied indictment. Concerns about due process are groundless. Title 29.48 setting out procedures for local utility regulation apply to home rule municipalities (Exhibit J), and establish the basis for regulation at the present time in most municipalities in the state. Commissioner Hall gave an excellent account of these providions in his THREA Decision. Additionally, the work of the Anchorage Interim Utilities Commission should be considered. This commission was established in the Charter to focus on the best approach to utility management and regulation. Its final report has just been submitted for Assembly consideration (Exhibit K).

I. This Matter Is Not Of Interest To Anchorage Alone. Testimony from Commissioner Sterling Gallagher showed the statewide effect of PUC encroachments on the decision-making prerogatives of municipal utilities. PUC recently proposed regulations giving the Commission the veto power over issuance of revenue bonds by municipal utilities. Upon being informed of this development, other municipalities responded in no uncertain terms as to their attitude toward even the possibility of PUC regulation of their affairs (Exhibit L). It should be noted that the PUC has drafted legislation with substantially the same effect and that the comments of other Alaska municipalities remain relevant (Exhibit M).

CONCLUSION

PUC regulation of Anchorage utilities alone is fundamentally unfair. This regulation has caused frustration and waste. Continued regulation will damage the standing of Anchorage and all other Alaska utilities in the bond market. We ask the Legislature to resolve the problem by enacting SB 259.

MUNICIPALITY OF ANCHORAGE

STATEMENT IN SUPPORT OF SB 259

INDEX OF EXHIBITS

Exhibit "A" - Schedule of Payments In Lieu Of Taxes

Exhibit "B" (1-7) - Status of Rate Cases

Exhibit "C" (1-5) - Statement of Thomas R. Stahr, Manager ML&P

Exhibit "D" (1-3) - Summary of Rate Case Expenses

Exhibit "E" - Summary of Legal Costs for APUC Matters - Six Months

Exhibit "F" - Excerpt from PUC Order re Attorney's Fees

Exhibit "G" - Table of State Regulation of Municipal Utilities

Exhibit "H" (1-2) - Summary of Municipality Item Before APUC

Exhibit "I" (1-4) - Excerpt from testimony of Sterling Gallagher

Exhibit "J" (1-2) - Excerpt from Title 29 regarding Municipal Utility Rate Procedures

Exhibit "K" - Transmission letter from James Hendershott, Chairman Interim Utility Commission

Exhibit "L" (1-9) - Letters from Various Municipalities in Response to Proposed APUC Regulation

Exhibit "M" (1-2) - Proposed APUC Bill Extending PUC Control over Bonding of Municipal Utilities

ANCHORAGE TELEPHONE UTILITY
Schedule of Payments In Lieu of Taxes/Contributions
to General Fund For Years 1971 - 1982

Year	Payment in Lieu of Taxes	Contributions to City of Anchorage General Fund	Total
1971	365,105	401,990	767,095
1972	502,104	477,442	979,546
1973	591,324	475,672	1,066,996
1974	---	1,102,400	1,102,400
1975	---	1,117,040	1,117,040
1976	442,696#	549,930##	992,626
1977	1,787,000*	1,243,000**	3,030,000
1978	1,946,000*	1,209,000**	3,155,000
1979	2,097,000*	1,285,000**	3,382,000
1980	2,222,000*	1,323,000**	3,545,000
1981	2,345,000*	1,398,000**	3,743,000
1982	2,443,000*	1,431,000**	3,874,000

One-quarter year only

Restricted 1/2 year per U-76-6(6)

* At 18.63 mills

** 40% payout of return on actual equity allowed by APUC U-76-6(12). Assumes fully authorized rate of return is actually earned by ATU.

EXHIBIT "A"

STATUS OF RATE CASES

Remainder of 1977

Anchorage Telephone Utility

Assuming toll settlement negotiations with RCA are relatively successful, additional increases to local subscriber revenue will not be necessary this year. In-depth reviews of revenue requirements should be made at least every six (6) months, immediately after the audit is available and prior to year-end.

Municipal Light and Power

Although a request for rate adjustment is not planned for this year, there are two (2) factors that could make one necessary:

1. Any substantial increase to natural gas costs.

2. A substantial drop in power sales resulting from the warm winter. Since revenue reports have not been available this year, the impact can not be projected.

A rate restructuring hearing, that will not have an impact on revenue, is scheduled for April 25, 1977.

Anchorage Water Utility

As soon as the 1976 audit is complete, a detail review must be made, with the possibility that new rate revisions may have to be filed this year. An interim request may be required following labor settlements.

Anchorage Sewer Utility - Eagle River

An interim increase of about 11% across-the-board will be filed on March 15, 1977. Permanent rate restructuring and revenue requirement will be completed as soon as accounting records become available.

STATUS OF RATE CASES
Remainder of 1977

Anchorage Sewer Utility - SA 40

As soon as the 1976 audit is available, a complete revenue requirement and cost of service study must be initiated. A filing with the APUC should be made by August.

Anchorage Sewer Utility - Girdwood

The rate filing is scheduled for August.

BMN
3/4/77

RATE CASE HISTORY

Municipal Light and Power

Prior to July, 1975, Municipal Light and Power had never applied for a rate increase from either the APUC or the City Council. There had, however, been certain rate reductions implemented several years ago.

1975

June 24	The first interim increase of 15.75% was requested for increased natural gas and labor costs.
July 8	The APUC granted the 15.75% increase.
October 13	A request was filed for an interim increase to 29.72%.
October 21	At a APUC hearing, an oral request was made to increase the interim request from 29.72% to 31.1%.
October 23	The APUC granted a 29.72% increase over original rates.
October 23	A request was filed for an overall increase of 51.75%.

1976

January 19	The APUC denied the 51.75% request, however, a 31.1% overall increase was granted. The difference reflected the amount required for bond coverage.
February 25	ML&P petitioned for reconsideration of 51.75% rate denial. The APUC failed to act on the petition.
March 12	ML&P filed for a Permanent Injunction in the Superior Court for 51.75% rate.
April 20	The Superior Court granted permanent injunction.

May 11	The APUC appealed to the Supreme Court
May 21	ML&P filed permanent rate request for $5,258,437 or an overall 64.45%.
June 11	The Supreme Court affirmed in part and reversed in part the Superior Court decision.
August 5	The APUC set a revenue requirement hearing for September 20, 1976, and a rate restructuring hearing for January 17, 1977.
September 3	The APUC denied staff request to reject ML&P filing.
September 20	A public hearing was held on Permanent 64.45% rate.
October 25	The APUC granted 52.39% Permanent Increase. The reduction from requested 64.45% was primarily due to the APUC revision to depreciation rates and an assumed equity of 70/30 rather than 60/40. The denied portion amounted to approximately $1,000,000.
December 22	ML&P requested, and was granted a continuance on the rate restructuring hearing from January 17, 1977, to April 25, 1977.

RATE CASE HISTORY

Anchorage Water Utility

Prior to 1976, the Anchorage Water Utility had received an increase from the City Council of approximately 20% in 1970.

1976

February 10	An interim rate request was filed using a September 30, 1975 Test Year. The revenue requirement was $1,156,922 (excluding $331,000 fire protection) or 35.91%.
March 26	The APUC allowed $32,214 (excluding $331,000 fire protection) or about 1% increase. Interfunds totaling $554,250 were excluded.
April 7	AWU filed petition for reconsideration
April 23	APUC allowed interfunds of $554,250, bringing interim increase to 15.96%.
May 7	APUC allowed additional revenue of $140,037 for bond coverage requirements. The total interim revenue at this point was $726,501 or about 22%.
July 15	A permanent rate increase of 73% was filed, using a 1975 test year. Approximate revenue requirement of $2,474,600.
October 20	At prehearing conference, APUC allowed increase in interim rate to 54.6%.

1977

January 15	A hearing was held on permanent rate of 73%.

March 1 — A Permanent rate increase of 51.4% was allowed, resulting in increased revenue of $1,742,451. Reasons for decrease:

* APUC did not allow CIP in rate base
* APUC did not allow depreciation on contributed plant
* APUC allowed 70/30, rather than 65/35

RATE CASE HISTORY

Anchorage Telephone Utility

Other than certain selective rate revisions, ATU had not received a general rate increase since 1961.

1975

December 4	Filed a Permanent and Interim rate increase showing a $3,901,693 deficiency (approximately 30% over 1974 subscriber revenue) based on a 1974 Test Year. APUC suspended the permanent request as being incomplete.

1976

March 15	APUC granted an interim increase of $1,127,032 (approximately 9%), but disallowed all interfund charges totaling $1,290,088.
March 30	ATU appealed to the Superior Court that APUC acted unreasonably. The Superior Court granted the appeal.
April 9	APUC allowed inclusion of interfunds in interim rate. The total revenue increase allowed was $2,417,120.
May 17	Permanent rate was filed using a 1975 Test Year. Request Revenue Requirement of $2,107,724.
July 14	A Revenue Requirement of $1,036,853 or 6.88% was conditionally granted (later corrected to 6.93%).

1977

February 17	The APUC reduced Revenue Requirement to $1,012,756 or 6.55%. The reduction included recalculation of MJSA and disallowance of certain rate case expenses. ATU will ask for reconsideration of reduction, citing increased FICA (Ret.) benefits and non-represented five percent (5%) salary increases.

TO: The Honorable Joseph Orsini, Chairman
Senate Community & Regional Affairs Committee

FROM: Thomas R. Stahr, Municipal Light & Power Manager

SUBJECT: Summary of Report on Cost Impact of APUC Regulation On ML&P Consumers

The attached report details the costs and savings to ML&P customers which are engendered by APUC regulation. Primarily it deals with the cost impact of delays in the construction of our waste heat generating plant. These delays were caused by our inability to sell revenue bonds until rates and regulatory rulings would permit revenue bond sales. The salient points of the report are as follows;

Regulatory delay in increasing rates resulted in direct savings to consumers of $1,790,490.

Financing delays related to rates and APUC rulings have delayed the on line date for waste heat utilization two years. This will increase natural gas consumption 4.5 billion cubic feet and increase fuel costs $2,992,950.

The gas lost because of regulatory delays would have been sufficient to heat nearly all Anchorage homes for one year.

The construction delays will result in increased plant costs of $5,000,000 principally due to price escalation and capitalized interest. This cost increase will require $8,950,000 additional in principal and interest payments over the life of the plant.

For every dollar our customers saved because of delayed rate increases, they will have to pay $6.65 in the future to pay for natural gas wasted and material cost escalations caused by the same delay.

If one considers the likely future cost of replacing the extra natural gas consumed each dollar saving because of delayed rate increases will ultimately cost our customers $19.18.

There is considerable cause for concern that APUC regulatory principles will force the acceptance of future energy generation options which have high life cycle costs and are wasteful of nonrenewable resources.

Respectfully submitted,

Thomas R. Stahr, Manager
Municipal Light & Power
Municipality of Anchorage

TRS:gml

INCREASED COSTS TO ML&P CUSTOMERS BECAUSE OF REGULATION BY APUC

INTRODUCTION

The direct costs of regulation such as rate case expenses, costs of special studies and costs incurred by the regulatory agency are in general only the minor part of the total costs the consumers must bear because of regulation by the Alaska Public Utilities Commission. Like an iceberg, the bulk of the problem is submerged and not ascertained by casual scrutiny.

ML&P has, in my opinion, been quite successful in minimizing direct regulatory costs, but despite our best efforts and substantial help from the former City of Anchorage, we have been unable to prevent multimillion dollar cost increases, which our customers must ultimately bear, and the utility has been forced to waste substantial amounts of natural gas which can never be replaced and must be paid for by our customers. Both of these problems are directly due to being regulated by the APUC.

BACKGROUND

In 1973, the City Council of the former City of Anchorage determined it would be in the best public interest to construct a combined cycle power plant (i.e., utilize waste heat for power generation) and utilize the low level waste heat (i.e., approximately 80°F) from this plant to heat the municipal water supply as required to prevent freezing problems. Certainly the emerging energy crisis has demonstrated the wisdom of this decision. Financing limitations precluded the award of a turnkey contract which would require front end funding. Thus procurement on a piecemeal basis was the next best alternative. The first gas turbine was ordered in 1973 and the waste heat turbine-generator and boiler were ordered in early 1974, and scheduled completion (first waste heat generation) was for mid 1976.

In December of 1974, a bond sale was held to obtain an additional $6,000,000, primarily for continuing this project. Due to the impending New York default extremely high interest rates were bid, additionally, we were advised that substantial increases in the cost of natural gas fuel would occur the following year. Based on these factors, it was not prudent to increase our debt until we could be reasonably certain of sufficient income to repay it and meet the bond covenants. At this time, the exact amount of the fuel increase was not known so it was not possible to meet the regulatory test of "known and measurable," nevertheless, not to include a reasonable estimate of the effect of the anticipated fuel increase in the projected income available for bond debt service would be highly improper. Thus, we were effectively in a regulatory "Catch 22" position where we could not sell bonds without a rate increase or some assurance increased fuel costs would not errode the already minimal amounts available for debt service coverage and we could not request a rate increase based on cost increases which were not "known and measurable." On April 20, 1975, we filed for a fuel adjustment clause because having such a clause in our tariff would allow us to sell enough bonds to keep the waste heat project on schedule. This move was unsuccessful because validated tariff sheets incorporating a fuel adjustment clause were not issued by the APUC until December 27, 1976.

On July 16, 1975, we obtained some interim rate relief though it was not sufficient to sell bonds. To help keep the waste heat

project going (not on schedule though) and provide funds for much needed system reinforcements the City of Anchorage made 4.5 million dollars available to ML&P by means of short term loans. This was done only after we had been able to obtain only $600,000 in short term bank financing. In the latter part of 1975 additional interim increases granted were sufficient for a bond sale but the order contained language to the effect that the APUC was not compelled to honor our bond covenants. This prevented municipal revenue bond sales by any regulated municipal utility. This problem was, of course, rectified by the courts, but by this time the waste heat generating project was irrevocably delayed. Additionally, ML&P suffered a loss of $73,569 for 1975 and was in technical default because our actual debt service coverage was below the required 1.4.

On July 1, 1976, ML&P sold 10 million in revenue bonds. This allowed us to repay the 5.1 million in short term notes, finance the current years distribution system improvements and issue a few more contracts on the waste heat project. By this time escalation had begun to seriously impact on the waste heat project and cost estimates had to be revised upwards. It was also necessary to pay for the distribution material which had to be ordered for the 1977 construction season so there were not sufficient funds available to complete the waste heat plant. The permanent rate increases granted on October 26, 1976, provided sufficient coverage so that on February 22, 1977 an additional 9 million in bonds could be sold. This does provide sufficient funds to cover the now escalated cost of this project.

Direct Cost To Consumers Due To Delay.

The waste heat generating plant will significantly reduce the amount of fuel which must be consumed to generate electric energy. Originally the first phase of this project was scheduled to be on line in mid 1976. Without financing delays this date could have been achieved. It now appears that mid 1978 is the earliest on line date possible, thus it has been delayed two years. The initial phase of the project will save 1,500,000 MCF of gas each year, without the plant this additional gas must be burnt to supply existing load. Thus the two year delay means 3,000,000 MCF of gas will be consumed which could have been saved by the waste heat plant.

Additionally, the second phase of the plant which will increase the gas saving potential up to 3,000,000 MCF per year will be consequentially delayed at least one year. This latter factor will result in another 1,500,000 MCF saving being lost. Thus, the total gas wasted will be four and one-half billion cubic feet. It is interesting to note that this is 97% of the total amount of gas used to heat Anchorage homes during 1974. ML&P rate payers will currently pay for this gas in their rates and at our present cost of gas, this will amount to $2,992,950. Thus the immediate cost of the delays engendered by the APUC will have an immediate cost impact to Anchorage consumers of approximately three million dollars. One can only speculate what the additional cost to all gas consumers will be in the mid 1980's when the four and one-half billion cubic feet of lost reserves must be replaced at the then current price.

Long Term Cost To Consumers Due To Delay.

Originally the waste heat recovery plant was estimated to cost 7.5 million dollars plus engineering. To date costs have exceeded estimates by 6% over all, but the overrun trend is rapidly accelerating. On the first three bids actual costs were 5% below estimate, on

the next eight cost exceeded estimates by 33% and on the last two items bid costs exceeded estimates by 48%. Additionally, the delays have increased capitalized interest, and engineering costs have increased several hundred thousand dollars. Overall cost increases due to delays will be in the order of three million dollars.

The second phase of the project has escalated even more. The first gas turbine and waste heat boiler cost approximately 5.5 million installed, the second units are now estimated at 10 million installed. While the original schedule would have allowed for some delay in installing the second phase of this project, there is no question but that at least two million additional cost has been engendered by APUC related delays. Thus, considering financing costs, our consumers will pay approximately 9 million dollars more over the life of this plant for cost escalation.

Future Costs From Regulation.

It is becoming increasingly clear that future power sources must be from hydro or coal. Economic studies we have made show that areas which rely on coal as their principal energy source have retail rates approximately twice as high as areas which rely principally on hydro. Hydro plants are generally at least twice as expensive as coal burning plants on a first cost basis. Even coal burning plants cost four to five times the cost of simple cycle gas turbine plants. Therefore, it is clear that future investments for power generation will be five to ten times higher than the current cost of gas turbines. Under rate of return regulation currently in vogue at the APUC, it will be impossible for any major Alaskan utility to fund the required projects because even minimal bond coverage on the debt would imply an excessive return on equity. Unless this regulatory stumbling block can be removed, Alaskans will be condemned to every increasing energy costs because regulatory constraints will preclude the selection of the lowest life cycle cost alternatives. This will also place us in opposition to national energy conservation programs. One bill currently before Congress proposes a penalty to increase the cost of natural gas used for power generation to $3.00 per MCF.

Immediate Consumer Savings Due To Regulatory Delay.

To offset the increased fuel and long term costs, our consumers must bear, it is only proper to consider the immediate savings they realized from regulatory delay. Had the APUC not been involved, rates would have been set to provide the required debt service coverage. For 1978 this would have been the required coverage on existing debt plus the additional 6 million bonds not sold in late 1974. For 1976 the required amount would be for the then existing debt plus that required for an additional 10 million early in the year. For 1977, the funds required would have been less due to the savings made by timely construction. Thus, no additional rate increases in 1977 would have been required to meet the original construction schedule.

To have maintained a minimum coverage of 1.6 times debt service and sold bonds as previously noted would have required an additional revenue of $1,217,573 in 1975 and $572,917 in 1976. This would correspond to a 14.6% increase in 1975 and 4.8% in 1976 above that actually received. In 1977 current rates would suffice. Thus, the total amount saved the rate payers was $1,790,490.

CONCLUSIONS

To summarize the overall cost impact of the delays imposed by the APUC, we have the following:

Increased natural gas consumption 4,500,000 MCF at $0.6651 =	$2,992,950
Increased debt service to cover escalations $5,000,000 principal and 3,950,000 interest* =	8,950,000
Cost to replace 4.5 BCF gas reserves in 1985 at ?/MCF =	
Immediate savings to consumers due to delayed rate increases =	1,795,490
Net Cost to Consumers =	$10,147,460

Or in terms of cost benefit ratio;

$$\frac{\text{Cost to consumers}}{\text{Benefit to Consumers}} - \frac{\$11,942,950}{\$1,795,490} = 6.65$$

Thus for every dollar of immediate savings ML&P customers received due to delayed rate increases, they will pay an additional $6.65 in the future.

If we take into account the future cost of replacing the natural gas reserves consumed because of the delays imposed on the waste heat generation project, and use the frequently quoted $5.00/MCF price estimate for 1985, Anchorage consumers will pay up to $19.18 for each $1.00 of immediate savings they received.

When one also takes into account the limitations on future energy production alternatives regulation may impose, it becomes clear that Alaskan consumers should not be required to bear such excessive costs.

Respectfully submitted,

Thomas R. Stahr

Thomas R. Stahr, Manager
Municipal Light & Power
Municipality of Anchorage

* Based on weighted cost of total ML&P debt.

ANCHORAGE WATER UTILITY

Rate Case Expenses
to October 31, 1976

CH2M Hill		$ 69,000
Touche Ross & Company		98,653
Enterprise Activities, Admin.		
1975 - estimate	$ 2,500	
1976 - actual	15,092	17,592
Municipal Controller		2,680
Municipal Attorney		21,800
Water Utility in-house expense		
1975 - estimate	5,000	
1976 - actual		
Payroll	3,447	
Supplies	95	
Advertising	384	
Transcripts	1,924	10,850
TOTAL		$ 220,575

JHP
12/10/76

MUNICIPAL LIGHT AND POWER

Rate Case Expenses
to October 31, 1976

CH2M Hill		$ 51,565
Andrew Zarisky		15,960
Peat, Marwick, Mitchell & Company		1,985
Hughes, Thorsness, Gantz, Powell & Brudin		156
Kempple & Huffman		26,490
Associated Utility Services, Inc.		12,996
Arthur Young & Company		3,790
Enterprise Activities, Administration		
1975 - estimate	$ 5,000	
1976 - actual to October 31, 1976	21,876	26,876
Municipal Controller		1,500
Municipal Attorney		7,000
ML&P in-house expense		10,000
Total		$ 158,318

JBF
12/10/76

ANCHORAGE TELEPHONE UTILITY

Rate Case Expenses
to October 31, 1976

Ernst & Ernst		
1973-1974 Test Year	$ 121,040	
Interim Rate Filing,	54,530	
1975 Test Year	134,840	$ 310,410
Associated Utility Services, Inc.		
1975 Test Year		9,872
Kempple & Huffman		
Interim Rate Filing & 1975 Test Year		27,374
Enterprise Activities, Administration		19,030
Municipal Controller		500
Municipal Attorney		12,000
Telephone Utility in-house expense:		
John Rison	19,000	
Accounting Section	34,000	
Commercial & Marketing	5,700	
Central Office Engineering	6,250	
Plant Operations	5,000	
Manager	8,900	
Trip Expense	1,300	80,150
Total		$ 459,336

JSF
12/10/76

Municipality of Anchorage

MEMORANDUM

DATE: April 1, 1977

TO: Richard W. Garnett III, Municipal Attorney

FROM: Philip J. Cucurull, Administrative Officer

SUBJECT: Survey of Legal Costs for Regulatory Matters
October 1976 through March 1977

The following costs for legal services in APUC related matters can be fairly well documented:

Amount expended for legal services - 6 months : $ 78,233

Amount expended for legal services Order 19 appeal in Supreme Court - 6 months : $ 12,222

Cost of legal services and technical advice ATU rate case over 3 year period : $490,037

PJC:ljc

EXHIBIT "E"

which the utility has labeled an estimate. Legal expenses should not be included in the costs borne by the ratepayers, when the amounts have not been adequately supported to establish that they are reasonable charges.

There have been three court actions in this Docket. In the first case the Superior Court found that the Commission had acted unreasonably in excluding interfund expenses from the interim rate increase granted to ATU. Second, the Commission sought and received a court-ordered temporary restraining order (TRO) and subsequent injunction to prevent ATU from implementing its proposed rate design without Commission approval. The third litigation action was ATU's appeal of Order No. 6 to the Superior Court, which is still pending. Legal fees for these court cases were $2,375.25; $3,503.50; and $643.50 respectively.

The ratepayers of a utility should not bear the expense of frivolous and unnecessary court litigation. The legal fees associated with the TRO and injunction actions are patently unacceptable to the Commission. Allowance of this expense would tacitly condone the utility's attempted circumvention of the authority of the Commission. Similarly, the Commission must be circumspect in permitting legal expenses for appeals of its decisions. The cost of unsubstantiated, retaliative litigation should not be ratified by the Commission. In this instance the Court has not rendered a decision on which to base a determination of the reasonableness of the appeal. Additionally, the utility has testified that adoption of the ML&P payout formula would be probable grounds for recommending dismissal of the suit. It is apparent to the Commission that the legal expense of this

ALASKA PUBLIC UTILITIES COMMISSION
1100 MACKAY BUILDING
338 DENALI STREET
ANCHORAGE, ALASKA 99501
PHONE 272-1481

EXHIBIT "F"

REG. OF MUNICIPALS

Table 1 - NUMBER OF ELECTRIC, GAS AND TELEPHONE UTILITIES

STATE	Number of utilities operating in the State						Number of utilities subject to Commission regu					
	Electric			Gas			Electric			Gas		
	Private	Public	Cooperative	Private	Public	Telephone[1]	Private	Public	Cooperative	Private	Public	Telephone[1]
FPC FCC							218[2]			120[3]		
ALABAMA	1	0	0	3	105	38	1	0	0	3	0	
ALASKA	21	6	11	4	1	19	12	2	11	4	1	
ARIZONA	7	10	10	14	3	12	7	0	10	14	0	
ARKANSAS	7	5/	19	6	16	37	7	0	19	6	16[16]	
CALIFORNIA	9	30	4	16	3	30	9	0	4	15	0	
COLORADO	4	31	31	11	10	48	4	11	31	11	4	
CONNECTICUT	4	6	0	7	1	3	4	0	0	7	0	
DELAWARE 6/	2	9	1	4	0	1	2	0	1	4	0	
DISTRICT OF COLUMBIA	1	0	0	1	0	1	1	0	0	1	0	
FLORIDA	5	34	17	17	63	20	5	0	0	17	63[7]	
GEORGIA	2	50	39	4	89	42	2	0	0	4	28[8]	
HAWAII	5	0	0	1	0	1	5	0	0	1	0	
IDAHO	5	5	19	2	0	21	5	0	0	2	0	
ILLINOIS	13	43	33	19	79	9/	13	0	33	19	0	
INDIANA	9	75	45	33	20	82	6	75	43	33	20	
IOWA	7	145	71	11	40	182	7	0[13]	71[17]	11	40[13]	
KANSAS	7	139	84	20	64	63	7	20	38	20	20	
KENTUCKY	9	0	29	52	0	30	9	0	29	52	0	
LOUISIANA 6/	5	9/	169/	51	9/	26	5	169/	9/	60	9/	
MAINE	13	6	3	2	0	22	13	6	3	2	0	
MARYLAND	10[17]	7	4	10	1	2	13	6	4	12	1	
MASSACHUSETTS	15	40	0	26	4	9	15	40	0	26	4	
MICHIGAN	13	42	14	11	0	57	13	0	15	11	0	
MINNESOTA	9/	9/	9/	9/	9/	140	0	0	0	0	0	
MISSISSIPPI	2	20	29	8	49	24	2	14	27	8	19	
MISSOURI	12	9/	9/	18	9/	9/	12	0	0	18	0	
MONTANA	6	0	5/	9	2	17	9/	0	9/	9/	0	9/
NEBRASKA	9/	9/	5/	9/	9/	9/	6	0	0	0	0	
NEVADA	13	1	3	5	0	16	13	0	3	5	0	
NEW HAMPSHIRE	5	6	1	5	0	14	5	4[10]	1	5	0	
NEW JERSEY	6	9	1	5	0	8	6	0	1	5	0	
NEW MEXICO	5	6	22	14	10	17	7	0	22	14	0	
NEW YORK	17	36	6	35	2	72	17	12	6	29	2	
NORTH CAROLINA 6/	13	73	38	8	9	31	13	0	38	8	0	
NORTH DAKOTA	3	10	21	4	4	201	3	0	0	4	0	
OHIO	8	9/	9/	37	6	53	8	0	0	37	0	
OKLAHOMA 6/	4	0	0	36	0	70	4	0	0	36	0	
OREGON	4	4	17	3	0	47	4	4	17	3	0	
PENNSYLVANIA	18	2	0	69	9/	80	18	2	0	69	0	
PUERTO RICO	0	1	0	10	0	2	0	0	0	10	0	
RHODE ISLAND	4	1	0	6	0	1	4	1	0	6	0	
SOUTH CAROLINA	6	22	21	5	15	32	6	0	0	5	15	
SOUTH DAKOTA	9/	9/	9/	9/	9/	225	0	0	0	0	0	
TENNESSEE	3	9/	9/	7	9/	19	3	0	0	7	0	
TEXAS	9/	9/	9/	110	63	9/	0	0	0	110	63	
UTAH	2	0	13	5	0	17	2	0	13	5	0	
VERMONT	11	15	3	5	0	9	11	15	3	5	0	
VIRGINIA	6	18	15	17	3	27	6	0	15	17	0	
VIRGIN ISLANDS	0	1	0	0	0	1	0	1	0	0	0	
WASHINGTON	4	46	17	7	3	42	4	0	0	7	3[17]	
WEST VIRGINIA	23	1	3	45	0	16	23	1	3	45	0	
WISCONSIN	19	86	30	17	1	123	19	86	0	17	1	
WYOMING	8	8	24	14	0	15	8	8	24	24	0	
JAMAICA	0	1	0	0	0	1	0	1	0	0	0	

1/ Telephone industry sources usually publish fewer number of companies. Differences may be farmer-owned rural lines which are not completely telephone companies.
2/ Approximately.
3/ 120 interstate gas pipeline companies and about 6,600 independant gas producers. Nine companies have obtained export and/or import authority on a long term basis but operate intrastate.
4/ Of the 1222 telephone companies, approximately 85 are subject to the full jurisdiction of FCC, the remainder, approximately 1137, are subject only to partial jurisdiction.
5/ Unknown.
6/ 1967 data, no response to 1971 survey.
7/ Public gas companies regulated only as to safety practices.
8/ When municipally owned gas systems operate outside county in which municipality is located, Commission has jurisdiction over rates, service and safety.
9/ Not available.
10/ Outside municipal limits.
11/ Have jurisdiction over two municipals operating outside of the 5-mile limit. (Footnote deleted from New Mexico).
12/ Certification and safety only.
13/ Service Regulation only, not rates.
14/ 26 Coops Rate and Service Regulated, 45 Service Regulated only.
15/ 17 Companies Rate and Service Regulated, 165 Companies are Service Regulated only.
16/ Pipeline Safety only.
17/ Eight retail; two non-retail.

EXHIBIT "G"

Municipality of Anchorage

MEMORANDUM

DATE: 25 January 77

TO: Mayor

FROM: Director - Enterprise Activities

SUBJECT: On-Going Items to be Followed

APUC

U-76-7	ATU Rate Restructuring	case to be prepared
U-76-20	ASU Rate Restructuring	hearing held 10 January 77 awaiting order
U-76-11	ML&P Rate Restructuring	hearing set for 25 April 77
U-76-66	AWU Revenue Requirements and Rate Restructuring	hearing set for 7 February 77
U-76-24	Interfunds	reply to Order # 2 due 31 January 77
U-76-81	Pole Contact Rentals	hearing set for 29 March 77
U-76-80	Revenue Bond Regulations	hearing held December, 1976, awaiting order
U-76-93	Foster and Collins vs. ATU	hearing held 15 December 76 awaiting order
U-76-76	Terminal Equipment (ATU)	generic hearing
U-73-16	ATU - Ft. Richardson	hearing date to be set
U-76-1	ML&P/CEA Contested Customers	hearing open anytime
U-75-95	ML&P/AGAS Rate Restructuring	hearing date to be announced
U-77-	Generic hearing on relations with Interconnect Companies	scheduled for mid-June
U-77-	AWU Line Extension Policy	comments due by 18 February 77
U-75-75	ACI Formal Complaint against ATU (point of connection)	
U-75-13	Adequacy of Toll Service between Anchorage and Juneau	
U-75-33	Private Line for FAA - RCAA/ATU	

- EXHIBIT "H" - page 1 of 2 -

SUPREME & SUPERIOR COURTS

Supreme Court	Case # 76-2322	Appeal of APUC to Judge Carlson's order on ATU's (et al) Interfund decision
Superior Court	Order # 19	ML&P/CEA dated 27 September 73 pending Supreme Court Appeal (delineates service areas, elimination of duplication)
	Case # 76-2934	ATU's Appeal to the APUC Revenue Requirements Order in Docket U-76-6
	Case # 74-7693	Standard Oil vs. ATU (excess mileage charges)
	Case # 76-5496	Thomas, Hurst, Mills et al vs. ATU (class action - discrimination)

RCAA/ATU

1971 Separation Study	final adjustment to agreement
1975 Separation Study	final adjustment to agreement
1976 Traffic Study	in process
1976 Separation Study	to be completed by ATU about 1 July 77
Private Line Separations Agreement	may be affected by APUC's Docket U-76-

call Mr. Sterling Gallagher to the stand.

(Oath administered)

MR. GALLAGHER: I do.

THE CLERK: Please be seated. Clip the microphone to your lapel.

JOHN STERLING GALLAGHER

called as a witness on behalf of the plaintiff, testified as follows on:

DIRECT EXAMINATION

THE CLERK: For the record, please state your full name?

A John Sterling Gallagher.

THE CLERK: Sterling?

A Sterling. S-t-e-r-l-i-n-g. G-a-l-l-a-g-h-e-r.

THE CLERK: Your address?

A Rural Route 4, Box 4691, Juneau, Alaska.

THE CLERK: Occupation?

A Commissioner of revenue, state of Alaska; secretary to the state bond committee; vice-chairman of the Alaska municipal bond bank.

THE CLERK: Thank you.

BY MR. KEMPPEL:

Q Mr. Gallagher, maybe you could state for us briefly some of your past experience in the bond market and present experience in the bond market?

A I'll first start off with my education. I got a BS

tice. It -- it would -- it would be -- you could sell the bonds on the market I'm saying, but you would force out other activities that are socially acceptable.

Q What approach, going back to order number 7, what approach is it your understanding that the Public Utilities Commission is using in setting the rates for a municipally owned utility?

A Could you rephrase the question? I'm not sure that their present one.....

Q What approach in setting the rates of a municipal owned utility does the Public Utilities Commission propose to use?

A They are proposing a reasonable rate of return basis based on a stock ownership basis instead of a coverage test which is normally associated with municipal utilities.

Q Are you aware of utility projects which are financed 100 percent with debt?

A Yes.

Q Can you give me an example of one of those?

A I am taking part in the writing of the new authority for the State government, that's called a power authority. One of the things we intended to finance was the Devils Canyon Dam and we do not plan to put in 3 to 400 million dollars in order to finance it. We in fact intended to finance it all with revenue bonds and having sufficient coverage to

attract investors to that. There will occur equity in that over a period of time, but not at the outset.

Q Do you consider that an unreasonable rate of return for that project for it to receive rates sufficient to cover debt service and -- your testimony is that that project initially will have no equity, it will be 100 percent debt financed. If you sell revenue bonds at 1.4 times coverage will that be an unreasonable rate of return to that project?

A No.

Q Why not?

A Because that is the amount necessary to attract investors to do the project.

Q Could you tell us one of the traditional aspects to a reasonable rate of return, or your understanding of it.

A Well, there is really 2 basis. There is the municipal utility and there's the stock owned company. One requires a -- the elementary difference is one doesn't have the ability to go on the market and raise equity capital, and the other one does. That's why one has a reasonable rate of return with -- where you pay out dividends, the other one is not requiring paying out of dividends. In fact its equity can be built up over a period of years.

Q So I take it that you see no conflict between 42 05 381 which says that the municipality is entitled to include a reasonable rate of return and 42 05 431 which says the

municipality may covenant with bond purchasers regarding the rates of municipal owned utilities?

A I don't see any difference, no.

Q Will the -- you testified as to the effect upon the market for the Municipality of Anchorage revenue bonds, will that effect on that market have any effect upon the State bonds?

A Yes. I've so stated that in the past. There is a chain reaction -- because of the close connection between our subsidiaries and the State itself, there is a reflection.

Q So you see the harm resulting from this order as being State wide in nature?

A Yes, I do. We also have other municipal utilities that it affects.

Q Thank you, Mr. Gallagher. I have no further questions.

JOHN STERLING GALLAGHER

testified as follows on:

CROSS EXAMINATION

BY MR. LOWENFELS:

Q Mr. Gallagher, isn't it true that the commission is absolutely correct when it says that it has the authority to establish rates irrespective of municipal bond revenue bond coverage, provided that said bond coverage is prospective?

A I'm not sure that it does. I believe the statute here -- as I -- a municipality may covenant with bond purchasers regarding rates of a municipally owned utility and the

proper condition, it has no right to impose a tax for revenue purposes except such as it is expressly authorized to levy and collect by the legislative power creating it. Town of Seward v. Seward Water & Power Co., 5 Alaska 52 (1914).

Am. Jur., ALR and C.J.S. references.—37 Am. Jur., Municipal Corporations, § 46 et seq.

nance as to franchise as affecting validity thereof, 32 ALR 1525.

Forfeiture of street railway franchise for breach of condition, 34 ALR 1420.

64 C.J.S. Municipal Corporations § 1726.

Sec. 29.48.060. Public utilities rates. The assembly acting for the area outside cities and the council acting for the area within a city may regulate, fix, establish and change, as it considers proper, the rates and charges imposed for utilities services given to the municipality or its inhabitants by a public service association, corporation, or individual not regulated under AS. 42.05 and may regulate and provide what is a reasonable deposit for meters and security for service to be given, provided that interest be paid on the deposit. All rates, charges and regulations shall be reasonable and shall permit a fair and reasonable return on invested capital. (§ 2 ch 118 SLA 1972)

This section was intended to refer, not only to franchises thereafter to be granted, but to franchises then in existence. Alaska Elec. Light & Power Co. v. City of Juneau, 294 F. 864 (9th Cir.), cert. denied, 266 U.S. 601, 45 S. Ct. 90, 69 L. Ed. 462 (1924); Town of Cordova v. Alaska Pub. Util., 9 Alaska 196 (1937).

City may not contract away power to fix rates of utilities.—A city may not contract away its power to fix, and from time to time change, the rates to be charged by private organizations engaged in furnishing public services. Such action is prohibited by this section and by AS 29.10.147 and 29.10.150 (now 29.48.070 and 29.48.080). Femmer v. City of Juneau, 9 Alaska 315, 97 F.2d 649 (9th Cir. 1938).

But may contract as to rates for its own services.—This section and AS 29.10.147 and 29.10.150 (now 29.48.070 and 29.48.080) have no effect upon the power of a city to fix contractually the rates to be charged a user of a municipally owned public utility. Femmer v. City of Juneau, 9 Alaska 315, 97 F.2d 649 (9th Cir. 1938).

Rates may not be irrevocably fixed. —There is not necessarily included in the power of a municipality to provide lights for a city, the power to enter into a binding contract whereby the rates to be charged by a public utility corporation shall be irrevocably fixed. Alaska Elec. Light & Power Co. v. City of Juneau, 294 F. 864, (9th Cir.), cert. denied, 266 U.S. 601, 45 S. Ct. 90, 69 L. Ed. 462 (1924).

All the operator of a public utility is entitled to is a reasonable return on his net capital investment, represented by property actually used and useful in the public service, and then only provided that his operation is efficient and economical. Pichotta v. City of Skagway, 12 Alaska 42, 78 F. Supp. 999 (D. Alas. 1948).

But rates fixed too low are confiscation of property. — Where the rates prescribed are not sufficient to meet operating expenses, there is not merely an incidental diminution in the value of plaintiff's property, such as would be unavoidable upon any exertion of the police power to fix rates which diminished income, but a confiscation in the constitutional sense, and the enforcement of the ordinance should be enjoined, without prejudice, however, to the right of the city to take such further proceedings as it may deem necessary in connection with the amendment of its ordinance.

Alaska 42, 78 F. Supp. 999 (D. Alas. 1948).

Meaning of "invested capital". — "Invested capital," as used in this section, means the initial investment, regardless of subsequent changes in ownership, plus capital additions and minus accrued depreciation. Pichotta v. City of Skagway, 12 Alaska 42, 78 F. Supp. 999 (D. Alas. 1948).

The term "invested capital" should not be construed to mean fair value, nor is the utility entitled to the benefit of any appreciation in value, nor should the term be construed to mean that which is paid for a utility by the last purchaser.

Alaska 42, 78 F. Supp. 999 (D. Alas. 1948).

Fact investment was made before section was adopted is irrelevant.— In determining the reasonableness of a rate base fixed by a city under this section, the circumstance that the investment was made or cost incurred before this section, authorizing regulation, went into effect in 1923, would seem to be wholly irrelevant. Pichotta v. City of Skagway, 12 Alaska 42, 78 F. Supp. 999 (D. Alas. 1948).

C.J.S. references. — 62 C.J.S. Municipal Corporations § 292; 63 C.J.S. Municipal Corporations § 979.

Sec. 29.48.070. Hearing for regulation of utilities rates. If the assembly or council considers it advisable to regulate, change, or fix the rates to be charged by a public service corporation or association or individual not regulated under AS 42.05, it shall order a hearing to be held before the governing body at a time and place specified. Notice of the hearing shall be given by at least one publication in a newspaper of general circulation distributed within the municipality or, if no newspaper of general circulation is distributed within the municipality, notice shall be given by posting a notice in three public places within the city or borough area outside cities receiving the utilities services and by serving written notice upon the corporations, associations and individuals whose rates are to be regulated, fixed, or changed in the same manner that summonses are served. The notices shall be published or posted and served at least 15 days before the hearing. (§ 2 ch 118 SLA 1972)

Am. Jur. and ALR references.—43 Am. Jur., Public Officers, §§ 86, 201 et seq.

Regulation of municipal utility rates, 76 ALR 852; 127 ALR 94.

Sec. 29.48.080. Right to participate and compel testimony. At a hearing held under § 70 of this chapter, all public service corporations, associations, or individuals affected by or interested in the matters to be heard may be present and may be represented by counsel. The municipality and all interested parties may produce witnesses and examine them and introduce evidence to prove or disprove the facts in issue or matters to be established or inquired into at the hearing. All parties may compel the attendance of witnesses, and subpoenas requiring attendance shall be issued by the municipal clerk under his hand and the seal of the municipality. Subpoenas duces tecum requiring the production of books and papers shall be issued in like manner upon request. If a person fails to obey a subpoena, the party at whose request the subpoena

issued may petition the superior court for an order compelling the attendance of the disobedient witness or the production of the books or papers referred to in a subpoena duces tecum. The superior court shall order the witness to appear and testify or compel the production of the books or papers. A violation of the order of the court is a contempt of court. If a witness appears and refuses to testify concerning a matter material to the facts inquired about at the hearing and to establish or determine which the hearing was had, an application may be made to the superior court to compel the witness to testify and answer questions put to him concerning the matters inquired about, and the court shall make an order compelling the witness to testify. Violation of the order is contempt of court. (§ 2 ch 118 SLA 1972)

There is no provision requiring the common council to adduce testimony. Graff v. Town of Seward, 20 F.2d 816 (9th Cir. 1927).

Sec. 29.48.090. Further proceedings. A hearing under § 70 of this chapter shall begin at the time stated in the notice but may be continued from time to time. At least a quorum of the assembly or council shall be present at the hearing. At the conclusion of the hearing the parties interested may make such arguments before the assembly or council, either in person or by attorney, as they consider proper, touching the matters at issue, and thereafter the assembly or council shall proceed to regulate and fix the rates by ordinance. The date upon which the rates fixed or regulated take effect shall be stated in the ordinance and shall be at least 10 days after passage and approval of the ordinance. (§ 2 ch 118 SLA 1972)

Courts may review rate orders. — There is no statutory provision for appeals from rate orders, but it appears to be settled that, where a constitutional right is involved, the court may determine the issue upon its own record and the evidence adduced before it, even though it had not been presented to the regulatory body. Pichotta v. City of Skagway, 12 Alaska 42, 78 F. Supp. 999 (D. Alas. 1948).

And the courts are not bound by the findings of the city. Pichotta v. City of Skagway, 12 Alaska 42, 78 F. Supp. 999 (D. Alas. 1948).

Rules governing review by court.— In its consideration of the mass of evidence produced in appeals from rate orders, the court is aided by well-settled rules governing litigation of this kind, namely: (1) That the orders of a regulatory body are presumptively valid, reasonable and correct; (2) that the burden of proof on the issue of confiscation is on the one raising it, and that nothing less than clear and convincing proof will justify judicial interference; (3) that the court cannot substitute its judgment for that of the authority whose action is under review upon a question as to which there is room for a difference of intelligent opinion. Pichotta v. City of Skagway, 12 Alaska 42, 78 F. Supp. 999 (D. Alas. 1948).

There is a strong presumption in favor of the rates found by the council. Graff v. Town of Seward, 20 F.2d 816 (9th Cir. 1927).

Sec. 29.48.100. Application. (a) In the case of conflict between the provisions of §§ 50—70 of this chapter and the provisions of

AS 42.05 as to the regulation of rates of a utility, the provisions of AS 42.05 shall prevail.

(b) Sections 50—100 of this chapter apply to home rule and general law municipalities. (§ 2 ch 118 SLA 1972)

Article 3. Municipal Enactments.

Section
130. Acts required to be by ordinance
140. Form of ordinances
150. Ordinance procedure
160. Emergency ordinances
170. Codes of regulations
180. Codification
190. Budget and capital program
200. Penalties
210. Expenditure of borough revenues
220. Post audit

Sec. 29.48.130. Acts required to be by ordinance. (a) In addition to other actions which this title requires to be by ordinance, the assembly or council of a municipality shall use ordinances to

(1) establish, alter or abolish municipal departments; —

(2) fix the compensation of members of the assembly or council;

(3) provide for a fine or other penalty, or establish rules or regulations for violation of which a fine or other penalty is imposed;

(4) provide for the levying of taxes;

(5) make appropriations and supplemental appropriations or transfer appropriations;

(6) grant, renew, or extend a franchise;

(7) regulate the rate charged by a public utility;

(8) adopt, modify or repeal the comprehensive plan, zoning and subdivision ordinances, building and housing codes, and the official map;

(9) approve the transfer of a power to a borough from a city;

(10) designate the borough seat.

(b) This section grants no authority but requires the assembly or council to use ordinances in exercising certain of its powers. (§ 2 ch 118 SLA 1972)

Revisor's note (1972).—In ch. 118, SLA 1972, AS 29.48.130(a)(3) read in part ". . . other penalty for establishing rules . . . ." To make sense and to conform to former AS 07.20.080-(a)(3) and earlier versions of the Municipal Code revision, this typographical error has been corrected to read ". . . other penalty, or establish rules . . . ."

Taxes must be levied by ordinance.—The borough assembly may levy taxes only by means of an ordinance enacted under the terms of this section. 1963 Op. Att'y Gen., No. 25.

Borough department illegally established.—Where a proposed incorporation petition provided that public health services should be administered not by the borough assembly but by a board of health which was to be appointed by the borough assembly, but otherwise to operate autonomously in making rules and regulations with the force of law, such rules and regulations would be illegal ordinances since they would be pro-

February 7, 1977

Municipal Assembly
Municipality of Anchorage
Pouch 6-650
Anchorage, Alaska 99502

Subject: Letter of Transmittal
Interim Utility Commission's Final Report

Dear Assembly Members:

Transmitted herewith for your review and consideration is the final report of the Interim Utilities Commission. You will note as part of this transmittal I have submitted an individual letter to the Assembly from each Commission member, including one containing my own comments. This report is the end product of a great deal of work and compromise of all Commission members. I hope that you, as members of the Assembly, will take the time to review and give it due consideration.

It is our understanding that the individuals who drafted the Municipal Charter, and those who voted for the adoption of the Charter, did so with the clear feeling that efforts would be made to develop a program wherein the enterprise activities of the Municipal could be operated in an optimum manner. The Interim Utility Commission, as a body, believes that they have formulated just such a plan. We recognize that a great deal of detail will be required to activate our recommendations, however, we feel that there is sufficient information in our report to clearly define the outcome of the reorganization we suggest.

I wish to express the appreciation of our Commission to the Assembly members for their assistance and indulgence during the development of this report. With the submittal of this report to the Assembly, this Commission is herewith dissolved.

Very truly yours,

INTERIM UTILITIES COMMISSION

James R. Hendershot
Chairman

JRH:dea

enclosure

EXHIBIT "K"

TELEGRAM

RCA Alaska Communications, Inc.

RECEIVED

CLERK'S OFFICE

#

06038 JUNEAU ALASKA 115 12-10 1233P PST

PMS MAYOR GEORGE SULLIVAN MUNICIPALITY OF ANCHORAGE

POUCH 6-650 264-4431 EXT 431 0516

ANCH

THE FOLLOWING TELEGRAM HAS BEEN SENT TO THE APUC.

THE ALASKA MUNICIPAL LEAGUE WANTS TO REITERATE

THEIR OPPOSITION TO ANY FURTHER INFRINGEMENT BY

THE APUC INTO THE OPERATION OF MUNICIPALIY OWNED

UTILITIES. THE LEAGUES POLICY STATEMENT IS AS FOLLOWS:

DESPITE THE DEMONSTRATED ABILITY OF MUNICIPALITIES

TO OPERATE THEIR OWN UTILITIES IN THE BEST

INTEREST OF THE CONSUMER PUBLIC, EFFORTS ARE CONSTANTLY

BEING MADE TO SUBJECT MUNICIPALITY OWNED AND OPERATED

UTILITIES TO REGULATION BY THE ALASKA PUBLIC UTI

ITIES

COMMISSION. THIS IS A COSTLY AND UNECESSARY INFRINGEMENT

ON LOCAL GOVERNMENT POWERS AND THE LEAGUE OPPOSES ANY

LEGISLATION WHICH WOULD INFLICT THIS UNDO REGULATION

BY THE STATE ON MUNICIPALITY OWNED AND OPERATED UTILITIES.

DON M. BERRY EXECUTIVE DIRECTOR ALASKA MUNICIPAL LEAGUE

cc - Jack Harris
Pete Hinder

#

TELEGRAM

cc To Gindes Mayors

RECEIVED mailed same they got today

DEC 10 1978

MAYOR'S OFFICE

RECEIVED

DEC 10 1978

MUNICIPAL ATTORNEY

#

23005 NL PETERSBURG ALASKA S5 12-09 1130A PST

PMS GEORGE SULLIVAN, MAYOR

CITY OF ANCHORAGE 0774

524 WEST 4 AVENUE

ANCHORAGE AK "

COPY OF WIRE SENT TO:

T LOWEL JENSEN, EXECUTIVE DIRECTOR

ALASKA PUBLIC UTILITIES COMMISSION

338 DENALI SIREET, MACKAY BUILDING, ANCHORAGE AK

DEAR MR JENSEN

YOUR PROPOSAL TO AMEND REGULATIONS GIVING YOU THE POWER TO APPROVE SALES OF REVENUE BONDS TO THE APUC IS AN INFRINGEMENT ON THE POWERS OF A HOME RULE CITY OR BOROUGH. I STRONGLY OBJECT TO THE ADOPTION OF THESE REGULATIONS AND WILL DO ALL IN MY POWER AS A MEMBER OF THE ALASKA STATE LEGISLATURE TO PREVENT YOU FROM DOING SO. YOURS TRULY,

E J HAUGEN, REPRESENTATIVE, DISTRICT 2, BOX 1049

PETERSBURG ALASKA 99833

The Anchorage Times

Business-Financial

Prospects Appear Slim For Utilities Exemption

Times Juneau Bureau

JUNEAU — Mayor George Sullivan's bill to exempt Anchorage's non-competitive municipal utilities from regulation by the Alaska Public Utilities Commission isn't likely to pass the legislature this year because it was introduced too late in the session, Anchorage state senators say.

The bill, which Sullivan has said is his most important piece of legislation, was introduced last week and is headed for a hearing March 31 in the Senate Community and Regional Affairs Committee.

"It's very doubtful it will go anywhere this year," said committee member Sen. Bill Sumner, R-Anchorage. "It's not on any priority list I've seen."

The bill is aimed at reducing the cost of settling rate cases by giving the municipal assembly the state utility commission's authority to set utility rates for Anchorage.

Since mid-1975 the city's water, electric and telephone utilities have spent $824,000 bringing rate cases before the commission, according to Sullivan. That expense is passed on to consumers and taxpayers.

"We're the only city in the state regulated by them and its costing ratepayers thousands of dollars," Sullivan has said.

Even if the bill had been introduced earlier, it would face the critical reception it is expected to receive from legislators. The state lawmakers are wondering why Anchorage should go unregulated.

"The basic problem is that municipal taxpayers and ratepayers don't have any confidence that unregulated utilities will deliver their services at a fair price," Sen. Pat Rodey, D-Anchorage said. "People can't understand why rates keep going up. And frankly, I can't either."

Rodey doubts that the Anchorage Municipal Assembly — which would regulate its own utilities under the Sullivan plan — would be any more responsive or fair to the consumer than the commission is, he said.

He also said the figure Sullivan cited as the cost of bringing a case before the commission is inflated, including expenses for consultants and office time spent preparing the case.

"A lot of us feel the costs of rate cases are too high but nobody is for turning Anchorage loose without some sort of internal checks and balances," Sumner said. Approval of the bill will depend on the assembly convincing the legislature it has adequate regulatory checks built in to its system, he said.

Legislators recognize that while the bill is of prime concern to Sullivan, the Anchorage Municipal Assembly is split on the issue. Legislators say they are looking for some proposal by the assembly establishing an alternate mechanism for setting rates and they want some assurance the assembly can do the job.

March 18, 1977

SB 259

Mr. Dave Rose, Chairman
Anchorage Municipal Assembly
4326 East 5th Avenue
Anchorage, Alaska 99504

Dear Mr. Rose:

At the regular meeting of the Water Utility Advisory Commission on Monday, March 14, the Water Utility Advisory Commission went on record opposing any move to remove the Water Utility and other non-competitive utilities from the jurisdiction of the Alaska Public Utilities Commission until such time as a firm plan for properly handling the utilities' financial and regulatory matters has been formulated and approved.

Sincerely,

N. F. Kaelber

Norman Kaelber
Chairman
Water Utility Advisory Commission

/sr

cc: Anchorage Municipal Assembly Members
Mayor George Sullivan

Ed - For your information.

impose those checks

supports legislation relieving noncompeting utilities owned by the Municipality of Anchorage from regulation by the Alaska Public Utilities Commission with respect to all matters other than service area certification.

Passed and approved by the Anchorage Assembly, this ____ day of _____, 1977.

_____
Chairman

ATTEST:

_____
Municipal Clerk

Requested by: Chairman of the Assembly
at the request of the Mayor
Prepared by: Department of Law
For Reading: February 22, 1977

ANCHORAGE, ALASKA
AR NO. 77-7

A RESOLUTION RELATING TO EXEMPTION OF ANCHORAGE MUNICIPAL UTILITIES FROM STATE REGULATION.

WHEREAS, electric, telephone, water and sewer utilities owned by the Municipality of Anchorage are now subject to regulation of all phases of their activities by the Alaska Public Utilities Commission; and

WHERAS, no other municipally-owned utilities in the State of Alaska are subject to such regulation; and

WHEREAS, only the electric utility is engaged in competition with a private utility, and this competition will be eliminated by final certification of service areas; and

WHEREAS, policy reasons which may have existed for regulation of utilities owned by the City of Anchorage have disappeared with unification of the former City and Borough; and

WHEREAS, compliance with expensive, complex, and often inconsistent and unnecessary requirements of the Alaska Public Utilities Commission imposes a substantial and unwarranted burden on the Anchorage municipal ratepayer; and

WHEREAS, the Anchorage Assembly, as elected representative of all citizens in the Municipality of Anchorage, including all municipal utility ratepayers, is fully competent to provide for regulation of its utilities in the same manner as other municipalities;

NOW, THEREFORE, be it resolved that the Assembly of Anchorage

UTILITIES
AR 77-7
Exemption of
Anch. Mun.
Utilities from
State Regulatio

B. Resolution No. AR 77-7, a resolution relating to Exemption of Anchorage Municipal Utilities from State Regulation.

Mr. Besser moved, seconded by Mr. Brannon — to adopt AR 77-7.

Mayor Sullivan stated that they have hashed it over and there are feelings pro and con. He said there was an article in the Alaska Industry magazine mentioning how few people turnout at public hearings. We continually talk about home rule, he said, and he thinks this is one of the things that relates to home rule. Most home rule cities are not regulated in other states, he noted, and the finance people indicate this, and he thinks this may cause higher rates for Anchorage. He said that he would like to sit down with the Assembly and to work this out, if this is passed. He said there might be an effective date of July 1st or September 1st.

Chairman Rose handed the gavel to Vice-Chairman Brannon.

Mr. Rose said that he has a letter from Pete Argetsinger, Assistant Municipal Attorney, which goes into depth as to a scheme and pattern for this. He talks of Title 29 and what he himself is proposing is an ordinance that spells out how they will still self-regulate. Mr. Rose asked for a more orderly approach then what the Mayor has recommended. He would like to do two things, he said; one, do not vote it down; two, table it with specific recommendations that the Administration bring back an ordinance and bring it back on the table after the ordinance is introduced.

Mayor Sullivan asked if they would be willing to consider it as an emergency ordinance, and Mr. Rose replied he had no problem with that.

Mrs. Sturgulewski said that she felt nationally there have been developed some suspicion of monopolies and that is why these regulatory commissions are necessary. To request deregulation at this time, she said, is like letting the fox loose with the chickens, while Farmer John is on vacation. She mentioned the Charter Commission and its difficulty in getting information on finance from the utilities, and she felt they had better take a good look at this. She felt that there was a great deal of expertise involved and until they get the whole financial picture straightened out, they should move very slowly.

Mrs. Selkregg said that she supported Arliss' statement and that she would like to vote against it and study the issue for a longer period. She felt there should be a better informed public before making such a decision.

Mr. Walsh moved, but it died for lack of a second, — to postpone action for a period of one month.

Mr. Rose moved, seconded by Mr. Besser — to postpone AR 77-7, pending action by the Administration to draw an ordinance for introduction and hearing, which would basically impose those checks and balances contained in Title 29, applying to a home rule charter, with specific times and dates for hearings.

Mr. Rose said that then on the night of adoption, this resolution could come back before the Assembly.

Mr. Chiei said he would like to abstain from voting because they are under conflict because of the PUC.

NAYS: Walsh, Selkregg, Knowles, Sturgulewski.
ABSTAIN: Chiei.

Mr. Rose moved, seconded by Mr. Besser — to table AR 77-7.

Mrs. Selkregg requested PIO to prepare information for the public as to what the PUC does as an educational process.

Mr. Rose asked if the Administration would assent, they would like to try to rough out an ordinance and flesh it out and make it available to the Assembly.

Vice-Chairman Brannon called for the vote to table, and it passed:

AYES: Walsh, Marsh, Selkregg, Besser, Rose, Baer.
NAYS: Brannon, Knowles, Sturgulewski.
ABSTAIN: Chiei.

C. Ordinance No. AO 77-59, an ordinance Adopting Title 26 of the Anchorage Code to be Entitled "Utilities".
   1. Assembly Memorandum No. AM 142-77, regarding same.
   2. Assembly Memorandum No. AM 142-77A, regarding same.

Chairman Rose again had the gavel and said that he would like to put this aside temporarily and take it up at the later meeting, if there was no objection; there was no objection.

D. Ordinance No. AO 77-23, an ordinance Adopting a Title 24 of the Anchorage Municipal Code to be entitled "Streets and Rights-of-Way".
   1. Assembly Memorandum No. AM 59-77, regarding same.
   2. Resolution No. AR 77-24, a resolution establishing a Schedule of Permit Fees as provided in Section 24.30.090 D of the Municipal Code of Ordinances.
      a. Assembly Memorandum No. AM 59-77B, regarding same.

Mrs. Sturgulewski moved, seconded by Mr. Brannon — to approve AO 77-23.

Mrs. Sturgulewski suggested that the amendments included in AR 77-24 be approved, and Mr. Swing pointed out that AM 59-77B included all the amendments.

Mrs. Sturgulewski moved, seconded by Mr. Walsh — to amend by approving AM 59-77B, which contained all the amendments.

AYES: Chiei, Walsh, Marsh, Selkregg, Besser, Rose, Brannon, Knowles, Sturgulewski, Baer.
NAYS: None.

Chairman Rose then asked for the vote on AO 77-23 as amended, and it passed:

AYES: Chiei, Walsh, Marsh, Selkregg, Besser, Rose, Brannon, Knowles, Sturgulewski, Baer.
NAYS: None.

Mr. Walsh moved, seconded by Mr. Besser — to approve AR 77-24.

Chairman Rose asked if there were any problems with this, and Mr. Swing said that Mr. Bollinger would be able to respond.

Mr. Bollinger said that there will be no fee unless what is proposed endangers the right-of-way, then a fee of $2.50 would be charged.

There was further discussion of planting of trees, retaining walls and rock gardens in this area, and Mr. Bollinger said that if someone was going to put a large boulder on top of a gas line, then there might be a problem, but other than that, he did not foresee any.

seconded by Mr. Smith, and it was passed without objection, floor until after the public hearing on the next item.

H. Resolution No. AR 77-7, a resolution relating to exemption of Anchorage Municipal Utilities from State Regulation. UTILITIES AR 77-7

The public hearing on Resolution No. AR 77-7 was opened.

RUTH MOEN stated that she would like the Assembly to not take action on removing non-competitive utilities from under APUC regulation. She does not believe, she said, that the cost to her from the utility would go down were they not regulated by APUC and she views APUC as a sort of guard against the fact that rates could be raised indiscriminately. She lives in an outlying area, she said, and receives no benefit from the profits of the utilities, only pays into them.

RICHARD HANGER stated that he is in business putting in private PBX systems in Anchorage. A legal monopoly is the best reason for regulation, he said. Any changes of tariffs or other provisions, he said, must meet basic rules to stand a test in court, no matter who regulates them. Mr. Hanger noted that the APUC has a budget of $1.3 million and a staff of 31 people. A staff will be required by whoever does the regulating, he said, and he estimated a bare minimum of 3 if the Assembly regulates municipal utilities. He distributed to the Assembly an article on the APUC and a handout relative to typical charges from ATU to an Anchorage business firm.

LLOYD MORRIS of Communications Engineering stated that his firm holds a certificate of convenience and necessity from the APUC to provide radio-telephone service in Anchorage. He has a problem, he said, understanding how ATU is non-competitive, since it does have a certificate to provide the same service as his company, although, it does not at this time to do so. If ATU did provide this service for which it is certified, he said, it would definitely be competing with Communications Engineering, which would place ATU in the identical position of the electric utility competing with CAU. For this reason, Mr. Morris stated, he feels that ATU should be withdrawn from the resolution before the Assembly.

BOB JOHNSON stated that for the past three years he has been on the Water Commission, working with the Anchorage Water Utility. He recommended approval of the resolution before the Assembly. When AWU was placed under the APUC regulation, he recalled, it was placed there because their service extended beyond their jurisdiction and there were excesses practiced on the people outside of their jurisdiction but which received the services. This condition, he said, no longer exists. APUC regulation impacts their growth, he continued; it takes 9 to 18 months to get a case through the Commission because the Commission must weigh that case against all others in the state. But meanwhile, he said the utility cannot sell bonds because there is no revenue coming in to justify bonds. The Water Commission was satisfied, he said, with the work of the APUC. Mr. Johnson recommended that the Administration hire the expertise necessary and take it under Municipal control so that the utilities can move at the speed they need to move. He continued with recommendation that the Municipality establish these utilities as public corporations under one head and that the utilities pay taxes or contributions in lieu of taxes and operate in a business like manner and the Assembly would approve or disapprove any rates. He would envision the Assembly sitting as an appellate body, he continued, rather than a hearing body on rate cases.

PAT REDMOND, speaking as a consumer, stated at first glance she does not want her public utilities taken out from under APUC regulation. Some of the things she considered were the cost of Municipal regulation, the time and the politics. Most utilities are regulated, she said, and she would like for Anchorage's to be regulated, and by APUC.

owned by the former City, she said, go to the former City; and those who live outside need the protection of APUC. If a utility is not competing with others, she continued, that means it is a monopoly and that means it should be regulated. The Assembly should consider, she pointed out, that the APUC has a great deal of expertise; and should be a body that the Municipality works with, rather than against. Were this the case, she said, she doubted that the bills for rate cases would have been as high as they have been. Mrs. Frohne noted that Fairbanks is looking at asking to be regulated by APUC; and in closing she stated that deregulation from APUC and Municipal regulation indeed require a vote of the people under the provisions of the Charter.

JEFF LOWENFELS, a private citizen, noted that he was speaking as such, although in the past he has represented APUC, since he works in the Attorney General's Office. He stressed that he was speaking as a private citizen. Generally, he stated, the rule is that rate case expenses are passed to the subscribers. In the $400,000 Municipal case, he said $150,000 was disallowed by APUC and the rest will be passed on. Speaking to comments in favor of self regulation, Mr. Lowenfels stated that he would hate to think of the quality that would be sacrificed by removal from APUC jurisdiction. The Commission and its staff spend an incredible amount of time, he said, working on the cases that go before them; and he does not feel the Assembly has the time nor the guts to handle a hot rate case. He continued that he did not feel it would be fair to the rate-payers to have the issue of quality, and cost of service kicked around as a political football. In regard to the previous statement that there were no longer any problems of discriminatory rates, Mr. Lowenfels noted that ATU attempted to set up 5 rate zones- the further from the center of town one lived, the higher the rates they would pay.

IKE WALDROP, business manager for IBEW, stated that he favors the resolution, feeling that it could result in substantial savings to the utilities. The consumers would be protected and better served, he continued, because the Assembly is more responsive, being an elected body, elected by the rate-payers.

BERT AYER, representing HALO, stated that his organization is opposed to passage of this resolution. Members of the Hillside feel the need for a disinterested party, he said, which is not a party of the body politic, to regulate their telephone and electric utilities. They do not feel, he continued, that the time has come for Municipal regulations. They were also very upset, Mr. Ayers said, about the condition of the Anchorage Water Utility. They also feel, he said, that ATU would be in better condition if it did not support the general fund as much as it does.

AL PISTORIUS of ATU stated that he felt sure the Assembly could do just as good a job as the APUC and probably with less money. Relative to complaints, Mr. Pistorius said he felt sure the utility was responsive at this time, no matter who was calling with the complaints. If people really looked at the cost of providing the service, in the more outlying areas, he said, the subsidy is really in reverse, with the urbanized area supporting or contributing to service in the outlying areas. Speaking to the telephone systems, Mr. Pistorius noted that last year Anchorage ranked 16th in the nation size-wise among private companies. Speaking to the municipal systems, Mr. Pistorius noted that Alaska has four municipal utility systems and the only other one in the United States is in Montana.

TOM STAHR of the electric utility stated that Seattle City Light is regulated by the municipal government. They provide excellent service, he said, and have the lowest rates in the nation. The State regulates utilities in an adjacent area, he continued, at a much higher cost. Mr. Stahr stated that he felt regulation should be done by the Assembly. Seattle, he noted, does have a rate department and it goes from that rate department to the city council.

he does not look forward to [illegible] hearings, he said, one before the Assembly and one before the APUC. Mr. Merrell said he had no objection to letting the Assembly know what they are going to do and going to take before the APUC; but he definitely does not want two hearings. Mr. Merrell pointed out to the Assembly that the Anchorage Water Utility started a rate case in late 1974 which went on through all of 1975; an interim rate was granted in 1976 and they just had the final hearings now, in 1977. That's an awfully long time to wait to get a rate established, he said; and he feels the Assembly would be more responsive.

There being no one else who wished to be heard, the hearing was closed.

Mr. Marsh moved, seconded by Mr. Smith, to approve Resolution No. AR 77-7.

Mayor Sullivan noted that the Administration was only asking for non-competitive utilities to be taken out from under the jurisdiction of APUC. This was generally the intent of the statute passed by the Legislature some years ago, he said. The Municipality suffers on its bond sale rates, he continued, because we are regulated by the State. There is delay upon delay with the APUC, he said, because of additional material they request or changes in their rules; and these delays amount to months and months. Some decisions take well over a year, he said. He cited the telephone rate case as an example, it started in 1975, at which time the only figures available were for 1974, then in May of 1976, Mayor Sullivan continued, the Commission directed the Municipality to forget the '74 figures and to work on '75, so that all of the work done and time spent had to be dropped in order for the work on '75 figures to begin. In the meantime, the Mayor said, the Municipality had been negotiating with RCA and was successful in reaching a substantial settlement, which increased the toll revenues. That was what the Municipality needed and along with the settlement the need for cash dropped. If the rate increase had been granted prior to the favorable settlement with RCA, he pointed out, the Municipality would have had to go back to APUC for a rate increase. It was not the APUC action, he said, but the settlement with RCA which improved their case position for ATU.

Mr. Marsh stated that he had served on City Council when the Council managed the utilities; and he felt that they were responsive and effective in their job.

Mrs. Sturgulewski stated that she could not support the motion, feeling that more needed to be known about staffing, time commitment, cost, etc. This is a very sensitive issue, she said, and the Assembly has an extra ordinary responsibility, particularly to the people outside the City Service Area, on the issue. She has not seen enough, she said, in the Municipality proving itself to be able to say that now is the time that it can regulate its own utilities.

Mr. Brannon moved, seconded by Mr. Marsh, to postpone action on Ordinance No. AO 77-59 and Resolution No. AR 77-7 for two weeks; these items to be scheduled as a Special Order of Business at that meeting.

Mr. Chiei asked to be allowed to abstain from voting, noting that he was now involved in a hearing before the APUC.

Question on the motion to postpone was called and it was passed.

AYES: Walsh, Marsh, Rose, Brannon, Smith, Baer

NAYS: Knowles, Sturgulewski

ABSTAINING: Chiei

veto message on Ordinance No. AO 77-32, noting, for the record, the Assembly's official receipt of the veto.

GLEN HEATHERLY came forward and asked why the residents of the area had not heard more about the Ridgeview Manor matter; and Mr. Walsh asked if this item could be taken up as a Special Order of Business next week.

There was no indication from the Assembly that they wished to discuss the matter further.

Mr. Rose noted that with the veto of Ordinance No. AO 77-32 next week's meeting would begin at 6 o'clock and would be under the old Assembly rules of procedure.

There being no further business to come before the Assembly, the meeting was adjourned at midnight.

_____
Chairman

ATTEST:

_____
Municipal Clerk

Date Approved:_____

To the file

Rick Garnett: SB 259 has been talked about as de-regulating the Anchorage Utilities but is much more limited than that.

This bill deals only with utilities in competition with other utilities.

It is not the goal of the Municipality of Anchorage to be under the APUC.

If the regulating of utilities is a beneficial and desirable thing, then why is it that other municipalities have not sought such regulation. What is seen here is a dramatic response to the suggestion of putting utilities under regulation.

We have pursuant to the formula in the Administrative Statutes, regulations of all the Anchorage Municipal utilities other than garbage at this period. By reason of the competition that exists with AEL&P and Chugach Electric, it is only as to those utilities that there is any allegation of competition. Only Anchorage is in that category. There are many municipalities in the state who do own all their own utilities and regulate them pursuant to Title 29 and are not subject to this type of regulation.

A brief history of the situation is that the AEL&P and Chugach Electric were in competition and a legal battle

ensued as to who had rights to service an area, basically a territorial type of argument. The Supreme Court invited the Legislature to do something about the situation. The APUC took over the function, and delineated the boundaries and therefore solved the problem.

Senator Orsini: The APUC delineated the boundaries but they don't regulate the municipal utilities in Fairbanks?

Rick Garnett: Yes. There is a need for some rationale for regulations, and a need to prevent the owner area from taking undo advantage of the non-owner area. Today there is not long an "in city" or "out city" conflict.

Not critical of APUC, and this is not a personality or political problem. Apart from the financial aspects, there are basic legal-governmental considerations. It is illogical to have a board supervising a decision of elected officials with regards to matters of direct interest only to constituents of those elected officials. It is a strange anomoly to assume that those elected officials are unwilling or uncapable of protecting the utility or making decisions in that regard.

Senator Willis: Has the Anchorage Assembly finalized a recommendation?

Rick Garnett: They are acting tonight.

Senator Sumner: In regards to rate increases, the first increase requested was 15%, the second 29% and then 31%, please explain.

Rick Garnett: The old city let their utilities go for too long a time without needed rate increases. When they did make their increase, it was dramatic. When you talk about percentages of rate increases, it is deceptive because part of the problem has been dealing with rate matters analogous to private utilities. A municipal utility operates by selling revenue bonds.

Senator Orsini: To what do you attribute the difference in the rate increases between a municipal utility and the APUC utilities?

Rick Garnett: Much of it is the time delay. It takes up to 6 months through the APUC. Some feelings are that a municipal utility should not make a profit and should only be concerned with the consumer, but the consumer needs the utility to be in good shape.

The municipal utility probably has more resistance to the regulations because the elected officials feel that they have the right to make decisions instead of butting against another entity which feels they can make the decisions.

Donald Meyer: In 1975 it became evident that the municipal utility needed a diffenent source of revenue because it wasn't meeting the requirements under the indenture in which the bonds had been issued.

Nuveen is in a position of the investor and has about millions of dollars of tax exempt bond funds outstanding. They are like mutual funds except we deal only with muncipal bonds. As sponsor and seller of these bond funds, we have criteria that we look to in selecting municipal bonds to put into these portfolios and amoung these criteria is the rating. We don't buy bonds that are "under a cloud", like New York city bonds, for examply. This could happen to Anchorage or Fairbanks if they must come under the APUC regulations.

Senator Orsinsi: If Anchorage or other municipalities were regulated, investors would be nervous and therefore the bondability would be passed off?

Belegratis: Yes. Because Alaska is a small place, it has gone a long way down the road in respect to acceptability. It has pulled the municipalities along with it.

It's not just a question of dollars and cents. It's access to the market. If an issuer cannot meet a bond covenant, the door in effect is shut to that issuant. The alternative is to sell subordinate bonds.

Margins of safety have been built into these bond issuances, both in terms of a test for the issuance of additional parity bonds and also in terms of maintaining rates sufficient to do business to produce a sufficient cash flow. These covenants are there for a reason. They are to safeguard the investor.

Nuveen will pick up bonds with rather stringent requirements. They look to the marketability of the bonds, the acceptability of Anchorage. The constant adversity between the issuer and APUC, the cost and doubt, will affect the marketability. We share the feelings already expressed that the municipal officials are required and must answer to their constituents, and if the assembly or city council didn't keep their constituents happy, they would be out of a job.

Senator Orsini: To your knowledge, are there other states that have a public utility commission that regulates the municipalities?

Belegratis: Very few. It is an exeption rather than the rule.

The people that buy bonds are not necessarily people like you and me. We are at Nuveen, an "institutional house". We deal with Allstate Insurance, which annually buys millions of dollars of municipal bonds. Bankers and insurance companies who are sophistocated are smart and are being careful when buying bonds and watching things very carefully. We know they are critical and we as underwriters must be aware of what's going on with the APUC in Alaska.

Senator Orsini: Is it a factor that the Commission does not require qualifications of it's members?

Belegratis: No, I don't think the market place has any care about that.

Senator Sumner: I am concerned. I would rather put the decisions into the hands of experienced people rather than the public. If the legislature felt a need for the APUC, it should therefore regulate the utility as it was set up to do. It is beyond me to believe that the APUC would not grant a rate increase symetric with the needs. If t that is the problem we might look deeper into that aspect of it.

Belegratis: Anchorage has a convenant, which is 1.4 times net revenues. This figure was developed in the past and is what the marketplace demands. The .4 is the margin of safety which the marketplace demands in order to buy this paper.

Holman: The best argument for de-regulation is the history of the regulations. One of the basic problems is that they have been totally unable to separate municipal financing from private financing, although they are totally different. Municipalities don't have any equity when starting out

The purpose of regulation is to present a guideline for higher returns to the investor. With the municipal system

you don't have an investor.

Senator Sumner: If private enterprise is in competition with the municipal utility ther the municipality can charge lower prices and the private enterprise is forced out of business.

Holman: It is difficult to get a rate increase through the APUC and also takes a long time. If the bonds are not marketable, then he cannot approve them.

Frank Killeen: As chairman of the public utilities board in Fairbanks, we do not wish to be put under the authority of the APUC.

The only problem we've had with serving the people is giving all of them the service they want.

Max Mikell: Most has already been stated. Basically if we ever did have to operate under the APUC, I don't think it would allow us to act in the timely fashion as far as bonding and funding. We are behind now just having to go through the City Council for these things. If we had to go through the City Council and then the APUC we would have to stop operating.

I would suggest that the APUC is a necessary body in arbitration but not in regulation. I don't feel that we need to be regulated and it's the honest way to treat the voters.

Zerbetz: The fiscal impact of this bill would be 0.

There are several aspects of regulation:

1) Rate structure/determined by the classes of people.

2) quality of service provided

3) handling and processing of consumer complaints.

The rationale for regulations in the first place was that the Commission would act as a substitution for the market-place, where there isn't any establishment of rates. Poor service which otherwise, in a competitive market, is taken care of by the APUC.

It is our observation that there is a separation between privately owned and municipally owned utilities, and that is the ownership and control of the utility.

Our staff can better protect the public due to the education of the APUC members.

APUC have developed a certain amount of expertise due to the fact that they conduct their own hearings and see the consumer "eyeball to eyeball".

Low rates are not always the answer. If utilities are not charging enough to keep a business running well, your'e not going to give the public a good service.

Senator Sumner: Alaska's one of the few places that regulates the municipalities, right?

Zerbetz: Yes. The type of ownership of utilities vary from state to state. Most utilities are privately owned so it is hard to compare utilities between states as some are municipally owned and some are private.

Larry Markley: Chugach Electric Company has about 45,000 customers. We oppose SB 259 and support the APUC. We would support CSSB 259. For the best intersts of everyone we feel it is the most equitable treatment. APUC is skilled and we want someone with "higher authority" applying the regulations.

It is our understanding that the APUC was established with the intent that it should be on a statewide service. It would be a uniform application of regulatory function, and we feel that that function is best carried out by one qualified, independent agency. Let the APUC have more money to hire more people and attempt to reduce the regulatory lag that we're hearing so much about.

We are funded by governmental loans, guaranteed loans and insured loans and the rate of these loans is 7-7 1/2 %.

We are expanding very rapidly and expect to go to the bonding market too.

Don Berry: We are opposed to SB 259. We think the APUC is an unnecessary infringement on local government powers.

Norman Banfield: The first law was written because it was becoming evident that the municipalities were insensitive to the peoples needs. The Anchorage utility was taking large amounts of money out of the utility and putting it into the general fund. On the whole, it wasn't a case of the municipal utility's structure, it was the Chugach Electric Company, because they had to compete. It was my position that no damage would result from regulating the muncipal utility but insisted that the regulations delineate the serviec areas.

Financing a utility is difficult. The municipality has to go to the voters, and time is a great factor. Now, they have to get public approval for a rate increase. If the APUC is involved, it will just take too long. The City Council can do it in a timely manner.

Lee Sharp: There's no sense to why a utility owner would ever go to the APUC rather than their own representative. They should have local control of the utilities. This is good incentive to keep the rates down, and we don't see any rationale in regulating non-competitive utilities.

Attendance list (please print)

Name	Title/Dept.	Testify?
GORDON ZERBETZ	APUC,	
Rick Garnett	Munic of Anch	Yes
S. D. BELIGRATIS	JOHN NUVEEN & CO. CH'GO.	YES
Howard A Meyer	Marshall & Meyer Seattle	Yes
Donald L. Holman	→ Preston, Thorgrimson, Ellis, Holman & Fletcher · Seattle	Yes
LEE SHARP	City Atty, JNO	YES
Larry Markley	Chugach Elec Assoc	Yes
DON BERRY	Alk Munic Lg	YES ?
FRANK KILLEEN	Chairman, PUB, FBNX	
ROBERT BURG		NO
MAX L. MIKELL	Member PUB, FBNX	YES

SB
271

271

Director
John Garvin – Children Services

1) Mandates cost setting
2) - reimburses for depreciation
3) - removes reference of levels of care
4) establishes eff date

LaVonne Kridoll 6-6420
Ak Youth Village

Cruch = 276-4515

ak Children's Services

Jnaine Comm —

11-20-20

188-71

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mine 21 33 75

190

N

TO: House of Representatives HHSS Committee
FROM: Dr. JOHN C GARVIN,
Re: Fiscal Note on ~~HB 432~~ SB 271
Date: April 21, 1977

Based on DHSS Cost of Care figures for the first six months of FY 1976-77 (7/1/76 - 12/31/76)

Total Child Care days of service provided	45,427
Average # Children in care per day for 184 days	247
Total Reimbursable Expenses (6 months)	2,020,240
Average daily rate per child	44.47
Total Child Care Salaries (6 months)	1,218,806
Average cost for salaries per child care day	26.83

Assuming salary increases of 37.5% required to bring salary level up to state entry level of 1100-800.

Average cost for salaries per child care day would be	36.89
Total projected child care salaries 36.89 x 365 x 247	3,325,818
minus projected salaries w/out cost setting	2,418,857
net increase projected	906,961
Assuming depreciations based on 20 years @ 3.00 per unit	270,465
Total annual increase with cost setting and depreciation included	1,177,426

SB

312

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Senator Joe Orsini
Chairman

Senate Bill No. 312 — Croft, Prime Sponsor

Resolution No. ____

This Bill is currently in the Senate Community and Regional Affairs Committee for consideration. Your response, as prime sponsor, to the following questions will serve to hasten Committee action on this Bill.

1. What is the need for your proposed legislation; what is the goal you are trying to accomplish?

11 communities in Alaska have united in the interest of getting a bond issue before the voters in '78; representatives of the participating communities are raising funds to hire coordinator and to promote the proposition, etc.

2. Are there any other viable ways of accomplishing this same goal?

The amount requested of the State is only part of the needed amount; the rest will be raised locally (in the communities) from corporations, etc.

3. Persons or groups you know of who are supporting the legislation.

Representatives/persons interested in development of cultural arts and centers in: Anchorage, Cordova, Dillingham, Juneau, Haines, Angoon, Ketchikan, Naknek, Petersburg, Sitka, and Skagway.

4. Persons or groups you know of who are opposing the legislation.

NONE

5. Can you foresee any new problems that might be caused as a result of enactment of your bill?

NO

6. What is the earliest time you would like the Senate Community and Regional Affairs Committee to consider your bill?

SOONEST - won't be pertinent if delayed a year -

SB

316

municipal letter
for SB 316

INSERT AS NEXT TO LAST PARAGRAPH

The underlined language in the proposed legislation would be added to the existing statutes on service area taxation.

(Remember to date letter)
Thankyou.

Official Business

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

February 21, 1978

Enclosed please find a copy of Senate Bill # 316 which, if enacted, may have an effect on your municipality. Your comments or recommendations would be appreciated, as we intend to give this proposed legislation our consideration in the near future.

The underlined language in the proposed legislation would be added to the existing statutes on service area taxation.

Please write to the Senate Community and Regional Affairs Committee, Pouch V, Juneau, Alaska 99811: or call 465-3712.

Very truly yours,

Joe Orsini

Senator Joe Orsini
Chairman
Community and Regional
Affairs Committee

JO/tb

Enclosure: As stated

TO: Senator Orsini DATE: April 25, 1977

FROM: Paul Conger RE: SB 316

I checked with Billy Berrier to see if I could made some sense out of this bill. He provided the following fact situation to clarify the intent of the bill.

Apparently, there is an individual in Anchorage who is leasing some state land at one of the airports and using it for a tie-down for his plane. Since this is a state airport, the state provides fire and police protection for the area. At the same time, this area is located in the Spenard Service Area where the municipality, supposedly, is providing the same service. Therefore, this guy feels that being taxed by the municipality (special service area), as well as the state, (in conjunction with the leasing of the land) is being subjected to a duplicate tax and is unjust.

This bill is designed to eliminate the tax imposed by the municipality because the individual is already being taxed by the state for the fire and police service.

I checked with Palmer to see what the Department's position is regarding this matter and he said he didn't completely understand the bill but felt they would probably oppose it.

PC/js

SB
318

COMMENTS OF THE ALASKA PUBLIC UTILITIES COMMISSION REGARDING SENATE BILL 318

The proposed amendments to AS 42.05.381(a) is the result of a series of recommendations by the consultant employed by the Legislative Affairs Agency to review the existing statute of the Alaska Public Utilities Commission. It should be noted that the consultants did not have either formal or informal contact with any of the Commissioners or the Commission staff.

The policy of the Commission regarding costs of advertising which has been allowed for rate-making purposes is that which is found in the new language proposed by this legislation. If the Legislature desires to formalize by statute the policy of the APUC, we would suggest that on line 21(D) the word "shareholders and" be inserted after "informing"; therefore, (D) would read: "informing shareholders and members of a cooperative of meetings of the utility and encouraging attendance; or".

The proposed statutory addition delineating the instances when a surcharge may be included in a utility's rates is also the policy of the Commission and is reflected in procedures established by the Commission. The most recent allowance of a surcharge is described in the order granting a certificate of public convenience and necessity to Wakefield Seafoods, Inc. (a copy of which is attached).

In summary, the additional language contained in this legislation reiterates Commission policy. If the legislature believes it to be in the public interest to include this policy through statutory language, the Commission has no objections to the proposed legislation.

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 318
Title An Act relating to public utility rates
Requested by _____ Date 4/14/77

II. FISCAL DETAIL
Agency Affected Commerce & Economic Development
Program Category Affected Protection
Budget Request Unit(s) Affected Alaska Public Utilities Commission

EXPENDITURES (Thousands of Dollars) NONE

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars) NONE

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

No fiscal impact.

IV. DATE _____ PREPARED BY Gordon Anderson
AGENCY Alaska Public Utilities Commission
PHONE 272-1437

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 10/76)

STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners: Gordon J. Zerbetz, Chairman
Marvin R. Weatherly
Carolyn S. Guess
Susan M. Knowles
Stuart C. Hall

In the Matter of the Application of WAKEFIELD SEAFOODS, INC., for a Certificate of Public Convenience and Necessity to Operate an Electric Utility at Sand Poin Alaska	U-76-5 ORDER NO. 1
In the Matter of the Inclusion of a Fuel Cost Rate Adjustment Clause in the Electric Utility Tariff of WAKEFIELD SEAFOODS, INC.	U-77-24 ORDER NO. 1

ORDER GRANTING CERTIFICATE AND CONDITIONALLY APPROVING FUEL COST RATE ADJUSTMENT CLAUSE

On June 24, 1975, WAKEFIELD SEAFOODS, INC. (WSI), applied for a temporary certificate of public convenience and necessity to continue furnishing electric utility service at Sand Point, Alaska. On July 15, 1975, a temporary certificate was granted conditionally and WSI was ordered to file an application for permanent certification not later than December 31, 1975.

An application for permanent certification was received by the Alaska Public Utilities Commission on December 31, 1975. Following staff review and subsequent WSI submittals the application was noticed to the public on December 21, 1976. No statements in favor of, or in opposition to, the application were received by the Commission.

ALASKA PUBLIC UTILITIES COMMISSION
1105 MACKAY BUILDING
338 DENALI STREET
ANCHORAGE, ALASKA 99501
PHONE 272-1481

The proposed tariff contains three rate schedules. In Schedule A, which applies to farm and home customers, the first 200 kilowatt hours per month cost the consumer 15¢ per KWH and the balance (over 200) cost 13¢/KWH with a $7.50/month minimum charge where 5 KVA or less transformer capacity is required. In Rate Schedule B, applicable generally to commercial customers, the first 100 KWH per month will cost the consumer 13¢ per KWH, the next 100 KWH will cost 11¢ per KWH, and all over 200 KWH/month will cost 7¢ per KWH, with a $3.00 per KW per month demand charge for demand in excess of 10 KW and a $7.50/month minimum charge where 5 KVA or less transformer capacity is required. Both the residential and the commercial rate schedules have fuel cost rate adjustment clauses whereby increases in the cost of fuel are flowed through to the consumers on the basis of KWH used. Additionally, the tariff contains a yard lighting schedule. Special fees and charges are a $10.00 connect charge, a $25.00 fee for unauthorized breaking of meter seal, a $5.00 handling fee for dishonored checks, and a meter deposit in the amount of the customer's estimated two-month usage.

On July 1, 1976, the Commission received notice that Amfac Foods, Incorporated, 5600 Southwest Hampton Street, P. O. Box 23564, Portland, Oregon 97223 had acquired 100% ownership of WSI. This ownership change did not alter the previous filing, however.

The Commission is aware that the cost of fuel to the utility is continually changing and while the Commission is not averse to a fuel cost rate adjustment provision it

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PHONE 272-7487

believes this is a matter that must be monitored on a continual basis. The fuel cost rate adjustment surcharge will be accepted subject to conditions in the ordering paragraphs to follow. A separate docket will be opened for purposes of monitoring the results of this provision so long as it remains a part of WSI's tariff.

THE COMMISSION FURTHER FINDS AND CONCLUDES:

1. WSI is a public utility as defined by AS 42.05.701 and is subject to the Commission's regulatory jurisdiction.

2. It will not be contrary to the public interest to grant WSI a permanent certificate of public convenience and necessity.

ORDER

THE COMMISSION ORDERS:

1. The conditional temporary grant of operating authority to Wakefield Seafoods, Inc., on July 15, 1975, in Docket U-75-49 is hereby withdrawn and Wakefield Seafoods, Inc., is granted without time limitation or other special conditions a certificate of public convenience and necessity to furnish electric utility services at Sand Point, Alaska.

2. The tariff which Wakefield Seafoods, Inc., filed with the Commission on December 31, 1975, is approved.

3. The fuel cost rate adjustment clause filed by Wakefield Seafoods, Inc., is approved subject to the conditions in paragraphs 4 through 11 below.

4. Wakefield Seafoods, Inc., shall notify the Commission in writing as expeditiously as possible whenever

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ANCHORAGE, ALASKA 99501
PHONE 272-1463

a fuel cost rate adjustment is to be placed in effect in accordance with the clause approved herein. Notification to the Commission shall include:

(a) The amount and effective date of each rate adjustment and the period of service to which the adjustment is applicable; provided, however, that a fuel cost rate adjustment shall not be put into effect during a billing period if the fuel cost changes which gave rise to the adjustment pertain only to fuel purchases consumated after the 15th day of that billing period.

(b) Copies of actual bills received by the utility for fuel purchased at the latest cost and for the two most recent purchases preceeding that fuel cost change.

(c) A notarized statement by a principal officer of the utility setting forth the fuel inventories of the utility at the times of the purchases designated in (b) above; and the quantities of fuel consumed and the kilowatt hours sold during each of the 12 months preceeding the month in which the adjustment was placed in effect.

(d) A signed tariff sheet showing the computation of, and the effective date of, the surcharge.

1500 MALNAT BUILDING
328 D STREET
ANCHORAGE, ALASKA 99501
PHONE 272-1481

(e) Any other data and information which may assist the Commission to verify the reasonableness and propriety of the rate adjustmen..

5. Wakefield Seafoods, Inc., may place an adjustment into effect in conformance with the effective date of a tariff sheet as submitted but the revenues collected thereunder are subject to refund as provided in (7) below.

6. Wakefield Seafoods, Inc., shall expeditiously furnish any supplementary information which the Commission may request in connection with the tariff revision and subsequent fuel cost rate adjustments under that revision, and the burden of proof of the propriety of the fuel cost rate adjustments shall remain on Wakefield Seafoods, Inc.

7. Wakefield Seafoods, Inc., shall maintain accurate records of its fuel costs, and of the billing adjustments based on those fuel costs, and shall, if so directed by the Commission after investigation and hearing, promptly make to its customers such refunds or credits of the revenues resulting from fuel cost rate adjustment as the Commission may direct by written order. If so directed by the Commission pending investigation and hearing, Wakefield Seafoods, Inc., shall place in escrow, in a financial institution approved by the Commission, the additional revenues received by Wakefield Seafoods, Inc., under any fuel cost rate adjustment which it has instituted.

8. The fuel cost rate adjustment shall be shown as a surcharge on each customer's bill for electric service

ALASKA PUBLIC UTILITIES COMMISSION
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PHONE 272-1481

and may take into account only the amount by which the cost of fuel purchased after the effective date of this order exceeds the base cost of fuel which was used to compute revenue requirements in this proceeding or any other base cost which the Commission subsequently approves.

9. If, under the provisions of the fuel cost rate adjustment clause approved herein, Wakefield Seafoods, Inc., begins assessing surcharges to its customers to reflect increases in its cost of fuel used to generate electrical energy, it shall likewise make timely and appropriate reductions in the surcharges to reflect decreases in its cost of fuel.

10. Except as otherwise provided by the Commission in writing, within 45 days after the end of each quarter of the calendar year following the quarter in which any fuel cost rate adjustment is made, Wakefield Seafoods, Inc., shall furnish to the Commission, on forms furnished by the Commission, an interim report of the earnings of the utility for the quarter period then ended.

11. At the request of the Commission, Wakefield Seafoods, Inc., shall promptly prepare and file with the Commission an up-to-date revenue requirements study for the purpose of verifying that it is not earning an unreasonably high rate of return on its original cost rate base of utility plant used or useful in furnishing services for the convenience and necessity of the public.

DATED AND EFFECTIVE at Anchorage, Alaska, this 19th day of April, 1977.

BY DIRECTION OF THE COMMISSION
(Commissioner Susan M. Knowles not participating)

(S E A L)

ALASKA PUBLIC UTILITIES COMMISSION
1100 MACKAY BUILDING
338 DENALI STREET
ANCHORAGE, ALASKA 99501
PHONE 272-1487

SB
319

ALASKA UTILITIES ASSOCIATION

2300 Spenard Road • Anchorage, Alaska • Phone 277-6591

ROBERT B. SMITH
President

NORMAN C. BANFIELD
First Vice President

WILLIAM CORBUS
Second Vice President

THOMAS M. PEETZ
Secretary-Treasurer

May 9, 1977

The Honorable Joe Orsini
Community & Regional Affairs
Alaska State Senate
Pouch V
Juneau, AK 99801

Re: SB No. 319, An act relating to the debt of public utilities

Dear Senator Orsini:

Upon reviewing the provisions of this bill, I find that although the bill may be well intended--to assure that the utility is not incurring debt at unreasonable rates of interest, or that the debt is reasonably required by the utility, it is unrealistic.

As small utilities can testify (some large ones, too), utility financing in Alaska is very difficult. The utilities, for the most part, are small entities, relatively new, and most have expansion requirements almost unheard of "outside". The Alaska lending institutions are unsophisticated in making utility loans. They expect a utility which oftentimes acquires assets with 20 to 50 year lives to be able to pay the loan in 5 to 7 years. Again, most of our utilities are too small to be of interest to the sophisticated money markets "outside".

The Alaska utilities have to (as in any business) obtain the best terms and conditions for their borrowing. To add a third element--approval by the APUC after a public hearing, further delays the obtaining of financing, quite possibly to the point where such proposed financing "dries up" and is no longer available.

The APUC reviews the fiscal operation of a utility as part of its determination if a proposed rate increase is in the public interest. As part of this review, the APUC would disallow excessive interest being paid on loans, or interest and debt service on loans not necessary for the present and prospective obligations to provide service. I believe this present method is an effective means of protecting the public.

Now, however, if you are seriously trying to assist the general public by doing whatever is possible to lower utility rates, why not use a portion of the "Permanent Fund" to create a revolving loan fund for Alaska utilities?

If you offered funds available at a reasonable rate of interest (say 8%) for necessary projects, then I could see the state having an interest in the borrowings of utilities, and possibly requiring APUC consent to borrow elsewhere.

SB 319 offers the public nothing except a delay in the installation of necessary additions or improvements, and the increased cost of government to impose this additional intervention.

If you desire further information, please contact me.

Very truly yours,

ALASKA UTILITIES ASSOCIATION

Thomas M. Peetz
Secretary-Treasurer

cc: To all members of the
Alaska Utilities Association
w/copy of SB 319

mb

SERVING THE COLLEGE COMMUNITY
COLLEGE UTILITIES CORP.

PHONE
(907) 479-2760

600 UNIVERSITY AVE.
P.O. BOX 80909
COLLEGE, ALASKA 99708

May 17, 1977

The Honorable Joe Orsini
Community & Regional Affairs
Alaska State Senate
Pouch V
Juneau, Alaska 99801

Re: SB #319, An act relating
to the debt of public utilities

Dear Senator Orsini:

The Alaska Public Utilities Commission currently has almost life and death control over all utilities in the State of Alaska. We have proceedings in a rate matter that have been going on for approximately 1½ years. The final resolution and outcome is still in dispute and doubt.

If the Alaska Public Utilities Commission is given control over loans, debts, and financial obligations of utilities to include the possibilities of public hearings, and involvement by the many departments of the Alaska Public Utilities Commission it is doubtful whether any utility shall ever again be able to borrow money in the State of Alaska. We believe that the adoption of this bill would be disasterous to the utilities of this state.

Sincerely,

GEORGE E. GORDON
President

COLLEGE UTILITIES CORPORATION
GEG/cjs

SB
320

COMMENTS OF THE ALASKA PUBLIC UTILITIES COMMISSION REGARDING SENATE BILL 320

The fiscal note contains monies for three additional staff for the Alaska Public Utilities Commission (APUC). (An attorney at the same range as the existing staff attorney, a Utility Financial Analyst III and a Secretary I.) The additional support staff for this proposed legislation would

(1) draft regulations implementing the provision for reasonable compensation for attorney's fees, expert witnesses and other costs of participating in proceedings before the APUC;

(2) analyze the applications from those individuals who contend that their interests would not be adequately represented in an APUC proceeding and determine those who are unable to effectively participate in a proceeding. Because of the costs involved and the payment of those costs from public finds, it is incumbent upon staff to examine these applications more rigorously than that currently given for petitions to intervene in proceedings;

(3) participate in preliminary proceedings to determine the eligibility of an applicant in the event a staff decision was appealed to the Commission.

(4) participate in proceedings before a court which could result from Commission determinations under this legislation.

In addition, the commission estimates based on 1976 actual hearing days (153), assuming eight hours of hearing time per day, that the attorney for a third party funded at $80 per hour would requie an appropriation of $97,920 on an annualized basis. The Commission has made the assumption that expert witness fees including other costs of participation in a proceeding would be for on half of the 1976 hearing days (76) at a rate of $350 a day for consultant fees. This total is $266,000. In addition, we have included $5,000 for travel by the proposed support staff of the APUC to implement this legislation.

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 320
Title An Act relating to the Alaska Public Utilities Commission
Requested by _____ Date 4/14/77

II. FISCAL DETAIL
Agency Affected Commerce & Economic Development
Program Category Affected Protection
Budget Request Unit(s) Affected Alaska Public Utilities Commission

EXPENDITURES (Thousands of Dollars)

		FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100	PERSONAL SERVICES		100.8	100.8	100.8	100.8	100.8
200	TRAVEL		5.0	5.0	5.0	5.0	5.0
300	CONTRACTUAL		369.1	369.1	369.1	369.1	369.1
400	COMMODITIES		.9	.9	.9	.9	.9
500	EQUIPMENT		3.3				
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		479.1	475.8	475.8	475.8	475.8

FUNDING (Thousands of Dollars)

GENERAL FUND		479.1	475.8	475.8	475.8	475.8
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

IV. DATE April 29, 1977 PREPARED BY Carolyn A Burns
AGENCY Alaska Public Utilities Commission
PHONE 272-1487

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 10/76)

ALASKA PUBLIC UTILITIES COMMISSION

Senate Bill 320 - Backup Information

The fiscal note contains monies for three additional staff for the Alaska Public Utilities Commission (APUC). (An Attorney at the same range of the existing staff attorney, a Utility Financial Analyst III and a Secretary I.) The additional support staff for this proposed legislation would

(1) draft regulations implementing the provision for reasonable compensation for attorney's fees, expert witnesses and other costs of participating in proceedings before the APUC;

(2) analyze the applications from those individuals who contend that their interests would not be adequately represented in an APUC proceeding and determine those who are unable to effectively participate in a proceeding. Because of the costs involved and the payment of those costs from public funds, it is incumbent upon staff to examine these applications more rigorously than that currently given for petitions to intervene in proceedings;

(3) participate in preliminary proceedings to determine the eligibility of an applicant in the event a staff decision was appealed to the Commission.

(4) participate in proceedings before a court which could result from Commission determinations under this legislation.

In addition, the Commission estimates based on 1976 actual hearing days (153), assuming eight hours of hearing time per day, that the attorney for a third party funded at $80 per hour would require an appropriation of $97,920 on an annualized basis. The Commission has made the assumption that expert witness fees including other costs of participation in a proceeding would be for one half of the 1976 hearing days (76) at a rate of $350 a day for consultant fees. This total is $266,000. In addition, we have included $5,000 for travel by the proposed support staff of the APUC to implement this legislation.

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 320
Title An Act relating to the Alaska Public Utilities Commission
Requested by _____ Date 4/14/77

II. FISCAL DETAIL
Agency Affected Commerce & Economic Development
Program Category Affected Protection
Budget Request Unit(s) Affected Alaska Public Utilities Commission

EXPENDITURES (Thousands of Dollars)

		FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100	PERSONAL SERVICES		100.8	100.8	100.8	100.8	100.8
200	TRAVEL		5.0	5.0	5.0	5.0	5.0
300	CONTRACTUAL		369.1	369.1	369.1	369.1	369.1
400	COMMODITIES		.9	.9	.9	.9	.9
500	EQUIPMENT		3.3				
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		479.1	475.8	475.8	475.8	475.8

FUNDING (Thousands of Dollars)

GENERAL FUND		479.1	475.8	475.8	475.8	475.8
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		3	3	3	3	3
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

see attachment

IV. DATE April 29, 1977 PREPARED BY Lawrence D Burns
AGENCY Alaska Public Utilities Commission
PHONE 272-1487

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 10/76)

100	PERSONAL SERVICES			
	Attorney IV - R24--Step E			
	Salary	$ 42,876		
	Benefits @ 25.5%	10,933		
			$ 53,809	
	Utility Financial Analyst III - R18			
	Salary	23,796		
	Benefits @ 25.5%	6,068		
			29,864	
	Secretary I - R 10			
	Salary	13,644		
	Benefits @ 25.5%	3,479		
			17,123	
				$100,796
200	TRAVEL			
	Attorney and/or Utility Financial Analyst			
	Out-of-town hearings, transportation @ $150 per trip x 15 trips		2,250	
	Out-of-town hearings, per diem @ $125 per trip x 15 trips		1,875	
	Program Travel in-State and/or out-of-State, transportation		500	
	Program Travel in-State and/or out-of-state, per diem		375	
				5,000
300	CONTRACTUAL			
	Telephone			
	Installation, 3 telephones		75	
	Monthly charge $20 x 12 mos. x 3 employees		720	
	Long distance calls, Attorney and U.F.A., est. $80/mo.		960	
	Office Space			
	Attorney - 252 sq. ft. @ 55¢/sq. ft. = $138.60 x 12 mos.		1,663	
	U.F.A. III and Secretary I - 126 sq. ft. each = 252 sq. ft. @ 55¢/sq. ft. = $138.60 x 12 mos.		1,663	
				5,081
400	COMMODITIES			
	Stationery, office supplies, books @ $300 x 3 employees			900
500	EQUIPMENT			
	Attorney (already has office desk and chair)			
	File Cabinet, 4-dr., legal with lock	$220		
	Table	120		
	Bookcase	140		
	2 Side Chairs @ $30	60		
			540	
	U.F.A. III			
	Desk, Executive	275		
	Chair, Executive	150		
	Bookcase	140		
	File Cabinet, 4-dr., legal, with lock	220		
	Calculator	600		
	2 Side Chairs @ $30	60		
			1,445	
	Secretary I			
	Typewriter	850		
	Desk, Secretarial	360		
	Chair, Typist	120	1,330	
				3,315
			GRAND TOTAL	$115,092

EM
4-28-77

SB
369

(add as paragraph 3 to standard municipal letter)

I [redacted] would like to [redacted] draw your attention to the language in the proposed legislation. Currently [redacted] AS 29.53.020 (i) contains only the language that would become paragraph (2) in SB 369. [redacted] Paragraph (1) is new language.

Joe-

Presently AS 29.53.020(i) contains only what would be paragraph (2) under K.'s bill. Para. (1) entirely new . Would you like a municipal letter to go out?

Ben

OK - note in letter that subsection (1) is new addition to existing law

SB
F: 369

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

February 10, 1978

Enclosed please find a copy of Senate Bill 369 which, if enacted, may have an effect on your municipality. Your comments or recommendations would be appreciated, as we intend to give this proposed legislation our consideration in the near future.

I would like to draw your attention to the language in the proposed legislation. Currently AS 29.53.020 (i) contains only the language that would become paragraph (2) in SB 369. Paragraph (1) is new language.

Please write to the Senate Community and Regional Affairs Committee, Pouch V, Juneau, Alaska 99811: or call 465-3712.

Sincerely,

Joe Orsini

JOE ORSINI
Chairman, Senate
Community and Regional
Affairs Committee

JO:gd

Enclosure: As stated

April 4, 1978

The Honorable Al Ose
House of Representatives
Alaska State Legislature
Pouch V, State Capitol
Juneau, Alaska 99811

Dear Representative Ose:

IN RE: Senior Citizens Property Tax Exemption, AS 29.53.020

FY 78	Assessed Value	Exemption
Current Operation:	103,992,129	$1,512,800
Legislative Proposal:	138,309,532	2,057,379
Difference:	34,317,403	$ 554,600

FY 79		
Current Operation:	117,344,450	$1,919,025
Legislative Proposal:	154,894,674	2,515,220
Difference:	37,550,224	$ 596,195

The preliminary data outlined above is in response to the request for the probable impact of redefining "permanent place of abode" to exempt the senior citizen homeowner "total tract".

This information has been obtained largely by telephone from only those municipalities most likely to be heavily impacted by such a redefinition. No attempt was made to project the impact, should a more liberal program influence additional applications, it should be noted that this could be an important factor.

The estimates should not in any way be considered as other than assumptions for projection basis. A computer analysis of the FY 78 program is

being prepared by the Division of Data Processing. It is predicted that a detailed report will be available from Department of Administration Data Processing Division within a few days.

Sincerely,

LEE MCANERNEY
COMMISSIONER

By: Palmer McCarter
Director, LGAD

BILL ANALYSIS

ASSIGNMENT DATE_____

UNASSIGNED_____

DEPARTMENT	SPONSOR (PRINCIPAL)	BILL NO.
Community & Regional Affairs	House Finance Committee	HB 899

DEPARTMENT POSITION

Opposed

DIVISION DIRECTOR	DATE	COMMISSIONER	DATE
Palmer McCarter	4/26/78	Lee McAnerney	26-4-78

GOVERNOR'S OFFICE USE

☐ POSITION NOTED ☐ POSITION APPROVED ☐ POSITION DISAPPROVED

BY: DATE:

SUMMARY

(1) RELATED BILLS (SIMILAR OR CONFLICTING)

(2) a. ORGANIZATIONAL SUPPORT FOR BILL		(2) b. ORGANIZATIONAL OPPOSITION TO BILL

(3) PROGRAM EFFECTS OF BILL

Allows a blanket exemption of the land unit, regardless of area, on which the dwelling of the 65 years or older owner/occupant is situated.

(4) FISCAL IMPACT: ☐ NONE ☒ FISCAL ANALYSIS ATTACHED

(5) AMENDMENTS PROPOSED:

(6) COMMENTS:

Current administrative procedures allow sufficient land area for convenient use of the residential structure as a dwelling unit plus the residence as qualifying for exemption.

That part of the real property owned and occupied as the permanent place of abode is so defined. Sufficient land is limited to one acre if urban and five acres if rural.

The allowance of a blanket exemption would increase the amount reimbursed to municipalities by approximately 33 1/3%.

SB
372

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

January 24, 1978

Present: Chairman Orsini, Senators Willis, Ferguson and Hackney; Bruce Aronson, C/RA; Marilyn Miller, Alaska Municipal League; Roger Allington, Alaska Coastal Policy Development and Planning; Glen Akins, DPDP; Annette Smith, HC&RA; Steve Mizera, Republican Caucus; Jack Chenowith, Legislative Affairs; Steve J. Kettlekamp, Exxon; Keith Arnold, Alaska Oil & Gas Association; Oren Pomeroy, C/RA; and Tim Bradner of BP-Sohio.

Absent: Senator Bill Sumner

SENATE BILL 388

The meeting was called to order at 3:15 by Chairman Orsini who announced the formation of a subcommittee to deal with village land reconveyances occuring under paragraph 14 (c) of the Alaska Native Claims Settlement Act. Senator Ferguson was appointed Chairman. Senators Hackney and Orsini were appointed members. Senator Ferguson agreed that the subcommittee would be able to make a report to the committee within a month.

The committee first took-up CSSB 388. The two Co-chairman of the Alaska Coastal Policy Council, Frances Ulmer and Roger Allington, had been invited to present their views of the effects of CSSB 388 on the functioning of the council.

Council Co-chairman Allington referred his letter of January 23, 1978, to Senator Orsini, in which he supported SB 388's provision for the selection by the Governor of alternative members to fill unexpected vacancies in the council.

Co-chairman Ulmer concurred with Allington's assessment and noted that the question of the appointment of alternate members had been heatedly debated in the council without achieving a clear concensus.

She also cautioned against too great an attempt to restrict the number of alternates available for the governor's selection, but she believed that CSSB 388 would clarify the question of the alternate's qualifications. She suggested that assistant, as well as deputy commissioners be designated as acceptable substitutes for State commissioners in the council.

Marilyn Miller, representing the Alaska Municipal League, testified on CSSB 388. She stated that the League would prefer to see public members on the council appoint their own alternates in order to maintain a continuity of view point.

This completed public testimony on CSSB 388. Senator Ferguson moved that CSSB 388 as drafted be passed out of committee with individual recommendations. The committee vote was 2 Do Pass, 1 Do Not Pass Without Amendment and No Recommendations.

DISCUSSION OF ALASKA COASTAL MANAGEMENT PROGRAM

Chairman Orsini recalled Alaska Coastal Policy Co-chairman Frances Ulmer and Roger Allington to discuss the work of the council regarding the submission of its standard and guidelines to the Legislature. He pointed out the importance of the Legislature receiving these regulations in sufficient time this session to give them adequate consideration. He stated the intention of the committee to work with the unofficial draft regulations during the public hearing process in order to become as familiar as possible with the proposed regulations before their submission to the Legislature in April.

Council Co-chairman Ulmer told the committee that the council had recently completed a new draft of its regulations, copies of which had been made available to legislators. A sixty day hearing process would be underway shortly with public meetings throughout the state. The council believed that the regulations would be ready for submission to the Legislature in early April, following a final council meeting on the regulations in Juneau, March 24 and 25.

Ulmer stressed the need for legislative action on the Coastal Management Program this session in order to allow the state program to receive federal approval by December of 1978. She indicated that there had been some question within the council whether the regulations constituted a part of the program and also required legislative approval, the consensus of the council was that the regulations also required legislative action to accept them.

Glen Akins, Director of the Office of Coastal Management, outlined for the committee the situation in Washington State and Oregon where federal approval for these states' coastal management programs was given before all the local programs were completed. He noted, however, that court challenges against this practice are underway.

He also pointed out that the role of the federal government in funding state coastal programs is significant. So far approximately $3 million in federal funds have been used in Alaska to finance state and local efforts. Approximately $250,000 in state funds have been allocated to this purpose. Without federal approval next year, Akins believed that this financial obligation would have to be borne completely by the State.

In response to Chairman Orsini's question on the concept of federal consistency, Akins replied that Federal agencies have observed state coastal policy when public groups, local governments and the state government united behind one position. Ultimately, however, the Secretary of Commerce would be the arbiter in any dispute between a state and federal agency over federal consistency provisions.

SENATE BILL 372

The committee voted unanimously to pass SB 372 out of committee following the explanation of Senator Willis that the bill was intended to rectify a drafting error regarding a reference citation of Senate Bill 37 to the Alaska Statutes. There was no public testimony.

SB 372

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2525

GEORGE M SULLIVAN,
MAYOR

OFFICE OF THE MUNICIPAL ATTORNEY

August 26, 1977

Senator Edward C. Willis
Box 402
Eagle River, Alaska 99577

Re: Senate Bill No. 37/Chapter 48 SLA 77.

Dear Senator Willis:

During the First Session of the Tenth Legislature, you co-sponsored Senate Bill No. 37 entitled "An Act Relating to the Sale, Repurchase and Disposition of the Proceeds of the Sale of Tax Foreclosed Real Property". This bill was subsequently enacted by the Legislature as Chapter 48 SLA 77. As you remember, your bill amended various portions of AS 29.53 dealing with foreclosure procedures by local government. Specifically, the bill was intended to prevent the loss of valuable interests in real property through inadequate notice or the inadvertent actions of local government. I believe you are familiar, for example, with the situation involving property originally owned by Mr. Russell Oberg in the Chugiak/Eagle River area.

In studying provisions of Title 29 concerning tax foreclosure, I have recently discovered that several of the sections in AS 29.53 are omitted from the list of sections applicable to home-rule municipalities under AS 29.13.100. As you can see from the attached copy, the provisions of AS 29.53 that are applicable to home-rule municipalities in Alaska end with Section 350. It is therefore apparent that the portions of your bill (SB 37) amending Sections 370-380 of AS 29.53 could be construed to be inapplicable to the Municipality of Anchorage as a home-rule local government. However, I want to assure you that it has been the Municipality's policy to follow the provisions of AS 29.53 in the foreclosure, sale or dedication of real property.

I was very happy for the opportunity to provide you with input in Juneau concerning the Municipality's interests in SB 37 and appreciated your concern in developing a bill that adequately protects both the interests of local governments and affected property owners in tax foreclosure proceedings. I therefore felt that you should be advised of my findings concerning the problems with applying this measure, as presently written, to home-rule municipalities. You may wish to consider submitting a brief amendment to AS 29.13.100 that would apply all of the sections of AS 29.53 included in SB 37 to home-rule municipalities. Since there will not be another round of tax foreclosure proceedings until next year, present questions concerning the applicability of SB 37 to the Municipality of Anchorage should not cause any problems in the near future. If I can be of any further assistance in this matter, please feel free to call me at 264-4349.

Sincerely yours,

Theodore D. Berns
Assistant Municipal Attorney

Enclosures

cc: Pete Argetsinger, Deputy Municipal Attorney

TDB/ckb

SB

373

City and Borough of Sitka

P.O. BOX 79 · SITKA, ALASKA · 99835

January 17, 1978

Senator Joe Orsini
Chairman, Community and
Regional Affairs Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

In reply to your letters of January 13, 1978, and the copy of SB 373, SB 374, SB 375 and SB 388 which accompanied same. Be advised that the City and Borough of Sitka supports the aforesaid Senate Bills.

Very truly yours,

Fermin Gutierrez
Administrator

cc: Senator Pete Meland

F: SB 373

SUPERINTENDENT
Bruce H. Hill

225-9658
225-9659

640 Park Avenue
Post Office Box 8340
Ketchikan, Alaska 99901

CHAIRMAN
Richard Madden

TREASURER
Kathy Pesterfield

CLERK
Allen Strahle

MEMBER
Lucille Hedrich
Estelle Thompson

January 19, 1978

Senator Joseph Orsini
Alaska State Senate
Pouch V
Juneau, Alaska, 99811

Dear Senator Orsini:

This letter is to comment upon SB 373. At its regular meeting on January 19, 1978, the Southeast Island School District Board went on record against the bill.

The public is informed of the results of negotiations in the Southeast Island School District, and has the opportunity to express its opinions to Board members directly as well as through the electoral process.

Also, it was felt that the bill would needlessly prolong the negotiations process in school districts such as ours.

Sincerely yours,

Richard Madden

Richard Madden, Chairman
Southeast Island School District

RM:js
cc: Governor Jay Hammond
Senator Robert Ziegler
Representative Terry Gardiner
Representative Oral Freeman

F: SB
373

Petersburg Public Schools

D. W. Schultz, Superintendent

P. O. BOX 289
PETERSBURG, ALASKA 99833

January 20, 1978

Senator Joe Orsini
Chairman
Community and Regional
Affairs Committee

Dear Senator Orsini:

I feel that Senate Bill No. 373 is excellent in that it would give the public a say in how their funds are negotiated away. I also feel that this bill would get the people more involved in their schools.

Thank you.

Sincerely,

Mike Dean, President
Petersburg School Board

F 1) SB 373
2) " 374
3) " 388
4) " 375

Phone: (907) 424-3237
or 424-3238

CITY OF CORDOVA

Box 1210
CORDOVA, ALASKA 99574

Reply to:

"The Friendly City"

January 30, 1978

The Honorable Joe Orsini, Chairman
Senate Community and Regional
Affairs Committee
Pouch "V"
Juneau, Alaska 99811

Dear Senator Orsini:

Thank you for permitting us the opportunity to comment on several bills before your committee.

Our comments are as follows:

Senate Bill 373 - No Comment

Senate Bill 374 - We would have no objection to this bill provided we can continue to apply for and receive leases to tidelands under the present methods, however, if this would infringe upon that right, we raise strong objections to any interference with our right to obtain tide or submerged lands.

Senate Bill 388 - We support this bill.

Senate Bill 375 - We support this concept for loans to municipalities as defined for construction or renovation of capital facilities.

Thanks again for the opportunity to comment.

Very truly yours,

Perry D. Lovett
City Manager

cc: Senator Kerttula
Representative Lovseth

PDL/lb

Skagway City School District
POST OFFICE BOX 497 SKAGWAY, ALASKA 99840

F: SB 373

Feb. 1, 1978

Senator Joe Orsini, Chairman
Community and Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

Accepting Senate Bill 373 on face value, it appears to be a sound proposal. The Skagway City School Board would be delighted to make all aspects of negotiations public. In fact, this topic is discussed each year in our preliminary meetings.

Although after a careful examination of this proposal, one can see that it would be a cumbersome and time consuming process. Negotiations are unwieldy at best, and with this additional time factor built in, it would create an impossible situation.

Sincerely yours,

Gordon C. Tope
Superintendent

GCT/jmh

F: SB-373

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2525

GEORGE M. SULLIVAN,
MAYOR

OFFICE OF THE MAYOR

February 2, 1978

Senator Joe Orsini
Chairman
Community & Regional Affairs Committee
Alaska State Legislature
Juneau, Alaska 99811

Dear Joe:

The Municipality of Anchorage has opted out of the State Labor Relations Act, so SB 373 will not affect us at this time.

I did have the bill reviewed by our Labor Director and he does find some fault with the Legislation. Feel free to contact him if you wish. His name is Fred Jones and he can be reached at 264-4424.

Best personal regards,

George

George M. Sullivan
Mayor

GMS:lo

cc: Fred Jones
Ted Berns

F: SB 373

ANCHORAGE
SCHOOL DISTRICT
4600 Debarr Road - Anchorage, Alaska
99504
AREA CODE 907-333-9561

February 3, 1978

The Honorable Joe Orsini
Senator, Alaska State Senate
Pouch V
Juneau, AK 99811

Dear Senator Orsini:

Thank you for your letter of February 1, 1978. We have given some consideration to SB 373 and would offer the following comments and suggestions.

Section A. Public Notice. This section's intent is commendable. The realities of public sector bargaining provide a situation which could place governmental units at a distinct disadvantage if only the governmental proposal were made public. To remedy this possibility, I would suggest that both sides be required simultaneously to release their proposals at the first meeting between the bargaining teams.

Section B. I agree with the intent of this section. To expedite negotiations, I would suggest limiting the amount of time which elapses between the release of the documents and the beginning of bargaining sessions. Two weeks might be appropriate.

Section C. This section poses a possible syntax ambiguity in possible interpretations of the word "proposal" in sections B, C, and D. This section requires public review of only the public employer's proposal. I believe the public meeting should be held to review both parties' proposals. Then action could be taken by both parties prior to convening negotiations.

Section D. It should be made clear that the disclosure provisions of this section would apply equally to proposals of both parties.

We would offer the following ideas for further consideration.

Section A. Initial proposals of both public employer and employee organizations must be made a part of the public record at a public meeting of the parties.

Section B. Negotiations between the employer and the employee group may not resume until a public hearing on both proposals has been held under the sponsorship of the public employer or by a mutually acceptable third party.

NOTE: It might not be necessary for the public body to adopt its initial posture since, by inference, they would have already done so in making an offer. The public hearing would allow them to modify their position prior to resuming negotiations.

Section C. Comprehensive reports to the public on the progress and scope of negotiations, including full disclosure of signed articles between negotiating teams, should be made at least weekly. This would allow necessary give and take to occur between negotiating teams without excluding public comment.

Public knowledge of, and participation in, the activities of employee groups and public employers is a worthwhile goal and one which merits our support.

Sincerely,

John B. Peper

John B. Peper, Ed.D.
Superintendent

pa

cc: Caroline Pohlforth
William Overstreet
Joe D. Montgomery

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

February 21, 1978

John Pugh, President
5017 Seton Circle
Anchorage, Alaska 99504

Dear Mr. Pugh:

I have enclosed for your review a copy of Senate Bill no. 501 ("An Act relating to municipal labor relations"), which concerns procedures for binding arbitration in matters involving local public employees, both municipal and school district.

I would very much appreciate your comments and assessment of this proposed legislation so that the Senate Community and Regional Affairs Committee will be able to benefit from your views when it takes up the measure later during the session.

I would like to point out that SB 501 is designed to allow local government or the appropriate administrative body the option adopting either or neither of these means of settling local public collective bargaining disputes. It is not my intent for the legislation in any way to mandate these forms of arbitration to the local governing body, but to permit it to select the most flexible course of action possible and locally desirable.

In this respect, I would also appreciate any suggestions you may have on ways in which SB 501 might be refined or made more responsive to local requirements.

Sincerely,

Joe Orsini

Joe Orsini
Chairman
Community and Regional
Affairs Committee

JO/tb

Enclosure: SB 501

SB-373

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

M E M O R A N D U M March 17, 1978

SUBJECT: SB 373; collective bargaining

TO: Senator Joseph L. Orsini

FROM: Richard A. Bradley, Legislative Counsel

After the hearing on SB 373 recently, you asked me to comment on one question.

The testimony offered on SB 373 suggested that some municipalities and school districts had provisions in their collective bargaining agreements stipulating that negotiations under the agreement would be undertaken in private.

Your question to me was whether in the context of such a provision, the municipality or school district retained the authority to adopt an ordinance which would mandate collective bargaining in the public's view.

In my opinion, a municipality or school district retains the right to determine the public policy of the community it speaks for. Therefore, a municipality or a school district may adopt an ordinance or resolution articulating such a policy.

In areas such as the protection of civil rights, restraints inconsistent with that goal may be expected to yield and the fact that the restraints are located in contracts has not been found significant. Southern Illinois Builders Assn. v. Ogilvie, 327 F. Supp. 1154 (S.D. Ill. 1971) and Contractors Assn. of Eastern Pa. v. Sec. of Labor, 442 F. 2d 159 (3rd Cir.) cert. den., 404 U.S. 854 (1971), aff'g. 311 F. Supp. 1002 (E.D. Pa. 1970). See also Federal Housing Authority v. Darlington 358 U.S. 84, 91 (1958); Fleming v. Rhodes, 331 U.S. 100, 107 (1947).

In my opinion, the strong public policy in favor of the public's right to know what government is doing militates toward a similar conclusion. In any consideration of such a move, a municipality or school district presently operating under such a contractual provision could move to an open policy in stages by either declining to negotiate such a provision in renewals of agreements or providing by ordinance for open negotiations in all future agreements.

RAB:hjd

STATE OF ALASKA
THE LEGISLATURE

POUCH Y · STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M

March 23, 1978

SUBJECT: CS for SB 373

TO: Senator Joseph L. Orsini

FROM: Richard A. Bradley RB
Legislative Counsel

The committee substitute requested is enclosed.

I believe it is straightforward and responsive to your request.

Note one feature of collective bargaining at the present time in Alaska:

(1) AS 23.40 applies to the executive branch of the state government, the University of Alaska, and municipalities except as to "teachers or noncertificated employees of school districts." AS 23.40.250(5).

(2) AS 14.20.550 et seq. applies to certificated employees of school districts, including REAAs.

(3) No law governs the collective bargaining by noncertificated employees of school districts or REAAs.

Accordingly, the bill addresses only those parts of the collective bargaining process presently authorized by statute.

RAB:jpd

Enclosure

Alaska State Legislature

Senate

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

March 27, 1978

John B. Peper, Ed.D.
Superintendent
Anchorage School District
4600 DeBarr Road
Anchorage, Alaska 99504

Dear Dr. Peper:

Thank you for your letter of March 21 commenting on House Bills 681, 853 and 489. I know that you and your staff are fully occupied with immediate school district matters, so I do appreciate your taking the time to write on pending legislation.

Your earlier comments on the first draft of SB 373 were particularly useful to the Committee and they served as the basis for a proposed committee substitute. I have enclosed a copy of the redraft for your information and also for any further assessment you may wish to make.

I also hope that the Anchorage School District might be able to participate on March 30 in the video-broadcast hearings this Committee will hold on SB 501 (relating to the resolution by the public of public collective bargaining impasses) and, as time permits, on CSSB 373 as well.

You have my sympathy and full understanding regarding the deluge of regulations and new legislation affecting education. Hopefully, the flood can be brought under control or at least kept to measures truly benefiting municipalities and school districts.

Sincerely,

Joe Orsini

JOE ORSINI
Chairman, Senate
Community and Regional
Affairs Committee

JO:gd

Enclosure: CSSB 373

EDWARD D. PERKOWSKI, EXECUTIVE SECRETARY-TREASURER
P. O. BOX 347, FAIRBANKS, 99707
PHONE 452-3862

GEORGE PEARSON, PRESIDENT
407 DENALI, ANCHORAGE, 99501
PHONE 276-3533

Alaska State Council of Carpenters

F: SB 373

AFFILIATED WITH

United Brotherhood of Carpenters and Joiners of America

LOCALS
466 SITKA
1243 FAIRBANKS
1281 ANCHORAGE
1501 KETCHIKAN

LOCALS
2162 KODIAK
2247 JUNEAU
2520 ANCHORAGE

"Build It With Wood"

1

March 29, 1978

Senator Joe Orsini, Chairman
Senate Community and Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Re: Senate Bill No. 373 - Public Notice of Negotiations.

Dear Senator Orsini and members of the committee:

I would like to make comments on Senate Bill No. 373 that proposes to take negotiations for public employees out of their normal business like closed sessions and place the negotiations into a public arena. Throughout history we have witnessed the removal of certain functions from their normal environments and placed in public arenas. One that comes to mind was the removal of the trial of Christians from the Roman Empire courts and placed in townsquares and coliseums. That blood bath was slowed to a trickle when the trial of these people was removed from the public arena and returned to the court rooms.

Justice for the blacks of the south was at one time determined by public gatherings of whitehood "saints" using emotions not reason and law. The only hope of justice for the southern black is in the courts with appeals processes that extend north. I have used what some may call rediculous examples of taking a function out of its proper arena but they nevertheless graphically portray the thought that not all processes should be made public.

Black's Law Dictionary defines negotiate as "that which passes between parties or their agents in the course of or incident to the making of a contract..."

and defines negotiation as "the act of settling or arranging the terms and conditions of a bargain, sale, or other business transaction."

I doubt that free enterprise, international relations or courtship and marriage proposals could survive in an arena of public disclosure of all proposals made. Labor negotiations is a closed businesslike process of proposals and counter proposals, give and take and compromise. The finished product seldom resembles the original proposals but what emerges is a workable document reflecting the ideas and needs of both sides.

To suggest that private enterprise conduct all negotiations as per the concept of Senate Bill 373 would be met with contempt and scorn from both management and labor. I cannot belive that the best interest of municipalities and municipal employees will be met by removing their negotiations from a businesslike private arena to a public arena where emotions and irrationality often run wild. This piece of legislation appears to be a cure that will end up killing the patient. I suggest that you look again at the ailment to see if a cure is needed and if it does then look at the alternate cures. The cure should not have bad side effects that are worse than the original ailment.

Sincerely,

CARPENTERS LOCAL UNION 1281

George Pearson

George Pearson
President

GP:ch

F: SB-501
CSSB-373

745 West 13th
Anchorage, Ak.
99501
March 30, 1978

Alaska State Senate
Community and Regional Affairs Committee
Joseph L. Orsini, Chairman
Pouch V
Juneau, Ak. 99811

Dear Senators, Senator Orsini

The following is the testimony I verbally gave today via the Teleconference Hearing on SB 501 and CSSB 373:

Mr. Chairman and Senators, I'm Sue Linford speaking as a private Alaskan citizen of 24 years and former member and President of the Anchorage School Board. Currently, I am Chairman of the Anchorage Chamber of Commerce Education Committee and Representative from Alaska PTA to the Ruralcap Board of Directors. (*)

As a preface to my remarks, the concept presented in both 501 and 373 is an ideal and as an ideal it is presented as the perfect solution to impasse resolution in collective bargaining. Unfortunately, when dealing with fallible imperfect humans and human behavior, perfection is impossible. I oppose both pieces of legislation for one overall reason - they limit local control. Both pieces further narrow local governments' authority and ability to discover their own imperfect solutions to the perfect problem i.e. impasse resolution. The State would be better advised to spend the taxpayers' money on on-going training of employee groups and elected officials around the state in various techniques which will help insure fair collective bargaining, that is to better learn the rules of the game as it currently exists.

Regarding specifics of the bills - In speaking to both bills, my particular point of view is their effect on school personnel. I don't have to tell you that there is a vast difference between public and private sector negotiations; I also do not have to convince you, or you wouldn't be serving, of the greatness of the democratic institution of representative government. Put these two points together and you have the voters' elected representatives with the fiduciary responsibility for the public funds under their direct control. Further, this representative responsibility can not be fragmented or our checks and balance system will no longer work. I'm referring specifically to SB 501 Sec. 1, g, (1) - First of all, the panel suggested duplicates already existing elected bodies which have the OVERALL governing responsibility within their particular jurisdiction and areas of expertise. To add another layer, further insulates government from the direct voice of the people. If we were to deal with all local government problems in this manner, we would have taxpayer dollars spent for elections of ALL kinds and for ALL manners of panels. The result being - no ONE person or body where the BUCK actually stops. Also the politics of electing the panel suggested is lethal!

It is open to special interest manipulation not to mention the built-in invitation once elected for influence-buying and corruption. In other words, the bill suggests developing a democratic Frankenstein which is NOT responsible to or for the overall day-to-day governing of its public but rather a very narrow, specialized area called arbitration.

In Sec. 1, g, (2) - At a time when public sector bargaining is just barely being understood, this bill suggests submission of issues in dispute to an election of the voters, thereby changing entirely the rules of collective bargaining!

In conclusion, I'm reminded of a poker game in which heavy betting has taken place on specific hands; finally, when all bets are placed and a winner is about to be determined, a passerby comes to the table, picks up the hands, shifts some of the cards around, throws down one hand, points to a person and declares both the hand and the person the winner - then he turns and disappears into the sunset. . .

Regarding CSSB 373 - This substitute is much better than the original bill eliminating much of the poor wording and loop holes and seems fairly innocuous, however, I'm still opposed for the reason previously mentioned - limits local control. Additionally, I do question the wording in paragraph (b) - How do you envision the public "expressing itself?" and in paragraph (c) - What is meant by "the labor relations agency?"

Thank you.

Sincerely,

Sue Linford

(*) All of these organizations have taken a position opposing binding arbitration even Ruralcap, indirectly, through its co-sponsorship with the State of the Citizens Participation Conference at which the delegates from the rural areas of the State took the position against it.

RESPONSE TO SENATE BILL 373:

	Support	Oppose	No Position
Petersburg School Board	X		
Southeast Island School Dist.		X	
City & Borough of Sitka	X		
Skagway School District		X	
Municipality of Anchorage			X
Anchorage School District	X		
City of Cordova			X

3-7-78

Alaska State Legislature

Senate

Office of the Secretary

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM TO: Community and Regional Affairs Committee

Subject: Governor's appointments

The President referred the following appointees to your committee for hearings, report and recommendation in accordance with AS 39.05.080:

MUNICIPAL BOND BANK BOARD

Lance Anderson, Kotzebue, term expiring July 15, 1981

Secretary of the Senate

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE MINUTES

March 7, 1978

Present: Chairman Orsini, Senators Willis, Hackney, Ferguson and Sumner; Cherie Shelley, APEA: Marilyn Miller, Alaska Municipal League; Guy Stringham, District Council of Laborers; Bob Van Houte, NEA-Alaska; Bruce Aronson, Department of Community and Regional Affairs; Sharon K. Young, Alaska Association of School Boards; John Coffee, Alaska Association of School Boards; Bob Greene, Alaska Association of School Boards; Bob Cooksey, NEA-Alaska; Caroline Wohlforth, Anchorage School Board, John V. Voor; Pat L. Hunt, Administration.

SENATE BILL 373

Chairman Orsini said that it was his intent in introducing SB 373 to provide the means whereby the public would be informed of the initial negotiating position of both sides at the onset of collective bargaining in the public sector. He said he also wished to have any new positions developed or proposed during the course of negotiations also brought to the public, but that it was not his intention in the legislation to open the negotiating process itself to public scrutiny. He then opened the hearing to public testimony.

Cherie Shelley of the Alaska Public Employees Associations (APEA) said that her organization opposed the bill as drafted although she found the language of the proposed committee substitute better than the original bill. She was concerned that the publication of the two sides' initial positions would lock the negotiating teams into inflexible positions from which the negotiators would feel they could not retreat. Such a situation would inhibit the course of true negotiations and easily result in rapidly deadlocked talks. In response to a Committee member's question, she said she was not aware of instances in other states where such procedures were practiced.

Patrick Hunt, Director of Labor Relations, said that he supported the concept of the bill, particularly in the proposed committee substitute version. He questioned, however, the need for paragraph (c) and instead suggested that periodic status reports might be required to keep the public abreast of the negotiation's progress. He pointed out there was a great deal of give and take during the talks with numerous informal and tentative suggestions made. It would be difficult to determine under paragraph (c) whether those suggestions would be classified as "new subjects". He believed that the flexibility and informality of the present talks assisted materially in reaching innovative agreements.

Guy Stringham, Vice President of the Alaska District Council of Laboroers, expressed his organization's concern that the publication of the two sides' initial bargaining position would lock them into those positions through the negotiations. He believed that negotiators would fear that any compromise reached during negotiations would be regarded as a form of betrayal by the more extreme elements of the two sides' respective constituencies and stressed that the publication

of the initial positions cuts away the middle ground from the negotiation process. Since the public at large is not conversant with the negotiation process, its members would tend to react emotionally and that would damage the prospects of a satisfactory settlement.

In response to a Committee member's question, Mr. Stringham said that the Laborers Union represented 11,000 members in Alaska of whom 3,000 were public employees.

Caroline Wohlforth, representing the Anchorage School Board, said she found SB 373 an extremely positive piece of legislation and especially like the provisions of paragraph (d) of the proposed Committee Substitute. She said that she continued to support the concept of some confidentiality in the negotiation process, but the public, through its tax support of local government, was too important for it not to have greater involvement. In regard to paragraph (c), she said she believed either the provisions of the paragraph or the periodic report suggested by Mr. Hunt would be satisfactory. She did note, however, that the ground rules of negotiations she was familiar with did not allow new subjects to be raised following the presentation of the initial bargaining position. She noted that school boards frequently did not participate directly in the contract negotiations but used negotiators to whom the board gave explicit and on-going instructions.

Robert Greene, representing the Alaska Association of School Boards, said that school boards in Alaska have historically been reluctant to enter the public arena regarding contract negotiations. Recently, however, that point of view has begun to change and boards are considering new approached. He noted that one district (Kodiak) had negotiated in public recently without difficulty, although most unions preferred confidential negotiations. He believed that paragraph (c) of the proposed committee substitute was unnecessary since, as pointed out by Caroline Wohlforth, new subjects were not accepted during negotiations once the initial bargaining position had been presented. He said that as the boards gained more experience with more open negotiations that the process envisioned in SB 373 would speed up contract talks and would assist in reaching settlements.

Robert Van Houte, representing NEA-Alaska, said that the teachers organization would have no general problem with the public presentation of initial proposals, although he would prefer "made available to the public" rather than "presentation". Regarding paragraph (b) of the proposed committee substitute, he believed a specific time should be inserted instead of "reasonable time". Regarding paragraph (c), he said that status reports would be acceptable in the unlikely event that new directions were undertaken during the course of negotiations. Regarding paragraph (d), he said that procedures already existed to cover these needs and that he feared the "full -page ad syndrome" might otherwise occur.

Marilyn Miller, representing the Alaska Municipal League, said that the League had not adopted a position on this issue and asked whether municipalities could not presently establish similar collective bargaining procedures by ordinance if they so wished. If such was the case, then would legislation at the state level be necessary? Mr. Green commented that previous agreement which many municipalities have made with labor organizations have precluded them from exercising this option.

In the concluding discussion with Committee members, Mr. Hunt pointed out the teachers were exempted from the provisions of AS 23.40 and expressed the hope that the proposed legislation would not be modified as a result of their expressed views. He also asked that consideration be given to authorizing the State Labor Relations Agency to carry out the provisions of paragraph (d) of the proposed committee substitute. Mr. Greene noted that there was pending legislation which would bring teachers under AS 23.40.

This concluded public testimony on SB 373, and Chairman Orsini adjourned the meeting at 4:30.

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE MEETING

March 23, 1978

Present: Senators Orsini, Willis, Hackney and Sumner, Kenneth Kareen, Department of Administration; Sandra Withers, Department of Administration; Lee Sharp, City and Borough of Juneau; Doug Griffin, Department of Community and Regional Affairs; Dave Klemmer, Department of Revenue; Jim Rolle, Alaska Municipal League.

Absent: Senator Ferguson

SENATE BILL 430

The meeting was called to order by Chairman Orsini. The Committee had before it a proposed committee substitute based on the draft submitted by the Alaska Municipal Bond Bank Authority with one amendment recommended by the City and Borough of Juneau to clarify the legal obligations of municipalities.

Dave Klemmer, Department of Revenue, testified that Commissioner of Revenue Sterling Gallagher had recommended a $75 million ceiling be placed on the sale of revenue bonds. He pointed out that the State of Alaska was initiating a new concept with the revenue bonds authority and that the $75 million ceiling would provide a 1:3 ratio marketing ratio for the combined general obligation bonds ($150 million) and revenue bonds ($75 million).

Jim Rolle, Alaska Municipal League, opposed the placing of a ceiling on revenue bond sales since the needs of municipalities in this area could quickly exceed $75 million.

Chairman Orsini asked Mr. Klemmer to put his Department's views in writing for the Committee.

SENATE BILL 373

Sandra Withers and Kenneth Kareen, Department of Administration, asked about the implementation of the bill. In particular, Ms. Withers asked what penalties were involved for failure to adhere to the bill provisions and Mr. Kareen questioned the inclusion of the Labor Relations Agency in adopting regulations under Sec. 14.20.565(c) since school teachers were not presently affected by the statutes. However, he stated that the Department of Administration supports the committee substitute for SB 373.

Chairman Orsini noted that the provision for issue progress reports, found in the original draft of the bill, had been deleted in the proposed committee substitute because earlier testimony had indicated that it was not likely to be productive. Senator Hackney asked that the comments of APEA and NEA-Alaska be obtained when this bill was brought up in committee again. Chairman Orsini announced that the C&RA committee meeting on March 30th would be a video-conference hearing on Senate Bills 501 and 373, held in the Governor's Conference Room. The meeting was adjourned at 3:55.

TESTIMONY FROM VIDEO-CONFERENCE
C&RA COMMITTEE MEETING ON SB 501 & 373

March 30, 1978

Present: Senators Orsini, Hackney, Ferguson and Sumner

Absent: Senator Willis

Chairman Orsini called the meeting to order and explained that the meeting was on a video-conferencing network tied into Nome, Bethel, Fairbanks, Anchorage and Ketchikan.

Senate Bill 501, relating to municipal labor relations and Senate Bill 373, relating to public information regarding collective bargaining by public employees were the bills before the committee.

Gary Akerman - Fairbanks - Public, Labor Union Member - Stated that negotiations were a matter between the employer and employee. Felt that these are the two people involved and they can best negotiate something out between themselves. Stated that he felt the same way about SB 373.

Walt Bonnet - Anchorage Chamber of Commerce - Public - Stated that he was opposed to any act which brings about binding arbitration in the form of impasse resolution and labor disputes with any public employees - consistent with this is opposition to the concept of submission of dispute directly to the voters. Stated that public employees salaries, benefits and terms of employment are a most significant aspect of municipal government. The function of management of public employees is historically and ideally vested in the elected offices of the Mayor, Assembly and School Board. Third party panel will never create substantial public awareness and what is worse will never resolve the question of whether one of the parties was being irresponsible in the role of negotiating. It reduces public awareness of negotiation proposals and settlements and reduces public scrutiny in the roles played by the principals charged with the negotiation functions. This dissolving of direct accountability to the elected official or representative of a bargaining unit is the single most negative facet of the binding arbitration.

Caroline Wohlforth - Anchorage - President of Anchorage School Board- Stated that SB 501 strikes at the core of elected officials. The policies and relations between employers and employees are most effectively dealt with by their own elected officials who have that responsibility to the public. She also stated that if government was run by referendum there would be no need for government. She stated that on the same basis they questioned the use of binding arbitration as a means of settling a dispute which arise in negotiations. She went on that under our system, management and labor have certain perogatives during negotiations, binding arbitration would deny both parties of this perogative and result in governmental policy making outside of government.

Sharon Walker - Ketchikan - Ketchikan Gateway Board of Education - It is the opinion of the Ketchikan Gateway Board of Education that

binding arbitration in any form in municipal labor relations deletes the authority and the responsibility of the duly elected local official. If a local municipality attempts to exempt itself by the election of an arbitration panel then that panel itself becomes another level of government and the election of those members become paramount on any issue of labor relations. If an election is held on the issue of impasse then the management unit of local government must spend local tax dollars in an effort to inform the voters as to the background and reasonings behind their offer. She stated that it was the Board's opinion that either method is unsatisfactory and cannot support either of the bills.

John Carlson - Fairbanks - Mayor, North Star Borough - Comments basically on SB 373. Opposed to any effort from the State Legislature to further direct local government in collective bargaining procedure. He stated that the procedures and policies implemented in collective bargaining can best be addressed at the local level. Strongly opposed to binding arbitration from an outside arbitrator. Felt that it was in the best interest of the local municipality to determine their own labor relations policy. He brought out in testimony on the 3 member arbitration panel that there should be some indication of how to replace a person that has been elected to the board.

Millett Keller - Anchorage - V.P, Anchorage School Board - Stated that he has strong feelings about the philosophical implications on our entire form of government that binding arbitration in the public sector brings to the front. He stated that collective bargaining has served the Alaska public employees quite well. Binding arbitration is where he has to draw the line. He stated that with binding arbitration we are taking the most powerful force we give our government: the ability to tax and giving it to someone who doesn't account to the voters. He stated that the voters want and demand that their elected officials face up to all the tough issues and represent the public by making these decisions. He stated that the Anchorage School Board does not support SB 501. He stated that he was in favor of revealing to the public what collective bargaining offers are, in favor of SB 373.

Bob Collins - Ketchikan - APEA of Ketchikan - Supports SB 373 and opposes SB 501. Stated that SB 501 is fatally flawed in several respects. Arbitration panel elected by the voters is a poor idea. Elected arbitrators in smaller communities would be inexperienced in collective bargaining and labor law and procedure, municipal finance, personnel management and other matters pertaining to collective bargaining. Stated that elected arbitration panel would achieve improperly arbitrated decisions on collective bargaining disputes; these in turn would lead to extensive litigation. Submitted disputes to the voters is also a poor idea. Voters are largely uninformed about collective bargaining issues. That being the case if the issue is submitted to them it becomes a media battle.

Rosemary Porter - Bethel - Public - She stated that on SB 501 the amendment may be necessary because it does give municipalities options and anything that gives municipalities options has got to be a good thing. She stated concern on the 3 member elected arbitration panel because it tends to put arbitration in a political form.

Robert Johnson - Anchorage - Teamsters, Local 959, opposed to SB 501, consider it both irresponsible and dangerous to free collective bargaining. He stated that it has the potential of destroying collective bargaining even though it pretends to follow the ultimate in democratic process. He also stated that it is for better or worse the duty of an elected official within local cities to carry out both the legislative and executive functions. He stated that collective bargaining was one of those executive functions. The delegation of this function is called forth within this bill. He went on to say that the people in the local union did not see any need for this legislation.

Bob Garza - Ketchikan - Ketchikan Central Labor Council & IBEW, Local 1547 - He stated that these two organizations were opposed to SB 501. He said that there are enough problems with the public employees relations now without adding further confusion and additional costly elections to elect people who are perhaps unqualified in labor disputes.

John Alexander - Anchorage - IBEW, Local 1547 - Oppose both pieces of legislation. He stated that it further complicates collective bargaining. Does not see any need for this legislation. Also stated opposition to personalities when it came to voting on a 3 member arbitration panel. He said that this would probably prolong the bargaining process. Stated that he had gone through impasse in past and has been able to work out their differences on their own with any outside arbitrator.

George Pearson - Anchorage - President of Alaska State Council of Carpenters - Is opposed to SB 501. He said the reason state confusion and poor labor relations exist because of continual adoption of new labor relations legislation or employee regulations. Continually adding options and revising these is not helpful stability within the state.

Diane Carpenter - Bethel - Public - Is oppoed to SB 501. She stated that one concern was with the public being the deciding factor. She thought that it was very difficult for the general public to be well informed on the complex issues that are involved in negotiations to be able to make a good determination on those issues. She also stated concern about the 3 member arbitration panel. She felt that it would be the place of the two parties involved to select who should be on the panel. On SB 3737 she stated that initial proposals should be kept confidential and should be negotiated in private. If there was an impasse she felt that the public has a right to know what the issues are that are at impasse and at this point each parties should be willing to make their positions known to the public so that they can through the political process influence the final outcome.

Allen Winterstein - Chairman, Lower Kuskokwim Pace Committee - opposed to SB 501. He stated that this bill puts items of impasse between the public employees and employers before the voters to determine. He stated that this would be detrimental for several reasons. People generally vote no on that which they do not understand and on items that cost money. This bill would destroy the current negotiations procedure.

Ben Clayton - Anchorage - Fire Fighters, Local 1264 - He testified

on SB 373 and said that his remarks also apply to SB 501. He felt that if collective bargaining impasse was brought to the public for a decision, there would be emotionalism involved and it would also lose the compromising technique. If the public voted they would have to vote one way or the other - no compromise.

Sue Lindford - Anchorage - Public - Opposed to both bills basically for one reason -- they limit local control. Both pieces further narrow local government authority and ability to discover their own inperfect solution to the perfect problem - impasse resolution. She went on to say that the State would be better advised to spend the tax payers money on on-going training of employee groups and elected officials around the state and various techniques which will help to insure a fair collective bargaining.

Mason West - Anchorage - President of the Alaska Community Colleges Federation of Teachers - Stated they fully oppose SB 501. He stated that it improperly addresses the need of labor or management in the process of collective bargaining. He believed that both parties should be the deciding parties. He stated that with an elected panel of arbitrators you would be subjected to corruption, inability and influence which would make it to political.

Senator Hackney adjourned the meeting after completion of State-wide testimony on SB 501 and 373.

SENATE COMMUNITY & REGIONAL AFFAIRS
COMMITTEE MEETING

April 18, 1978

Present: Senators Orsini, Willis, Hackney and Sumner; Cherie Shelly, APEA; Jon Scribner, Department of Environmental Conservation; Lowell Swartz, Department of Health, Education and Social Services; Richard Peter; Robert L. Cole, Department of HESS; Robert L. Stewart; Greg Mackyowsky, Code Revision Commission; Bob Van Houte, NEA-Alaska; Richard Holden, Department of Transportation and Public Facilities; Janice Gates, Department of HESS.

Absent: Senator Ferguson

Senate Bill 373, relating to public information regarding collective bargaining by public employees; Senate Bill 533, relating to planning of public facilities for municipalities; Senate Bill 183, relating to alcoholic beverages and House Bill 795, appropriations for Fairbanks Town and Village Assoc., for Development, Inc., were the bills before the Committee.

SENATE BILL 373

Chairman Orsini stated that there was a committee substitute for this bill which covered most of the testimony that was heard on the bill. Senator Hackney moved that the Committee pass out SB 373 with individual recommendations.

HOUSE BILL 795

Senator Hackney moved that the Committee pass out HB 795 with individual recommendations.

SENATE BILL 533

Jack Chenoweth, Legislative Affairs Agency, explained the committee substitute draft to the Committee members. Section 1 is from the original bill. Section 2 derived from draft provided by Richard Holden, DOT, requiring that there be a state-wide comprehensive facility procurement plan done by the Commissioner. He also explained that he had defined "public facility", which was of some concern to the Committee last meeting. Section 3 expands upon the public responsibility of the Department of Community and Regional Affairs in this process.

Chairman Orsini stated that he would like to pin down the concepts and make the initial changes in the bill Thursday.

Janice Gates, Department of HESS, called attention to the Committee that on Page 2, Sec. (d) dealing with health care facilities that "in communities without such facilities", was confusing and unnecessary. The Committee discussed the rest of the items on that page and it was brought out that there was other language that was not particularly necessary. The language would be revised for Committee consideration on Thursday.

Richard Holden, DOT, stated that a repealer, which states that highways and ferries are not a "public facility" was left out of the work draft.

Senator Sumner expressed concern regarding the health care and social services facilities in private finance facilities. He stated that there were serious questions regarding the "certificate of need" and whether that is not some sort of self-regulating opportunity. He also stated that he wanted to make sure that if "certificate of need" and planning were not tied together in this bill that they are not tied together in practice as well.

Jon Scribner, Department of Environmental Conservation, with regard to the water and sewer system section of the bill, stated that DEC has a program in which it works with local communities and the communities themselves set the priorities on their water and sewer systems. In that regard, he stated, the Department was unsure of how this kind of program fits in with this particular bill. He went on to explain that the Department has an Advisory Committee, which the Legislature set up last year that sets money priorities for villages in this program. Mr. Holden stated that there was a solution to this problem, because most of the agencies have some sort of peculiarity with e.g. source of federal funds. He stated that in one of the earlier committee meetings Senator Sumner suggested that a clause go in the bill that Administrative regulation draft to implement this legislation be developed by each program agency for that particular programing and approved by them before promulgating it.

Chairman Orsini stated that he would like to have a new draft drawn up incorporating some of the concerns expressed and again stated that the final adjustments would be made Thursday.

SENATE BILL 183

The Committee had a draft committee substitute drawn up and Jack Chenoweth, Legislative Affairs Agency, pointed out some of the differences in the proposed draft and the original bill. He stated that he generally went throughout the bill and cleaned up where the references were. He explained that he added language, at the Committee's request, giving municipalities greater authority with respect to the renewal or new applications for a liquor license. Chairman Orsini suggested that there should be some requirement to prevent the ABC Board from taking action on applications in that 30-day period. Mr. Chenoweth stated that the only way a municipality can disapprove an application would be with a local ordinance. He stressed the validity of that ordinance as it could be subject to a law suit.

Mr. Chenoweth stated that he tried to shorten and simplify the language of the referendum ballot language that is actually put before the public to determine liquor sales within a community or municipality.

He explained section 04.15.438 which would give a municipality the option of staying wet but with the sale of non-distilled alcoholic beverages only, such as beer and wine.

In reference to penalties, Mr. Chenoweth stated that on Page 16, line 2 "may" was changed to "shall". This was done so that on a third violation there would be no question, the license would be revoked and the operation would be closed. Mr. Robert Cole, Department of HESS, pointed out that in changing "may" to "shall" that it should also be done on Page 15, line 28 referring that the board, council or assembly "shall" revoke a license upon the direction of the majority of its members upon the first and second violations.

Senator Hackney added that "consective" terms for violations should be put into the language.

The Committee also instructed Mr. Chenoweth to prepare a separate bill, to be introduced by the Committee, containing Section 9 and the Section on Limitation of Sales from the CS of SB 183. The resulting new legislation would deal only with municipal authority, in the CSSB 183.

SB 373

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE LIST

Name	Representing	Intent to testify? YES / NO
Cherie Shelley	APEA	Yes
Pat Lyons	Admin	✓
Marilyn Miller	AML	No
Greg Streingham	Dist. Counsel Laborers	✓
Bob Van Houte	NEA AK	
Bruce Aronson	CTKA	✓
Sharon K Hoover	AASB	✓
John Cotten	AASA Juneau Schools	✓
Ernie Crecelius	AASB	✓
John W Wood		✓

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE LIST

Name	Representing	Intent to testify? YES / NO
Bob Cooksey	NEA-Alaska	X
Caroline Dahlforth	Anchorage School Board	X

F: 373

All Alaska Weekly
11-18-77

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Handler places, that are warmer in more ways than
one, welcome them with open arms. Like Alabama, Kentucky, Illinois, New York, Utah, etc., etc., etc.

—The Anchorage Times Oct. 29, 1977

Perspective

Governor's Arbitration Proposal Has Merit

By Joe La Rocca

Gov. Jay Hammond's recent suggestion that Alaska's voters assume the role of final arbiter when negotiations between state administrators and organized state employes break down—though flawed—has some merit, notwithstanding the knee-jerk and typically uniformed reactions of editorialists for two of the state's principal daily newspapers.

Both the Juneau Empire and the Anchorage Times betrayed their ignorance of the fundamental mechanics of the state's collective bargaining process when they asserted recently that the governor's suggestion, if implemented, would constitute an "abdication" of executive responsibility.

State law already provides for binding arbitration when collective bargaining negotiations between the administration and affected government employe bargaining units reach an impasse. In that case a stalemate exists precisely because the executive branch has exercised its responsibility to refuse to make any further concessions which it believes are not in the public interest.

At that point both the employe bargaining unit and the administration have expressly exhausted their negotiating potential, thus setting the stage, under law, for the final step in the collective bargaining process—binding arbitration.

Existing law establishes step-by-step procedures for selecting an independent third party—usually a professional practitioner from outside the state—to serve as arbiter.

Typically, such an arbiter steps into the picture cold-turkey, a feature of the arbitration process which is calculated to endow it with the presumed virtue of objectivity, irrespective of peripheral but crucial considerations, such as the financial condition of the state treasury and pre-existing levels of employe benefits and salaries vis-a-vis those of non-government workers.

The governor's proposal would simply displace the

--Continued on page 10

do and accomplish many tasks better than the state might.

However, the state laws against discrimination permit every citizen to file complaints of discrimination with this agency. We do not have discretion over accepting complaints. For this reason, we will continue to receive complaints of discrimination from citizens in Fairbanks concerning any matter which is jurisdictional under the Human Rights law. We still believe that an effective commission can implement necessary human rights goals in Fairbanks, and the effect of a local commission may be to diminish the number of complaints which are filed with us.

It is also possible to enter into cooperative agreements with local commissions, if their authority includes the power to receive and investigate complaints. Under such an agreement, we can refrain from investigating to see if the local group can resolve the matter consistent with state law. However, since the present ordinance provides for a study and community relations-oriented type of commission, such an agreement is not likely at present. Therefore, our responsibility under state law will continue to obligate us to address those problems which come to our attention in the form of complaints.

I hope this information satisfactorily answers your question.

Sincerely,
Neil Thomas
Executive Director

Loan Man Here

A representative from the state Division of Business Loans will be in Fairbanks Tuesday, Nov. 22. Persons seeking information on the program or wishing to apply for a loan are invited to stop by the Governor's Conference Room in the State Office Building.

Perspective . . .

—Continued from page 4

disinterested arbiter with the state's voters, who have a profound interest in—and certainly a better grasp of—the economic environment in which they live than a dispassionate and uninvolved outsider. Hammond's suggestion would democratize a process whose title aptly characterizes it as arbitrary.

The problem with the governor's proposal to convert the electorate into a collective arbiter is not, as the Empire and Times have suggested, that he seeks to abdicate his executive responsibility; but that like too many of his notions, it's half-baked, thereby needlessly exposing it to valid objections which could have been foreseen and avoided, without undermining its basic integrity.

The governor first floated this limp trial balloon two weeks ago in an address to the annual meeting of the Alaska Municipal League here, then reviewed it last week in a speech to the annual meeting of the Alaska Association of School Boards, both of them relatively sympathetic audiences. Its vulnerability was compounded by the governor's unfortunate tendency to shoot from the lip and glibly respond to questions whose answers he clearly does not know.

One perceptive school board member, for example, asked whether the capability of the state's well-organized public employes to overwhelm the voters with massive media campaigns could be minimized by establishing limits on campaign expenditures.

Without blinking, the governor said he could see no reason why expenditures could not be limited in order to equalize the struggle for votes between well-heeled employe groups and less affluent school boards, particularly in rural areas.

Hammond's uniformed response to that key question ignored the fact that the U.S. Supreme Court last year outlawed arbitrary ceilings on election campaign expenditures, a far-reaching ruling which forced this and other states, as well as the federal government, to scrap their laws imposing limitations on campaign expenditures because they placed unconstitutional restraints on free speech.

Thus burdened by the bumbling advocacy of its principal champion, the idea of bringing certain disputes over public employes' contracts before the voters—though basically a good one—is not likely to get the consideration it deserves.

If you know anyone who has multiple sclerosis, get in touch with your local National Multiple Sclerosis Chapter. The society wants to help.

Tax Fraud Case Clear The Court

The United States Attorney's Office has announced that Jerry F. Young of Anchorage was fined $4,000 and sentenced to six months in prison for failing to pay over to the Internal Revenue Service certain withheld employment taxes on employee's salaries.

The Hon. U.S. District Judge James M. Fitzgerald suspended the six months' prison term and placed Young on probation for a period of one year.

Jerry Young is a partner in Young Brothers Company and president of Young Brothers Construction. These two companies have been active in various sewer and excavation projects around Fairbanks and Anchorage during the last three years.

Jerry Young pled guilty to two counts of failing to pay over to the IRS withheld employment taxes in the amount of $6,295. Under federal law, Young must now pay any employment taxes withheld and not previously paid over to the IRS plus civil penalties and interest.

The investigation resulting in this conviction was conducted by Special Agents of the Internal Revenue Service Intelligence Division.

In a related case, Dale M. Robertson, also known as Willard Storms, age 45, Douglas, Alaska, was sentenced Nov. 10 to three years imprisonment on each of three separate counts of aiding and abetting and making false claims for tax refund ch
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NOTICE OF ADOPTION

SB
F.373

EDITORIAL PAGE

The Anchorage Times

ROBERT B. ATWOOD
Editor and Publisher

WILLIAM J. TOBIN
Associate Editor
And General Manager

CLINTON T. ANDREWS JR.
Managing Editor

The Voters' Choice

LAST FALL Gov. Jay Hammond proposed a startling change in Alaska's method of settling disputes over wages and benefits for public employees. Instead of binding arbitration, the governor said the voters should be given the choice between the state's and the union's last contract offer.

The proposal — offered in a November speech to the Alaska Municipal League — received a chorus of criticism. Opponents, including this newspaper, said such a system would amount to pawning off on the voters politically unsavory duties which should be handled by the executive branch.

But perhaps it is time to take a second look at the governor's idea.

UNDOUBTEDLY IT would be cumbersome to place on the ballot the complex provisions of a union contract for public employees. Offers from both sides would have to be boiled down to their essentials and translated from bureaucratese into English.

However, given the usual circumstance — agreement by state and union negotiators on all but a few major issues — this could be done. And an independent economic assessment could point out to voters what the two ballot choices mean in tax dollars.

On election day the people of Alaska, who pay the salaries and benefits provided in the contract at issue, would make their choice, and the government and the union would be bound to honor it.

UNDER THE PRESENT system, negotiators from both sides meet in private to hammer out a contract. When they reach a stalemate, the alternatives are limited: arbitration or a strike.

Last year's experience with ferry system employees was a case in point. The state wouldn't budge from its final offer, and neither would the Inlandboatmen's Union. The union went on strike, and the ferry system — vital to transportation in roadless Southeast Alaska — ground to a halt.

The Hammond administration could have stopped the strike by seeking a court injunction. But the union would have countered with a request for binding arbitration, which the court probably would have granted as part of any order forcing strikers back to work. The governor, reluctant to place state salary decisions in the hands someone not responsible to the people, figured the strike was preferable.

The strike lasted 20 days, and the settlement reached July 25 will cost Alaska taxpayers $1.5 million in increased wages and benefits over the two-year contract period.

Had an election system been in effect, the strike could have been avoided and the people would have been content that the final decision was theirs, not that of a few negotiators meeting behind closed doors.

SUCH A SYSTEM also would ease one uncomfortable situation Alaska now has in union negotiations: The people who negotiate for the state are themselves state employees. While the officials who do the negotiating are not members of the bargaining unit, their salaries often go up later to reflect increases granted to union employees.

Under a contract election system, the same people would negotiate for the state, but voters would have the final say. Perhaps that knowledge would strengthen state resistance to costly demands by the unions, and perhaps it would ease the unions' penchant for bringing a hearty appetite to the public table.

Maybe after consideration the idea would be rejected as unworkable.

But until the governor's proposal is dusted off and offered for legislative consideration, it can't be rejected out of hand.

POLITICS TODAY

Brown-Car Battle Is Lik

By Jack W. Germon
And Jules Witcove

WASHINGTON — One of California's most astute political professionals was speculating the other day about the possibility of Gov. Gerry Brown challenging Jimmy Carter for the Democratic presidential nomination in 1980. "What I'm worried about," he said. "Is that by that time, Jerry won't be able to avoid running."

What he meant, in the political shorthand as it is fleshed out, is that the matchmakers already are so hard at work on a Carter-Brown fight that it may well be inevitable.

The matchmakers include the staffs and supporters of the two, other politicians with an interest in such a fight and, of course, the press, which has a weakness for discovering confrontations behind every tree. Nor are the disclaimers of the two principals taken at face value. Instead, they are universally viewed as only predictable denials for form's sake.

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SB
374

F: SB-374

NOTE FOR SB 375 FILE- ANCHORAGE COMMENTS

Ted Burns, Anchorage municipal attorney, called 2-21-78 and conveyed the Municipality's concern about the wording of SB 375. He said he had a memorandum from Tom Dowling in which Dowling raised the possibility that if SB 375 were passed its language, which was designed to restrict the bill's action only to the Skagway situation, would then prohibit any other municipality in Alaska from ever receiving tide lands....since they could never qualify under the restrictive language of 375.

I told Burns we appreciated his comments and requested that the Municipality put its concerns in writing for the Committee to have on hand when it reviewed the bill.

Ben Harding

2-23-78

STATE OF ALASKA
Inter-Department Route Slip

TO:
MAIL STATION NUMBER_____

DEPARTMENT_____

ATTENTION Sen Bill Ray

☐ Approval	☐ Note & Return
☐ Signature	☐ Initial & Return
☐ Comment	☐ Return As Requested
☐ Contact Me	☐ Return For Approval
☐ Prepare Reply	☐ Necessary Action
☐ For Your File	☒ Your Information

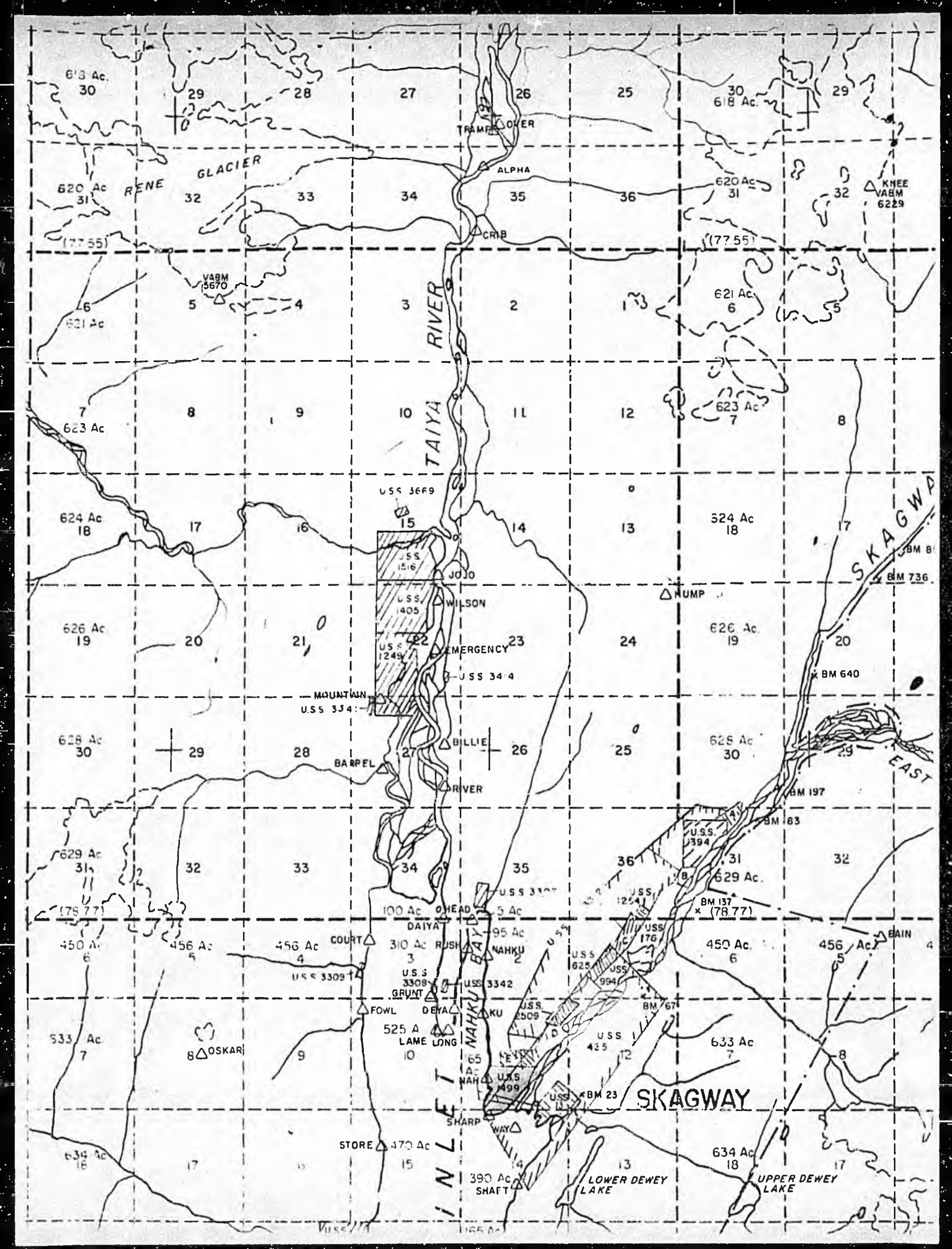
Remarks:
Land to be conveyed under S.B. 374

FROM:
MAIL STATION NUMBER_____

DEPARTMENT Natural Resources

BY M. T. Conkey DATE 1/17/78

02-002 (REV.10/73)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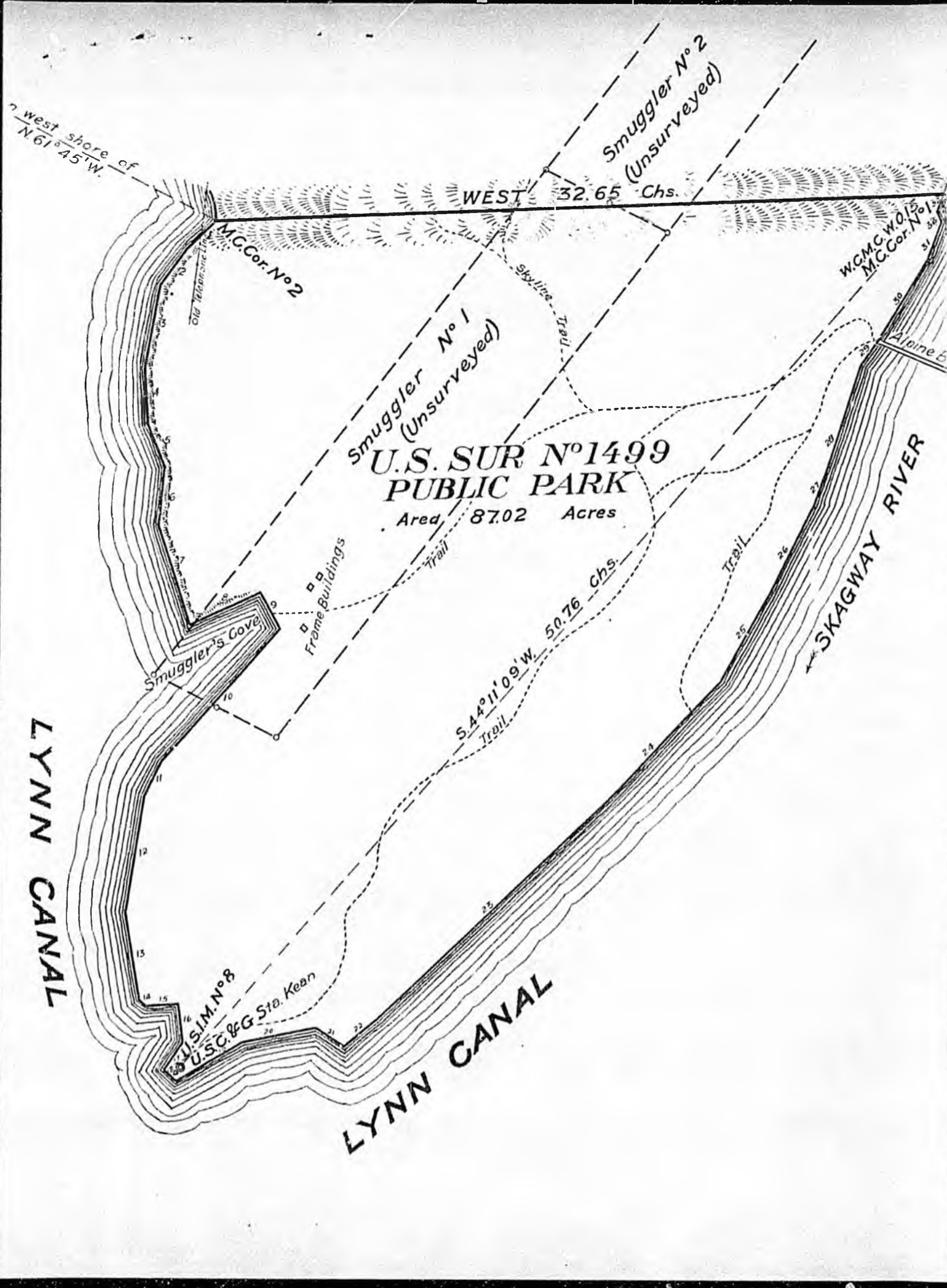
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FRED DAHLQUIST

U.S. Cadastral Engine

July 31 - August 6,19

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2.	S.38°56'W.,	1.92 "
3.	S.12°51'W.,	3.70 "
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OFFICE OF U.S. SURVEYOR G

Juneau, Alaska, Novemt

The map hereon delineated c
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in this office, which have been e
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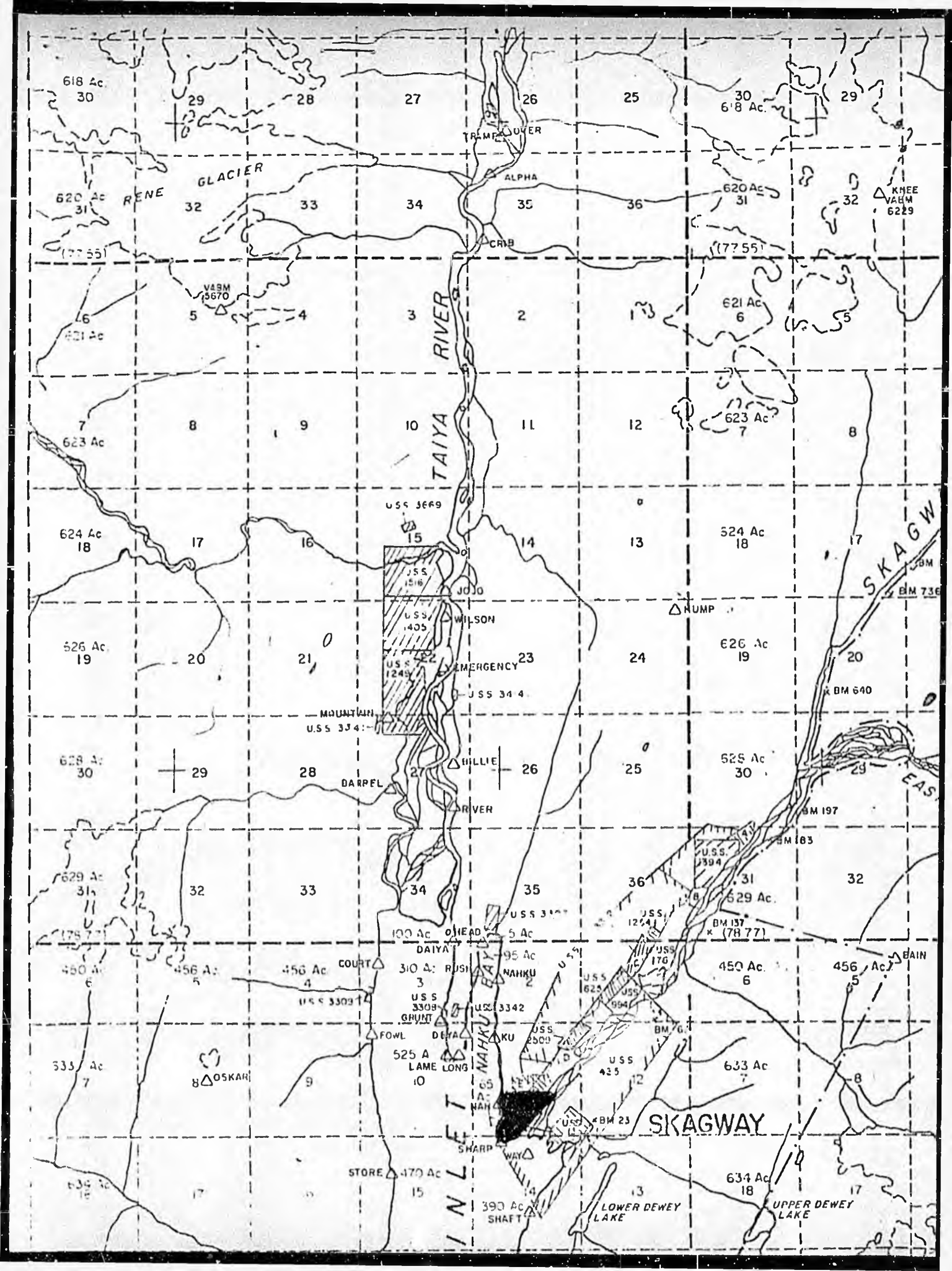
U.S. Surveyor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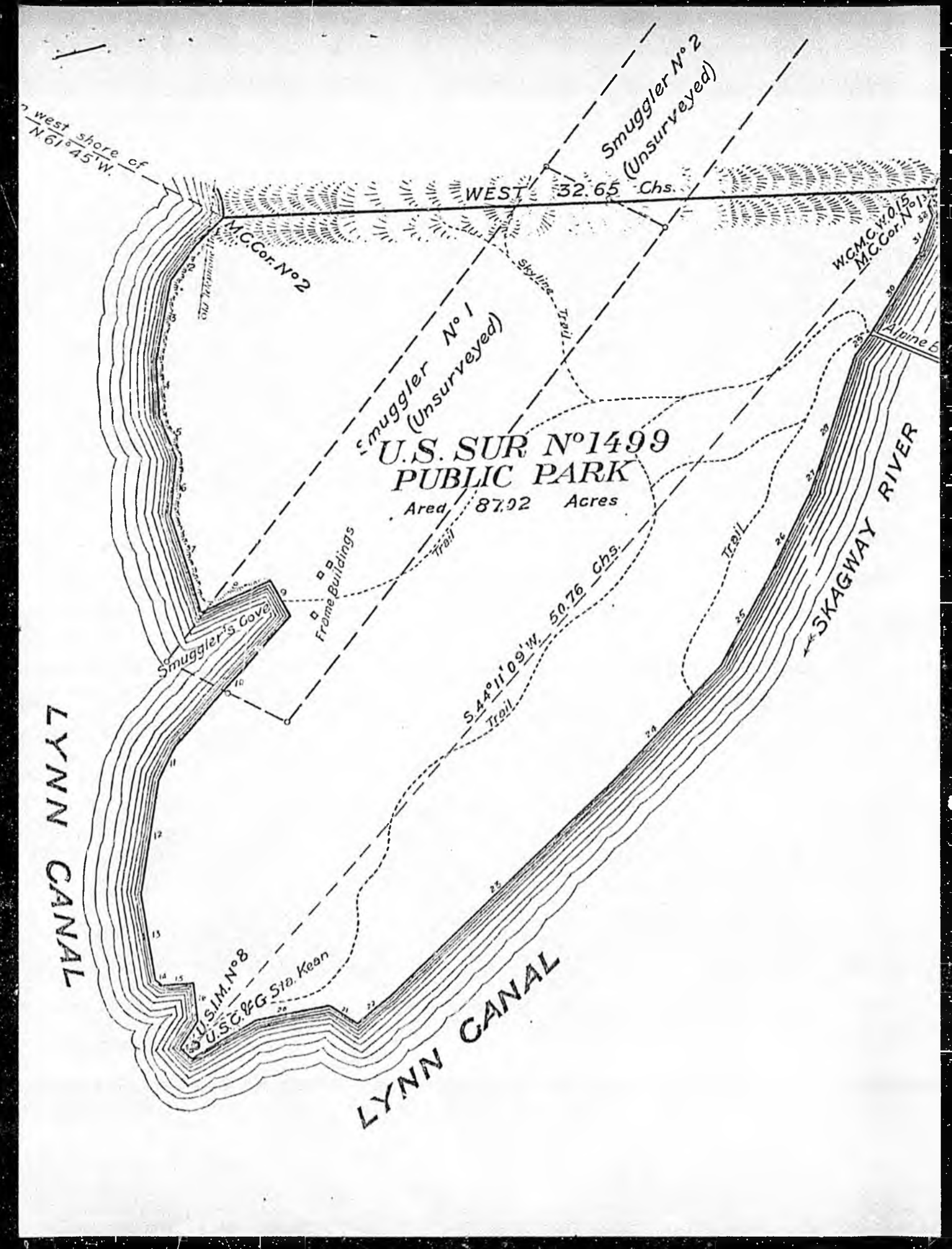
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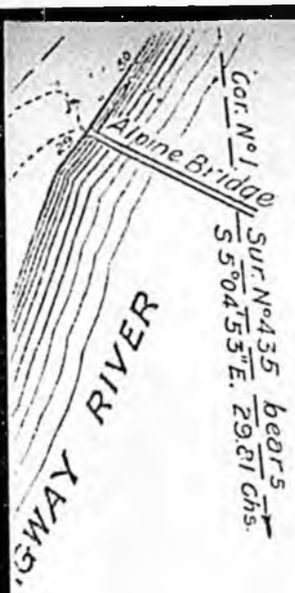

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Juneau, Alaska, Novemb

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U.S. Surveyor

1.0.
2. SB-374

COMMENTS BY TED SMITH (DIVISION OF LANDS) REGARDING SB 374

Smith said that the Department of Natural Resources had no official position on the bill. He said the Department was aware that it was specifically designed to allow the City of Skagway to obtain a block of tidal lands after having missed the deadline (June, 1964) previously set for such land transfers.

Smith noted that as a result the language was the bill was especially restrictive and limited to achieve its one purpose. He was not aware of any other areas of Alaska which would also fit the criteria of the bill, but suggested contacting Andy Pekovitch (2417) for detailed information.

While DNR has no problem per se with SB 374, it does not like the principle of the bill and the prededent it sets of overturning the 1964 deadline, as well as possibly opening up the issue for other municipalities to do the same.

Smith said that he would be in Juneau next Monday, Jan. 23, for the week and would be happy to discuss the question.

Ben Harding
1-17-78

Chairman's Stationery

The Honorable Avrum Gross
Attorney General, etc.

Dear Mr. Attorney General,

I am writing in reference to Senate Bill no. 374 ("An Act relating to transferral of tide and submerged lands; and providing for an effective date.") which has been referred to this committee for review.

The question has been raised ~~with me~~ that the enactment of this legislation could conceivably set a precedent for allowing coastal communities in general, rather than the one or ones specifically meeting the conditions of the proposed bill, to initiate action for further transfer of tide lands to municipalities.

I would appreciate receiving your opinion in this regard as well as any assessment you might wish to make on other aspects of the proposed legislation.

Sincerely,

Joe Orsini,
Chairman, etc.

Enclosure: SB-374

bfh
1-17-78

Alaska State Legislature

Senate

JUNEAU, ALASKA

January 13, 1978

Enclosed please find a copy of Senate Bills # 374 which, if enacted, may have an effect on your municipality. Your comments or recommendations would be appreciated, as we intend to give this proposed legislation our consideration in the near future.

Please write to the Senate Community and Regional Affairs Committee, Pouch V, Juneau, Alaska 99811: or call 465-3712.

Very truly yours,

Joe Orsini

Senator Joe Orsini
Chairman
Community and Regional
Affairs Committee

JO/tb

Enclosure: As stated

S 10

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

January 17, 1978

The Honorable Avrum Gross
Attorney General
Room 410, State Capitol
Pouch K
Juneau, AK 99811

Dear Mr. Gross:

I am writing in reference to Senate Bill no. 374 ("An Act relating to transferral of tide and submerged lands; and providing for an effective date.") which has been referred to this committee for review.

The question has been raised that the enactment of this legislation could conceivably set a precedent for allowing coastal communities in general, rather than the one or ones specifically meeting the conditions of the proposed bill, to initiate action for further transfer of tide lands to municipalities.

I would appreciate receiving your opinion in this regard as well as any assessment you might wish to make on other aspects of the proposed legislation.

Sincerely,

Joe

Joe Orsini
Chairman
Community and Regional
Affairs Committee

JO/tb

Enclosure: SB - 374

City and Borough of Sitka

P.O. BOX 79 · SITKA, ALASKA · 99835

January 17, 1978

Senator Joe Orsini
Chairman, Community and
Regional Affairs Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

In reply to your letters of January 13, 1978, and the copy of SB 373, SB 374, SB 375 and SB 388 which accompanied same. Be advised that the City and Borough of Sitka supports the aforesaid Senate Bills.

Very truly yours,

Fermin Gutierrez
Administrator

cc: Senator Pete Meland

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

January 23, 1978

Mr. Theodore G. Smith
Director, Division of Land
& Water Management
Department of Natural Resources
323 East 4th Avenue
Anchorage, AK 99501

Dear Mr. Smith: Ted

I am writing in regard to Senate Bill 374 ("An Act relating to transferral of tide and submerged lands") which would convey State-owned tide lands to the City of Skagway.

I would appreciate your assessment of the effects of this bill and the precedents it could set, particularly in other communities and in other parts of the state. I would also be interested in knowing if there are other uses to which the State might wish to put the land or whether the State had no other plans for its use or disposition.

Your comments of SB 374 will be highly useful for the Committee's deliberations on the measure.

Sincerely,

Joe

Joe Orsini
Chairman
Community and Regional
Affairs Committee

JO/tb

Enclosure: SB 374

CITY OF SKAGWAY

GATEWAY TO THE GOLD RUSH OF "98"
P. O. BOX 415 SKAGWAY, ALASKA 99840

January 23, 1978

Senator Joe Orsini, Chairman
Senate Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

This is in response to your letter of 13 January 1978 concerning Senate Bills No. 374, No. 375 and No. 388. These proposed pieces of legislation have been reviewed by the City Council. The position of the City of Skagway on each bill is as follows:

Bill No. 374: The City of Skagway strongly supports the enactment of this bill. This legislation will enable the City to obtain title to tide and submerged lands adjacent to City Park lands which were conveyed to the City by the Federal Government on 30 November 1931. Ownership of these tide lands will facilitate future development of the Park by the City. A copy of the Federal patent transferring the Park lands is enclosed for your information.

Bill No. 375: The City of Skagway supports passage of this bill. It is considered to be in the best interests of the State of Alaska and the Alaskan municipalities that a portion of the permanent fund principal and income be made available for development of municipal capital facilities.

Bill No. 388: The City of Skagway concurs in the goals and objectives of the Alaska Coastal Management Act and, therefore, supports changes which will facilitate the work of the Coastal Policy Council. The City Council, however, does have reservations with regard to the wording of Section 1.(d) of the proposed regulation. To explain:

Although the need for alternates to the public members is justified, the method proposed for their selection is considered to be inadequate. It is suggested that, rather than having the principals select their alternates, the Assembly or Councils of the regions nominate alternates and that the Governor make the selections- in other words, alternates for public members be designated in the same manner as the principals.

There is one other point: Under the proposed legislation, it would be possible that alternates might constitute all or a majority of

the public participants in coastal policy actions. It is suggested that of the public members acting on coastal policy matters at least a majority be regular members.

Sincerely,

G.D. Acker
City Manager

Enclosure

cc: Representative Rudd
Senator Ray
Represenative Miller
Represenative Duncan
Roger Allington
City Attorney Ruddy

GDAcp

12 Page Skagway Deed Book # 12

---(P A T E N T)---

ANCHORAGE 06432, 4-1040

THE UNITED STATES OF AMERICA,

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETING:

WHEREAS, There has been deposited in the General Land Office of the United States, a Certificate of the Register of the Land Office at Anchorage, Alaska, whereby it appears that full payment has been made by the City of Skagway, in the Territory of Alaska, according to the provisions of the Act of Congress of March, 4, 1923, (42 Stat, 1500) entitled, "An Act to grant certain lands to the City of Skagway, Alaska, for a public Park" for the land embraced in U.S. Survey No, 1499, situate near Skagway, on the West side of Skagway River, Anchorage Land District, Alaska, containing Eighty-seven Acres and two hundredths of an Acre, according to the official Plat of the Survey of the said land on file in the General Land Office.

NOW KNOW YE, That the UNITED STATES OF AMERICA, in consideration of the premises, and in conformity with the said Act of Congress of March, 4, 1923, HAS GIVEN AND GRANTED, and by these presents DOES GIVE AND GRANT, unto the said City of Skagway, Territory of Alaska, and to its successors the Tract of Land above described; TO HAVE AND TO HOLD the same for a public park, for the use and benefit of the said City of Skagway, together with all the rights, privileges, immunities, and appurtenances, of whatsoever nature thereunto belonging, unto the said City of Skagway and to its successors forever;

subject to any vested and accrued water rights for mining, agricultural, manufacturing or other purposes and rights to ditches and reservoirs used in connection with such water rights, as may be recognized and acknowledged by the local customs, laws and decisions of Courts; and there is reserved from the lands hereby granted, a right of way thereon for ditches or canals constructed by the authority of the United States.

As provided in said Act, this Patent is issued subject to all legal rights heretofore acquired by any person or persons in or to the above-described premises or any part thereof and now existing under and by virtue of the laws of the United States; and there is reserved to the United States all coal, oil, or other mineral deposits that may be found in the lands so granted and all necessary use of the lands for extracting the same; and, PROVIDED FURTHER, That the land herein granted, and all portions thereof, shall be held and used by or for the said City of Skagway, for a public park, and if the lands shall cease to be so used for a period of three years at any one time, they shall revert to the United States, and there is also reserved to the United States a right-of-way for the construction of Railroad, Telegraph and Telephone lines, in accordance with the Act of March,12, 1914 (38 Stat, 305).

IN TESTIMONY WHEREOF, I, Herbert.Hoover, President of the United States of America, have caused these letters to be made Patent, and the Seal of the General Land Office to be hereto affixed.

GIVEN under my hand at the City of Washington, the Thirtieth day of November, in the year of our Lord One Thousand Nine Hundred and Thirty-one, and the Independence of the United States the One Hundred and Fifty-sixth.

By the President,- Herbert.Hoover,

By Leafie.E.Diets, Secretary.

Emma.L.Warren,

Recorder of the General Land Office.

RECORDED: Patent Number,1052080

Recorded this 2nd, day of February,1932, at 5, o'clock, P.M.

Joseph L. Fickett

District Recorder.

F 1) SB 373
2) " 374
3) " 378
3+5

Phone: (907) 424-3237
or 424-3238

CITY OF CORDOVA

Box 1210

CORDOVA, ALASKA 99574

Reply to:

"The Friendly City"

January 30, 1978

The Honorable Joe Orsini, Chairman
Senate Community and Regional
Affairs Committee
Pouch "V"
Juneau, Alaska 99811

Dear Senator Orsini:

Thank you for permitting us the opportunity to comment on several bills before your committee.

Our comments are as follows:

Senate Bill 373 - No Comment

Senate Bill 374 - We would have no objection to this bill provided we can continue to apply for and receive leases to tidelands under the present methods, however, if this would infringe upon that right, we raise strong objections to any interference with our right to obtain tide or submerged lands.

Senate Bill 388 - We support this bill.

Senate Bill 375 - We support this concept for loans to municipalities as defined for construction or renovation of capital facilities.

Thanks again for the opportunity to comment.

Very truly yours,

Perry D. Lovett
City Manager

cc: Senator Kerttula
Representative Lovseth

PDL/lb

F
SB 374

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL
POUCH K — STATE CAPITOL
JUNEAU 99811

February 3, 1978

The Honorable Joseph L. Orisini
Chairman, Senate Community and
Regional Affairs Committee
Alaska State Legislature
Pouch V, State Capitol
Juneau, Alaska 99811

Dear Joe:

Thank you for your letter of January 17, 1978, concerning SB 374 relating to transfer of tidelands and submerged lands. As you probably noticed, since your letter, an identical bill has also been introduced in the House (HB 657).

I share the concern that enactment of this legislation would set an undesirable precedent for allowing any other coastal city to seek similar legislation authorizing conveyance of additional tidelands and submerged lands from the state. For this reason and that discussed below, I believe that close examination and careful consideration should be given to SB 374 and its companion.

These bills are drawn narrowly and would authorize application for further conveyance only of tidelands and submerged lands contiguous to land which has been used as a public park for at least 45 years, and which has been granted to a city for park purposes by the United States. This specificity appears to be directed at a particular parcel of land in northern Southeastern Alaska, though I do not know where. Therefore, it is likely that the bills would constitute a "local and special act" in violation of Article II, Section 19 of the Alaska Constitution.

This constitutional provision was discussed and applied by the Alaska Supreme Court in the "Cook Inlet Land Trade Case," State v. Lewis, 559 P.2d 630, 642-4, (Ak. 1977). The court stated that the test to be applied is whether the legislation examined bears a fair and substantial relationship to legitimate state purposes. In that case the court found that the land trade legislation was valid because it was designed to facilitate statewide land

us management and to resolve a host of pressing legal issued arising in the context of ANCSA." It is doubtful that purposes of such statewide concern exist for SB 374 and HB 657.

I hope these coments are of some help to your consideration of SB 374. Please contact me if you have any further questions.

Sincerely,

AVRUM M. GROSS
ATTORNEY GENERAL

By: Peter B. Froehlich
Assistant Attorney General

PBF:bvd

cc: Art Peterson

2-17-78

File
SB-374

Joe-
I talked to Ted Smith re SB 347 (Skagway Tideland) and he said he had just dictated a response today which was equivocal...DNR could see some good points and some bad points to it. He was a little taken aback when I told him the House had already passed its version.

Ben

F: 53371

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

LAND AND WATER MANAGEMENT 323 E. 4TH AVENUE – ANCHORAGE 99501

February 21, 1978

Senator Joe Orsini
Chairman
Community and Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Joe:

Sorry to be so slow in answering your letter of January 23 regarding SB 374.

After some research we have determined that the bill was intended to apply to USS 1499. Enclosed is a copy of a portion of our status plat covering that survey. Note that the Skagway corporate boundary runs through the middle of the parcel, and that the City of Skagway has obtained patent to the tidelands within that corporate boundary north to the boundary between USS 1499 and USS 5107A. I am also enclosing a copy of the patent received by the City of Skagway to the land with the reservation clause included.

We have some reluctance to totally endorse the bill because of the precedent it would set in making lands fronting municipalities available after the expiration of the statutory application period. We would, however, note that something of a precedent in this regard has been set by the passage in 1974 of AS 38.05.323.

We have been unable to determine if there are any additional lands that would be affected by the passage of SB 374. At present we have no plans for other uses of the tidelands which would be transferred under this bill.

Please note that these lands are available for lease under the classification of Resource Management. The City of Skagway has not submitted an application to lease such lands from the State.

If I can be of any further assistance, please do not hesitate to contact me.

Yours truly,

Theodore G. Smith

THEODORE G. SMITH
Director

cc: Senator Bill Ray

10-J4LH

Enclosures

THE FOLLOWING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

Anchorage 05432. 4—1040-B

The United States of America.

To all to whom these presents shall come, Greeting:

WHEREAS, There has been deposited in the General Land Office of the United States a Certificate of the Register of the Land Office at Anchorage, Alaska, whereby it appears that full payment has been made by the City of Skagway, in the Territory of Alaska, according to the provisions of the Act of Congress of March 4, 1923 (42 Stat. 1500), entitled, "An Act To grant certain lands to the city of Skagway, Alaska, for a public park", for the land embraced in U. S. Survey No. 1699, situate near Skagway, on the west side of Skagway River, Anchorage Land District, Alaska, containing eighty-seven acres and two hundredths of an acre, according to the Official Plat of the Survey of the said Land on file in the General Land Office:

NOW KNOW YE, That the UNITED STATES OF AMERICA, in consideration of the premises, and in conformity with the said Act of Congress of March 4, 1923, HAS GIVEN AND GRANTED, and by these presents DOES GIVE AND GRANT, unto the said City of Skagway, Territory of Alaska, and to its successors, the tract of land above described; TO HAVE AND TO HOLD the same for a public park, for the use and benefit of the said City of Skagway, together with all the rights, privileges, immunities, and appurtenances, of whatsoever nature thereunto belonging, unto the said City of Skagway and to its successors forever; subject to any vested and accrued water rights for mining, agricultural, manufacturing or other purposes and rights to ditches and reservoirs used in connection with such water rights, as may be recognized and acknowledged by the local customs, laws and decisions of courts; and there is reserved from the lands hereby granted, a right of way thereon for ditches or canals constructed by the authority of the United States.

As provided in said Act, this patent is issued subject to all legal rights heretofore acquired by any person or persons in or to the above-described premises or any part thereof and now existing under and by virtue of the laws of the United States; and there is reserved to the United States all coal, oil, or other mineral deposits that may be found in the lands so granted and all necessary use of the lands for extracting the same; and, PROVIDED FURTHER, That the land herein granted, and all portions thereof, shall be held and used by or for the said City of Skagway for a public park, and if the lands shall cease to be so used for a period of three years at any one time, they shall revert to the United States. And there is also reserved to the United States a right of way for the construction of railroad, telegraph and telephone lines, in accordance with the Act of March 12, 1914 (38 Stat. 305).

IN TESTIMONY WHEREOF, I, Herbert Hoover,

President of the United States of America, have caused these Letters to be made Patent, and the Seal of the General Land Office to be hereunto affixed.

GIVEN under my hand, at the City of Washington, the THIRTIETH

day of NOVEMBER in the year of our Lord one thousand

nine hundred and THIRTY-ONE and of the Independence of the

United States the one hundred and FIFTY-SIXTH

[SEAL]

By the President: Herbert Hoover

By Leafie E. Kietz, Secretary.

Emma L. Wilson

THE PRECEDING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

NAHKU BAY

Sale Apln 81198

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USS 2509

WR Per 52078

WR 52077

WR 51712

WR 52490

WR 51743

Cl-985 Util.

Tent App GS-837

Sale Apln 68235

USS 3312 TR. D

USS 5107A

TR. E

41-3.63

40-2.77

35-4.41

35A 4.52

36-3.00

AA-6529 Tr 1

Sale Apln 68234

Skagway River

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USS 1499

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Skagway Corp. Bdy.

ATS-4

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390

Official Business

Alaska State Legislature

Senate

Committee on
Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM: April 3, 1978

TO: Jack Chenoweth
Legal Services
Legislative Affairs Agency

FROM: Joe Orsini JO
Chairman,
Senate Community and Regional Affairs Committee

RE: Municipal Jurisdiction Over Tide Lands

In regard to Senate Bill 374 relating to the transfer of tide lands to the City of Skagway, I would appreciate your opinion of the legal jurisdication which a municipality would exercise, through its planning and zoning or other authority, in the following circumstances:

1) For a private individual operating on privately-owned tide land.

2) For a state agency operating on state tide land

3) For a private individual operating on state tide land with a state permit or a state lease.

JO:tb

Official Business

Alaska State Legislature

Senate

Committee on
Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

April 4, 1978

Theodore G. Smith
Director
Division of Land and Water
Management, DNR
323 East 4th Avenue
Anchorage, Alaska 99501

Dear Ted:

As we discussed today by telephone, I would appreciate your comments regarding some additional aspects of Senate Bill 374 relating to the transfer of tide lands to the City of Skagway.

Since this bill was introduced, a number of other municipalities have also expressed an interest in obtaining title to tide lands in their area if the Legislature approves the transfer of the lands designated in SB 374 to Skagway.

In this regard, it would be useful for the Committee to know whether the Department of Natural Resources would object to: (1) legislation allowing other municipalities in Alaska to select tide land adjacent to recreational and park areas at the Federal, state and local level; and (2) if you would object to legislation conveying to interested municipalities all tide lands lying within municipal boundaries.

Your response to these points will be helpful to the Committee in clarifying some of the constitutional and technical questions raised by the bill.

Sincerely,

Joe Orsini

JOE ORSINI
Chairman
Community and Regional
Affairs Committee

JO:tb

SB
F: 374

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

LAND AND WATER MANAGEMENT 323 E. 4TH AVENUE – ANCHORAGE 99501

April 10, 1978

Senator Joe Orsini
Pouch V
Juneau, Alaska 99811

Dear Joe:

Your letter of April 4 asked for department policy on the disposal of tidelands fronting municipalities. Since department policy is promulgated by the Commissioner, I have forwarded your letter to him for answer. I feel sure he will respond to you in the very near future.

Yours truly,

Ted

THEODORE G. SMITH
Director

cc: Commissioner LeResche

10-J4LH

F: 58 374

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

11TH FLOOR, STATE OFFICE BLDG.
POUCH M – JUNEAU 99811

April 24, 1978

The Honorable Joe Orsini
Chairman, Community and
Regional Affairs Committee
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

I am replying to your letter to Director Ted Smith who referred your questions to me because they involve matters of substantial department policy.

Your first question asks if the Department would object to legislation allowing other municipalities to select tidelands adjacent to recreational and park areas at the federal state and local level. My preference is that transfer of such tidelands be by state lease pursuant to AS 38.05.315 which can be made for a public purpose. I would note, however, that some precendent for transfer of such lands can be found in AS 38.05.323 which allows the grant of tidelands adjacent to P.L. 507 sites acquired by homerule or general law municipalities.

You also asked if the Department would object to legislation conveying to interested municipalities all tidelands lying within municipal boundaries? I must indicate that the Department would object strenuously to such legislation. Substantial valuable tidelands are owned by the State adjacent to municipalities and I believe it would be totally inappropriate to convey such lands to municipalities.

Sincerely,

Robert E. LeResche
Commissioner

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

May 8, 1978

Robert E. LeResche
Commissioner
Department of Natural Resources
Pouch M
Juneau, Alaska 99811

Dear Commissioner LeResche:

I am writing further in regard to SB 374 which would transfer tide lands currently owned by the State into the ownership of the City of Skagway.

Representative Mike Miller has recently suggested that SB 374/HB 657 might be redrafted to avoid raising the constitutional questions which the Attorney General believes are contained in the legislation.

I have enclosed a copy of his suggested committee substitute and I would appreciate your comments regarding the effects of this legislation on your Department.

Sincerely,

Joe Orsini

JOE ORSINI
Chairman, Senate
Community and Regional
Affairs Committee

JO:gd

Enclosure(s): (2)

Alaska State Legislature

House of Representatives

Office of the Majority Leader

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

May 5, 1978

M E M O R A N D U M

TO: Senator Joe Orsini
FROM: Mike Milden

Joe--

You will recall that you've been hesitant to bring up House Bill 657--relating to tidelands near Skagway--because of adverse ruling from the Attorney General. I've taken the liberty of having the bill redrafted as a suggested committee substitute. The Attorney General himself assures me that the redrafted legislation no longer has Constitutional problems. Your consideration of this legislation would be greatly appreciated.

CC: Senator Bill Ray
Representative Jim Duncan
Attorney General Avrum Gross

Original sponsors: Miller and Duncan

IN THE HOUSE

SENATE CS FOR HOUSE BILL NO. 657

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to transferral of tide and submerged lands; and providing for an effective date."

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

* Section 1. A home rule city or city of the first class may apply for a conveyance of all tide and submerged land contiguous to land owned by the city if the land owned by the city is used as a public park and it was granted to the city by the United States for the purpose of use as a public park. Applications made within one year after the effective date of this Act shall be processed by the director of the division of lands of the Department of Natural Resources or his designee. The director shall convey the tide and submerged land to the city. The city shall use the land in a manner which is compatible with the use of the contiguous land as a public park. The director shall prescribe the manner for filing applications and may promulgate regulations to implement this Act.

* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-070(c).

F: SB 374

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

11TH FLOOR, STATE OFFICE BLDG.
POUCH M — JUNEAU 99811

May 15, 1978

The Honorable Joe Orsini
Chairman, Senate Community
and Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

I am writing in reply to your letter of May 8, 1978, concerning SB 374.

Generally, I believe it sufficient that the State convey tidelands by long term lease rather than fee title. However, if there are specific circumstances which require fee conveyance, I believe the revised work draft (SCSHB 657) is satisfactorily limited to prevent a wholesale run by municipalities on State owned tidelands.

Sincerely,

Robert E. LeResche
Commissioner

CITY OF SKAGWAY

GATEWAY TO THE GOLD RUSH OF "98"

P. O. BOX 415 SKAGWAY, ALASKA 99840

F: SB-374

June 20, 1977

Senator Bill Ray
165 Beherends Avenue
Juneau, Alaska 99801

Dear Senator Ray:

The purpose here is to request your consideration and assistance in obtaining for the City of Skagway title to the Tidelands and Submerged Lands contiguous to City Park Lands - U.S.S. 1499. Background in explanation of this request:

The land embraced in U.S. Survey 1499 was granted to the City for use as a public park in 1931. (Encl.1,2,&3) and has been used for that purpose subsequently. In conformity with State policy in Disposal of Occupied Tide and Submerged Lands (Encl.4) and under the provision of Alaska Statutes Title 38 Sec. 38.05.320 and Sec. 35.10.010, the City applied for and was granted title to the tidelands and submerged lands encompassed by the municipal boundaries on 30 December 1960 - ATS No.4 (Encl.5). Through an oversight the City failed to apply in 1959 for the tidelands and submerged lands adjacent to the public park. It is the City's understanding that the acquisition of these lands under the preference rights provisions of the aforementioned policy and Statutes is no longer possible and that title can be conveyed to the City only by means of legislative enactment.

Accordingly, it is respectfully requested that you introduce a bill in the next session of the State Legislature providing for the granting to the City of Skagway of title to the tidelands and submerged lands contiguous to the shoreline of the City Park - U.S.S. 1499 - for a distance of 1000 feet to seaward of the mean low tide line.

Sincerely,

G.D. Acker

G.D. Acker
City Manager

Enclosures

cc: City Attorney

GDAcp

chorage 06432

THE UNITED STATES OF AMERICA,
To all to whom these presents shall come, Greeting:

WHEREAS, There has been deposited in the General Land Office of the United States a Certificate of the Register of the Land Office at Anchorage Alaska, whereby it appears that full payment has been made by the City of Skagway, in the Territory of Alaska according to the provisions of the Act of Congress of March 4, 1923 (42 Stat. 1500), entitled "an Act to grant certain lands to the city of Skagway, Alaska, for a public park" for the land embraced in U.S. Survey No. 1499, situate near Skagway on the west side of Skagway River, Anchorage Land District, Alaska, containing eighty-seven acres and two hundredths of an acre, according to the Official Plat of the Survey of the said Land on file in the General Land Office:

NOW KNOW IT. That the UNITED STATES OF AMERICA, in consideration of the premises, and in conformity with the said Act of Congress of March 4, 1923, HAS GIVEN AND GRANTED, and by these presents DOES GIVE AND GRANT, unto the said City of Skagway, Territory of Alaska, and to its successors the Tract of land above described; TO HAVE AND TO HOLD the same for a public park, for the use and benefit of the said City of Skagway, together with all the rights, privileges, immunities, and appurtenances, of whatsoever nature thereunto belonging, unto the said City of Skagway and to its successors forever; subject to any vested and accrued water rights for mining, agricultural, manufacturing or other purposes and rights to ditches and reservoirs used in connection with such water rights, and may be recognized and acknowledged by the local customs, laws and decisions of courts; and there is reserved from the lands hereby granted, a right of way thereon for ditches or canals constructed by the authority of the United States.

As provided in said Act, this patent is issued subject to all legal rights heretofore acquired by any person or persons, in or to the above-described premises or any part thereof and now existing under and by virtue of the laws of the United States; and there is reserved to the United States all coal, oil or other mineral deposits that may be found in the lands so granted and all necessary use of the lands for extracting the same; and, PROVIDED FURTHER, that the land herein granted, and all portions thereof, shall be held and used by or for the said City of Skagway for a public park, and if the lands shall cease to be so used for a period of three years at any one time, they shall revert to the United States. And there is also reserved to the United States a right of way for the construction of railroad, telegraph and telephone lines, in accordance with the Act of March 12, 1914 (38 Stat. 305).

IN TESTIMONY WHEREOF, I, Herbert Hoover, President of the United States of America, have caused these letters to be made Patent, and the Seal of the General Land Office to be hereunto affixed.
Given under my hand, at the City of Washington, the THIRTIETH day of NOVEMBER in the year of our Lord one thousand nine hundred and THIRTY-ONE and of the Independence of the United States the one hundred and fifty-

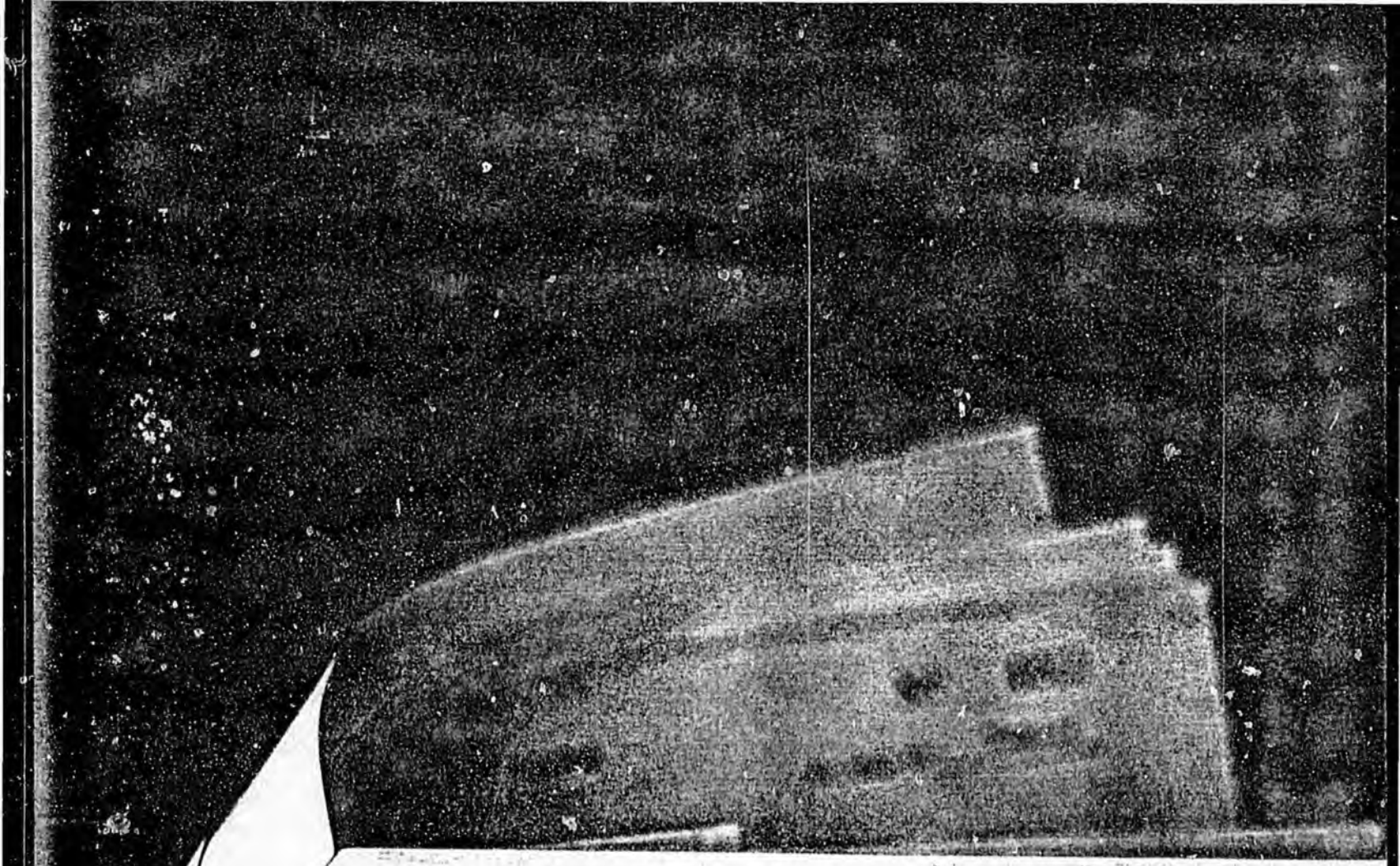
ENCL 1.

THE FOLLOWING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

THE FOLLOWING DOCUMENT(S) MAY NOT FILM
LEGIBLY BECAUSE OF POOR QUALITY OF THE
ORIGINAL.

Encl. 3.

THE PRECEDING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.



Dec 6 Pat 17-

By the President: Herbert Hoover
By Leafie E. Dietz, Secretary
Elmer L. Harren
Recorder of the General Land Office

RECORD OF PATENTS: Patent Number 1052080

TERRITORY OF ALASKA
Office of the Treasurer

Registration of Real Property, Chap. 40, Session Laws of Alaska, 1945

DECLARATION OF OWNERSHIP OF LAND

Do not write in this space

Date Received

Declaration Number

1. Name and address of the owner making this declaration: (Type or print)

[illegible] [illegible] [illegible]
Last Name First Name Middle Name

Address [illegible] STACHAY, ALASKA
Street or P. O. Box No. Town

2. If you are not the sole owner of the land described in this declaration give the name and addresses of all other persons who are co-owners. If the address of a co-owner is unknown, so state: (Type or print)

Last Name	First Name	Middle Name	Street or P. O. Box No.	Town

3. Check the type of title evidence on which your ownership is based:
U. S. Patent X Deed ..... If recorded, where U. S. Land Office at Anchorage
Other title evidence..... If this is checked, state the facts on which you base your claim to ownership.

4. If the tract of land described in this declaration was acquired by you after June 30, 1946, state: (Type or print)
(a) Name of person from whom acquired .....
..... (b) Date acquired .....

5. Give the approximate location of the land described in this declaration:
1st X, 2nd ....., 3rd ....., 4th ....., Judicial Division
Approximately [illegible] 5 miles [illegible] from [illegible] Stachay, Alaska
(miles) (direction) (name of post office)

6. The land is being used for: (check one or more)

Farming	Grazing	Manufacturing	Residence .....
Mining	Trading Post	Fur Farm	Recreation X
Cannery	Roadhouse	Saltery	Not in use .....

7. State general character of the land: (Check one or more)

Level	Rolling X	Mountainous	Swamp or marsh.....
Timbered	Brushland X	Grassland	Soil, Good....., Poor... X...

8. Give a detailed description of the tract of land: (READ THE INSTRUCTIONS CAREFULLY BEFORE YOU ATTEMPT TO COMPLETE THIS PARAGRAPH.)
(a) If your tract of land is described by legal subdivisions, give:
U. S. Patent [illegible] U. S. [illegible] Land Office Serial Number, if any ..... 026432 Total Number of Acres 07.03
Number 1950
[illegible]
List description by subdivisions as shown in patent or deed:

Subdivision of Section	Section No.	Township	Range	Meridian

(b) If your tract of land is in a patented townsite that is not incorporated, give:
[illegible]
[illegible] Total Number
[illegible] Townsite ..... of Acres .....
[illegible]
[illegible] Block No. ..... Tract No. ..... Acres .....

ENCL. 2

THE FOLLOWING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

(d)

If your tract of land is described by metes and bounds, give:

Patent Number ..... U. S. Survey Number 2499 Lot No. (if any) .....

U. S. Mineral Survey No. ..... Number of Claims ..... U. E. S. Survey No. ..... Acres 97.02

(1) If the description of your tract of land cannot be described in any of the terms listed above, a sketch of the boundaries should be shown here:

Adjacent to the City of Skagway, Alaska, and within three miles of the exterior boundaries of said City, which said tract of land is bounded on the east by the Skagway River; on the south by Lynn Canal, and on the north by line running East a point approximately 100 feet north of Alpine Bridge on the West bank of the Skagway River, in an approximately westerly direction to Long Bay on Lynn Canal, containing an area of 97.02 acres; more particularly and fully described in the field notes of U. S. Official Survey No. 2499 on file in the office of the Surveyor General for the Territory of Alaska, at Juneau, Alaska.

9. To whom shall the receipted copy of this declaration be mailed: (Type or print)

Name ..... City of Skagway .....

Address ..... Skagway, Alaska .....
Street or P. O. Box No.

.....
(City)

10. The undersigned, being first duly sworn, on his oath declares that the statements contained in this declaration are true and correct to the best of his knowledge.

..... Deputy Surveyor by Ed Boyd
(Signature of owner in this declaration)

Subscribed and sworn to before me at ..... Skagway, Alaska ..... this 30th day of July, 19 23 My commission expires Dec 16, 1926

..... Edward Boyd .....

..... Deputy Surveyor .....
(Official title)

(SEAL)

If it is not possible to appear before an officer with a seal, this declaration should be signed and witnessed as follows:

.....
(Signature of owner in this declaration)

.....Witness

.....Witness

TO BE FILED IN U. S. LAND OFFICE

Received by the United States Land Office at ....., Alaska, on the ..... day of ..... 19 ....., and recorded as Declaration No. .....

.....
(Register or Receiver U. S. Land Office)

Department of Natural Resources
Division of Lands
323 D Street, Anchorage, Alaska

STATE POLICY IN DISPOSAL OF OCCUPIED TIDE AND SUBMERGED LANDS

It is the policy of the State to allow preference rights for the acquisition of tidelands and submerged lands occupied or developed for municipal, business, residential, or other beneficial purposes on and prior to the date of admission of Alaska into the Union. An occupant is defined as a person who actually occupied for any business, residential, or other beneficial purpose tidelands, or tidelands and contiguous submerged lands, within the State on and prior to January 3, 1959 with substantial permanent improvements. The holder of a Corps of Engineers permit, which is a clearance in respect to navigation, or of a special use permit from some other government agency will not qualify as an occupant unless such entry on the land had resulted in actual occupancy and substantial permanent improvements.

The Alaska Land Act lists several types of entries on tidelands which are not considered as occupancy. No person shall be considered an occupant by reason of having, (1) placed a fish trap in position for operation or upon the tide or submerged land for storage, (2) placed a setnet or piling therefor, or any other device or facility for taking fish, (3) placed piling or dolphins for log storage or other moorage, (4) placed floats or similar structures upon the tide or submerged land, (5) placed telephone, power, or other transmission lines, roads, trails, or other improvements not requiring exclusive use or possession of the tide or submerged lands, or (6) claimed the land by virtue of some form of constructive occupancy. The use of the definition "constructive occupancy" is to indicate that the mere staking or segregation of tracts of tide or submerged lands by the driving of piles or construction of breakwaters does not constitute beneficial occupancy. "Occupancy", actual use, occupancy, and control of tideland or submerged land by the establishment of substantial permanent improvements.

A preference right means the right of an occupant to acquire by lease, purchase, or other disposal at the election of the occupant, any tract of tideland, or tideland and contiguous submerged land, occupied or developed by such occupant on and prior to January 3, 1959, subject to certain [illegible] preference right. A Class I preference right entitles an occupant to acquire the occupied lands for a consideration [illegible] method of appraising, [illegible] the land. [illegible]

ENCL. 4

STATE OF ALASKA Book 15 Page 5
Skagway Recording District

TIDELANDS PATENT NO. 1

NOW ALL MEN BY THESE PRESENTS that the State of Alaska, pursuant to Article III, Section 5(3)(a), Chapter 160, SLA 1959, as amended, does grant to Skagway, a municipal corporation of the State of Alaska, from whom after or before January 3, 1959, all the real property, situated in the Skagway Recording District, State of Alaska, described as follows:

All of that parcel of land containing 193.5 acres lying between the line of mean high tide and a line known as the Directors Line, all of which is seaward of the City of Skagway as designated on the official plat thereof, known as Alaska Tidelands Survey No. 4, (ATS 593) on file and of record at the office of the Deputy Magistrate at Skagway, Alaska, and also on file and of record at the office of the State Division of Lands, Anchorage, Alaska, said property being located in Township 28 South, Range 59 East, Copper River Meridian, Alaska.

Article III, Section 5, Chapter 160 SLA 1959 as amended, and pertinent acts of Congress, particularly Public Law 85-303 (72 Stat. 623) are applicable to the lands conveyed herein.

Alaska hereby expressly saves, excepts, and reserves out of the granted lands, unto itself, its lessees, successors, and assigns all [illegible] oil, gas, coal, [illegible], and all other minerals in the lands granted, or in any of them, and which may be found to exist thereon, or any part thereof, and the right to explore for, develop, mine, and remove the same, upon, through, and from the granted lands or any part thereof, and to occupy and use so much of the surface thereof as may be required for all purposes reasonably incident to the exploration, development, mining, and removal of the minerals, and to construct and maintain thereon, or under, all works, buildings, plants, waterways, roads, communication facilities, and equipment required for the full enjoyment of the rights hereby reserved. Alaska, its lessees, successors, and assigns, shall pay the grantee, its successors, or assigns, the reasonable value of the surface of the granted lands injured or destroyed by the exercise of the rights reserved herein. Alaska, its lessees, successors, and assigns, shall have the right to enter upon the granted lands, or any part thereof, at any time for the purpose of exploring, developing, mining, and removing the minerals therefrom, and to make such use of the granted lands as may be necessary or convenient for the purposes aforesaid, hereby expressly releasing and waiving all claims for damages that may occur to the granted lands caused by the exercise of the rights reserved herein. Alaska, its lessees, successors, and assigns, shall not be liable for damages caused to any improvements now or hereafter constructed upon the granted lands except when such improvements are owned jointly by the grantee and Alaska, its lessees, successors, or assigns. In the event that any improvements now or hereafter constructed upon the granted lands shall interfere with the use of or access to or from any of the reserved lands by Alaska, its lessees, successors, or assigns, for the purposes hereinbefore set forth, Alaska, its lessees, successors, or assigns, shall have the right to enter upon the granted lands and remove such improvements, making reasonable compensation to the grantee for the value of the improvements so removed, but not for the value of the granted lands occupied thereby, or for any loss or damage which may result to the grantee from the removal of the improvements or from the loss of occupancy of the granted lands occasioned thereby or incident thereto.

ENCL. 5

No 4243

Vassar

IN TESTIMONY WHEREOF the State of Alaska has caused these
ements to be executed by the Director of the Division of Lands
his 30 day of December 1950

CITY OF SKAGWAY
"Gateway to the Goldrush of '98"
P. O. BOX 415 SKAGWAY, ALASKA 99840

THORIZED TO CONFER WITH

TURN

TO REQUESTER

PROVED: BGB Director Legal Serv.

Director Research

CIAL INSTRUCTIONS TO TYPIST

TYPED DATE

FINAL

THE PRECEDING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

GO WITH No 1 BR OK

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

M E M O R A N D U M

August 4, 1977

SUBJECT: Conveyance of land to Skagway
Work Order No. 4243

TO: Senator Bill Ray

FROM: Kenneth E. Vassar KEV
Staff Attorney

In response to your request for a bill to convey tide and submerged lands contiguous to City Park in Skagway to the City of Skagway, I have enclosed two versions of a rough draft of the bill. I have labeled them version one and version two. As you can see, version one provides a narrow extension of the provisions of AS 38.05.320 to cities meeting certain requirements; probably Skagway is the only city to meet such requirements. Version two, on the other hand, is an outright conveyance to Skagway.

I believe that version one is preferable primarily because of two weaknesses in version two. Version two is more susceptible to objection as constituting "local legislation" prohibited by Article II, Section 19 of the Alaska Constitution. Also, version two cannot be completed until the city provided a metes and bounds description of the land conducted by a surveyor. Passage of version one, on the other hand, would be less likely to raise questions of local legislation; and it would provide the city one year to submit its application describing the land it wants.

Please let me know which, if either, version you prefer; and we will proceed accordingly. If you have any other questions, please contact me.

KEV:jpd

Enclosures

VERSION ONE

WO # 4243

IN THE SENATE BY RAY

SENATE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to transferral of tide and submerged lands; and providing for an effective date."

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

* Section 1. Applications by home rule cities and cities of the first class for conveyances of tide and submerged lands under AS 38.05.320 may be made up to one year after the effective date of this Act if the requirements of sec. 2 of this Act are met. Applications made within one year after the effective date of this Act shall be processed by the director of the division of lands of the Department of Natural Resources or his designee and are otherwise subject to the requirements of AS 38.05.320.

* Sec. 2. No home rule city or city of the first class may apply for a conveyance under this Act unless:

(1) the city seeks conveyance of tide and submerged lands contiguous to land which has been used as a public park for at least 45 years; and

(2) the land used as a park was granted to the city by the United States for the purpose of use as a public park.

* Sec. 3. This Act takes effect July 1, 1977.

VERSION TWO

WO # 4243

IN THE SENATE BY RAY

SENATE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act conveying title to property to Skagway."

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

* Section 1. The director of the division of lands of the Department of Natural Resources shall convey title to the following described parcel of land to the City of Skagway: Metes and Bounds within Sections 11 and 14, Township 28 South, Range 59 East, Copper River Meridian; more particularly described as

SB
375

REACTIONS TO SENATE BILL 375

	SUPPORT	NOT SUPPORT
Dept. of Revenue		X
House Perm. Fund Interim Committee		X
Senate " " " "		X*
[redacted]		[redacted]
Dept. of Community & Regional Affairs		
City of Cordova	X**	
City of Kenai	X**	
Ketchikan Public Utilities	X**	
City of Skagway	X**	
City and Borough of Sitka	X**	

---

* per Sen. Hohman, could live with SB 375, but redundant to SB 429 which is Senate omnibus bill for the permanent fund.

**municipalities say that they support the "concept" of SB 375 as a means of constructively utilitizing permanent fund monies for local purposes.

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2525

GEORGE M. SULLIVAN,
MAYOR

OFFICE OF THE MAYOR

March 8, 1978

Senator Joe Orsini, Chairman
Community & Regional Affairs Committee
Pouch "V"
Juneau, Alaska 99811

Dear Senator Orsini:

Following are comments from the Municipality of Anchorage on proposed legislation:

S.B. 375 - relating to investment of permanent fund money in community capital facilities.

It is felt that the apparent intent of this bill is very good; however, as presently written, its provisions are so general that specific comment is difficult. Some specifics that need action are: Will money be in the form of grants or loans? If loans, what will be interest percentages? How much of permanent fund would be made available under S.B. 375? What would be the criteria for obtaining grants/ loans?

S.B. 388 - membership of Alaska Coastal Policy Council

Anchorage would have no problem with this legislation since our representative, Lidia Selkregg, has appointed Mat-Su Borough Mayor Don Larson as her permanent alternate. It is assumed that the bill aims to preserve a geographic and state-local balance on the Council.

Sincerely,

Doug Wenzel for

George M. Sullivan
Mayor

/sw

SB 375
SB 430

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER / *POUCH B—JUNEAU 99801*

March 3, 1978

The Honorable Joe Orsini
Chairman, Senate Community
& Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

Thank you for your letter of February 7 regarding Senate Bill 375 and Senate Bill 430.

The Department is currently involved in analyzing the two aforementioned bills and as part of our normal legislative liaison with the Governor's Office will be forwarding our comments to Keith Specking.

The Department would very much like to be informed when you schedule a hearing on these bills. At that time a decision will be made as to whether our opinion is of sufficient importance and magnitude to warrant testimony before your committee.

Thanks again for the thoughtful notification in your February 7 letter.

Sincerely,

Carl M. Gonder, Jr.
Deputy Commissioner

CMG: thw

21-P2LH

√ 1 Joe
2. F: SB 375

PERMANENT FUND COMMITTEES' COMMENTS ON SB 375

Senator Hohman (Senate Permanent Fund) 2-21-78- SB 375 is similar to if not identical to SB 429 which is the permanent fund omnibus bill being worked up, in the section dealing with the funding of capital improvement projects at the local level. Therefore the passage or non-passage of SB 375 would not materially affect the work of the Senate Permanent Fund Committee since the enactment of SB 429 would repeal all previous legislation for permanent fund money. (Note: SB 429 places a population ceiling of 5,000 on communities and municipalities eligible for loans. SB 375 places no population ceiling on loan eligibility. bfh)

Mike Dugan (House Permanent Fund AA) 2-22-78- No serious problem with SB 375 since it is so similar in part to SB 429 omnibus. However interim legislation, of which SB 375 would be a part, was specifically designed to curtain strongly the commissioner's discretionary powers to spend permanent fund monies. This concept is absent from SB 375 and provides an open range for investments. Although SB 429 would supercede SB 375 upon the passage of the first it may be a long time before SB 429 actually gets legislative approval. The enactment of SB 375 in the meantime could therefore lead to widespread use of the fund money contrary to the intent of the interim permanent fund legislation. In this situation, passage of SB 375 "would not be welcomed" by the House Permanent Fund Committee.

Dugan said that Rep. Gruening would like to be notified whenever SB 375 comes up before SC/RA Committee action.

Ben Harding

Joe-

Given the constitutional problems which the AG has raised regarding SB 375, are you interested in incoporating Chenoweth's attached language into the bill, or could it go as a separate measure entirely? (by deleting Sec. 3).

Ben

F: SB 375

STATE OF ALASKA

DEPARTMENT OF REVENUE

TREASURY DIVISION

JAY S. HAMMOND, GOVERNOR

ELEVENTH FLOOR
STATE OFFICE BUILDING
POUCH SB
JUNEAU, ALASKA 99811

February 24, 1978

The Honorable Joe Orsini
Chairman, Senate Community & Regional
Affairs Committee
State Capitol
Juneau, Alaska 99811

Dear Senator Orsini:

Re: Senate Bill 430 and Senate Bill 375

The Department of Revenue agrees in principal with both bills but disagrees in the existing procedure. The Department of Revenue is submitting amendments to the Alaska Municipal Bond Bank Authority statute concerning the Authority's ability to issue revenue bonds and placing certain limitations on the amount of revenue bonds which may be issued. These amendments, if adopted, represent the Department's concern.

Attached is a copy of a draft bill that is currently in the Department of Law and will be introduced shortly. This draft amends the limitations as to the amounts of either general obligation or revenue bonds that may be outstanding at one time. It also proposes a short title which will allow for easier identification and ultimately better marketability of the Alaska Municipal Bond Bank bonds.

Senate Bill 375 amends the interim management statute (AS 37.10.065) for the investment of the Alaska Permanent Fund. AS 37.10.065 provides for a caretaker investment function, and it never was the legislative intent that this statute should become the definitive legislation for the permanent fund. The proposed investment activity to be included for the interim management statute would change the intent of the interim management statute which was to invest the Alaska Permanent Fund principal in low risk securities and not to invest the principal within Alaska. The Administration bill on the Alaska Permanent Fund, House Bill 298, provides for in-state investments of the kind described in Senate Bill 375.

The Department of Revenue does not wish to see the interim management statute turned into the permanent enabling legislation on the Alaska Permanent Fund. For these reasons the Department does not support either Senate Bill 430 or Senate Bill 375.

I will be very happy to discuss these bills with you at your convenience.

Sincerely,

Jim Edenso

Jim Edenso
Deputy Commissioner

JE:ge

Enclosure

04-D12LH

Joe
F: SB 375

Alaska State Legislature

SPECIAL COMMITTEE ON
THE ALASKA PERMANENT FUND
(907) 276-3433
528 W. 5TH, SUITE 270
ANCHORAGE, AK. 99501
[POUCH V, JUNEAU, AK. 99811]
(907) 465-~~3812~~ 4955

MEMBERS
REP. CLARK GRUENING, CHMN.
REP. TERRY GARDINER, V. CHMN.
REP. E. J. HAUGEN
REP. RUSS MEEKINS
REP. BILL MILES
REP. LEO SCHAEFFER
~~REP. JOHN SHROCK~~
Rep. Joe Hayes

House of Representatives

February 22, 1978

Senator Joe Orsini, Chairman
Community and Regional
Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Joe:

Thank you for inviting the Committee's comments on SB 375. While I cannot speak for any other member of the Committee, I can give you what is and has been the consensus of the Committee in developing its approach to enabling legislation for the permanent fund. The approach of the Committee is contained in HB 595, HB 596 and HB 682 (dealing with the Renewable Resources Development Fund).

The concept of using the permanent fund to assist in meeting the financing needs of municipalities is included in HB 595 and HB 596. The approach contained in these bills, however, differs from that taken in SB 375. As you know, SB 375 is what appears to be a minor amendment to the permanent fund interim management bill (HB 210) we passed last session. This amendment would authorize the commissioner of revenue, at his absolute discretion, to use all or any part of the principal of the permanent fund to make loans (at any rate of interest the commissioner deems proper) to municipalities. SB 375 apparently also authorizes the commissioner of revenue to make loans or grants of the income or earnings of the permanent fund to municipalities. The last sentence of the permanent fund amendment provides "all income from the permanent fund shall be deposited in the general fund unless otherwise provided by law". There is some question in my mind, at least, as to whether SB 375 is a specific enough designation by law to meet the constitutional requirement. Moreover, as a matter of policy, a legislator may question the wisdom of allowing the commissioner of revenue the apparent authority to dole out what may be over 100 million dollars in earnings each year.

The approach of the House has been to put some limit on the amount of total permanent fund principal the managing authority could place in direct loans to municipalities. In HB 596, the entity most likely to make direct loans or guarantees to municipalities is the Alaska Enterprise Investment Corporation, which is authorized to use half of its available assets to meet community development needs on a loan or guarantee basis. In addition HB 595 uses the earnings from the permanent fund investments to leverage private financing for power projects. The earnings from the permanent fund would be the basis of guarantees to pay any default on interest or principal payments on bonds. Once the municipality or agency issuing the bonds makes these payments, the portion of the permanent fund earnings used as the guarantee would be freed and could flow to the permanent fund or the general fund for other uses.

In summary, while I believe the Committee is in favor of the concept of financial assistance to municipalities, the conclusion, based on public testimony and the advice of consultants, has been to give the permanent fund management an existence separate from the commissioner of revenue and to apply a logical and complete set of criteria for investments rather than simply establishing the commissioner of revenue as the sole arbitor over a smorgasbord of possible investment areas.

If you have any further questions after reading the attached House Bills 595 and 596 please don't hesitate to contact me.

Cordially,

Clark Gruening

Representative Clark Gruening

CG/jl

Enclosures

Official Business

Alaska State Legislature

Senate

Committee on
Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

February 7, 1978

Rep. Clark Gruening
Chairman
House Interim Committee
On The Permanent Fund
Pouch V
Juneau, Alaska 99811

Dear Rep. Gruening:

I have enclosed a copy of Senate Bill no. 375 ("An act relating to the investment of permanent fund money in community capital facilities") for your information and comment.

SB no. 375 has been referred to the Senate Community and Regional Affairs Committee for action, and I would appreciate your committee's assessment of the concept of using permanent fund monies to finance community capital facilities. I would also be interested in your views regarding the effect that the enactment of such legislation would have on the projected operations of the permanent fund, and whether this possibility was considered as a desirable use for fund monies during the extensive hearings which your committee held on the organization of the fund.

Sincerely,

Joe Orsini

Joe Orsini
Chairman
Community and Regional
Affairs Committee

JO/tb

Enclosure: SB 375

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

February 7, 1978

Lee McAnerney
Commissioner
Department of Community
and Regional Affairs
Pouch B
Juneau, Alaska 99811

Lee

Dear Commissioner McAnerney:

Senate Bill 375 ("An Act relating to the investment of permanent fund money in community capital facilities") and Senate Bill 430 ("An Act extending the authority of the Alaska Municipal Bond Bank") have been referred to the Senate Community and Regional Affairs Committee for review.

I would appreciate your comments and assessment of these proposed bills, particularly in regard to any impact SB 375 might have on your Department's planning for permanent fund monies. The Committee would also be interested in any effect which, in your view, the enactment of these measures could have on other areas of your Department's operations.

Sincerely,

Joe

JOE ORSINI
Chairman, Senate
Community and Regional
Affairs Committee

JO:gd

Enclosure(s): SB 375, SB 430

Alaska State Legislature

Senate

JUNEAU, ALASKA

January 13, 1978

Enclosed please find a copy of Senate Bills # 375 which, if enacted, may have an effect on your municipality. Your comments or recommendations would be appreciated, as we intend to give this proposed legislation our consideration in the near future.

Please write to the Senate Community and Regional Affairs Committee, Pouch V, Juneau, Alaska 99811: or call 465-3712.

Very truly yours,

Joe Orsini

Senator Joe Orsini
Chairman
Community and Regional
Affairs Committee

JO/tb

Enclosure: As stated

Terri - please check for correct addresses & titles. Joe

LETTERS TO: SEN. HOHMAN AND REP. GRUENING AS CHAIRMEN OF THE SENATE AND HOUSE INTERIM COMMITTEES ON THE PERMANENT FUND

I have enclosed a copy of Senate Bill no. 375 ("An Act relating to the investment of permanent fund money in community capital facilities") for your information and comment.

SB no. 375 has been referred to the Senate Community and Regional Affairs Committee for action, and I would appreciate your committee's assessment of the concept of using permanent fund monies to finance community capital facilities. I would also be interested in your views regarding the effect that the enactment of such legislation would have on the projected operations of the permanent fund, and whether this possibility was considered as a desirable use for fund monies during the extensive hearings which your committee held on the organization of the fund.

Sincerely,

Joe Orsini
Chairman, etc

enclosures: SB no. 3575

1) SB 373
2) " 374
3) " 388
4) " 375

Phone: (907) 424-3237
or 424-3238

CITY OF CORDOVA

Box 1210
CORDOVA, ALASKA 99574

Reply to:

"The Friendly City"

January 30, 1978

The Honorable Joe Orsini, Chairman
Senate Community and Regional
Affairs Committee
Pouch "V"
Juneau, Alaska 99811

Dear Senator Orsini:

Thank you for permitting us the opportunity to comment on several bills before your committee.

Our comments are as follows:

Senate Bill 373 - No Comment

Senate Bill 374 - We would have no objection to this bill provided we can continue to apply for and receive leases to tidelands under the present methods, however, if this would infringe upon that right, we raise strong objections to any interference with our right to obtain tide or submerged lands.

Senate Bill 388 - We support this bill.

Senate Bill 375 - We support this concept for loans to municipalities as defined for construction or renovation of capital facilities.

Thanks again for the opportunity to comment.

Very truly yours,

Perry D. Lovett
City Manager

cc: Senator Kerttula
Representative Lovseth

PDL/lb

F. SB 375

January 23, 1978

Honorable Joe Orsini, Chairman
Community & Regional Affairs Committee
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

In regard to proposed Senate Bill No. 375, we would support this legislation as an additional avenue of financing available to our City.

Sincerely,

Vincent O'Reilly, Mayor

VOR: sp

F. SB-375

KETCHIKAN PUBLIC UTILITIES

334 FRONT STREET P. O. BOX 1811 KETCHIKAN, ALASKA 99901 TELEPHONE 907-225-3111

7300

January 23, 1978

MUNICIPALLY OWNED
ELECTRIC WATER PHONE

Alaska State Legislature, Senate
Senator Joe Orsini, Chairman
Community and Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Subject: Your letter of January 13, 1978
re: Senate Bill No. 375.

Dear Senator Orsini:

We thank you for your letter and copies of the subject Bills and the opportunity to comment and recommend.

Senate Bill No. 375:

The City of Ketchikan (City) dba Ketchikan Public Utilities (KPU) is extremely interested in, and heartily approves the concepts contained in Senate Bill No. 375. However, we do question the word "grants". We believe that this abrogates the intent of the Publics desires when they voted that a permanent fund be set up. We believe that the word "GRANTS" should not appear in any legislation for the Permanent Fund, but should rather be involved with the General Fund which will receive 75% of total revenue from the mineral resources and also be under direct control of the Legislature on a year to year basis.

Electric power Utilities such as our City/KPU are vitally concerned as regards hydroelectric generation. There are many viable hydroelectric sites in our State. The original cost of constructing those hydroelectric projects places them beyond the ability of Alaskan utilities to construct, which in our case will take approximately 5-6 years, and yet continue to use high cost fossil fuel means for gereration (diesel) during the interim period of years during construction. It is impossible for the Alaskan consumer public to bear both the burden of high cost diesel fuel generation and the added burden of paying interest on the funds necessary to construct hydroelectric plants until such plants can be brought "on line", thus permitting the high cost diesel generation to be relegated to emergency and stand-by status and thereby releasing the funds, with proper rate structuring that will permit pay back to the State of Alaska the "up front" money extended thru loans via the Permanent Fund. In short, adequate funding with deferred payment of interest and principal.

This is not a give away. This is an opportunity for the State of Alaska to truly invest in the well being of its citizens and assure that they will have the advantages of the lowest possible electric rates for decades to come, enhance the economic stability of communities, and provide this for the people of the State by eliminating or reducing the use of fossil fuels, a non-renewable resource, and provide our people with a necessity of life thru the use of a renewable resource.

To provide such for the Ketchikan-Metlakatla area, we would set forth the following to illustrate what the term "adequate funding" would be for the City/KPU Swan Lake hydroelectric project we presently have underway in the engineering phase.

Fiscal Year	Estimated Funds Required
1978-79	$ 1,100,000
1979-80	1,600,000
1980-81	13,500,000
1981-82	23,800,000
1982-83	21,300,000
1983-84	6,500,000
	$67,800,000

For your further information, we are enclosing a copy of a Resolution formulated by a "Concerned Alaska Electric Power Utilities Committee" (CAEPUC).

Very truly yours,

Donald D. Bowey
Assistant Utilities Manager

cc: N. L. Teague, City-Utilities Manager
CAEPUC Members
Ketchikan City Council
KPU Advisory Board
R. W. Beck and Associates
Phil R. Holdsworth, Lobbyist

Enclosure: CAEPUC Resolution

RESOLUTION

WHEREAS, the State of Alaska has growing energy problems and energy shortages which are of deep concern to Alaskan Electric Power utilities, and the Citizens of Alaska; and

WHEREAS, the State of Alaska has abundant undeveloped hydroelectric resources that may be developed to satisfy many of these energy problems and energy shortages; and

WHEREAS, the State of Alaska has the financial resources in the form of the Permanent Fund and its earnings, the Renewable Resources Development Fund, and the General Fund; and

WHEREAS, financial assistance is needed by Alaskan utilities to build hydroelectric projects.

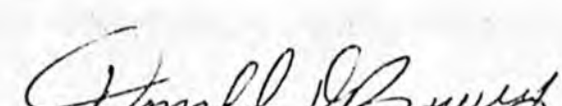
NOW, THEREFORE, BE IT RESOLVED that we, the undersigned, urge the Alaska State Legislature and the Executive branch to provide the financial means and support from the Permanent Fund through the Alaska Power Authority, Water Resources Revolving Loan Fund or other existing government agencies to develop the hydroelectric resources of the State of Alaska.

BE IT FURTHER RESOLVED that the agency designated shall evaluate every means to provide long-term capital on sufficient terms to permit the Citizens of Alaska the advantages of hydro-electric power development.

DATED this 13th day of January, 1978 in Juneau, Alaska.

Respectfully submitted by: Concerned Alaska Electric Power Utilities Committee (CAEPUC).

UTILITY	MEMBER
Cordova Public Utilities	Perry Lovett, City Manager
City of Wrangell, Light Dept.	James Eide, City Manager
Kodiak Electric Assn., Inc.	David S. Nease, Ass't Manager
Tlinget-Haida REA	Robert Martin Jr., Chief Engineer
City of Petersburg	W. K. Mearig, Electric Supt.
Ketchikan Public Utilities	Donald D. Bowey, Ass't Manager



Donald D. Bowey, Chairman
CAEPUC

CITY OF SKAGWAY

GATEWAY TO THE GOLD RUSH OF "98"
P. O. BOX 415 SKAGWAY, ALASKA 99840

January 23, 1978

Senator Joe Orsini, Chairman
Senate Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

This is in response to your letter of 13 January 1978 concerning Senate Bills No. 374, No. 375 and No. 388. These proposed pieces of legislation have been reviewed by the City Council. The position of the City of Skagway on each bill is as follows:

Bill No. 374: The City of Skagway strongly supports the enactment of this bill. This legislation will enable the City to obtain title to tide and submerged lands adjacent to City Park lands which were conveyed to the City by the Federal Government on 30 November 1931. Ownership of these tide lands will facilitate future development of the Park by the City. A copy of the Federal patent transferring the Park lands is enclosed for your information.

Bill No. 375: The City of Skagway supports passage of this bill. It is considered to be in the best interests of the State of Alaska and the Alaskan municipalities that a portion of the permanent fund principal and income be made available for development of municipal capital facilities.

Bill No. 388: The City of Skagway concurs in the goals and objectives of the Alaska Coastal Management Act and, therefore, supports changes which will facilitate the work of the Coastal Policy Council. The City Council, however, does have reservations with regard to the wording of Section 1.(d) of the proposed regulation. To explain:

Although the need for alternates to the public members is justified, the method proposed for their selection is considered to be inadequate. It is suggested that, rather than having the principals select their alternates, the Assembly or Councils of the regions nominate alternates and that the Governor make the selections- in other words, alternates for public members be designated in the same manner as the principals.

There is one other point: Under the proposed legislation, it would be possible that alternates might constitute all or a majority of

the public participants in coastal policy actions. It is suggested that of the public members acting on coastal policy matters at least a majority be regular members.

Sincerely,

G.D. Acker

G.D. Acker
City Manager

Enclosure

cc: Representative Rudd
Senator Ray
Represenative Miller
Represenative Duncan
Roger Allington
City Attorney Ruddy

GDAcp

City and Borough of Sitka

P.O. BOX 79 · SITKA, ALASKA · 99835

January 17, 1978

Senator Joe Orsini
Chairman, Community and
Regional Affairs Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

In reply to your letters of January 13, 1978, and the copy of SB 373, SB 374, SB 375 and SB 388 which accompanied same. Be advised that the City and Borough of Sitka supports the aforesaid Senate Bills.

Very truly yours,

Fermin Gutierrez
Administrator

cc: Senator Pete Meland

Alaska State Legislature

Senate

JUNEAU, ALASKA

January 13, 1978

Enclosed please find a copy of Senate Bills # 375 which, if enacted, may have an effect on your municipality. Your comments or recommendations would be appreciated, as we intend to give this proposed legislation our consideration in the near future.

Please write to the Senate Community and Regional Affairs Committee, Pouch V, Juneau, Alaska 99811: or call 465-3712.

Very truly yours,

Joe Orsini

Senator Joe Orsini
Chairman
Community and Regional
Affairs Committee

JO/tb

Enclosure: As stated

S 10

85 copies

Alaska State Legislature

Senate

JUNEAU, ALASKA

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Very truly yours,

Senator Joe Orsini
Chairman
Community and Regional
Affairs Committee

JO/tb

Enclosure: As stated

S 10

CRA Permanent Revenue

Volume

Planning

What else?

COMMENTS BY MIKE DOOGAN (GRUENING AA) ON SB 375 (1-12-78)

Doogan said that the Permanent Fund people expected the INterim Management bill to be repealed shortly and therefore were not too concerned about SB 375 which amended it. The interim management bill, however, was carefully designed to limited the Commissioner of REvenue's ability to invest the permanent fund monies until final procedures for the fund were adopted. In this respect, SB 375 is contrary to the intention of the interim management bill which attempted to keep the permenent funds as liquid as possible. Under 375, the commissioner's authority to invest would be greatly expanded (except provisions freeing the money up for use in the capital move were carefully excluded).

Doogan concluded that his initial reaction was that the bill was not a good idea and that the permanent fund committee would be "reluctant" to see it passed.

Ben Harding

SB 375

ORGANIZED BOROUGHS

Home Rule

NORTH SLOPE BOROUGH
- Barrow P
- Anaktuvuk Pass P
- Kaktovik P
- Nuiqsut P
- Point Hope P
- Wainwright P

SECOND CLASS

BRISTOL BAY BOROUGH M

FAIRBANKS NORTH STAR BOROUGH
- Fairbanks O
- North Pole O

KENAI PENINSULA BOROUGH
- Kenai K
- Seward D
- Homer K
- Seldovia K
- Soldotna K
- Kachemak K

KETCHIKAN GATEWAY BOROUGH
- Ketchikan A
- Saxman A

KODIAK ISLAND BOROUGH
- Kodiak L
- Akhiok L
- Larsen Bay L
- Old Harbor L
- Ouzinkie L
- Port Lions L

MATANUSKA-SUSITNA BOROUGH
- Palmer D
- Houston D
- Wasilla D

THIRD CLASS

HAINES BOROUGH
- Haines C
- Skagway C

CITY AND BOROUGH OF JUNEAU C

CITY AND BOROUGH OF SITKA B

MUNICIPALITY OF ANCHORAGE E-J

Home Rule Cities

- Cordova D
- Petersburg B
- Valdez D
- Wrangell B

First Class Cities

- Craig A
- Dillingham M
- Galena N
- Hoonah B
- Hydaburg A
- Kake B
- King Cove L
- Klawock A
- Nenana N
- Nome P
- Pelican B
- Saint Mary's N
- Selawik P
- Unalaska L
- Yakutat B

Second Class Cities

- Akiachak M
- Akiak M
- Akolmiut M
- Alakanuk N
- Aleknagik M
- Allakaket N
- Ambler P
- Anderson N
- Angoon B
- Aniak M
- Anvik N
- Bethel M
- Brevig Mission P
- Buckland P
- Chefornak M
- Chevak N
- Chuathbaluk N
- Clark's Point M
- Deering P
- Delta Junction O
- EEK

- Diomede P
- Eagle N
- Ekwok M
- Elim P
- Emmonak N
- Fort Yukon N
- Fortuna Ledge N
- Gambell P
- Golovin P
- Goodnews Bay M
- Grayling N
- Holy Cross N
- Hooper Bay N
- Hughes N
- Huslia N
- Kaltag N
- Kiana P
- Kivalina P
- Kobuk P
- Kotlik P
- Kotzebue P
- Koyuk P
- Koyukuk N
- Kupreanof B
- Kwethluk M
- Lower Kalskag M
- Manokotak M
- McGrath N
- Mekoryuk M
- Mountain Village N
- Napakiak M
- Napaskiak M
- New Stuyahok M
- Newhalen M
- Nightmute M
- Nikolai N
- Nondalton M
- Noorvik P
- Nulato N
- Pilot Station N
- Platinum M
- Port Alexander B
- Port Heiden M
- Quinhagak M
- Ruby N

Second Class Cities

Russian Mission	N
Saint Michael	P
The Aleut Community of St. Paul Island	L
Sand Point	L
Savoonga	P
Scammon Bay	N
Shageluk	N
Shaktoolik	P
Sheldon Point	N
Shishmaref	P
Shungnak	P
Stebbins	P
Tanana	N
Teller	P
Tenakee Springs	B
Togiak	M
Toksook Bay	M
Tuluksak	M
Tununak	M
Unalakleet	P
Upper Kalskag	M
Wales	P
White Mountain	P
Whittier	D

Organized Under Federal Law

Metlakatla	K

SB
388

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

January 24, 1978

Present: Chairman Orsini, Senators Willis, Ferguson and Hackney; Bruce Aronson, C/RA; Marilyn Miller, Alaska Municipal League; Roger Allington, Alaska Coastal Policy Development and Planning; Glen Akins, DPDP; Annette Smith, HC&RA; Steve Mizera, Republican Caucus; Jack Chenowith, Legislative Affairs; Steve J. Kettlekamp, Exxon; Keith Arnold, Alaska Oil & Gas Association; Oren Pomeroy, C/RA; and Tim Bradner of BP-Sohio.

Absent: Senator Bill Sumner

SENATE BILL 388

The meeting was called to order at 3:15 by Chairman Orsini who announced the formation of a subcommittee to deal with village land reconveyances occuring under paragraph 14 (c) of the Alaska Native Claims Settlement Act. Senator Ferguson was appointed Chairman. Senators Hackney and Orsini were appointed members. Senator Ferguson agreed that the subcommittee would be able to make a report to the committee within a month.

The committee first took-up CSSB 388. The two Co-chairman of the Alaska Coastal Policy Council, Frances Ulmer and Roger Allington, had been invited to present their views of the effects of CSSB 388 on the functioning of the council.

Council Co-chairman Allington referred his letter of January 23, 1978, to Senator Orsini, in which he supported SB 388's provision for the selection by the Governor of alternative members to fill unexpected vacancies in the council.

Co-chairman Ulmer concurred with Allington's assessment and noted that the question of the appointment of alternate members had been heatedly debated in the council without achieving a clear concensus.

She also cautioned against too great an attempt to restrict the number of alternates available for the governor's selection, but she believed that CSSB 388 would clarify the question of the alternate's qualifications. She suggested that assistant, as well as deputy commissioners be designated as acceptable substitutes for State commissioners in the council.

Marilyn Miller, representing the Alaska Municipal League, testified on CSSB 388. She stated that the League would prefer to see public members on the council appoint their own alternates in order to maintain a continuity of view point.

This completed public testimony on CSSB 388. Senator Ferguson moved that CSSB 388 as drafted be passed out of committee with individual recommendations. The committee vote was 2 Do Pass, 1 Do Not Pass Without Amendment and No Recommendations.

DISCUSSION OF ALASKA COASTAL MANAGEMENT PROGRAM

Chairman Orsini recalled Alaska Coastal Policy Co-chairman Frances Ulmer and Roger Allington to discuss the work of the council regarding the submission of its standard and guidelines to the Legislature. He pointed out the importance of the Legislature receiving these regulations in sufficient time this session to give them adequate consideration. He stated the intention of the committee to work with the unofficial draft regulations during the public hearing process in order to become as familiar as possible with the proposed regulations before their submission to the Legislature in April.

Council Co-chairman Ulmer told the committee that the council had recently completed a new draft of its regulations, copies of which had been made available to legislators. A sixty day hearing process would be underway shortly with public meetings throughout the state. The council believed that the regulations would be ready for submission to the Legislature in early April, following a final council meeting on the regulations in Juneau, March 24 and 25.

Ulmer stressed the need for legislative action on the Coastal Management Program this session in order to allow the state program to receive federal approval by December of 1978. She indicated that there had been some question within the council whether the regulations constituted a part of the program and also required legislative approval, the consensus of the council was that the regulations also required legislative action to accept them.

Glen Akins, Director of the Office of Coastal Management, outlined for the committee the situation in Washington State and Oregon where federal approval for these states' coastal management programs was given before all the local programs were completed. He noted, however, that court challenges against this practice are underway.

He also pointed out that the role of the federal government in funding state coastal programs is significant. So far approximately $3 million in federal funds have been used in Alaska to finance state and local efforts. Approximately $250,000 in state funds have been allocated to this purpose. Without federal approval next year, Akins believed that this financial obligation would have to be borne completely by the State.

In response to Chairman Orsini's question on the concept of federal consistency, Akins replied that Federal agencies have observed state coastal policy when public groups, local governments and the state government united behind one position. Ultimately, however, the Secretary of Commerce would be the arbiter in any dispute between a state and federal agency over federal consistency provisions.

SENATE BILL 372

The committee voted unanimously to pass SB 372 out of committee following the explanation of Senator Willis that the bill was intended to rectify a drafting error regarding a reference citation of Senate Bill 37 to the Alaska Statutes. There was no public testimony.

Alaska State Legislature

Senate

JUNEAU, ALASKA

January 13, 1978

Enclosed please find a copy of Senate Bills # 388 which, if enacted, may have an effect on your municipality. Your comments or recommendations would be appreciated, as we intend to give this proposed legislation our consideration in the near future.

Please write to the Senate Community and Regional Affairs Committee, Pouch V, Juneau, Alaska 99811: or call 465-3712.

Very truly yours,

Joe Orsini

Senator Joe Orsini
Chairman
Community and Regional
Affairs Committee

JO/tb

Enclosure: As stated

5-15-78

Joe-

Clark Gruening called to alert you to CSSB 388 coming up in House Finance tomorrow. I told him you'd be there to testify on the bill.

He also asked about HB 516 (appropriate technology) and hoped that you could bring it to Senate Finance for scheduling.

Ben

02-001B (Rev. 10/76)

STATE of ALASKA

MEMORANDUM

F: CSSB 388

TO: J. Hogan
Legislative Finance Division
State Capitol
Pouch WF
Juneau, Alaska 99811

DATE: May 23, 1978

FILE NO:

TELEPHONE NO:

FROM: Murray R. Walsh
Coordinator
Office of Coastal Management
Pouch AP
Juneau, Alaska 99811

SUBJECT: Fiscal Note for HCS CS SB 388

Attached as per your request is a fiscal note for the subject bill. After examination, we find that this bill will have no fiscal impact. Please call me if you have any questions. (465-3574)

cc: Senator Joseph Orsini
Tom Barnes, Budget and Management
Janet Green, Office of the Governor
Fran Ulmer, DPDP

Offered: 1/25/78
Original sponsor: Orsini Referred: Resources

IN THE SENATE BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

CS FOR SENATE BILL NO. 388

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to the membership of the Alaska Coastal Policy Council."

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

* Section 1. AS 44.19.891(d) is repealed and re-enacted to read:

(d) Each member of the council shall select one person to serve as a permanent alternate at meetings of the council. If a member of the council is unable to attend, he shall advise the alternate who may attend and act in the place of the member. The alternate for a public member appointed under (a)(1) of this section shall, at the time of his designation and throughout the period of his service as a permanent alternate, be [the mayor or member of the assembly or council of a municipality within] a resident of the region from which the permanent member is appointed. The alternate for a designated member serving under (a)(2) of this section shall be a deputy commissioner of the department or the director of a division in the department. The names of alternates shall be filed with the council.

* Sec. 2. AS 44.19.891(g) is repealed and re-enacted to read:

(g) If an incumbent public member ceases to meet the qualifications prescribed in (a)(1) of this section for nomination to the council or if a vacancy exists among the public members for any other reason except for a vacancy due to the expiration of the term of a public member, the governor shall, within 30 days of the establishment of the vacancy by lack of qualification or other reason, make an appointment, to be immediately effective, for the unexpired portion of the term. An

appointment by the governor made under this subsection to fill an unexpired term of a public member shall comply with the requirements of (a)(1) of this section; however, the governor may appoint from qualified persons without soliciting from municipalities nominations of persons to fill the unexpired portion of the term.

Original sponsor: Orsini

Offered: 3/28/78
Referred: Finance

IN THE SENATE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

HOUSE CS FOR CS FOR SENATE BILL NO. 388

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to the state's coastal management program; and providing for an effective date."

* Section 1. AS 46.40.040(1) is amended to read:

(1) by regulation, adopt under the provisions of the Administrative Procedure Act (AS 44.62), not later than April 15, 1978 [WITHIN SIX MONTHS OF THE EFFECTIVE DATE OF THIS ACT], for the use of and application by coastal resource districts and state agencies for carrying out their responsibilities under this chapter, guidelines and standards for

(A) identifying the boundaries of the coastal area subject to the district coastal management program;

(B) determining the land and water uses and activities subject to the district coastal management program;

(C) developing policies applicable to the land and water uses subject to the district coastal management program;

(D) developing regulations applicable to the land and water uses subject to the district coastal management program;

(E) developing policies and procedures to determine whether specific proposals for the land and water uses or activities subject to the district coastal management program shall be allowed;

(F) designating and developing policies for the use of areas of the coast which merit special attention; and

(G) measuring the progress of a coastal resource district in meeting its responsibilities under this chapter;

* Sec. 2. AS 46.40.120(c) is amended to read:

(c) A determination under (b) of this section shall be made before organization of the coastal resource service area [AND NO LATER THAN SIX MONTHS FROM THE EFFECTIVE DATE OF THIS ACT].

* Sec. 3. AS 46.40.210(6)(C) is amended to read:

(C) the siting of major energy facilities, activities pursuant to a state oil and gas lease, or large-scale industrial or commercial development activities which are dependent on a coastal location and which, because of their magnitude or the magnitude of their effect on the economy of the state or the surrounding area, are reasonably likely to present issues of more than local significance;

* Sec. 4. AS 44.19.891(g) is repealed and re-enacted to read:

(g) If an incumbent public member ceases to meet the qualifications prescribed in (a)(1) of this section for nomination to the council or if a vacancy exists among the public members for any other reason except for a vacancy due to the expiration of the term of a public member, the governor shall, within 30 days of the establishment of the vacancy by lack of qualification or other reason, make an appointment, to be immediately effective, for the unexpired portion of the term. An appointment by the governor made under this subsection to fill an unexpired term of a public member shall comply with the requirements of (a)(1) of this section; however, the governor may appoint from qualified persons without soliciting from municipalities nominations of persons to fill the unexpired portion of the term.

* Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-070(c).

CITY OF SKAGWAY

GATEWAY TO THE GOLD RUSH OF "98"

P. O. BOX 415 SKAGWAY, ALASKA 99840

F: SB 388

January 23, 1978

Senator Joe Orsini, Chairman
Senate Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

This is in response to your letter of 13 January 1978 concerning Senate Bills No. 374, No. 375 and No. 388. These proposed pieces of legislation have been reviewed by the City Council. The position of the City of Skagway on each bill is as follows:

Bill No. 374: The City of Skagway strongly supports the enactment of this bill. This legislation will enable the City to obtain title to tide and submerged lands adjacent to City Park lands which were conveyed to the City by the Federal Government on 30 November 1931. Ownership of these tide lands will facilitate future development of the Park by the City. A copy of the Federal patent transferring the Park lands is enclosed for your information.

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Bill No. 388: The City of Skagway concurs in the goals and objectives of the Alaska Coastal Management Act and, therefore, supports changes which will facilitate the work of the Coastal Policy Council. The City Council, however, does have reservations with regard to the wording of Section 1.(d) of the proposed regulation. To explain:

Although the need for alternates to the public members is justified, the method proposed for their selection is considered to be inadequate. It is suggested that, rather than having the principals select their alternates, the Assembly or Councils of the regions nominate alternates and that the Governor make the selections- in other words, alternates for public members be designated in the same manner as the principals.

There is one other point: Under the proposed legislation, it would be possible that alternates might constitute all or a majority of

the public participants in coastal policy actions. It is suggested that of the public members acting on coastal policy matters at least a majority be regular members.

Sincerely,

G.D. Acker
City Manager

Enclosure

cc: Representative Rudd
Senator Ray
Represenative Miller
Represenative Duncan
Roger Allington
City Attorney Ruddy

GDAcp

F1) SB 388
2) SB 375

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2525

GEORGE M. SULLIVAN, MAYOR

OFFICE OF THE MAYOR

March 8, 1978

Senator Joe Orsini, Chairman
Community & Regional Affairs Committee
Pouch "V"
Juneau, Alaska 99811

Dear Senator Orsini:

Following are comments from the Municipality of Anchorage on proposed legislation:

S.B. 375 - relating to investment of permanent fund money in community capital facilities.

It is felt that the apparent intent of this bill is very good; however, as presently written, its provisions are so general that specific comment is difficult. Some specifics that need action are: Will money be in the form of grants or loans? If loans, what will be interest percentages? How much of permanent fund would be made available under S.B. 375? What would be the criteria for obtaining grants/ loans?

S.B. 388 - membership of Alaska Coastal Policy Council

Anchorage would have no problem with this legislation since our representative, Lidia Selkregg, has appointed Mat-Su Borough Mayor Don Larson as her permanent alternate. It is assumed that the bill aims to preserve a geographic and state-local balance on the Council.

Sincerely,

Doug Wenford for

George M. Sullivan
Mayor

/SW

City of Kodiak

PHONE (907) 486 - 3224
P.O.BOX 1397
KODIAK, ALASKA 99615

January 20, 1978

Senator Joe Orsini, Chairman
Community and Regional Affairs
Committee
Pouch V
Juneau, Alaska 99801

Dear Senator Orsini:

The Council took action at their regular meeting of January 26 supporting HB 388. They felt that it was important to have alternates for the Coastal Policy Council so that if the member from the community could not attend there would be representation.

The Council wishes to thank you for keeping them informed and the opportunity to comment.

Very truly yours,

CITY OF KODIAK

Libby Presnall

Libby Presnall
City Clerk

Ensolite Bond
25% COTTON FIBER

City and Borough of Sitka

P.O. BOX 79 · SITKA, ALASKA · 99835

January 17, 1978

Senator Joe Orsini
Chairman, Community and
Regional Affairs Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

In reply to your letters of January 13, 1978, and the copy of SB 373, SB 374, SB 375 and SB 388 which accompanied same. Be advised that the City and Borough of Sitka supports the aforesaid Senate Bills.

Very truly yours,

Fermin Gutierrez
Administrator

cc: Senator Pete Meland

F 1) SB 373
2) " 374
3) " 388
4) " 375

Phone: (907) 424-3237
or 424-3238

CITY OF CORDOVA

Box 1210
CORDOVA, ALASKA 99574

Reply to:

"The Friendly City"

January 30, 1978

The Honorable Joe Orsini, Chairman
Senate Community and Regional
Affairs Committee
Pouch "V"
Juneau, Alaska 99811

Dear Senator Orsini:

Thank you for permitting us the opportunity to comment on several bills before your committee.

Our comments are as follows:

Senate Bill 373 - No Comment

Senate Bill 374 - We would have no objection to this bill provided we can continue to apply for and receive leases to tidelands under the present methods, however, if this would infringe upon that right, we raise strong objections to any interference with our right to obtain tide or submerged lands.

Senate Bill 388 - We support this bill.

Senate Bill 375 - We support this concept for loans to municipalities as defined for construction or renovation of capital facilities.

Thanks again for the opportunity to comment.

Very truly yours,

Perry D. Lovett
City Manager

cc: Senator Kerttula
Representative Lovseth

PDL/lb

members present and voting.

(f) Members of the council or their alternates are entitled to per diem and travel expenses authorized by law for members of boards and commissions.

(g) If there is a vacancy among the public members appointed under (a)(1) of this section, the governor shall make an appointment to become immediately effective for the unexpired portion of the term.

Sec. 44.19.892. POWERS OF THE COUNCIL. The council may

(1) apply for and accept grants, contributions, and appropriations, including application for and acceptance of federal funds which may become available for coastal planning and management;

(2) contract for necessary services;

(3) consult and cooperate with

(A) persons, organizations, and groups, public or private, interested in, affected by, or concerned with coastal area planning and management;

(B) agents and officials of the coastal resource districts of the state, and federal and state agencies concerned with or having jurisdiction over coastal planning and management;

(4) take any reasonable action necessary to carry out the provisions of secs. 891 - 894 of this chapter.

Sec. 44.19.893. DUTIES OF THE COUNCIL. In conformity with the Coastal Zone Management Act of 1972, as amended (16 U.S.C. 1451 et seq.), the council shall

(1) through the public hearing process and the recording of the minutes of the hearings, develop guidelines and standards for the preparation of, and approve, in accordance with AS 46.35, the Alaska coastal management program;

(2) establish continuing coordination among state agencies to facilitate the development and implementation of the Alaska coastal management program; in carrying out its duties under this paragraph, the council shall initiate an interagency program of comprehensive coastal resource planning for each geographic region described in sec. 891-(a)(1) of this chapter;

(3) assure continued provision of data and information to coastal resource districts to carry out their planning and management functions under the program;

(4) submit annually to the legislature, not later than the 10th day of each regular session, the portion of the coastal management program approved or amended by the council during the preceding year.

Sec. 44.19.894. COUNCIL STAFF. The council shall

utilize the staff of the office of coastal management within the division of policy development and planning in discharging its powers and duties. The coordinator of the office, with the concurrence of the council, may contract with or employ personnel or consultants he considers necessary to carry out the powers and duties of the council.

* Sec. 4. AS 46 is amended by adding a new chapter to read:

CHAPTER 35. THE ALASKA COASTAL MANAGEMENT PROGRAM.

ARTICLE 1. DEVELOPMENT OF ALASKA COASTAL MANAGEMENT PROGRAM.

Sec. 46.35.010. DEVELOPMENT OF ALASKA COASTAL MANAGEMENT PROGRAM. (a) The Alaska Coastal Policy Council established in AS 44.19.891 sh ll approve, in accordance with secs. 10 - 210 of this chapter, the Alaska coastal management program.

(b) The council may approve the Alaska coastal management program for a portion or portions of the coastal area before approving the complete program under (a) of this section. Portions of the program approved under this subsection shall be incorporated into the Alaska coastal management program.

(c) The Alaska coastal management program shall be reviewed by the council and, when appropriate, revised to

(1) add newly approved district coastal management programs, or revisions and amendments to the Alaska coastal management program;

(2) integrate newly approved district coastal management programs, or revisions and amendments of district coastal management programs, with existing approved programs and with plans developed by state agencies;

(3) add new or revised state statutes, policies, regulations or other appropriate material;

(4) review the effectiveness of implementation of district coastal management programs; and

(5) consider new information acquired by the state and coastal resource districts.

(d) All reviews and revisions shall be in accordance with the guidelines and standards adopted by the council under sec. 40 of this chapter.

Sec. 46.35.020. OBJECTIVES. The Alaska coastal management program shall be consistent with the following objectives:

(1) the use, management, restoration and enhancement of the overall quality of the coastal environment;

(2) the development of industrial or commercial enterprises which are consistent with the social, cultural, historic, economic and environmental interests of the people of the state;

(1) preserve, protect, develop, use, and, where necessary, restore or enhance the coastal resources of the state for this and succeeding generations;

(2) encourage coordinated planning and decision making in the coastal area among levels of government and citizens engaging in or affected by activities involving the coastal resources of the state;

(3) develop a management program which sets out policies, objectives, standards and procedures to guide and resolve conflicts among public and private activities involving the use of resources which have a direct and significant impact upon the coastal land and water of the state;

(4) assure the participation of the public, local governments, and agencies of the state and federal governments in the development and implementation of a coastal management program;

(5) utilize existing governmental structures and authorities, to the maximum extent feasible, to achieve the policies set out in this section; and

(6) authorize and require state agencies to carry out their planning duties, powers and responsibilities and take actions authorized by law with respect to programs affecting the use of the resources of the coastal area in accordance with the policies set out in this section and the guidelines and standards adopted by the Alaska Coastal Policy Council under AS 46.35.

* Sec. 3. AS 44.19 is amended by adding new sections to read:

ARTICLE 11A. ALASKA COASTAL POLICY COUNCIL.

Sec. 44.19.891. ALASKA COASTAL POLICY COUNCIL. (a) There is created in the Office of the Governor the Alaska Coastal Policy Council. The council consists of the following:

(1) nine public members appointed by the governor from a list comprised of at least three names from each region, nominated by the municipalities of each region; the nominees shall be the mayor or member of the assembly or council of a municipality; one public member shall be appointed from each of the following general regions:

(A) northwest Alaska, including, generally, the area of the North Slope Borough and the Northwest Arctic regional educational attendance area;

(B) Bering Straits, including, generally, the area of the Bering Straits regional educational attendance area;

(C) southwest Alaska, including, generally, the area within the Lower Yukon, Lower Kuskokwim, Southwest, and Lake-Peninsula regional educational attendance areas and the Bristol Bay Borough;

(D) Kodiak-Aleutians, including the area of the Kodiak Island Borough and the Aleutian, Adak and Pribilof regional educational attendance areas;

(E) Upper Cook Inlet, including the Municipality of Anchorage and the Matanuska-Susitna Borough;

(F) Lower Cook Inlet, including, generally, the area within the Kenai Peninsula Borough;

(G) Prince William Sound, including, generally, the area east of the Kenai Peninsula Borough to 141° W. longitude;

(H) northern Southeast Alaska, including the area southeast of 141° W. longitude and north of 57° N. latitude, including the entirety of the City and Borough of Sitka; and

(I) southern Southeast Alaska, including that portion of southeastern Alaska not contained within the area described in (H) of this paragraph;

(2) each of the following:

(A) the director of the division of policy development and planning;

(B) the commissioner of the Department of Commerce and Economic Development;

(C) the commissioner of the Department of Community and Regional Affairs;

(D) the commissioner of the Department of Environmental Conservation;

(E) the commissioner of the Department of Fish and Game;

(F) the commissioner of the Department of Natural Resources; and

(G) the commissioner of the Department of Public Works.

(b) Each public member appointed by the governor under (a)(1) of this section serves a term of two years and until his successor is appointed and qualified, except that the term of office of a public member first appointed under (a)(1)(A), (a)(1)(C), (a)(1)(E) and (a)(1)(G) of this section shall be one year. A public member may be reappointed.

(c) The council shall designate co-chairmen, one of whom shall be selected from among the public members appointed under (a)(1) of this section and one from among the members designated in (a)(2) of this section.

(d) Members appointed under (a) of this section may select one person to serve as a permanent alternate at meetings of the council. If the member appointed is unable to attend, the alternate may act in his place.

(e) Four public members and three designated members of the council constitute a quorum, but one or more of the members designated by the council may hold hearings. All decisions of the council shall be by a majority vote of the

√ Joe

SENATE RESOURCE COMMITTEE VIEWS ON CCSB 388

I talked to Reed Stoops (Senator Poland's Resource Committee AA) this morning regarding CSSB 388.

Stoops said that the Resouce Committee was looking at adding language to the bill in two areas:

1) To provide for an April 15 submission date for the program parallelling Lisa Rudd's bill.

2) To add clarifying language to state that the Legislature must approve all regulations as well as the Coastal Management Program. (Stoops said that this was understood but that the present language is somewhat ambiguous and Sen. Poland wishes to avoid any court challenges on this point).

Once the program is officially submitted to the Legislature in April, Stoops said that it was Sen. Poland's view that the legislators would have to adopt or reject the program in toto, that there could be no revision of the program either in committee or on the floor.

He did believe, however, that the legislative oversight of administrative regulations would later provide an avenue whereby the Legislature could exercise control over the regulatory policy of the Coastal Management Program (provided of course that such legislative oversight is not overturned in court).

Stoops said that Sen. Poland was in strong agreement with the need to insure that public members of the Council remain in fact local elected officials.

Ben Harding
1-26-77

STATE OF ALASKA

COASTAL POLICY COUNCIL

May 12, 1978

LOCAL MEMBERS:
Roger Allington, Northern Southeast, Co-Chairman
Roger Fagerstrom, Bering Straits
Donald Gilman, Lower Cook Inlet
Eben Hopson, Northwest
Malcolm "Pete" Isleib, Prince William Sound
Stan Paukan, Southwest
Robert Sanderson, Southern Southeast
Lidia Selkregg, Upper Cook Inlet
Betty Wallin, Kodiak-Aleutians

STATE MEMBERS:
Frances Ulmer, Director of Policy Development & Planning, Co-chairwoman
Donald Harris, Commissioner of Transportation & Public Facilities
Phillip Hubbard, Commissioner of Commerce & Economic Development
Robert LeResche, Commissioner of Natural Resources
Lee McAnerney, Commissioner of Community & Regional Affairs
Ernst Mueller, Commissioner of Environmental Conservation
Ronald Skoog, Commissioner of Fish & Game

The Honorable John Rader
President of the Senate
Senate
State Capitol
Pouch V
Juneau, Alaska 99811

Dear Senator Rader:

Attached are the final Guidelines and Standards of the Alaska Coastal Policy Council, as approved by the Attorney General. The Guidelines and Standards are now in the Lieutenant Governor's Office and will be held there pending final action by the Legislature.

In order to facilitate review of the Guidelines and Standards by the Legislature, the results of the Council's action at its March 30-31 meeting were sent to you and the Attorney General as early as possible in April. Thus, the Attorney General's review, which is required by law before any regulation is formally adopted, began at the same time as the Legislature's.

The Attorney General found no substantive problems with the Guidelines and Standards, but did make a number of grammatical and textual changes which are now embodied in the attached document. We consider the changes to be non-substantive and technical in nature. If you have any questions, we are available to discuss them at your convenience.

Sincerely,

Frances A. Ulmer, Co-Chairman
Alaska Coastal Policy Council

Roger Allington, Co-Chairman
Alaska Coastal Policy Council

cc: Sen. Joe Orsini

ALASKA
COASTAL MANAGEMENT PROGRAM

SB

426

SENATE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE MEETING

March 28, 1978

Present: Senators Orsini, Ferguson, Willis and Hackney. Lynn Wegener, Department of Community and Regional Affairs; Oren Pomeroy, Department of Community and Regional Affairs; Tom Hanna, Department of Environmental Conservation; Jerry Reinwand, Department of Environmental Conservation.

Absent: Senator Sumner

SENATE BILL 430

The proposed draft for SB 430 was discussed in last week's committee meeting. Chairman Orsini stated the only difference in the proposed draft is that it puts a $150 million ceiling on the revenue bonds which is the same as the ceiling on the general obligation bonds. Chairman Orsini stated that the Committee was acting conservatively by putting a ceiling on revenue bonds. He explained that the reason was to see how the program works with respect to revenue bonds for which the state and municipalities had no prior experience. Senator Ferguson moved that the committee adopt the CS for SB 430. There was no objection. Senator Ferguson then moved that the committee move out SB 430 with a DO PASS recommendation. There was no objection.

SENATE BILL 426

Lynn Wegener, Administrative Director for the Department of Community and Regional Affairs, explained the necessity of the bill. He stated that the bill takes funds from the FY 78 senior citizens renters program and puts it to cover short-falls in the senior citizens property tax exemption program, the senior citizens special assessment program and the National Forest receipts. At that time, the committee questioned whether the action by the Department in seeking an appropriation adjustment was the proper procedure and asked instead if a Revised Program request would not have been more appropriate. Mr. Wegener replied that his department had been advised by the Office of Budget and Management to seek the transfer of funds to the senior citizens tax exemption program by means of an appropriation adjustment. It was also brought out in testimony that the transfer of $25,000 to the agricultural land exemption account was no longer necessary and that Section 4 of the bill should therefore be deleted. This action would accordingly reduce the general fund figure in Section 7 from $42,661,500 to $42,636,500. Senator Ferguson moved that the committee pass the bill out with a NO RECOMMENDATION. Chairman Orsini suggested the committee send a letter to the Judiciary committee advising them of the facts brought out by the testimony and suggest the amendments to the language of the bill. There was no objection.

CS for HOUSE BILL 190

Chairman Orsini stated that the intent was to have a discussion on the

bill before the committee passed it out because of the confusing developments regarding this bill.

Jerry Reinwand, Deputy Commissioner of the Department of Environmental Conservation and Tom Hanna, also from the Department of Environmental Conservation, presented testimony. Mr. Reinwand commented on some potential problems that may be caused by the bill. He noted that the basic reason behind the bill was that Cook Inlet Air Resource Management District wanted to get rid of overlapping programs and duplication of authority. The CIARMD would like to have the authority to issue prevention of significant deterioration permits instead of the state issuing them. Mr. Reinwant stated that there probably would not be any problem authorizing the permit program to be transferred to them. He also stated that the reason it had not been done to date was because the Department had not received an application from the CIARMD requesting this. Mr. Reinwand stated that the Department did have some drawbacks about doing this. He stated that if the CIARMD was to issue a permit that would violate the state's regulations, EPA could impose sanctions taking away all planning money and cutting off program grant money. He explained that the state has an interest to make sure that in a situation such as this there should be some kind of state oversight responsibility. The Department had submitted some rough draft amendments for the bill to provide for state oversight.

Chairman Orsini asked if Mr. Reinwand would review the bill and get his comments back to the committee by Monday, April 3, 1978. Chairman Orsini suggested that the committee would have those comments incorporated into a draft bill before another committee hearing. He also said that a letter be sent to Cook Inlet Board explaining to them that under existing law they may be able to apply for the authority to issue permits and encouraging them to pursue this possibility.

The meeting was adjourned at 3:30 p.m.

SB 426

Shift from Sen Ct renters to Sen Ct owners

Sec 4 - not needed (fuel receipts < 125 K)

3644 (?)

Sec 5 - more state $ due to more FS sales

Sec 2 - only ~ 100K actually; remainder will lapse

Sec 7 - reduce by 25 K

61
25
42,632,500

Why not RP ?
advised to use "approp adjust" by BoM

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

OFFICE OF THE GOVERNOR

BUDGET & MANAGEMENT / POUCH AM — JUNEAU 99811
PHONE 465-2213

February 27, 1978

The Honorable George Hohman, Jr.
Chairman
Senate Judiciary Committee
Alaska State Senate

Dear Senator Hohman:

This is to inform you that the supplemental appropriation adjustment, in the sum of $25,000 included in SB 426, for the Department of Community and Regional Affairs, State Assessor's Office, Agriculture Lands Exemption component, is no longer required. The FY 78 Agricultural Land Exemption appropriation was $125,000 and now after all applications have been reviewed and eligible payments approved, the total funding need amounts to only $118,613.50. The supplemental adjustment for the Agriculture Program was based upon the assumption that more applications would be received than has been the actual case.

Sincerely,

Ronald B. Lind
Director

cc: Jay Hogan, Director
Legislative Finance

F: SB426

STATE OF ALASKA

OFFICE OF THE GOVERNOR

JAY S. HAMMOND, GOVERNOR

BUDGET & MANAGEMENT / POUCH AM — JUNEAU 99811
PHONE 465-2213

February 3, 1978

The Honorable Joseph Orsini
Chairman, Senate Community and
Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

SB 426
Additional Backup Information

Dear Senator Orsini:

Attached is additional backup information on the appropriation adjustment request for the Department of Community and Regional Affairs, contained in SB 426.

Sincerely,

Ron Lehr for:

Ronald B. Lind, Director
Division of Budget and Management

attachment

cc: Keith Specking

02-001B (Rev. 10/76)

STATE of ALASKA

MEMORANDUM

DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

RECEIVED
JAN 24 1978
BUDGET & MANAGEMENT

TO: Ron Lind, Director
Division of Budget & Management
Office of the Governor

DATE: January 20, 1978

FILE NO:

TELEPHONE NO

FROM: Lynn A. Wegener
Administrative Director

SUBJECT: FY '78 Supplemental

As requested, the following is an update of my October 28, 1977 memo detailing the need for supplemental appropriations to fund anticipated shortfalls in the Fiscal Year 1978 Senior Citizens' Property Tax Exemption Program and the Senior Citizens' Special Assessment Program components of the Senior Citizens' Tax Exemption BRU and the Agricultural Lands Exemption Component of the State Assessor BRU.

Senior Citizens' Property Tax Exemption Program - $114,400

FY '78 Appropriation	$1,487,400
Applications received to date	1,525,520
Schedule attached	$(38,120)
Maximum estimated contingency for late filed applications	-76,276
	$(114,396)

Current Statutes allow Senior Citizens to file application to their municipality for tax exemption through December 31 for that calendar year's taxes. The State Assessor's Office has received the majority of the exemptions due, however, has not received all late filed applications. The outstanding exemptions due will be received from the municipalities through June 30.

Senior Citizens' Special Assessment Program - $77,300

FY '78 Appropriation	$ 168,000
Applications paid to date	
Anchorage	- 6,513
City of Cordova	- 7,680
	$ 153,807
Application estimate	
City of Fairbanks	$ - 193,500
Contingency for underestimation	- 37,607
	$ (77,300)

The original FY '78 budget estimate was based on the assumption that only the City and Borough of Juneau and the City of Cordova would apply for special assessments during the fiscal year. The Assessor has since been notified that the City of Fairbanks will be participating in the current year program for approximately $193,500. The City of Fairbanks currently anticipates a February levy date with a 90-day application and will bill the State for reimbursement in April 1978. The contingency is requested as the tax rolls at this point are not complete and the number of applicants is uncertain. The $193,500 represents the City of Fairbanks' current estimated requirement under this program. The City and Borough of Juneau has notified the State Assessor that their levy date has been adjusted from January 1, 1978 to January 1, 1979.

It should be noted that the dollars expended under this program represent a lien on the property and if sold to a non-qualified buyer, the amount of the assessment paid is reimbursed to the State.

Agricultural Land Use Assessment - $25,000

FY '78 Appropriation	$125,000
Municipality of Anchorage	-12,763
Fairbanks North Star Borough	- 4,054
Kenai Peninsula Borough	- 4,836
Matanuska-Susitna Borough	-111,416
	($ 8,070)
Contingency for underestimation	-16,929
	($ 25,000)

Under this program, owners of farm land must apply to the appropriate municipality by February 1 to qualify for the Farm Land Assessment Rate for that tax year; therefore, the estimates provided by the Municipality should approximate actual costs of the program.

The primary reason for the shortfall is the increase in the full and true value assessment and a relatively stable farm use value assessment; thus, increasing the deferred assessment value and the corresponding deferred taxes paid by the State under AS 29.53.035.

State legislation has mandated that these three groups of taxpayers are exempt from payment in the appropriate category and indicates that the State will reimburse the Municipality for revenue lost through the operation of these programs. Payment of less than 100% of the municipal claims will result in lost revenue to the municipality.

If you need additional information, please contact us.

LAW:cd

cc: Oren Pomeroy

Senior Citizen Property Tax Exemption
FY '78 Program Report of Municipal Estimates

Boroughs	Tax Exempt
Anchorage, Municipality of	$ 741,785.81
Bristol Bay	1,081.51
Fairbanks North Star	137,096.86
Haines	4,183.78
Juneau, City & Borough of	219,866.19
Kenai	100,814.44
Ketchikan Gateway	99,549.73
Kodiak Island	26,550.75
Matanuska-Susitna	73,988.61
North Slope	2,284.86
Sitka, City & Borough of	17,064.92
TOTAL BOROUGHS	$1,424,267.46

Cities	
Cordova	$ 17,962.01
Craig	1,599.11
Dillingham	7,096.09
Nenana	465.00
Nome	19,843,22
Pelican	323.40
Petersburg	25,090.65
Skagway	7,279.37
Unalaska	1,449.89
Valdez	2,824.53
Wrangell	16,086.38
Yakutat	1,233.23
TOTAL CITIES	$ 101,252.88

Estimated FY '78 to Date	$1,525,520.34
Late File Contingency	76,276.00
Total Estimate, FY '78 Need	$1,601,796.00

SB
430

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE MINUTES

March 16, 1978

Present: Senators Willis, Ferguson, Hackney and Sumner. Palmer McCarter, Department of Community and Regional Affairs; Lee Sharp, Attorney for the City and Borough of Juneau; Jim Rolle, Alaska Municipal League; Doug Griffin, Department of Community and Regional Affairs; David Rose, Exec. Director for the Alaska Municipal Bond Bank; Lance Anderson, Alaska Municipal Bond Bank; Dave Gray.

Absent: Senator Orsini

Senator Willis called the meeting to order at 3:15 p.m. Senator Willis asked Jack Chenoweth, from the Legislative Affairs Agency to explain what the bill will do.

Jack Chenoweth stated that the bill would add to the Bond Bank Authority the opportunity to sell or purchase revenue bonds for local governments. Right now the statutes require that the Bond Bank Authority limit itself to dealing with just the general obligation issue. This would extend the Bank's authority to the field of revenue bonds.

Senator Hackney asked if this practice was unusual.

David Rose, Executive Director of the Alaska Municipal Bond Bank told the Committee members that the Bank would not sell the cities' bonds on their behalf, but would buy the municipal bonds and then issue its own bonds on the financial market. In return for placing its assets to back smaller municipalities in Alaska, the Bond Bank would require some degree of security from the cities. Some of the procedures included the dedication by municipal authorities of some portion of their regular revenues to the bonds bought by the Bond Bank. He also gave the following background on his organization: The Bond Bank was created in 1975 to assist small cities in marketing their general obligation debt in cases where they were unknown or had no finanical track record. The Bond Bank in May of 1976 issued its first debt on behalf of cities. The Bond Bank has since sold and purchased $1.2 million bonds for sewers in the City of Seward; Kodiak $1.8 million for roads and drainage and fire equipment; Matanuska-Susitna Borough $6.9 million for schools; City of Homer $410,000 for a public safety building and communications building; for the City of Nome $350,000 for a library extention and the construction of a new fire station; City of Soldotna $300,000 for sewer construction; Juneau $431 ~~million~~ THOUSAND for the construction of fire stations; Ketchikan $375,000 for port construction. Mr. Rose said that a good example of the bond bank would be the Bethel project which borrowed money to build a municipal building-court house combination. If it had not been for the bond bank the only other money Bethel could get was at 10% interest, which is an extremely high percentage rate. The Bond Bank refinanced the Bethel project at 4.72% on an interim basis and secured them their long range money at 5.87%. Mr. Rose went on to say that Bethel is probably the cardinal example of a small city not very well known financially trying to require funds

for needed capital improvements. He noted that the Bond Bank felt that it would not engage in revenue sharing bond debt financing until it had established a fairly good track record with the bond bank, its officers feel that they have the market acceptance and the knowledge and the expertise to continue to assist cities on this other half of their infrastructual problems. Principally they would be helping cities in the utiltiy area; they would also expect to see activity in the area of ports, and possibly in the airport area. Mr. Rose stated that the Bond Bank would like to urge the passing out of a Committee Substitute. Mr. Rose explained that the Bank found that when it markets general obligation bonds and uses the name of the Alaska Municipal Bond Bank Authority it has some difficulty because the word "authority" denotes a degree of risk. It may be therefore paying a fractional amount higher interest for the bonds. They would plan to sue the short title then, Alaska Municipal Bond Bank in marketing general obligation debt and continue to use Alaska Municipal Bond Bank Authority when they began marketing revenue debt because the word authority denotes risk and in marketing revenue bonds that would be more fitting. He noted that the Board of Directors met in January of 1978 and the vote was 4-0 in support of the bill, with Sterling Gallagher absent as the fifth member of the board.

Lance Anderson, representing the Board of Directors of the Alaska Municipal Bond Bank, stated that with the additional authority authorized by the legislation the bank can assist the municipalitites in ways that they have not been able to up to date. He went on to explain that many of the needs of the small municipalities are in the revenue area. He felt the bank could be of substantial assistance to the municipalities.

Lee Sharp, City Attorney for the City and Borough of Juneau, asked that the committee amend the bill to take care of an additional problem which has caused the City and Borough of Juneau some trouble. He explained that the statutes state that you can pledge to levy taxes without limitation on greater amount for the purpose of securing and paying debt. In order for the Municipal Bond Bank to buy Juneau bonds the city has to promise to levy taxes without limitation on greater amount. He stated that Judge Kalamarides of Fairbanks declared that you cannot make that promise. As a result, the bond bank cannot buy the city's bonds because it has no authority too. There is a Supreme Court ruling pending on this decision to date but Mr. Sharp felt that to overcome this problem that a minor amendment be made and was sent forth in a letter to the committee on March 16, 1978. The amendment would be in that section of the law which is already in the bill on line 16 right after the word "generally" add the phrase "to the extent permitted by law". This would then allow the city to make whatever pledge as the court determines the law to be. He stated that the bond bank would then have the authority to buy the city's bonds or the bonds of any other municipality that is caught in the same similar bind. He added that he had talked with Eric Wohlforth, who is the council for the bond bank, and he agreed that this type of language would overcome

this current difficulty.

David Rose commented that with respect to the City and Borough of Juneau's request for amendment that deals with the section that is in the proposed committee substitute it would be very easy to add those words.

Jim Rolle, Alaska Municipal League, stated that the League has made this a project of theirs. He further stated that the Alaska Municipal League supported both the amendments by the City and Borough of Juneau and the proposed committee substitute, as Mr. Rose submitted.

Dave Gray, the Capital Site Planning Commission currently proposed legislation for a Capital Development Corporation. He asked if the Corporation could sell revenue bonds to the Municipal Bond Bank under this proposed amendment. Mr. Rose stated that it would be his opinion that it could not. The only bonds that the bond bank can buy would be from an organized municipality, in case of the capital, the bank may be able to buy the revenue bonds issued by the municipality at some later date to refund the debt of the capital development corporation. He stated that they could not buy any debt unless it was an established on-going real city, not some corporation.

Palmer McCarter, Department of Community and Regional Affairs, stated that the Department strongly supports the proposed committee substitute to Sb 430. He went on to say that with respect to the Cith and Borough of Juneau that their proposed amendment seemed like a very reasonable and legitimate suggestion as an additional amendment to the committee substitute and from his own divisional interest it would seem very appropriate; he could not, however, specifically support the amendment by the City and Borough without more authority from the Department.

Senator Ferguson stated that he appreciated C&RA coming out with their support and went on to say that the Department of Revenue was opposed to SB 430, and thought so without unjustifiable reasons. It was stated that the Department of Revenue had been notified of the hearing and had stated that they would like to have someone testify on their behalf but had a problem of a number of people being out of town.

After hearing all the testimony on SB 430, Acting Chairman Willis suggested that a committee substittue be drawn up along the lines that have been proposed with the Juneau amendment included and when Chairman Orsini is back again, he can re-schedule this bill for the committee's consideration at that time. He also suggested that the Department of Revenue be notified so that it could testify. Senator Ferguson asked unanimous consent for this action, there was no objection.

The committe then discussed with Mr. Lance Anderson his reconfirmation with the Alaska Municipal Bond Bank. Mr. Anderson outlined his back-ground and went on to give his opinion of what it has been like to work with the Municipal Bond Bank and opinions on the Bond Bank itself. The committee members stated that they endorsed Mr. Anderson's re-appointment to the Alaska Municipal Bond Bank.

The meeting was adjourned at 4:15 p.m.

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE MEETING

March 23, 1978

Present: Senators Orsini, Willis, Hackney and Sumner, Kenneth Kareen, Department of Administration; Sandra Withers, Department of Administration; Lee Sharp, City and Borough of Juneau; Doug Griffin, Department of Community and Regional Affairs; Dave Klemmer, Department of Revenue; Jim Rolle, Alaska Municipal League.

Absent: Senator Ferguson

SENATE BILL 430

The meeting was called to order by Chairman Orsini. The Committee had before it a proposed committee substitute based on the draft submitted by the Alaska Municipal Bond Bank Authority with one amendment recommended by the City and Borough of Juneau to clarify the legal obligations of municipalities.

Dave Klemmer, Department of Revenue, testified that Commissioner of Revenue Sterling Gallagher had recommended a $75 million ceiling be placed on the sale of revenue bonds. He pointed out that the State of Alaska was initiating a new concept with the revenue bonds authority and that the $75 million ceiling would provide a 1:3 ratio marketing ratio for the combined general obligation bonds ($150 million) and revenue bonds ($75 million).

Jim Rolle, Alaska Municipal League, opposed the placing of a ceiling on revenue bond sales since the needs of municipalities in this area could quickly exceed $75 million.

Chairman Orsini asked Mr. Klemmer to put his Department's views in writing for the Committee.

SENATE BILL 373

Sandra Withers and Kenneth Kareen, Department of Administration, asked about the implementation of the bill. In particular, Ms. Withers asked what penalties were involved for failure to adhere to the bill provisions and Mr. Kareen questioned the inclusion of the Labor Relations Agency in adopting regulations under Sec. 14.20.565(c) since school teachers were not presently affected by the statutes. However, he stated that the Department of Administration supports the committee substitute for SB 373.

Chairman Orsini noted that the provision for issue progress reports, found in the original draft of the bill, had been deleted in the proposed committee substitute because earlier testimony had indicated that it was not likely to be productive. Senator Hackney asked that the comments of APEA and NEA-Alaska be obtained when this bill was brought up in committee again. Chairman Orsini announced that the C&RA committee meeting on March 30th would be a video-conference hearing on Senate Bills 501 and 373, held in the Governor's Conference Room. The meeting was adjourned at 3:55.

SENATE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE MEETING

March 28, 1978

Present: Senators Orsini, Ferguson, Willis and Hackney. Lynn Wegener, Department of Community and Regional Affairs; Oren Pomeroy, Department of Community and Regional Affairs; Tom Hanna, Department of Environmental Conservation; Jerry Reinwand, Department of Environmental Conservation.

Absent: Senator Sumner

SENATE BILL 430

The proposed draft for SB 430 was discussed in last week's committee meeting. Chairman Orsini stated the only difference in the proposed draft is that it puts a $150 million ceiling on the revenue bonds which is the same as the ceiling on the general obligation bonds. Chairman Orsini stated that the Committee was acting conservatively by putting a ceiling on revenue bonds. He explained that the reason was to see how the program works with respect to revenue bonds for which the state and municipalities had no prior experience. Senator Ferguson moved that the committee adopt the CS for SB 430. There was no objection. Senator Ferguson then moved that the committee move out SB 430 with a DO PASS recommendation. There was no objection.

SENATE BILL 426

Lynn Wegener, Administrative Director for the Department of Community and Regional Affairs, explained the necessity of the bill. He stated that the bill takes funds from the FY 78 senior citizens renters program and puts it to cover short-falls in the senior citizens property tax exemption program, the senior citizens special assessment program and the National Forest receipts. At that time, the committee questioned whether the action by the Department in seeking an appropriation adjustment was the proper procedure and asked instead if a Revised Program request would not have been more appropriate. Mr. Wegener replied that his department had been advised by the Office of Budget and Management to seek the transfer of funds to the senior citizens tax exemption program by means of an appropriation adjustment. It was also brought out in testimony that the transfer of $25,000 to the agricultural land exemption account was no longer necessary and that Section 4 of the bill should therefore be deleted. This action would accordingly reduce the general fund figure in Section 7 from $42,661,500 to $42,636,500. Senator Ferguson moved that the committee pass the bill out with a NO RECOMMENDATION. Chairman Orsini suggested the committee send a letter to the Judiciary committee advising them of the facts brought out by the testimony and suggest the amendments to the language of the bill. There was no objection.

CS for HOUSE BILL 190

Chairman Orsini stated that the intent was to have a discussion on the

bill before the committee passed it out because of the confusing developments regarding this bill.

Jerry Reinwand, Deputy Commissioner of the Department of Environmental Conservation and Tom Hanna, also from the Department of Environmental Conservation, presented testimony. Mr. Reinwand commented on some potential problems that may be caused by the bill. He noted that the basic reason behind the bill was that Cook Inlet Air Resource Management District wanted to get rid of overlapping programs and duplication of authority. The CIARMD would like to have the authority to issue prevention of significant deterioration permits instead of the state issuing them. Mr. Reinwant stated that there probably would not be any problem authorizing the permit program to be transferred to them. He also stated that the reason it had not been done to date was because the Department had not received an application from the CIARMD requesting this. Mr. Reinwand stated that the Department did have some drawbacks about doing this. He stated that if the CIARMD was to issue a permit that would violate the state's regulations, EPA could impose sanctions taking away all planning money and cutting off program grant money. He explained that the state has an interest to make sure that in a situation such as this there should be some kind of state oversight responsibility. The Department had submitted some rough draft amendments for the bill to provide for state oversight.

Chairman Orsini asked if Mr. Reinwand would review the bill and get his comments back to the committee by Monday, April 3, 1978. Chairman Orsini suggested that the committee would have those comments incorporated into a draft bill before another committee hearing. He also said that a letter be sent to Cook Inlet Board explaining to them that under existing law they may be able to apply for the authority to issue permits and encouraging them to pursue this possibility.

The meeting was adjourned at 3:30 p.m.

Industrial Development Authority

NVS, Antigonish, & N.d

Additional authority.

/ other communities /

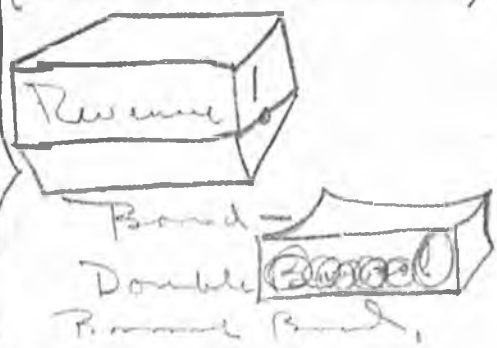
revenue

Doug Crichton

1.8 M sewage →

350 — 1 Ex - Fire Station

{Board of Directors}



5.87 %

District - Risk greater!

Municipal Bonds -

Sinking Funds -

N.S. Borrowing -

Only Borrowed —

Not adequate

Maximum Pledge / 15%

Other Questions → Dave Gray

Jim Ruley → Capital Develop Corp.
organized +

Pauline Marcantes ///// refund a dept.

— 4:30 —

3 Commissioners

√ Joe
F: SB 430

CHENOWETH COMMENTS RE SB 430 - 3-27-78

Chenoweth noted this morning that the prime interest of the Alaska Municipal Bond Bank Authority in having its authority extended to revenue bonds concerns its desire to become involved in a major way in the bonding of coastal development energy projects. Information to that effect is attached. He believes that both the CRA Department and Rose were prepared to discuss this topic but the question was never raised by the Committee.

Regarding the Department of Revenue's proposed ceiling of $75 million on the revenue bond sales, Chenoweth remarked that in three years the AMBBA has sold about $20 million of its $150 million ceiling for general obligation bonds. However, discussions with CRA have led him to believe that, given the scope of the AMBBA's interest in coastal energy projects, a $75 million revenue bond ceiling would be exhausted within several years. He also believes that CRA may have more precise data on this since their observer at the Committee hearings on 430 happened to be the Department's CEIP man.

Ben Harding

Mr. Anderson

Original G.O. Bonds - wanted good track record here first. Have experience, & expertise now.

Wants CS.

Now
1) - Bond BANK has Authority to size. only GO bond.
Shouldn't subject city on Revenue bonds

Lee Sharp - Bond BANK Rate or Amount - Kalmakidas, decision Bond

- Juneau wants to use Bond Bank
- Delmar McCarter - OK
- Jim Bell - Municipal League

LANCE W. ANDERSON,C.P.A.
1600 Oxford Drive
Anchorage, Alaska 99501

Phone: (907) 274-9409

SUMMARY OF QUALIFICATIONS

Nature of Background:

Over 12 years of progressive assignments in private and public accounting sectors.

Capabilities:

Highlights of experience and qualifications:

...Budgets and forecasts...Accounting & Business Systems Development...Accounting Control...Management Reports & Advisory Services...Consolidations...Tax Preparation... Credit & Collection Management...Personnel Supervision... Data Processing Applications...Cost Accounting...Cash Flow Control...Financial Statements...Financial Planning... Commercial Real Estate Management and Development...

Personal Characteristics:

Ability to effectively plan and direct the work of support personnel, communicate effectively with management at all levels and establish well-structured financial and business controls to assure profit return.

Employment Experience:

Property Manager and Trust C.P.A. for Alaska Electrical Trust Funds 1977-1978. Presently employed with Alaska Electrical Trust Funds, the Taft Hartley multiemployer pension, health and welfare, legal aid and apprenticeship programs jointly sponsored and managed by IBEW Local 1547 and National Electrical Contractors Association.
Responsible for management of Real Estate ventures of Pension Trust including 40,000 square foot office building and proposed 125,000 square foot office building. Also responsible for supervision of accounting and financial activities.

Vice-President-Finance for NANA Corporation 1974-1977. Recently resigned as Vice-President, Finance of Corporation with over $30,000,000 in assets and revenues of approximately $30,000,000. Corporation was profitable during all three years of employment.

Responsible for total supervision of all accounting activities and procedures. During period of employment centralized all accounting functions and substantially converted them to a real-time computerized system. Company revenues during this period of time grew from approximately $700,000 to the current

$30,000,000 plus and accounting staff which grew from four to twenty-five.

Collateral activities included establishment of financial policies, determination of investment objectives, development of banking and auditing relationships and providing counseling to key executives regarding new commercial ventures.

Manager-Tax Department- Peat, Marwick, Mitchell & Co.
1971-1974

Employed three years in the tax department of Peat, Marwick, Mitchell & Co. in Anchorage. Entered tax department under PMM accelerated tax training program. Responsibilities included account tax supervision for many accounts including:

Alaska International Industries, Inc.
Reeve Aleutian Airways, Inc.
Alaska Mutual Savings Bank
Yukon Office Supply, Inc.

Other activities included responsibility for Kodiak practice of PM&M, estate tax returns, and in-house tax training program.

Supervisor-Audit Department- Peat, Marwick, Mitchell & Co.
1965-1971

Joined PM&M in August of 1965 and was promoted to supervisor in July, 1968. Responsibilities included management supervision of audit clients including direct responsibility for field work. Audit client responsibilities included the following clients:

Alaska Mutual Savings Bank
Alaska State Bank
First National Bank of Fairbanks
B&B Fisheries, Inc.
Automotive Parts and Equipment, Inc.
Alaska Federation of Natives

Also participated in management group activities including business development, staff evaluation and long-range planning.

Education: Graduate of West Anchorage High School in 1962 and the University of Washington in 1965 with a major in accounting and a minor in finance. Attended numerous PM&M training courses as well as courses offered by the Alaska Society of CPA's several of which I also taught. Awarded a CPA certificate in 1967 and am a member of the Alaska Society of CPA's and the American Institute of CPA's.

Personal Data: Age: 34; Married, three children - ages 6, 10 and 13. Lifelong resident of Anchorage.

Official Business

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

January 31, 1978

Enclosed please find a copy of Senate Bill 430 which, if enacted, may have an effect on your municipality. Your comments or recommendations would be appreciated, as we intend to give this proposed legislation our consideration in the near future.

Please write to the Senate Community and Regional Affairs Committee, Pouch V, Juneau, Alaska 99811: or call 465-3712.

Sincerely,

Joe Orsini

JOE ORSINI
Chairman
Community and Regional
Affairs Committee

JO:gd

Enclosure: As stated

F: SB-430

CHAIRMAN:
NORMAN J. LEVESQUE

BOARD MEMBERS:
STERLING GALLAGHER
LEE MCANERNEY
LANCE ANDERSON
JAMES R. EIDE

THE FINANCIAL PLAZA
601 WEST FIFTH AVENUE
SUITE 325
ANCHORAGE, ALASKA 99501
(907) 274-7366

EXECUTIVE DIRECTOR:
DAVID A. ROSE

ALASKA MUNICIPAL BOND BANK AUTHORITY

February 6, 1978

Senator Joe Orsini
Chairman, Community and Regional Affairs Committee
Pouch V, State Capitol
Juneau, Alaska 99811

Dear Joe:

Thank you for your recent letter requesting my comments on SB 430 which will be reviewed by your committee.

The Board of Directors, by resolution, fully supports the Bill provided a new Section is added as follows:

"*Sec 2. AS 44.58.420 is amended to read:

Section 44.58.420. SHORT TITLE. This chapter may be cited as the Alaska Municipal Bond Bank Authority Act or the Alaska Municipal Bond Bank Act. The Alaska Municipal Bond Bank Authority created by this chapter may be referred to as the Alaska Municipal Bond Bank with the same legal effect as if the reference were to Alaska Municipal Bond Bank Authority;"

The above change will allow us to market bonds without the word "Authority" appearing in our name. We are advised that the word "Authority" infers that the bond is more of a revenue issue rather than general obligation. Also, some housing authorities and port authorities have recently fallen into market disfavor. If this amendment to title is passed, we plan to drop the word "Authority" on general obligation issues but would probably retain it for revenue issues. Dropping the word may provide market savings of as much as 20 basis points on G.O. issues.

Section 1 of SB 430 will enable us to meet the needs of smaller cities wishing to accomplish projects not properly classified as general obligation. These include utilities, docks, ports, etc. This change is extremely important if we are to be in a position to assist communities impacted by offshore energy exploration and development.

Hope you can schedule early action on the Bill. I'll be pleased to meet with the committee.

Sincerely,

David A. Rose, Executive Director

F: SB 430

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

February 7, 1978

Sterling Gallagher
Commissioner
Department of Revenue
Pouch S
Juneau, Alaska 99811

Dear Commissioner Gallagher:

Senate Bill 375 ("An Act relating to the investment of permanent fund money in community capital facilities") and Senate Bill 430 ("An Act extending the authority of the Alaska Municipal Bond Bank") have been referred to the Senate Community and Regional Affairs Committee for review.

I would appreciate your comments and assessment of these proposed bills, particularly in regard to any impact SB 375 might have on your Department's planning for permanent fund monies. The Committee would also be interested in any effect which, in your view, the enactment of these measures could have on other areas of your Department's operations.

Sincerely,

Joe Orsini

JOE ORSINI
Chairman, Senate
Community & Regional
Affairs Committee

JO:gd

Enclosure(s): SB 375, SB 430

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

TREASURY DIVISION

ELEVENTH FLOOR
STATE OFFICE BUILDING
POUCH SB
JUNEAU, ALASKA 99811

February 24, 1978

The Honorable Joe Orsini
Chairman, Senate Community & Regional
Affairs Committee
State Capitol
Juneau, Alaska 99811

Dear Senator Orsini:

Re: Senate Bill 430 and Senate Bill 375

The Department of Revenue agrees in principal with both bills but disagrees in the existing procedure. The Department of Revenue is submitting amendments to the Alaska Municipal Bond Bank Authority statute concerning the Authority's ability to issue revenue bonds and placing certain limitations on the amount of revenue bonds which may be issued. These amendments, if adopted, represent the Department's concern.

Attached is a copy of a draft bill that is currently in the Department of Law and will be introduced shortly. This draft amends the limitations as to the amounts of either general obligation or revenue bonds that may be outstanding at one time. It also proposes a short title which will allow for easier identification and ultimately better marketability of the Alaska Municipal Bond Bank bonds.

Senate Bill 375 amends the interim management statute (AS 37.10.065) for the investment of the Alaska Permanent Fund. AS 37.10.065 provides for a caretaker investment function, and it never was the legislative intent that this statute should become the definitive legislation for the permanent fund. The proposed investment activity to be included for the interim management statute would change the intent of the interim management statute which was to invest the Alaska Permanent Fund principal in low risk securities and not to invest the principal within Alaska. The Administration bill on the Alaska Permanent Fund, House Bill 298, provides for in-state investments of the kind described in Senate Bill 375.

The Department of Revenue does not wish to see the interim management statute turned into the permanent enabling legislation on the Alaska Permanent Fund. For these reasons the Department does not support either Senate Bill 430 or Senate Bill 375.

I will be very happy to discuss these bills with you at your convenience.

Sincerely,

Jim Edenso
Deputy Commissioner

JE:ge

Enclosure

04-D12LH

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER / POUCH B—JUNEAU 99801

March 3, 1978

The Honorable Joe Orsini
Chairman, Senate Community
& Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

Thank you for your letter of February 7 regarding Senate Bill 375 and Senate Bill 430.

The Department is currently involved in analyzing the two aforementioned bills and as part of our normal legislative liaison with the Governor's Office will be forwarding our comments to Keith Specking.

The Department would very much like to be informed when you schedule a hearing on these bills. At that time a decision will be made as to whether our opinion is of sufficient importance and magnitude to warrant testimony before your committee.

Thanks again for the thoughtful notification in your February 7 letter.

Sincerely,

Carl M. Gonder, Jr.
Deputy Commissioner

CMG: thw

21-P2LH

F: 45 33

CHAIRMAN:
NORMAN J. LEVESQUE

BOARD MEMBERS:
STERLING GALLAGHER
LEE MCANERNEY
LANCE ANDERSON
JAMES R. EIDE

THE FINANCIAL PLAZA
601 WEST FIFTH AVENUE
SUITE 325
ANCHORAGE, ALASKA 99501
(907) 274-7366

EXECUTIVE DIRECTOR:
DAVID A. ROSE

ALASKA MUNICIPAL BOND BANK AUTHORITY

March 10, 1978

Senator Joe Orsini, Chairman
Community & Regional Affairs Committee
Pouch V
Juneau, AK 99811

Dear Senator Orsini:

Your scheduling of hearings concerning both confirmation of Mr. Lance Anderson as a board member re-appointee and Senate Bill 430 for Thursday, March 16, 1978 is sincerely appreciated.

Mr. Anderson has served as a director of the Bond Bank since its inception in 1975. During that period, his professional expertise in the areas of finance and accounting has been invaluable. His ability to demand factual presentation and his capacity to assimilate and analyze the information provided, has materially assisted other Board members in making correct decisions in both the loan making process and in marketing bonds. Mr. Anderson is a Certified Public Accountant formerly with NANA Regional Native Corporation and with the firm of Peat, Marwick, Mitchell & Company. He is currently serving as building manager for the Pension Trust of Local 1547 of the International Brotherhood of Electrical Workers. The other board members and I strongly recommend confirmation of his reappointment.

Senate Bill 430 as proposed by Senator Croft is excellent as proposed. We do, however, need two additional sections and hope these additions can be made in Committee. The revised bill is attached as an enclosure.

Section 2 expands the authority of the Bank so that it will be able to purchase municipal revenue bonds as well as general obligation bonds. Now that the bond bank is established in bond markets and is relatively widely understood in the financial arena, it can safely begin to introduce revenue debt. Revenue debt was not included in the original bill because without a "track record" to rely on, such marketing would not have had market acceptance. The broadening of the definition of municipal bonds will permit us to assist smaller cities in utility and port development and will enable us to utilize CEIP Federal money to leverage debt rather than State funds. Section 2 on the enclosure is identical to Section 1 of SB 430.

Section 3 will allow us to market general obligation debt without the stigma of the word "Authority" which frequently has the connotation of risk. Use of the short title could possibly have a positive effect worth 20 to 25 basis points.

Section 1 retains the payover condition for general obligation bonds but removes it for revenue bonds. Since revenue bonds are more risk oriented than G.O., and garner higher interest rates, it is appropriate that payover not apply.

Section 4 calls for an immediate effective date so that we can assist cities during this construction season. Section 4 is identical to Section 2 of SB 430.

There is no State fiscal implication this year in these amendments. We expect that reserve funds for revenue debt will come primarily from the Federal CEIP rather than the State. Capital appropriations may be required in subsequent years dependent upon the level of demand and the State's ability to react to the demand.

We look forward to meeting with you and the Committee on March 16th.

Sincerely,

Norman J. Levesque

Norman J. Levesque
Chairman of the Board

enclosure

NJL:pjd

STATE
of ALASKA

MEMORANDUM

TO: Mr. Jerry Madden
State-Federal Coordinator
Division of Policy Development
and Planning
Office of the Governor

DATE: March 13, 1978

FILE NO.

TELEPHONE NO.

FROM: Ernst W. Mueller
Commissioner
Department of Environmental
Conservation

SUBJECT: Application
Alaska Municipal
Bond Bank Authority
State I.D. No. 78022801

In accordance with Circular A-95, the Department of Environmental Conservation has reviewed the above mentioned project. In this regard, we have no objections.

02-0018 (Rev 10/76)

STATE
of ALASKA

MEMORANDUM

TO: The Honorable Ernst W. Mueller
Commissioner
Department of Environmental
Conservation

DATE: March 10, 1978

FILE NO: 78022801

TELEPHONE NO:

FROM: Jerry Madden
State-Federal Coordinator
Policy Development and Planning
Office of the Governor

SUBJECT: Alaska Municipal Bonds for Coastal Energy Impact Program

The subject project has been submitted to the State Clearinghouse for review. Your agency is invited to review and comment on the attached information concerning the project.

Pertinent comments might include how the project could effect your agency's present and future operations, and the project's potential impact on those concerns which fall within the responsibilities and expertise of your agency.

The Clearinghouse has assigned State I.D. No. 78022801 to the project. Please use this number in all future correspondence concerning this project.

To be considered, your comments should reach this office by April 1, 1978

JM/dkh

Attachments

RECEIVED
MAR 13 1978
Department of
Environmental Conservation

OMB Approval No. 29-R0213

FEDERAL ASSISTANCE

2. APPLICANT'S APPLICATION	a. Number: AMBBA-1	b. Date: Year month day 19 78 2 8	3. STATE APPLICATION IDENTIFIER	a. Number: AMBBA-1	b. Date Assigned: Year month day 19 78 2 3

1. TYPE OF ACTION (Check appropriate box)
- [ ] PREAPPLICATION
- [X] APPLICATION
- [ ] NOTIFICATION OF INTENT (OpL)
- [ ] REPORT OF FEDERAL ACTION

Leave Blank

SECTION I—APPLICANT/RECIPIENT DATA

4. LEGAL APPLICANT/RECIPIENT

a. Applicant Name: Alaska Municipal Bond Bank Authority
b. Organization Unit:
c. Street/P.O. Box: 601 West Fifth Avenue, Suite 325
d. City: Anchorage
e. County:
f. State: Alaska
g. ZIP Code: 99501
h. Contact Person (Name & Telephone No.): David A. Rose (907) 274-7366

5. FEDERAL EMPLOYER IDENTIFICATION NO.

6. PROGRAM (From Federal Catalog)
a. NUMBER
b. TITLE: Coastal Energy Impact Program

7. TITLE AND DESCRIPTION OF APPLICANT'S PROJECT

CEIP Credit Assistance Loan Funds are requested for loan to Alaska Municipal Bond Bank Authority to use as a funded reserve for marketing bonds of qualified applicants under terms of the CEIP and Alaska's Policy Guidelines.

8. TYPE OF APPLICANT/RECIPIENT
A-State; B-Interstate; C-Substate District; D-County; E-City; F-School District; G-Special Purpose District; H-Community Action Agency; I-Higher Educational Institution; J-Indian Tribe; K-Other (Specify):
Enter appropriate letter: A

9. TYPE OF ASSISTANCE
A-Basic Grant; B-Supplemental Grant; C-Loan; D-Insurance; E-Other
Enter appropriate letter(s): C

10. AREA OF PROJECT IMPACT (Names of cities, counties, States, etc.)
State of Alaska

12. TYPE OF APPLICATION
A-New; B-Renewal; C-Revision; D-Continuation; E-Augmentation
Enter appropriate letter: A

13. PROPOSED FUNDING

a. FEDERAL	$ 50,000,000 .00
b. APPLICANT	.00
c. STATE	.00
d. LOCAL	.00
e. OTHER	.00
f. TOTAL	$50,000,000 .00

14. CONGRESSIONAL DISTRICTS OF:
a. APPLICANT: Alaska
b. PROJECT: Alaska

16. PROJECT START DATE: Year month day 19 78 5 6

17. PROJECT DURATION: Months

18. ESTIMATED DATE TO BE SUBMITTED TO FEDERAL AGENCY: Year month day 19 78 2 8

15. TYPE OF CHANGE (For 12a or 12c)
A-Increase Dollars; B-Decrease Dollars; C-Increase Duration; D-Decrease Duration; E-Cancellation; F-Other (Specify):
Enter appropriate letter(s): I

19. EXISTING FEDERAL IDENTIFICATION NUMBER

20. FEDERAL AGENCY TO RECEIVE REQUEST (Name, City, State, ZIP code)
Dept. of Commerce, NOAA/OCZM, Washington, D. C. 20235

21. REMARKS ADDED
[X] Yes [ ] No

SECTION II—CERTIFICATION

22. THE APPLICANT CERTIFIES THAT:

a. To the best of my knowledge and belief, data in this preapplication/application are true and correct, the document has been duly authorized by the governing body of the applicant and the applicant will comply with the attached assurances if the assistance is approved.

b. If required by OMB Circular A-95 this application was submitted, pursuant to instructions therein, to appropriate clearinghouses and all responses are attached:

	Name	None Response	Response attached
(1)	Alaska State Clearinghouse	[ ]	[ ]
(2)		[ ]	[ ]
(3)		[ ]	[ ]

23. CERTIFYING REPRESENTATIVE
a. TYPED NAME AND TITLE: David A Rose, Exec. Director
b. SIGNATURE: [signature]
c. DATE SIGNED: Year month day 19 78 2 21

SECTION III—FEDERAL AGENCY ACTION

24. AGENCY NAME

25. APPLICATION RECEIVED: Year month day 19

26. ORGANIZATIONAL UNIT

27. ADMINISTRATIVE OFFICE

28. FEDERAL APPLICATION IDENTIFICATION

29. ADDRESS

30. FEDERAL GRANT IDENTIFICATION

31. ACTION TAKEN
- [ ] a. AWARDED
- [ ] b. REJECTED
- [ ] c. RETURNED FOR AMENDMENT
- [ ] d. DEFERRED
- [ ] e. WITHDRAWN

32. FUNDING

a. FEDERAL	$ .00
b. APPLICANT	.00
c. STATE	.00
d. LOCAL	.00
e. OTHER	.00
f. TOTAL	$ .00

33. ACTION DATE: Year month day 19

34. STARTING DATE: Year month day 19

35. CONTACT FOR ADDITIONAL INFORMATION (Name and telephone number)

36. ENDING DATE: Year month day 19

37. REMARKS ADDED
[ ] Yes [ ] No

38. FEDERAL AGENCY A-95 ACTION

a. In taking above action, any comments received from clearinghouses were considered. If agency response to due under provisions of Part I, OMB Circular A-95, it has been or is being made.

b. FEDERAL AGENCY A-95 OFFICIAL (Name and telephone no.)

424-101

STANDARD FORM 424 PAGE 1 (10-75)

A. Legal Borrowing Capacity

(1) Legal debt limit (describe law) AS 44.58.180(c) — $ 150,000,000

(2) Outstanding debt (as of January 31, 19 78) chargeable against debt limit — $ 16,880,000

(3) Unused borrowing capacity (as of January 31, 19 78) (subtract sub-item (2) from sub-item (1)) — $ 133,120,000

B. Tax Data (Fiscal Year begins the 1 day of the month of July)

	Fiscal Years		
	Current beginning 19____	Previous Year 19____	Two years previous 19____
(1) Total assessed valuation	$ N/A	$	$
(2) Ratio of assessed to actual valuation	%	%	%
(3) Legal limit for sub-item B(2)	%	%	%
(4) Tax rate per $100 of assessed valuation	$	$	
(5) Legal limit for sub-item B(4)	$	$	$
(6) Tax collection ratio as percent of billings	%	%	%

C. General Tax Increases. If there is need for additional tax funds to service the proposed loan, what is the maximum feasible amount, in terms of electorate approval, of the increase in the tax rate and/or the ratio of assessed to actual property valuation? Answer the following:

(1) The tax rate per each $100 of assessed valuation could be increased from $ N/A (present) to not more than $

(2) The valuation of assessed property value to actual value could be increased from N/A % (present) to not more than %

D. Special Assessments. Are special assessments against certain property holders made? ☐ Yes ☐ No
If yes, state the expected additional tax revenue and explain how this revenue is calculated.

N/A

Will this special assessment tax be supported with a general tax pledge? ☐ Yes ☐ No

(1) Operational Results for past three fiscal years

See Audit Attached

	Fiscal Year Beginning 19___	19___	19___
(1) Cash balance (or deficit) from previous year	$	$	$
(2) Cash balance (or deficit) at end of year	$	$	$
(3) Unpaid bills at end of year	$	$	$

(4) Attach financial statements or audit for the past five fiscal years and mark Exhibit 2E(4).

3. Municipal Revenue Bond/Note Data.

A. Outstanding Revenue Supported Debt. If any of the proposed revenue bonds/notes will be payable from the same revenues as those currently pledged to any presently outstanding revenue bonds/notes, attach a copy of a resolution, ordinance or indenture authorizing the issuance of such obligations, together with a schedule of interest rates paid thereon.

N/A

B. Status of any Reserve and/or Sinking Funds. Identify below any reserve and/or sinking funds established by outstanding bond/note covenants, the required amounts, and the present amounts in each such fund.

Name/Year of Issue/Debt	Name of Fund	As of October 31 1977 Required Amount	Present Amount
All issues in Trust	Special Account	$ 1,607,191	$ 1,691,410
At Rainier National Bank, Seattle, Washington	Ordinary Reserve	$ 803,595	$ 834,955
		$	$
		$	$
		$	$

(1) Are revenues disposed of in the order required (flow of funds) by outstanding bond/note covenants? ☒ Yes ☐ No
If no, state the order of disposition and explain why this differs from the required order.

(2) Name and Address (Include Zip Code) of corporate trustee, if any	Area Code/Telephone
Rainier National Bank Seattle, Washington ATTN: Mr. D. C. Wilson	

PART VII

(Complete for Loan Guarantee Applications only.)

LEGAL DATA

(This section is to be completed by an attorney at-law.)

LEGAL AUTHORITIES

	YES	NO
Does a State agency have to clear or approve the proposed debt? *(If yes, identify the agency and briefly explain its authority.)*		X

Applicant is a State agency

Give specific chapter and section citations to Constitutional, statutory and charter authorities or court decisions empowering the Applicant to construct, finance, maintain, and operate the proposed project in the manner contemplated in the Application.

Alaska Municipal Bond Bank Authority Act. AS 44.58

	YES	NO
Is an election required to authorize and finance construction of the project, or does the right of referendum exist, with specific statutory citations therefor? *(If yes, advise on the following:)*		
(1) The plurality required for passage.	X	

Majority of those voting — Alaska Constitution Art. IX Sec. 9; AS 44.58.410(3)

(2) When may such an election be held?

	YES	NO
Will there be regulation by any public authority as to the proposed user charges? *(If yes, state by whom and cite specific Constitutional, statutory, or charter authority.)*		X

Give specific statutory citations by chapter and section in answering the following.

(1) What are the remedies of holder of proposed debt obligations in the event of default?

Will depend on proposed Tripattate Agreement. Could be forced levys collection of real property taxes or foreclossure under Indenture

(2) How may such remedies be enforced?

Depends on Tripartate Agreement and Indenture

If applicant plans to finance any portion of this project through the issuance of bonds or other instruments of indebtedness, provide information on the following:

(1) A definition of the security to be provided for proposed debt.

Depends on Project and Tripattate Agreement.
Applicant must now take General Obligation Bonds from Municipalities

(2) Statutory authority for the issuance of said bonds or instruments of indebtedness.

AS 44.58

(3) Statutory limitations on the proposed bonds or instruments of indebtedness with respect to the following areas:

(a) Maximum term: _____ years

(b) Maximum interest rate: _____% or ( ) No limitations

(c) Maximum principal maturity requirements: _____

(d) Other pertinent limitations:

CHAIRMAN:
NORMAN J. LEVESQUE

BOARD MEMBERS:
STERLING GALLAGHER
LEE McANERNEY
LANCE ANDERSON
JAMES R. EIDE

THE FINANCIAL PLAZA
601 WEST FIFTH AVENUE
SUITE 325
ANCHORAGE, ALASKA 99501
(907) 274-7366

EXECUTIVE DIRECTOR:
DAVID A. ROSE

ALASKA MUNICIPAL BOND BANK AUTHORITY

February 3, 1978

Mr. James Robey
Coastal Energy Impact Program
3300 Whitehaven Street
Washington, D.C. 20035

Dear Mr. Robey:

The purpose of this letter is to support an application by the State of Alaska for Coastal Energy Impact Program loan funds. Additionally, it outlines concepts and procedures currently being considered which will establish mechanisms for the implementation of the program in Alaska.

Upon approval of the State application, it is contemplated that your organization will enter into a loan agreement with the Alaska Municipal Bond Bank Authority. Under the terms of this agreement, the Bond Bank will borrow funds from you and utilize them as a funded reserve, at the 100% level, to support the issuance of Bond Bank bonds. Upon the sale of Bond Bank bonds, proceeds will be used to purchase the bonds issued by coastal impact communities. In this manner, your loan to the Bond Bank will directly assist these communities. This approach and the loan agreement is designed to accomplish the following: 1.) Assist coastal cities by purchasing debt so that they may proceed with needed energy impact capital improvements; 2.) provide for the issuance of coastal cities debt at low interest rates (the funded reserve will permit the Bank to receive an extremely beneficial rate which will be passed through to the coastal cities); 3.) establish the reserve in such a manner as to make available for conversion to grant in the event a city project should fail and default occur or theaten; 4.) provide for investment of funds borrowed by the Bond Bank in such a manner that they earn the current Federal rate; 5.) safeguard said funds through proper placement with a trustee designated by the Bond Bank and acceptable to you; 6.) provide for periodic payment of interest due you from the proceeds of invested funds in accordance with instructions issued to the trustee; 7.) provide that before funds are committed for the purpose of funding a reserve, a tri-party agreement is executed between you, the Bank and the city involved which sets forth the terms and conditions under which the reserve is provided, the impact assumptions which are expected to obtain, and specific language which indicates the circumstances which must occur if the loan is to be converted to a grant.

Other technical procedures and mechanisms will also be contained in the loan agreement between you and the Bond Bank.

It is anticipated that a draft loan agreement will be available for your review in Washington D.C. prior to February 23rd and 24th. On those dates the undersigned, the Bank bond counsel, and State lead agency representatives, will meet with you in Washington D.C. to discuss the proposed loan agreement and refine language in a manner which is mutually acceptable. Following agreement on language, the loan agreement will be presented to the Board of Directors of the Bond Bank for its approval by resolution.

In addition to discussion of the draft loan agreement, we will also provide a draft contract which the Bond Bank will enter into with a fund custodian-trustee. Since this contract will specify the manner in which funds borrowed from you will be invested and how interest due you will be paid, it is essential that there be mutual concurrence in this document as well.

If we can be of further assistance to you prior to our meeting on the 23rd and 24th of February, please do not hesitate to contact me or Mr. Wohlforth.

Sincerely,

David A. Rose

David A. Rose
Executive Director

U. S. DEPARTMENT OF COMMERCE
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION
OFFICE OF COASTAL ZONE MANAGEMENT

FORM APPROVED.
OMB NO. 41-R2962
EXPIRES:
SEPT. 30, 1978

PART VI – FINANCIAL INFORMATION
(COMPLETE FOR LOAN/GUARANTEE APPLICATIONS ONLY)

NOTE: When all or part of the loan will be secured with general obligation bonds, special assessments and/or other tax supported obligations, complete Item No. 2, also complete this item when any revenue supported obligations will be additionally secured with full faith, credit and taxing power of the applicant.

When all or part of the loan will be secured with the revenues of a State or local municipal facility and revenue bonds, notes will be issued, complete Item No. 3, if such obligations will be additionally secured with the full faith, credit and taxing power of the applicant, also complete Item No. 2.

When the issuer is not a State, County Municipality or its agency, and is an organization such as a non-profit corporation or an Indian Tribe, complete Item No. 4 (Omit Items 2 and 3).

1. Debt History

A. Postponements and Defaults. Have there been any postponements or defaults in any payments of principal or interest past or current indebtedness by the Applicant? ..... ☐ Yes ☒ No

If yes, explain the circumstances, corrective action taken, and pertinent dates. Attach explanation as Exhibit 1A.

B. Outstanding Bonded Indebtedness. List below each medium and long-term indebtedness currently outstanding; and such short-term indebtedness as may have a bearing on the loan requested. If for outstanding indebtedness of a particular series, there are two or more interest rates, show the average interest rate on obligations still outstanding.

Name of Outstanding Indebtedness	Amount Outstanding as of January 31, 1978	Date of Issue	Average Interest Rate	Total Term of Issue
AMBBA Bonds Series 1976-B	$ 7,145,000	1976	6.68 %	20 yrs
" " Series 1976-C	$ 400,000	1976	5.70 %	10 yrs
" " Series 1977-A	$ 680,000	1977	5.48 %	10 yrs
" " Series 1977-B	$ 4,920,000	1977	5.98 %	20 yrs
" " Series 1977-C	$ 3,735,000	1977	5.99 %	20 yrs
	$	19	%	yrs
	$	19	%	yrs
	$	19	%	yrs
	$	19	%	yrs
	$	19	%	yrs

C. Federal Loans. If any bonds or other instruments of indebtedness are presently held by the U. S. Government, specify the Agency and the instruments of indebtedness:

None

f: SB-430

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2525

GEORGE M. SULLIVAN, MAYOR

OFFICE OF THE MAYOR

March 16, 1978

The Honorable Joe Orsini, Chairman
Community and Regional Affairs Committee
Pouch "V"
Juneau, Alaska 99811

Dear Joe:

I want to thank you for the legislation that you have sent to me for review. It has been a great help to me, and a good deal of it I have forwarded to my various department heads to look over and comment. I've been out of the state for approximately the last three weeks and find my desk piled too high to see over; but I did want you to know that I appreciate the bills you are sending for me to look at, and also to tell you that I may be getting down there in the next week or two. I hope that while I'm there we can get together to discuss some of the proposed legislation that affects Anchorage.

With specific reference to a Bill you recently sent me, SB 430, an Act extending the authority of the Alaska Municipal Bond Bank; I can easily support this bill, although it will have little or no effect on Bond Funding for our own utilities.

I look forward to seeing you real soon in Juneau.

Sincerely,

George M. Sullivan
Mayor

/gm

THE CITY AND BOROUGH OF JUNEAU
CAPITAL OF ALASKA
155 SOUTH SEWARD ST. JUNEAU, ALASKA 99801

DATE: March 16, 1978

FILE NO. Legislature - 1978 Session

SUBJECT: SB 430, AMBBA Authority

Honorable Joe Orsini, Chairman
Senate Community and Affairs Committee
Pouch "V"
Juneau, Alaska 99811

Dear Senator Orsini,

As you and the committee are no doubt aware, litigation involving the oil companies and the North Slope Borough have cast doubts on the meaning of sections of Title 29 which relate to the extent of the authority of municipalities to pledge taxes to secure debt. The decision in the Superior Court placed certain limitations on the language which municipalities and bond counsel had not previously believed existed. The definition of "municipal bond" as it appears in the Alaska Municipal Bond Bank Act reflects the commonly held view that there was no limitation on the authority of the municipality to levy taxes for the purposes of securing and paying debt and interest. The bond bank is authorized by the Act to buy only muniicipal bonds which are defined as bonds which have an unlimited tax pledge. Unfortunately, the decision in the North Slope case prohibits the municipality from making an unlimited pledge of taxes. Therein lies the problem. The AMBBA is authorized by law to buy bonds which boroughs, first class and home rule municipalities are unable to issue under the North Slope decision. To overcome this dilemma, we suggest that the following amendment be made to Senate Bill 430:

> In line 16, after the word "generally" add the phrase "to the extent permitted by law".

This amendment would authorize the AMBBA to purchase municipal bonds where the municipality had made a pledge of its taxes to the extent authorized by law. The law being what the court says it is (until the legislature changes it), this amendment would authorize the purchase by the AMBBA of municipal bonds which it cannot now purchase under the North Slope ruling.

I believe that the proposed amendment is in keeping with the original purpose of defining a municipal bond in the

manner it presently appears; that is, that the bond be backed by the maximum full faith and credit pledge which the municipality could lawfully make.

Today, I discussed this proposed amendment with Eric Wolforth, who is bond counsel for the AMBBA. He concurred that the proposed amendment would alleviate the problem created by the North Slope decision as it relates to the authority of the bond bank to purchase bonds.

We urge the committee to include the proposed language in a committee substitute for Senate Bill 430.

Very truly yours,

Gerald L. Sharp
City/Borough Attorney

GLS/sm

cc: Senators Willis, Ferguson, Hackney and Sumner

1-373

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

POUCH Y STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

MEMORANDUM March 17, 1978

SUBJECT: SB 373; collective bargaining

TO: Senator Joseph L. Orsini

FROM: Richard A. Bradley, Legislative Counsel

After the hearing on SB 373 recently, you asked me to comment on one question.

The testimony offered on SB 373 suggested that some municipalities and school districts had provisions in their collective bargaining agreements stipulating that negotiations under the agreement would be undertaken in private.

Your question to me was whether in the context of such a provision, the municipality or school district retained the authority to adopt an ordinance which would mandate collective bargaining in the public's view.

In my opinion, a municipality or school district retains the right to determine the public policy of the community it speaks for. Therefore, a municipality or a school district may adopt an ordinance or resolution articulating such a policy.

In areas such as the protection of civil rights, restraints inconsistent with that goal may be expected to yield and the fact that the restraints are located in contracts has not been found significant. Southern Illinois Builders Assn. v. Ogilvie, 327 F. Supp. 1154 (S.D. Ill. 1971) and Contractors Assn. of Eastern Pa. v. Sec. of Labor, 442 F. 2d 159 (3rd Cir.) cert. den., 404 U.S. 854 (1971), aff'g. 311 F. Supp. 1002 (E.D. Pa. 1970). See also Federal Housing Authority v. Darlington 358 U.S. 84, 91 (1958); Fleming v. Rhodes, 331 U.S. 100, 107 (1947).

In my opinion, the strong public policy in favor of the public's right to know what government is doing militates toward a similar conclusion. In any consideration of such a move, a municipality or school district presently operating under such a contractual provision could move to an open policy in stages by either declining to negotiate such a provision in renewals of agreements or providing by ordinance for open negotiations in all future agreements.

RAB:hjd

SB 373

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

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RAB:hjd

LANCE W. ANDERSON,C.P.A.
1600 Oxford Drive
Anchorage, Alaska 99501

Phone: (907) 274-9409

SUMMARY OF QUALIFICATIONS

Nature of Background: Over 12 years of progressive assignments in private and public accounting sectors.

Capabilities: Highlights of experience and qualifications:

...Budgets and forecasts...Accounting & Business Systems Development...Accounting Control...Management Reports & Advisory Services...Consolidations...Tax Preparation... Credit & Collection Management...Personnel Supervision... Data Processing Applications...Cost Accounting...Cash Flow Control...Financial Statements...Financial Planning... Commercial Real Estate Management and Development...

Personal Characteristics: Ability to effectively plan and direct the work of support personnel, communicate effectively with management at all levels and establish well-structured financial and business controls to assure profit return.

Employment Experience: Property Manager and Trust C.P.A. for Alaska Electrical Trust Funds 1977-1978. Presently employed with Alaska Electrical Trust Funds, the Taft Hartley multiemployer pension, health and welfare, legal aid and apprenticeship programs jointly sponsored and managed by IBEW Local 1547 and National Electrical Contractors Association.
Responsible for management of Real Estate ventures of Pension Trust including 40,000 square foot office building and proposed 125,000 square foot office building. Also responsible for supervision of accounting and financial activities.

Vice-President-Finance for NANA Corporation 1974-1977. Recently resigned as Vice-President, Finance of Corporation with over $30,000,000 in assets and revenues of approximately $30,000,000. Corporation was profitable during all three years of employment.

Responsible for total supervision of all accounting activities and procedures. During period of employment centralized all accounting functions and substantially converted them to a real-time computerized system. Company revenues during this period of time grew from approximately $700,000 to the current

$30,000,000 plus and accounting staff which grew from four to twenty-five.

Collateral activities included establishment of financial policies, determination of investment objectives, development of banking and auditing relationships and providing counseling to key executives regarding new commercial ventures.

Manager-Tax Department- Peat, Marwick, Mitchell & Co.
1971-1974

Employed three years in the tax department of Peat, Marwick, Mitchell & Co. in Anchorage. Entered tax department under PMM accelerated tax training program. Responsibilities included account tax supervision for many accounts including:

Alaska International Industries, Inc.
Reeve Aleutian Airways, Inc.
Alaska Mutual Savings Bank
Yukon Office Supply, Inc.

Other activities included responsibility for Kodiak practice of PM&M, estate tax returns, and in-house tax training program.

Supervisor-Audit Department- Peat, Marwick, Mitchell & Co.
1965-1971

Joined PM&M in August of 1965 and was promoted to supervisor in July, 1968. Responsibilities included management supervision of audit clients including direct responsibility for field work. Audit client responsibilities included the following clients:

Alaska Mutual Savings Bank
Alaska State Bank
First National Bank of Fairbanks
B&B Fisheries, Inc.
Automotive Parts and Equipment, Inc.
Alaska Federation of Natives

Also participated in management group activities including business development, staff evaluation and long-range planning.

Education: Graduate of West Anchorage High School in 1962 and the University of Washington in 1965 with a major in accounting and a minor in finance. Attended numerous PM&M training courses as well as courses offered by the Alaska Society of CPA's several of which I also taught. Awarded a CPA certificate in 1967 and am a member of the Alaska Society of CPA's and the American Institute of CPA's.

Personal Data: Age: 34; Married, three children - ages 6, 10 and 13. Lifelong resident of Anchorage.

SB

454

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2525

GEORGE M. SULLIVAN,
MAYOR

OFFICE OF THE MUNICIPAL ATTORNEY

January 23, 1978

Howard DeVore
Alaska State Volunteer Services
338 Denali St., Mackay Bldg. 7th
Anchorage, Alaska 99501

Re: Proposed Senate Bill on Volunteer Services

Dear Mr. DeVore:

You have asked for a response to the above-captioned bill concerning volunteer services from the Municipality of Anchorage. The Municipality of Anchorage would not be in favor of the measure as it is presently drafted. It is our view that the potential legal problems created by the use of volunteers will be magnified by the proposed legislation and would be more effectively addressed by local legislation tailored to meet specific community needs.

The legislation which deems volunteers employees for the purpose of tort liability apparently is intended to decrease governmental liability in this area. However, the activities of volunteers will not necessarily fall within the state statute immunizing local governments from tort actions for certain acts of their employees. Absent this immunization, the proposed bill could actually have the effect of increasing exposure to liability under tort doctrine applied to the employment relationship. This in turn would discourage local governments from sponsoring volunteer programs and activities.

Extension of workman's compensation to volunteers also poses significant problems. First, from a legal standpoint, volunteers are not presently covered under workman's compensation laws and the present bill does not indicate how this will be accomplished. As the bill is presently drafted potential abuse of workman's compensation benefits exists in that volunteers are not subject to usual personnel management which safeguards against unfounded claims. Finally, the bill does not set forth a plan for the administration of volunteer coverage under workmen's compensation

including the difficult task of setting terms of coverage. Volunteer workers are an important community resource but problems created by their use can best be solved at a local level.

Please contact this office if you have any questions.

Very truly yours,

THEODORE D. BERNS
Municipal Attorney

Peggy A. Roston

Peggy A. Roston
Assistant Municipal Attorney

PAR:gml

STATE OF ALASKA
THE LEGISLATURE

POUCH V | STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M

May 9, 1978

SUBJECT: Volunteer Services (CSSB 454)

TO: Senate State Affairs Committee
ATTN: Barney Eberhardt, A.A.

FROM: Kenneth E. Vassar
Legislative Counsel

You have requested that I draft a committee substitute for Senate Bill 454 which will (1) provide that volunteers are state employees for the purposes of confidentiality statutes relating to state employees, and (2) provide a mechanism for the inclusion of volunteers under the Alaska Workmen's Compensation Act (AS 23.30.005 - 23.30.270). In connection with the latter, your instructions provided that I should contact Senator Huber for details.

You will note that the attached draft includes a new clause at the end of section 220(a) of the bill which provides that volunteers are state employees for the purposes of AS 39.51.-010. This, I believe, is the section you had in mind; and it basically prohibits misuse of confidential information by a person who is or has been an employee of the state.

In addition, a new section, which is incorporated as section 2, has been added to the bill. This section would amend the Alaska Workmen's Compensation Act by adding a new section which provides a method of determining a volunteer's average weekly wage for the purposes of that act. If a volunteer has income from outside employment or self-employment, that will be used in accordance with the normal procedure under the act to determine his average weekly wage. If a volunteer is unemployed or retired, his average weekly wage will be considered to be the greater of 75 percent of the Alaska average weekly wage or his average weekly wage for his last period of employment. The "75 percent" figure has been used only for discussion purposes and has no other particular significance.

KEV:jpd

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE MEETING

June 1, 1978

Present: Senators Orsini, Hackney and Sumner; Ann Mawn, Lt. Governor's office; Don M. Berry, Municipality of Anchorage; Steve Hole, DOE; Bob Cooksey, NEA-Alaska.

Absent: Senators Willis and Ferguson

The meeting was called to order at 3:10 p.m. and the bills before the Committee were SB 454 and HB 934 am.

SENATE BILL 454

Chairman Orsini stated that the Committee had a committee substitute for the bill. He stated that it took out all references to municipalities. There was no public testimony given at this time.

Senator Sumner moved that SB 454 pass out of committee with "INDIVIDUAL RECOMMENDATIONS".

HOUSE BILL 934 am

Chairman Orsini stated that this bill came of HESS committee with a "DO PASS" recommendation.

Bob Cooksey, NEA-Alaska, stated that they had no objections to the bill.

Steve Hole, Department of Education, stated that the Department was in favor of HB 934 am

Senator Sumner moved that HB 934 am pass out of committee with "INDIVIDUAL RECOMMENDATIONS".

The meeting was adjourned at 3:30 p.m.

F. CSSB 454

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

Dear Ben;

In response to your request for a position on CSSB 454, I offer you the following:

Should this bill come up, we would testify against the "municipal opt-in" clause. We would do this for two reasons. First, I would suspect that we already can, if we chose, cover any of our volunteers. The second reason is that, while we might want to cover some, we would not necessarily wish to cover all. I would fear though, that if there were a law on the books, there would be pressure for the municipality to opt in regardless of need. Thus, our insurance rates would really increase. Consider the methods by which the Workmen's Compensation Board would consider the wages of a volunteer if they had not earned wages in the last three years. It would appear that the low would be $1,967 per month with a high of $4,110. These kinds of dollars could encourage abuse.

I think that pretty well describes our feelings.

HOWARD L. DEVORE
OFFICE OF VOLUNTEER SERVICES

STATE OF ALASKA
OFFICE OF THE GOVERNOR

MACKAY BUILDING
ANCHORAGE, ALASKA 99501
(907) 274-6223

(Ken Jessar)

Req. waiver of S/Rs — for passage S/F.D.

Original sponsor: Rules Committee by request of the Governor

Contact re waiver of Hfloor.

DS PASSED 5/18/90

IN THE SENATE BY THE STATE AFFAIRS COMMITTEE

CS FOR SENATE BILL NO. 454

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to volunteer service."

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

* Section 1. AS 39.05 is amended by adding new sections to read:

ARTICLE 5. VOLUNTEER SERVICE.

Sec. 39.05.200. AUTHORIZATION; OFFICE OF VOLUNTEER SERVICES. (a) All state agencies are authorized to recruit, train, and accept without regard to personnel laws, rules, or regulations, including the Public Employment Relations Act (AS 23.-40.070 - 23.40.260), the services of individuals without compensation as volunteers for or in aid of their functions. (b) There is created in the office of the lieutenant governor the Office of Volunteer Services.

Sec. 39.05.210. INCIDENTAL EXPENSES. All state agencies are authorized, within appropriation limits, to provide for incidental expenses, such as transportation, lodging, subsistence, and uniforms or special clothing required for the volunteers.

Sec. 39.05.220. EMPLOYMENT STATUS. (a) Except as otherwise provided in this section, a volunteer is not a state official or employee and is not subject to the provisions of law relating to state employment, including those related to hours of work, rates of compensation, leave, unemployment compensation, employee benefits, and employee labor relations; however, a volunteer is a state employee for the purposes of AS 39.51.010.

Issue of liability limitation

(b) For the purposes of tort claims against the state, a volunteer is a state employee.

(c) For the purposes of the Alaska Workmen's Compensation Act (AS 23.30.005 - 23.30.270), a volunteer is a state employee as provided in

AS 23.30.244.

Sec. 39.05.230. LIMITATION. Volunteers may be used to supplement existing salaried employees or service contracts but may not be used to supplant them.

Sec. 39.05.240. APPLICATION. (a) A person applies to be a volunteer on a form prescribed by the lieutenant governor and made available at any state agency which uses volunteers. The forms may vary among agencies in accordance with their respective needs. An agency may refuse to accept any application for volunteer service if it believes it cannot reasonably utilize the service.

(b) A person who performs volunteer service without first applying as provided by (a) of this section and without having his application accepted is not a volunteer for the purposes of secs. 200 - 250 of this chapter.

Sec. 39.05.250. LOCAL OPTION. (a) A municipality may provide, by resolution or ordinance, for volunteer service under this chapter for that municipality.

(b) A municipality which provides for volunteer service shall notify the lieutenant governor and request application forms prescribed by him for municipalities.

(c) The provisions of secs. 200 - 240 of this chapter apply to any municipality which provides for volunteer service; however,

(1) volunteers are considered to be municipal employees for the purposes of tort claims only if the municipality has approved that classification by resolution or ordinance;

(2) volunteers are considered to be municipal employees for the purposes of workmen's compensation only if the municipality has approved that classification by resolution or ordinance.

(d) Nothing in this section affects the performance of public

service for municipalities on a voluntary basis, such as but not limited to, spring clean-ups, municipal celebrations, Fourth of July activities, volunteer fire departments, police reserves, ski patrols, and other forms of voluntary public service which are performed under municipal auspices; however, the municipality may include these services, in whole or in part, under the coverage of secs. 200 - 240 of this chapter as provided by this section.

* Sec. 2. AS 23.30 is amended by adding a new section to read:

Sec. 23.30.244. VOLUNTEERS. (a) Volunteers whose services are utilized by state agencies [or municipalities] under the provisions of AS 39.05.200 - 39.05.250 are considered employees under this chapter only while actually traveling or working as volunteers of state agencies or municipalities. The average weekly wage of the volunteer, for the purpose of computing compensation, shall be determined in accordance with sec. 220 of this chapter; however, if the volunteer is unemployed or retired and has received no wages for the three calendar years immediately preceding the injury, his average weekly wage shall be considered to be the greater of

(1) 75 per cent of the Alaska average weekly wage as determined under sec. 175 of this chapter, or

(2) the volunteer's average weekly wage determined in accordance with sec. 220 of this chapter for his most recent period of employment.

(b) Annual appropriations to fund the coverage provided for in (a) of this section for volunteers whose services are utilized by state agencies shall be provided for in the budget of the Office of the Governor.

* Sec. 3. AS 44.19.030 is amended by adding a new paragraph to read:

(3) coordinate, promote, and adopt regulations for the pro-

gram for full-time and part-time volunteer service authorized by AS 39.05.200 - 39.05.230.

Sec 23.30.244(a)(after) Received no wages—
Hunters

AMENDMENT TO CS FOR SENATE BILL NO 454

SEC. 39.05.220. EMPLOYMENT STATUS

(c) For the purposes of the Workmen's Compensation Act(~~230.005-230.27~~) a volunteer is a state employee. (ADD) "The Workmen's Compensation Board may fix the wage-earning capacity of volunteers in state agencies at no less than Range 20, Step A and no higher than the top of classified service."

SB

469

Official Business

Alaska State Legislature

Senate

Committee on
Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Enclosed please find a copy of Senate Bills # 469 which, if enacted, may have an effect on your municipality. Your comments or recommendations would be appreciated, as we intend to give this proposed legislation our consideration in the near future.

Please write to the Senate Community and Regional Affairs Committee, Pouch V, Juneau, Alaska 99811: or call 465-3712.

Very truly yours,

Joe Orsini

Senator Joe Orsini
Chairman
Community and Regional
Affairs Committee

Jo/tb

Enclosure: As stated

SB

501

Official Business

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

PRESS RELEASE

For Further Information:

Ben Harding, Administrative Assistant
Senate C&RA Committee
465-3758

FOR IMMEDIATE RELEASE

SENATE COMMITTEE HEARINGS ON PUBLIC COLLECTIVE BARGAINING BILL TO BE VIDEO-BROADCAST TO ALASKAN COMMUNITIES

Video-broadcast hearings will be held by the Senate Community and Regional Affairs Committee on March 30 to explore new concepts in resolving deadlocked public employee contract negotiations, either by a direct vote of the people or through the election of a local arbitration panel.

These procedures are outlined in Senate Bill 501, introduced by Senator Joe Orsini (R-Anchorage). The bill was drawn up to allow local government or the appropriate administrative body the option of adopting either, or neither, of these procedures as a means of resolving local public collective bargaining impasses. It was not intended for the bill to mandate either of these forms of arbitration to local government bodies, but to permit the selection of the most responsive approach to the needs of the local situation.

-continued-

The adoption by local communities of such procedures, Senator Orsini said, "would put more of the decision-making authroity for the arbitration of collective bargaining disputes into the hands of the local public, whose tax-dollars, after all, fund the settlements."

Because of the increasing interest by the public in public sector collective bargaining, a wide range of groups and organizations have been invited to testify at the March 30 hearings. The video-conference will be broadcast from Juneau to the communities of Ketchikan, Anchorage, Fairbanks, Bethel and Nome at 12:30 p.m. (Juneau time). The recently installed two-way video-broadcast facilities will allow persons from these communities to present testimony to the Senate committee and to follow the course of the committee hearings without leaving their local communities.

News directors in the electronic media who may be interested in obtaining portions of the hearings on video-tape for later use in newscasts should contact Mr. Peter Fromuth, Legislative Affairs Agency in Juneau, at 465-4980, or conference moderators located in the other communities. (See attached list for names and telephone numbers)

The members of the Senate Community and Regional Affairs Committee are: Joe Orsini (R-Anchorage), Chairman; Ed Willis (D-Eagle River), Vice Chairman; Frank Ferguson (D-Kotzebue), Glenn Hackney (R-Fairbanks) and Bill Sumner (R-Anchorage).

##########

March 13, 1978

VIDEO-CONFERENCE MODERATORS

Anchorage - Charity Kadow	278-3668
Bethel - Peter Twitchill	543-3131
Fairbanks - April Moore	452-4449
Ketchikan - Sandy Wendte	225-9675
Nome - Myrtle Johnson	443-2770

May 2, 1960— 7:12 pm
3, 1947— 5:53 pm
3, 1941— 1:50 am
3, 1919— 2:33 pm
4, 1973—11:59 am
4, 1970—10:37 pm
4, 1967—11:55 am
4, 1944— 2:08 pm
5, 1963— 6:25 pm
5, 1961—11:31 am
5, 1957— 9:30 am
5, 1946— 4:40 pm
5, 1929— 3:41 pm
6, 1977—12:46 pm
6, 1974— 3:44 pm
6, 1954— 6:01 pm
6, 1950— 4:14 pm
6, 1938— 8:14 pm
6, 1928— 4:25 pm
7, 1965— 7:01 pm
7, 1925— 6:32 pm
8, 1971— 9:31 pm
8, 1968— 9:26 am

May 8, 1966—12:11 pm
8, 1959—11:26 am
8, 1933— 7:30 pm
8, 1930— 7:03 pm
9, 1955— 2:13 pm
9, 1923— 2:00 pm
10, 1975— 1:49 pm
10, 1972—11:56 am
10, 1931— 9:23 am
11, 1924— 3:10 pm
11, 1921— 6:42 am
11, 1920—10:45 am
11, 1918— 9:33 am
12, 1962—11:23 pm
12, 1952— 5:04 pm
12, 1937— 8:0[illegible] pm
12, 1927— 5:[illegible] am
12, 1922— 1:20 pm
13, 1948—11:13 am
14, 1949—12:39 pm
15, 1935— 1:32 pm
16, 1945— 9:41 am
20, 1964—11:41 am

Newspapers and Periodicals

Alaska Advocate, Suite 203, 203 West 15th Avenue, Anchorage 99510. Weekly. Yearly rate: $25.

Alaska Journal of Commerce and Pacific Rim Reporter, 630 West Fourth Avenue, Suite 10, Anchorage 99501. Weekly. Yearly rate: $45.

Alaskan Spectrum, Box 3-548, Anchorage 99501. Quarterly for the first year, then monthly. Newsstand sales only.

Anchorage Daily News, 821 West Fifth Avenue, Anchorage 99501. Daily except Sunday. Monthly rates: Alaska, $4.25; elsewhere, $4.75.

Anchorage Times, 820 Fourth Avenue, Anchorage 99501. Monthly rates: Alaska, $5; Washington and Oregon, $7.40; California, $7.90; elsewhere, $8.60. Sunday only: Alaska, $4.50; Washington and Oregon, $5.50; California, $6; elsewhere, $6.50.

Bering Straights, Box 968, Nome 99762. Weekly. Yearly rates: $15; first class, $25.

Bristol Bay By-Lines, P.O. Box 234, Dillingham 99576. Weekly. Yearly rates: regular mail inside Alaska, $8; Outside, $10; first class, $18.50.

Caribou News, Box 726, Kotzebue 99752. Rate: $15 for 52 issues.

Cheechako News, Drawer 0, Kenai 99611. Weekly. Yearly rate: regular mail, $15.

Chilkat Valley News, P.O. Box 118, Haines 99827. Weekly. Yearly rates: regular mail, $8; first class, $10.

Chugiak-Eagle River Star, P.O. Box 1007, Eagle River 99577. Weekly. 6-month rates: surface mail, $3.90; first class, $8.50.

Cordova Times, Box 200, Cordova 99574. Weekly. Yearly rates: regular mail, $14.04; first class, $33.28.

Daily Sitka Sentinel, Box 799, Sitka 99835. Monthly rates: regular mail, $3.50; first class, on request.

Delta Paper, Box 988, Delta Junction 99737. Weekly. Yearly rate: $30 by mail.

Fairbanks Daily News-Miner, 200 North Cushman, Fairbanks 99701. Monthly rates: Alaska, $5; other USA and Canada, $7; first class, $18.

Frontiersman, Box D, Palmer 99645. Weekly. Yearly rates: Matanuska-Susitna Valleys, $8.93; elsewhere, $12.50.

Great Lander Shopping News, 3110 Spenard Road, Anchorage 99503. Weekly. Yearly rate: regular mail, $15.

Homer Weekly News, Box 254, Homer 99603. Yearly rates: regular mail, $13; first class, $26.

Kadiak Times, P.O. Box 2368, Kodiak 99615. Weekly. Yearly rates: Alaska, $12; elsewhere, $15.

Ketchikan Daily News, P.O. Box 79, Ketchikan 99901. Daily except Sunday. Yearly rate: $42; 3 months, $12.

Kodiak Daily Mirror, P.O. Box 1307, Kodiak 99615. Monday through Friday. Monthly rates: surface mail, $3; first class, $10.

Kodiak Fish Wrapper and Litter Box Liner, Box 2516, Kodiak 99615. Monthly. Yearly rate: $5.

Kotzebue News, P.O. Box 335, Kotzebue 99752. Weekly. Yearly rate: $10.40.

Mukluk News, Box 96, Tok 99780. Bimonthly. Yearly rates: $10; first class, $13.

New Alaskan, Route 1 - Box 677, Ketchikan 99901. Monthly, except January and February. Yearly rate: $4.50.

Nome Nugget, Box 610, Nome 99762. Twice weekly. Rates: monthly, $2; yearly; $18.

North Wind, Box 456, Skagway 99840. Monthly. Yearly rate: $2.25.

Northern Observer, Box 1971, Anchorage 99510. Monthly. Yearly rate: $5.

Petersburg Pilot, Box 744, Petersburg 99833. Weekly. Yearly rates: Petersburg, $15; elsewhere in Alaska, $17; first class, $26.50.

Pioneer All-Alaska Weekly, P.O. Box 970, Fairbanks 99707. Rates: monthly, $2; yearly, $20.

River Times, 102 Lacey Street, Fairbanks 99701. Bimonthly. Yearly rate: $3.

Seward Phoenix Log, Box 97, Seward 99664. Monthly. Yearly rates: regular mail, $9; first class, $18.

Sound of Prince William Sound, Box 732, Whittier 99502. Monthly. Yearly rate: $6.50.

Southeast Alaska Empire, 138 Main Street, Juneau 99801. Daily. Monthly rates: Alaska, $4.90; outside Alaska, $5.50.

Southeastern Log, Box 79, Ketchikan 99901. Monthly. Yearly rates: Alaska, $4; elsewhere, $5.

Susitna Valley Chronicle, Box 128, Talkeetna 99676. Weekly. Yearly rates: $12; outside Alaska, $15.

Tundra Drums, P.O. Box 4[illegible]8, Bethel 99559. Semimonthly. Yearly rates: Alaska, $10; first class, Alaska and elsewhere, $50.

Also AP - Anchorage Juneau

Tundra Times, Box 1287, Fairbanks 99707. Weekly. Yearly rates: regular mail, $15; first class, $35.

Valdez Vanguard, Box 157, Valdez 99686. Weekly. Yearly rates: regular mail, $14.04; first class, $33.28.

Wrangell Sentinel, Box 798, Wrangell 99929. Weekly. Yearly rates: Wrangell, $15; outside Wrangell, $17; first class, $26.50.

Other Publications

ALASKA GEOGRAPHIC®, Box 4-EEE, Anchorage 99509. Quarterly. $20 first year, $16 thereafter; outside the United States add $1.

ALASKA® magazine, Box 4-EEE, Anchorage 99509. Monthly. Yearly rates: $12; outside the United States, $13.

The ALASKA JOURNAL®, Box 4-EEE, Anchorage 99509. Quarterly. Yearly rates: $8; outside the United States, $9.

The MILEPOST®, Box 4-EEE, Anchorage 99509. Annual, 500 pages. 1977 edition, $5.95 plus 75 cents postage and handling; Washington state residents also add 5.4% sales tax.

Note: Rates were in effect in early 1977 and may change; they are provided as a guide.

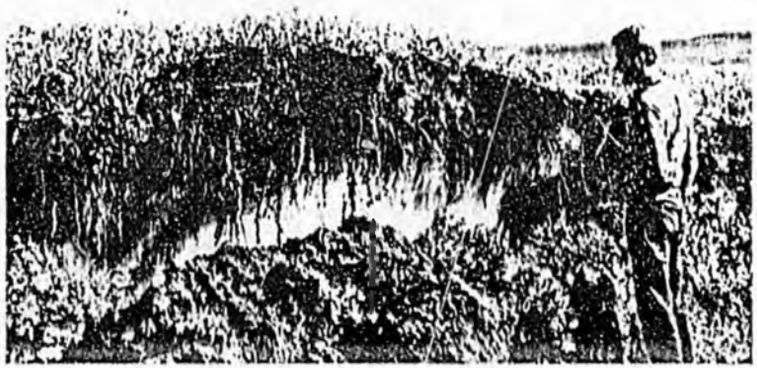
Permafrost

Permanently frozen subsoil, continuous in polar regions. It underlies the entire arctic region to depths reported to reach 2,000 feet. Permafrost limits construction in the Arctic because building on it causes thawing and therefore heaving of the melted ground.

Much of the interior and some of Southcentral are also underlain by permafrost. Trees growing over it can be spotted by their tilting at various angles, caused by freezing and thawing of the topsoil layer.

Permafrost prevents significant flow of ground water into streams and rivers in much of the interior and all of the Arctic, resulting in a nearly complete freezing of the rivers in winter. It is also responsible for thousands of lakes dotting the arctic tundra because ground water is held on the surface.

RICK FURNISS



An ice lens pushes up tundra near Galbraith Lake in the Brooks Range.

Populations and Zip Codes

Total Alaska population at the time of the 1970 census was 302,361. An Alaska Northwest Publishing Company estimate in late 1976 showed more than 400,000. The following list of communities show those places recorded in the 1970 census as having more than 25 people, plus additional Zip-coded localities. (A second list shows a sampling of 1976 estimates.) Because of seasonal variations in populations and census district variances, census figures are not exact. Figures are sometimes not available on the percentage of the population that is Native. In such circumstances the list shows NA. Under any circumstance readers must realize the population totals below are in many cases much greater today.

(See also *Natives*.)

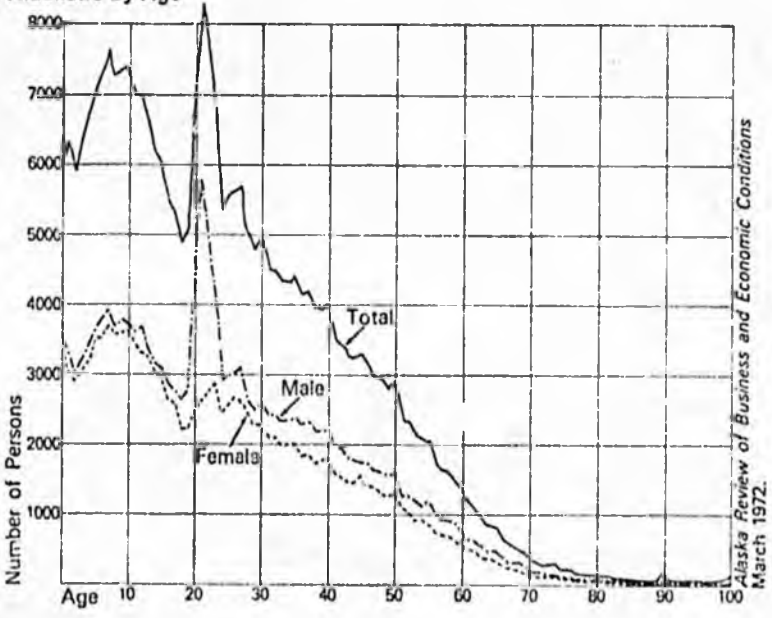
Community	1970 Population Total	Native	Zip Code
Adak	2,249	54	99695
Akhiok	115	114	99615
Akiachak	312	300	99551
Akiak	171	169	99552
Akolmiut	526	512	99695
Akutan	101	87	99553
Alakanuk	265	246	99554
Aleknagik	128	95	99555
Alexander Creek	NA	NA	99695
Alitak	NA	NA	99697
Allakaket	174	168	99720
Ambler	169	159	99786
Amchitka	NA	NA	99501
Anaktuvuk Pass	99	97	99721
Anchor Point	102	NA	99556
Anchorage area	124,542	4,795	995--
Anderson	362	7	99790
Angoon	400	377	99820
Aniak	205	170	99557
Annette	195	19	99920
Anvik	83	75	99558
Arctic Village	85	82	99722
Atka	88	83	99502
Atmautluak	107*	107*	99559
Auke Bay	490	NA	99821
Aurora-Johnston	1,464	NA	99701
Baranof	NA	NA	99833
Barrow	2,104	1,906	99723
Beaver	101	86	99724
Belkofski	59	51	99695

*Estimate

	1976 Population
Haines area	1,980
Homer	1,538
Hoonah	1,000
Juneau area	19,600
Kake	550
Kenai	5,200
Ketchikan area	11,300
Kodiak	4,300
Kotzebue	2,500
Metlakatla area	1,410
Naknek	472
Nenana	475
Nome	3,000
Palmer	1,549
Petersburg	2,400

	1976 Population
Seldovia area	612
Seward	1,823
Shemya Island	1,131
Sitka area	8,112
Skagway	750
Soldotna	1,275
Tok	750
Unalakleet	470
Valdez	8,250
Wildwood	400
Wrangell	2,700
Yakutat area	500

Alaskans by Age



Age and Gender of Alaskans

Median age about 22

Men: 54.35% of population

Women: 45.64% of population

Natives: 16.9% of population

Of people age 14 or over, Bureau of the Census showed:

Men: 113,657; 33.8% single; 60.7% married; 5.4% widowed or divorced.

Women: 89,907; 20.6% single; 71.5% married; 8.0% widowed or divorced.

Births and Deaths

The Alaska Department of Health and Social Services shows the following figures for 1975:

Births	Deaths
White 5,287	White 1,027
Native 1,745	Native 441
Total, including others 7,470	Total, including others 1,522

Marriage and Divorce

In 1975, there were 4,735 marriages and 2,865 divorces in Alaska. This was 32.7% more marriages and 16.8% more divorces than in 1974.

Marriage regulations: Without parental consent at age 18 or older, or if a member of the U.S. armed services on active duty. With parental consent at age 16, or at age 14 with permission of a superior court judge following a hearing. Blood test required; out-of-state blood test by a licensed physician within 30 days accepted. Three-day wait for a license; no wait after getting a license.

Divorce regulations: Grounds are cruelty, desertion, alcoholism, conviction of a felony, failure to consummate, drug addiction, incompatibility, 18 months of insanity, indignities. Presence in the state with intent to reside is required; no wait between interlocutory and final decrees. The shortest time in which a divorce can be obtained is 30 days from the date of filing. Alaska is not a community property state.

Radio Stations

KANC, 1080 kHz; 848 East Loop Road, Anchorage 99501.

KBYR, 700 kHz; 1007 West 32nd Avenue, Anchorage 99501.

KENI, 550 kHz; Box 1160, Anchorage 99510.

KFQD, 750 kHz; 9200 Lake Otis Parkway, Anchorage 99507.

KHAR, 590 kHz; *KHAR-FM*, 103.9 MHz; 3900 Seward Highway, Anchorage 99503.

KJZZ-FM, 102.1 MHz; 338 Denali Street, Anchorage 99501.

KNIK-FM, 105.5 MHz; 1007 West 32nd Avenue, Anchorage 99503.

KYAK, 650 kHz; *KYAK-FM*, 101.3 MHz; 2800 East Dowling Road, Anchorage 99507.

KYUK, 580 kHz; Box 468, Bethel 99559.

KLAM, 1450 kHz; Box 278, Cordova 99574.

KUAC-FM, 104.7 MHz; University of Alaska, Fairbanks 99701.

KFAR, 660 kHz; Box 910, Fairbanks 99701.

KFRB, 900 kHz; Box 950, Fairbanks 99701.

KIAK, 970 kHz; Box 2828, Fairbanks 99707.

KCAM, 790 kHz; Box 125, Glennallen 99588.

KINY, 800 kHz; 231 South Franklin Street, Juneau 99801.

KJNO, 630 kHz; Box 929, Juneau 99802.

KTOO-FM, 104.3 MHz; Box 1487, Juneau 99801.

KTKN, 930 kHz; Box 2347, Ketchikan 99901.

KRBD, 105.9 kHz; 2415 Hemlock Street, Ketchikan 99901.

KVOK, 560 kHz; Box 53, Kodiak 99615.

KOTZ, 720 kHz; Box 78, Kotzebue 99752.

KICY, 850 kHz; Box 820, Nome 99762.

KNOM, 780 kHz; Box 988, Nome 99762.

KJNP, 1170 kHz; Box 0, North Pole 99705.
KRXA, 950kHz; Box 276, Seward 99664.
KIFW, 1230 kHz; Box 299, Sitka 99835.
KSRM, 920 kHz; Box 950, Soldotna 99669.
(See also *Television Stations.*)

Railroads

The Alaska Railroad, operated by the Federal Railroad Administration of the U.S. Department of Transportation, provides passenger and freight service between Anchorage and Fairbanks. Passenger service is daily from May 26 through September 8, less often in winter.

For information, contact the Alaska Railroad, Pouch 7-2111, Anchorage 99510; phone 265-2683 for the Anchorage Passenger Agent or 265-2494 for the Traffic Division. In Fairbanks call 456-4155.

The White Pass & Yukon Route, privately owned, is a narrow-gauge link between Skagway, Alaska, and Whitehorse, Yukon Territory. At the time it was built—1898 to 1900—it was the farthest north any railroad had operated in North America. It has one of the steepest railroad grades in North America, climbing to 2,885 feet at White Pass in only 20 miles of track.

For information, contact the White Pass depot in either Skagway or Whitehorse; or write White Pass & Yukon Route, Box 2147, Seattle, Washington 98111.

Regions

Alaska's regions are quite varied in character. The following paragraphs and accompanying map provide a quick outline. Other information is available under such headings as *Climate, Highways, Economy* and *Wildlife*, for example.

Southeastern

From the southern tip of Prince of Wales Island, Southeastern Alaska stretches 500 miles north to the far edge of the Malaspina Glacier on the western side of Yakutat Bay. This is a country of glacier-ridden mountains, 1,000 named islands and numerous unnamed islets and reefs. The region is heavily forested with spruce, hemlock and cedar.

Temperature ranges from an average of 50° to 60° in July to an average of 20° to 40° in January. Average annual precipitation varies from 80 to more than 200 inches. The area receives from 30 to 200 inches of snow in the primary populated sections and more than 400 inches in the high mountains.

Fishing, timber and tourism are the major industries. Except for the Haines Cutoff, which connects to the Alaska Highway, there are only local roads. Transportation is by air and by the Alaska Marine Highway System. Juneau is the state capital; Sitka is site of the historical capital of Russian America.

Southcentral

About 55% of the state's people live in the arc between the Gulf of Alaska on the south and the Alaska Range on the north, in the region commonly called Southcentral Alaska. The Chugach and Kenai Mountains follow the coast from Prince William Sound down the eastern Kenai Peninsula. The Matanuska and Susitna valleys are to the north of Anchorage.

The irregular plain of the Copper River lowland to the east has a colder climate than the other major valley areas, with January temperatures hitting -16° compared to average lows of 0° in the Susitna Valley. July temperatures average 50° to 60°.

Vegetation ranges from spruce-hemlock forests of Prince William Sound to spruce and birch forests of the Susitna drainage and the tundra-type highlands of the Copper River-Nelchina Basin.

Alaskan agriculture historically has been developed most thoroughly in the Matanuska and Susitna valleys. The state's dairy industry is

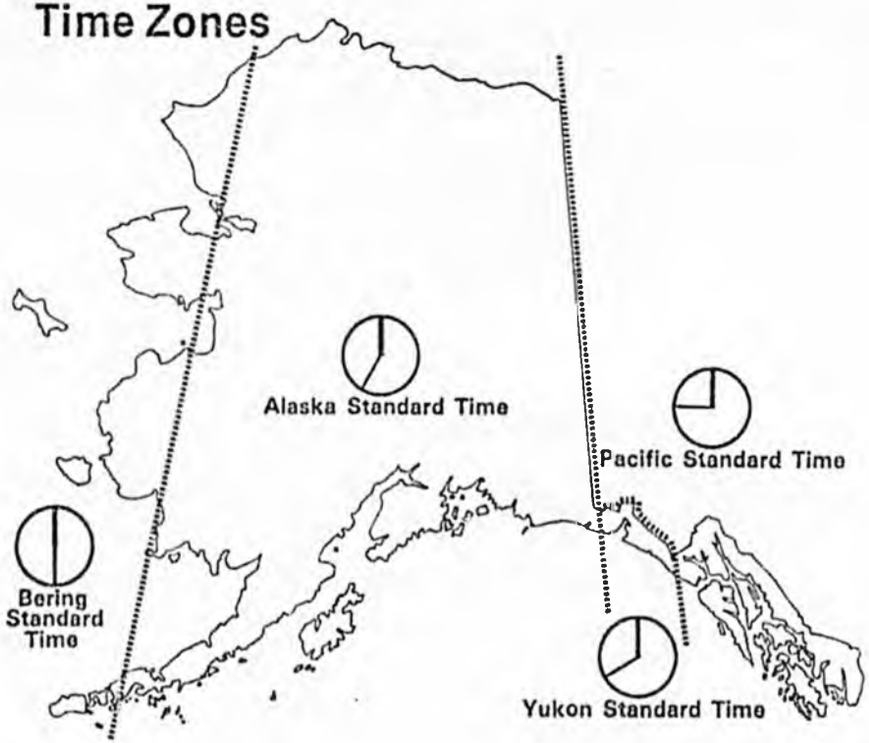
centered there. Vegetable truck farming also is prominent. The approximately 17 inches of annual precipitation often is barely adequate for cultivation, and supplemental irrigation is common. Some nonagricultural parts of Southcentral receive up to 80 inches of precipitation a year. From 40 to 100 inches of snow has been recorded for populated areas, and up to 800 inches a year for the coastal mountains. Winter winds disturb the snow cover, making winter survival of perennials extremely difficult.

Anchorage, the primary business center of the state, is the major port and head of the Alaska Railroad. Valdez is the terminus and port for oil

Television Stations

KAKM—Channel 7 (public television); 3211 Providence Drive, Anchorage 99504.
KENI-TV—Channel 2; Box 1160, Anchorage 99501.
KIMO—Channel 13; 3910 Seward Highway, Anchorage 99503.
KTVA—Channel 11; Box 2200, Anchorage 99501.
KYUK-TV—Channel 4; Box 468, Bethel 99559.
KFAR-TV—Channel 2; 516 Second Avenue, Fairbanks 99701.
KTVF—Channel 11; Box 950, Fairbanks 99707.
KUAC-TV—Channel 9; University of Alaska, Fairbanks 99701.
KINY—Channel 8; 231 South Franklin Street, Juneau 99801.
KIFW-TV—Channel 13, Box 299, Sitka 99835.
(See also *Radio Stations*.)

Time Zones



Trans-Alaska Pipeline

The pipeline designer, builder and operator is the Alyeska Pipeline Service Company, a consortium of eight oil companies.

Alyeska Pipeline Service Company Consortium	
Sohio Pipe Line Company	33.34%
ARCO Pipe Line Company	21.00%
Exxon Pipeline Company	20.00%
BP Pipelines Inc.	15.84%
Mobil Alaska Pipeline Company	5.00%
Union Alaska Pipeline Company	1.66%
Phillips Petroleum Company	1.66%
Amerada Hess Pipeline Corporation	1.50%

Pipeline length: 800 miles, about half buried, the remander on 78,000 above-ground supports.
Pipe size: 48 inches in diameter, in lengths of 40 feet and 60 feet and thickness of 0.462 inch and 0.562 inch.
Right-of-way width for pipeline: 54 feet.
Pipeline capacity: 1.2 million barrels a day initially; can be increased with additional pumping stations and terminal facilities to 2 million barrels a day.
Estimated crude oil reserves recoverable on the North Slope: 9.6 billion barrels.

BACKGROUND ON THE ALASKA PUBLIC EMPLOYMENT RELATIONS ACT

AS 23.40.070-260, otherwise known as the Alaska Public Employment Act or PERA, provides for collective bargaining and binding arbitration for public employees at the state level.

It groups public employees into three categories: 1) employees whose services may not be interrupted for even a short period of time, 2) employees whose services may be interrupted for limited periods of time and 3) employees whose services may be interrupted for indefinite periods of time without the public suffering irreparable harm.

All political subdivisions of the state -- boroughs and cities -- were originally included under PERA. However, Section 4, chapter 133, SLA 1972, significantly modified PERA's application to local government by providing for political subdivisions to opt out of the regulations either by ordinance or by resolution.

Most of the major subdivisions of the state have in fact opted out of PERA with the exception of the Fairbanks North Star Borough and the Ketchikan Gateway Borough. (See attached list)

The reasons for this action by municipalities was that they could thereby fashion their own labor ordinances, tailored to local conditions and needs. In some cases, such as the City and Borough of Juneau and the Municipality of Anchorage, complete and parallel systems of collective bargaining agreements and arbitration have been adopted.

Under AS 23.40.250(5), public school employees were specifically exempted from PERA by excluding them from the definition of "public employees".

In this respect, the language of the Act is somewhat confusing and ambiguous, since in previous parts of the legislation direct reference is made to school teachers as public employees whose "services may be interrupted for a limited period but not for an indefinite period of time" (AS 23.40.200 paragraph "c"). However, despite the ambiguity of language, it has been understood as the legislative intent of the Act to exempt teachers and they have been excluded accordingly.

AS 23.40.190 provides for the appointment by the Labor Relations Agency of a mediator if a deadlock exists between a public employer and a labor organization.

AS 09.43.200, also known as the Uniform Arbitration Act, provides for the court to appoint an arbitrator or arbitrators if the parties agree to binding arbitration and if no written agreement exists for the appointment of arbitration. It also outlines specific procedures for implementing arbitration.

Senate Bill 501 would not modify or affect existing arbitration ordinances or procedures adopted locally by municipalities. The bill would, however, give greater flexibility to those municipalities which have elected to remain under the provisions of the State Public Employees Relations Act by providing them with additional options if they chose to use them.

PUBLIC EMPLOYMENT RELATIONS ACT- AS 23.40.070-260

(Section 4, ch. 133, SLA 1972, provides: "This Act is applicable to organized boroughs and political subdivisions of the state, home rule or otherwise, unless the legislative body of the political subdivision by ordinance or resolution, rejects having its provisions apply.")

The following municipalities have opted out of the Public Employment Relations Act*:

City and Borough of Juneau	Resolution 150
Municipality of Anchorage	Resolution 49-R-72
Matanuska-Susitna Borough	Resolution 72-48
City of Wrangell	
City of Homer	
Kenai Peninsula Borough	Resolution 72-17R
City of Ketchikan	Resolution 954
City of Fairbanks	
City and Borough of Sitka	
City of Petersburg	
City of Soldotna	Resolution 72-17
City of Palmer	Resolution 255
City of Kodiak	Resolution 16-72

Ketchikan Gateway Borough opted out, but later rescinded its action

Fairbanks North Star Borough joined APEA

(* data supplied by Alaska Municipal League)

OPEN NEGOTIATIONS AND PUBLIC PARTICIPATION FOR PUBLIC SECTOR COLLECTIVE BARGAINING

Englewood, Colorado (public referendum)

Aurora, Colorado (public referendum)

Pueblo, Colorado (public referendum)

San Francisco, California (public referendum)

Kansas City, Missouri (bargaining in public)

State of Tennessee (bargaining in public)

State of Florida (bargaining in public)

State of California (public disclosure of initial bargaining positions for school negotiations)

State of Wisconsin (public disclosure of initial bargaining positions)

State of Massachusetts (13-member fact-finding review panel)

SB 501

Mediation Procedures AS 23.40.190. "If, after a reasonable period of negotiation over the terms of a collective bargaining agreement a deadlock exists between a public employer and an organization, the Labor Relations Agency may appoint a competent, impartial, disinterested person to act as mediator in any dispute either on its own initiative or on the request of one of the parties to the dispute. The parties may also select a mediator by agreement or mutual consent." However, neither the mediator nor the Labor Relations Agency has any power of compulsion in mediation proceedings.

Arbitration Procedures AS 43.020-220 (Uniform Arbitration Act)

Unless the arbitration agreement provides a method of appointing arbitration, the superior court may appoint one or more arbitrators. The arbitrator(s) shall proceed in the following manner:

1. Set a time and a place for the hearing and notify the parties at least five days in advance.
2. Allow the parties to present evidence in the hearing and to cross examine witnesses.
3. Render a final decision by a majority, if more than two arbitrators have been appointed.
4. May issue subpoenas and administer oaths.

Appeals to the actions of arbitrators in either

1. Denying or compelling arbitration
2. Confirming or denying an award for settlement
3. Modifying or correcting an award.
4. Voiding an award without a rehearing.
5. Any judgement or decree issued under the Uniform Arbitration Act.

All appeals are handled as civil actions.

F: SB 501

George Fetch-Valdez

Al Leggat - (813) 893-7251
Florida

about bar. w/ unions that open to public?

knows union bar +
knows how to handle it.
he will answer it.

union bargaining

TESTIMONY FROM VIDEO-CONFERENCE
C&RA COMMITTEE MEETING ON SB 501 & 373

March 30, 1978

Present: Senators Orsini, Hackney, Ferguson and Sumner

Absent: Senator Willis

Chairman Orsini called the meeting to order and explained that the meeting was on a video-conferencing network tied into Nome, Bethel, Fairbanks, Anchorage and Ketchikan.

Senate Bill 501, relating to municipal labor relations and Senate Bill 373, relating to public information regarding collective bargaining by public employees were the bills before the committee.

Gary Akerman - Fairbanks - Public, Labor Union Member - Stated that negotiations were a matter between the employer and employee. Felt that these are the two people involved and they can best negotiate something out between themselves. Stated that he felt the same way about SB 373.

Walt Bonnet - Anchorage Chamber of Commerce - Public - Stated that he was opposed to any act which brings about binding arbitration in the form of impasse resolution and labor disputes with any public employees - consistent with this is opposition to the concept of submission of dispute directly to the voters. Stated that public employees salaries, benefits and terms of employment are a most significant aspect of municipal government. The function of management of public employees is historically and ideally vested in the elected offices of the Mayor, Assembly and School Board. Third party panel will never create substantial public awareness and what is worse will never resolve the question of whether one of the parties was being irresponsible in the role of negotiating. It reduces public awareness of negotiation proposals and settlements and reduces public scrutiny in the roles played by the principals charged with the negotiation functions. This dissolving of direct accountability to the elected official or representative of a bargaining unit is the single most negative facet of the binding arbitration.

Caroline Wohlforth - Anchorage - President of Anchorage School Board- Stated that SB 501 strikes at the core of elected officials. The policies and relations between employers and employees are most effectively dealt with by their own elected officials who have that responsibility to the public. She also stated that if government was run by referendum there would be no need for government. She stated that on the same basis they questioned the use of binding arbitration as a means of settling a dispute which arise in negotiations. She went on that under our system, management and labor have certain perogatives during negotiations, binding arbitration would deny both parties of this perogative and result in governmental policy making outside of government.

Sharon Walker - Ketchikan - Ketchikan Gateway Board of Education - It is the opinion of the Ketchikan Gateway Board of Education that

binding arbitration in any form in municipal labor relations deletes the authority and the responsibility of the duly elected local official. If a local municipality attempts to exempt itself by the election of an arbitration panel then that panel itself becomes another level of government and the election of those members become paramount on any issue of labor relations. If an election is held on the issue of impasse then the management unit of local government must spend local tax dollars in an effort to inform the voters as to the background and reasonings behind their offer. She stated that it was the Board's opinion that either method is unsatisfactory and cannot support either of the bills.

John Carlson - Fairbanks - Mayor, North Star Borough - Comments basically on SB 373. Opposed to any effort from the State Legislature to further direct local government in collective bargaining procedure. He stated that the procedures and policies implemented in collective bargaining can best be addressed at the local level. Strongly opposed to binding arbitration from an outside arbitrator. Felt that it was in the best interest of the local municipality to determine their own labor relations policy. He brought out in testimony on the 3 member arbitration panel that there should be some indication of how to replace a person that has been elected to the board.

Millett Keller - Anchorage - V.P, Anchorage School Board - Stated that he has strong feelings about the philosophical implications on our entire form of government that binding arbitration in the public sector brings to the front. He stated that collective bargaining has served the Alaska public employees quite well. Binding arbitration is where he has to draw the line. He stated that with binding arbitration we are taking the most powerful force we give our government: the ability to tax and giving it to someone who doesn't account to the voters. He stated that the voters want and demand that their elected officials face up to all the tough issues and represent the public by making these decisions. He stated that the Anchorage School Board does not support SB 501. He stated that he was in favor of revealing to the public what collective bargaining offers are, in favor of SB 373.

Bob Collins - Ketchikan - APEA of Ketchikan - Supports SB 373 and opposes SB 501. Stated that SB 501 is fatally flawed in several respects. Arbitration panel elected by the voters is a poor idea. Elected arbitrators in smaller communities would be inexperienced in collective bargaining and labor law and procedure, municipal finance, personnel management and other matters pertaining to collective bargaining. Stated that elected arbitration panel would achieve improperly arbitrated decisions on collective bargaining disputes; these in turn would lead to extensive litigation. Submitted disputes to the voters is also a poor idea. Voters are largely uninformed about collective bargaining issues. That being the case if the issue is submitted to them it becomes a media battle.

Rosemary Porter - Bethel - Public - She stated that on SB 501 the amendment may be necessary because it does give municipalities options and anything that gives municipalities options has got to be a good thing. She stated concern on the 3 member elected arbitration panel because it tends to put arbitration in a political form.

Robert Johnson - Anchorage - Teamsters, Local 959, opposed to SB 501, consider it both irresponsible and dangerous to free collective bargaining. He stated that it has the potential of destroying collective bargaining even though it pretends to follow the ultimate in democratic process. He also stated that it is for better or worse the duty of an elected official within local cities to carry out both the legislative and executive functions. He stated that collective bargaining was one of those executive functions. The delegation of this function is called forth within this bill. He went on to say that the people in the local union did not see any need for this legislation.

Bob Garza - Ketchikan - Ketchikan Central Labor Council & IBEW, Local 1547 - He stated that these two organizations were opposed to SB 501. He said that there are enough problems with the public employees relations now without adding further confusion and additional costly elections to elect people who are perhaps unqualified in labor disputes.

John Alexander - Anchorage - IBEW, Local 1547 - Oppose both pieces of legislation. He stated that it further complicates collective bargaining. Does not see any need for this legislation. Also stated opposition to personalities when it came to voting on a 3 member arbitration panel. He said that this would probably prolong the bargaining process. Stated that he had gone through impasse in past and has been able to work out their differences on their own with any outside arbitrator.

George Pearson - Anchorage - President of Alaska State Council of Carpenters - Is opposed to SB 501. He said the reason state confusion and poor labor relations exist because of continual adoption of new labor relations legislation or employee regulations. Continually adding options and revising these is not helpful stability within the state.

Diane Carpenter - Bethel - Public - Is oppoed to SB 501. She stated that one concern was with the public being the deciding factor. She thought that it was very difficult for the general public to be well informed on the complex issues that are involved in negotiations to be able to make a good determination on those issues. She also stated concern about the 3 member arbitration panel. She felt that it would be the place of the two parties involved to select who should be on the panel. On SB 3737 she stated that initial proposals should be kept confidential and should be negotiated in private. If there was an impasse she felt that the public has a right to know what the issues are that are at impasse and at this point each parties should be willing to make their positions known to the public so that they can through the political process influence the final outcome.

Allen Winterstein - Chairman, Lower Kuskokwim Pace Committee - opposed to SB 501. He stated that this bill puts items of impasse between the public employees and employers before the voters to determine. He stated that this would be detrimental for several reasons. People generally vote no on that which they do not understand and on items that cost money. This bill would destroy the current negotiations procedure.

Ben Clayton - Anchorage - Fire Fighters, Local 1264 - He testified

on SB 373 and said that his remarks also apply to SB 501. He felt that if collective bargaining impasse was brought to the public for a decision, there would be emotionalism involved and it would also lose the compromising technique. If the public voted they would have to vote one way or the other - no compromise.

Sue Lindford - Anchorage - Public - Opposed to both bills basically for one reason -- they limit local control. Both pieces further narrow local government authority and ability to discover their own inperfect solution to the perfect problem - impasse resolution. She went on to say that the State would be better advised to spend the tax payers money on on-going training of employee groups and elected officials around the state and various techniques which will help to insure a fair collective bargaining.

Mason West - Anchorage - President of the Alaska Community Colleges Federation of Teachers - Stated they fully oppose SB 501. He stated that it improperly addresses the need of labor or management in the process of collective bargaining. He believed that both parties should be the deciding parties. He stated that with an elected panel of arbitrators you would be subjected to corruption, inability and influence which would make it to political.

Senator Hackney adjourned the meeting after completion of State-wide testimony on SB 501 and 373.

THE FOLLOWING PAGES WERE TREATED AS
A UNIT IN THE ORIGINAL FILE.

F: SB 501

4-5-78

Re- "Alternatives to the Strike in Public Labor Relations"

The article sent over by APE. is a discussion by Merton Bernstein, a professor of law at Ohio Sta[illegible] University, of unionization in the public sector, the prohibition of the right to strike among public employees, collective bargaining, and binding arbitration.

Bernstein believes that collective bargaining has worked well for both public employer and employee. He is dubious of the effects of binding arbitration on the collective bargaining process and flatly dislikes the idea of strikes in the public sector.

To work himself out of the bind resulting from his rejection of both binding arbitration and the right to strike, he has proposed two complementary alternatives: the "non-stoppage" strike and the graduated strike.

The non-stoppage strike is one where employees keep on working but give up a portion (Bernstein recommends initially 10 percent) of their income to a special fund. The employers matches this contribution to the fund. If the strike continues, the union can opt to increase the amount of money its employees pay into the fund. Bernstein acknowledges that he doesn't know what the fund would be used for, but he argues that the non-stoppage strike would be a reasonable alternative to an all out strike.

The graduated strike is one where employees strike only on agreed upon days (Tuesdays, for example; or Mondays, Wednesdays, and Fridays). Their pay would be correspondingly reduced.

Bernstein says that the non-stoppage strike was proposed several decades ago in the private sector but was never taken up. The graduated strike, he believes, is original with him.

My reaction is that the non-stoppage strike is discriminatory towards the employee and that the graduated strike might be so unnoticeable that the public would prefer to continue it on a permanent basis.

Ben Harding

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ALTERNATIVES TO THE STRIKE IN PUBLIC LABOR RELATIONS

Merton C. Bernstein *

Professor Bernstein analyzes the difficulties inherent in the regulation of collective bargaining in the public sector and examines the currently existing and proposed systems of regulation. He concludes that new arrangements are necessary and suggests use of the nonstoppage strike and the graduated strike.

FOR four decades collective bargaining has been the central feature of public regulation of private labor-management relations,[1] and the right to strike, while occasionally curtailed,[2] has been thought essential to making it work.[3] And it has worked reasonably well. Manhours lost in strikes constitute an infinitesimal fraction of all hours worked.[4] In the public sector, however, strikes have been prohibited. Strikes by public employees may cause intense disruption in community life, as when transit systems cease operation or schools close. Yet, there has been developed no other effective mechanism for resolving the inherent conflicts between public employers and their employees. This essay proposes, in the context of public employment at the local level,[5] two new methods of accomplishing the desirable functions

* Professor of Law, Ohio State University. B.A. Oberlin, 1943; LL.B. Columbia, 1948.

[1] Section 7 of the National Labor Relations Act [hereinafter cited as NLRA] declares:

> Employees shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in other concerted activities for the purpose of collective bargaining . . . .

29 U.S.C. § 157 (1970). Several states have similar laws. *See, e.g.*, State Labor Relations Law § 3, MASS. GEN. LAWS ANN. ch. 150A, § 3 (1971); N.Y. LABOR LAW § 703 (McKinney 1965).

[2] For example, secondary boycotts are illegal. NLRA § 8(b)(4), 29 U.S.C. § 158(b)(4) (1970).

[3] Section 13 of the NLRA supplements Section 7:

> Nothing in this subchapter, except as specifically provided for herein, shall be construed so as either to interfere with or impede or diminish in any way the right to strike, or to affect the limitations or qualifications of that right.

29 U.S.C. § 163 (1970).

[4] In 1968 the 5,045 work stoppages accounted for .28% of total working time. U.S. BUREAU OF LABOR STATISTICS, DEP'T OF LABOR, BULL. NO. 1646, ANALYSIS OF WORK STOPPAGES, 1968, at 13 (1970).

[5] In all but two of the eleven years 1958–1968, strikes by local government employees accounted for more than 90% of all government stoppages. TWENTIETH CENTURY FUND TASK FORCE ON LABOR DISPUTES, PICKETS AT CITY HALL 32 (1970). Consequently, while much of the analysis and all of the proposals here presented could be applied to higher levels of government, my focus is on local units.

of strikes without the illegality and disruption that are their present hallmarks.[6]

I. Patterns of Public Labor Relations

A. History

Until fairly recently unionization at all levels of government was slight. Public employees pursued their group interests through associations and leagues, and occasionally unions, whose typical operation was to lobby for favorable civil service laws, pay scales, fringe benefits, and administrative regulations. Before the surge of unionization in the private sector brought on by the New Deal and World War II, many public employees enjoyed job security, benefits, and status that few private employees could match. However, by the late 1940's unions represented a major segment of the privately employed and won protection and economic gains which appeared to outdistance the progress of nonunionized and public employees. Large numbers of semiskilled and skilled workers entered the ranks of the middle class, formerly the preserve of professionals and white collar workers. "Plumber" and "teamster" came to imply, not grubby and poorly paid work, but short hours and high pay, while "civil servant" came to be associated with drab routine and shabby gentility. For instance, to teach required a strong feeling of vocation and, some thought, a vow of poverty. In addition, in the 1960's the apparent success of the militant stands taken by civil rights groups emboldened government employees to use collective action and direct confrontation to obtain more security and better compensation. Consequently, in the last decade unionization grew more rapidly in the public sector than in the private.

Often in the early stage of union activity, public employers — especially the federal government — took the position that while employees' unions might be consulted about employee concerns, recognition of a union, let alone bargaining, could not be reconciled with the sovereignty of the state or the benign role of the nonprofit employer. Whatever its merits, that official posture began to break down soon after the election of President Kennedy, who had received heavy support from organized labor. A committee he appointed to study the role of employee organization, dominated by Secretary of Labor Goldberg, Undersecretary Willard Wirtz, and Theodore Sorenson, all firm believers in

[6] The existing literature is massive, and no attempt will be made here to summarize it. For an excellent symposium on public employee labor relations, see *Symposium: Labor Relations in the Public Sector*, 67 Mich. L. Rev. 881 (1969).

collective bargaining, could hardly have decided against recommending a representative role for public employee unions. The resulting executive order[7] provided for limited representative status to unions. President Nixon has continued this trend, making exclusive recognition even more central to the federal government's relations with its employees.[8]

Meanwhile, public employee unions at the state and local level grew, demanded to be recognized as bargaining agents, and agitated for significant pay raises, fringe benefits, and increased job security. Put to the test by illegal strikes and sometimes illegal "sanctions," and weakened by the example of the federal government, the "consultation without recognition" model was routed here, too, probably forever.[9] At the same time, public employees drew from their private counterparts' credo and habits. As a result, the pattern of at least the short term future will probably consist of union representation, where chosen by a majority of employees in appropriate units,[10] and negotiation of signed agreements covering at least some of the subjects traditionally bargained over in the private sector.

B. Recognition and Bargaining — Without Strikes

Modern public labor relations statutes provide machinery for unit determination, elections, certification of the successful con-

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[7] Exec. Order No. 10,988, 3 C.F.R. [1959-1963 Comp.] 521 (1964).

[8] Exec. Order No. 11,491, 3 C.F.R. 510 (1971).

[9] The philosophy that public employees do not even have the right to join unions has finally become outmoded. *See* Smith, *State and Local Advisory Reports on Public Employee Labor Legislation: A Comparative Analysis*, 67 MICH. L. REV. 891, 892 (1969). A fine summary of the transitional changes from ban to permission of union organization, bargaining, collective agreement execution, and arbitration is found in Smith & Clark, *Reappraisal of the Role of the States in Shaping Labor Relations Law*, 1965 WIS. L. REV. 411, 421-31.

[10] The regularization of procedures for the selection of employee representatives is indispensable to public employee labor relations. Continued resistance to unionization may be expected for some time because so much unionization takes place at the local government level, particularly among teachers. Small community school boards, inexperienced in labor relations, frequently influenced by persons with an anti-union bias, and already beset by intractable problems, often seem incapable of dealing reasonably with unions. Stoppages caused by the combination of such reluctance with the absence of legally prescribed procedures for ascertaining bargaining units and determining employee desires are wasteful indulgences of attitudes whose time has passed. *See* GOVERNOR'S COMM'N TO REVISE THE PUBLIC EMPLOYEE LAW OF PENNSYLVANIA, REPORT AND RECOMMENDATIONS 6, 9 (1968).

Professor Charles Rehmus sets forth a useful catalogue of other measures to remove unnecessary sources of friction in *Constraints on Local Governments in Public Employee Bargaining*, 67 MICH. L. REV. 919 (1969).

tender (if there is one), and bargaining. However, all but two states ban strikes by public employees.

Various philosophical justifications have been offered for this ban: strikes against the sovereign state are intolerable; public employers are not motivated by profit;[12] public services are essential; and public employee unions with both political influence and coercive power through strikes would have an undue opportunity to distort the normal political process.[13] As a practical matter, the strike ban is the result of a different chain of reasoning. Because the state now provides protection for union activities, machinery for union representation, and procedures for the promotion of bargaining such as mediation and factfinding with recommendations, unions and their members should count themselves lucky to receive the new dispensation and work within the system.[14]

Perhaps they should, but they have not; unions have resisted these arguments from the outset. There are a number of reasons for their attitude. Many leaders of public employee unions come from the ranks of organized labor in the private sector, where the strike is a legally protected, central tactic of bargaining and a means of enhancing organizational spirit and loyalty. Perhaps more important, strikes have been the weapon for transforming public employer intransigence into union recognition, better bargains, and even legislation for protecting union activities. Thus, while statutes have banned strikes as a matter of law, even those with the most draconian sanctions have failed to prevent them as a matter of fact when bargaining deadlocks occur. Indeed, the imposition of sanctions may be counterproductive, for both union and government officials may benefit from such occasions for demonstrating personal intrepidity without dealing with the

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[11] HAWAII REV. STAT. § 89-12 (Supp. 1970); PA. STAT. ANN. tit. 43, § 1101.1001 (Supp. 1971). A Vermont statute prohibits strikes by local government employees if they "will endanger the health, safety or welfare of the public." VT. STAT. ANN. tit. 21, § 1704 (Supp. 1971). The range of permissible strikes is unclear.

[12] The logical consequence of this is hard to fathom. Presumably, nonprofit employers will act more fairly. However, employers motivated by profit may actively seek employee goodwill and bargain responsively because of the serious financial consequences of a stoppage; public employers, especially at the local level, have become motivated chiefly by a desire to make ends meet.

[13] *See* Taylor, *Public Employment: Strikes or Procedures?*, 20 IND. & LAB. REL. REV. 617, 626-27 (1967); Wellington & Winter, *The Limits of Collective Bargaining in Public Employment*, 78 YALE L.J. 1107, 1123-25 (1969). However, unions in the private sector have long enjoyed such dual methods of influence. *See* International Ass'n of Machinists v. Street, 367 U.S. 740, 800 (1961) (Frankfurter, J., dissenting) ("It would be pedantic heavily to document this familiar truth of industrial history and commonplace of trade-union life.").

[14] *See* Taylor, *supra* note 13, *passim*.

hard problems of settling the underlying dispute. Russell Smith observes that we perhaps accord

> a kind of de facto recognition to conduct officially declared illegal . . . [a] state of affairs scarcely desirable in any society which purports to order its human relations according to the processes of law.[15]

His colleague, Professor St. Antoine, agrees:

> It is folly . . . [to outlaw] absolutely a form of conduct that is sure to be engaged in, under certain conditions, by respectable persons in the thousands.[16]

These observations have the ring of wisdom.

II. The Strike Weapon

Assessment of the strike weapon requires fresh recognition of its differing settings, tactics, and impacts.[17] So many arguments for and against allowing the strike in public labor relations derive from its role in private labor relations that the analysis properly begins with the private sector.

A. In the Private Sector

While potentially very destructive weapons, strikes are seldom employed;[18] their salutary persuasive effect results from the mere existence of the possibility of a strike. What damages strikes cause are, arguably, the relatively small price paid to make collective bargaining work.

The classic model of the private strike is that of a group of employees which withholds its labor from an employer in order to gain recognition or bargaining concessions. The employees forego their wages and the employer loses the revenue derived from the sale of the goods or services they would otherwise produce. The beauty of the strike is that while a potent weapon, it also inflicts damage on the wielder, so that even the threat of its use induces in both sides the degree of reasonableness essential to realistic bargaining.[19] When the strike operates in this manner, it clearly merits legal protection.

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[15] Smith, *State and Local Advisory Reports on Public Employment Labor Legislation: A Comparative Analysis*, 67 Mich. L. Rev. 891, 917 (1969).

[16] St. Antoine, *The Consent of the Governed—Public Employee Unions and the Law*, Mich. L. Quadrangle Notes, Fall, 1970, at 9, 12.

[17] John Dunlop discusses several, but not all, in *The Function of the Strike*, in Frontiers of Collective Bargaining 103 (J. Dunlop & N. Chamberlain eds. 1967).

[18] *See* note 4 *supra*.

[19] *See* D. Cullen, Negotiating Labor-Management Contracts 2–5 (1965).

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[19] *See* D. CULLEN, NEGOTIATING LABOR-MANAGEMENT CONTRACTS 3-5 (1965).

However, it must be recognized, especially by those who counsel legalization of strikes in the public sector, that even in the private sector strikes do not always perform their hoped-for function. In some private sector strikes, the contending parties suffer little or no loss while others bear the brunt of the stoppage. For example, in the extended New York City newspaper strike several years ago, the printers had full employment opportunities and the publishers actually saved money by not printing during low-advertising periods; it was the other newspaper employees, the retailers, and the retailers' employees who suffered serious loss. Moreover, economists have long been aware that some major strikes disrupt the economy so seriously as to put in doubt their classical justification.[20] In addition, employer mutual aid pacts and strike insurance[21] — and, probably to a lesser degree, union strike benefits[22] — operate to eliminate or reduce significantly the disciplining power of the strike weapon. In short, while often a salutary device, the private strike sometimes fails to operate as advertised.

B. In the Public Sector

So far as public employees are concerned, strikes have the same fairly direct effect that they have in the private sector: current income stops. However, when we compare private and public employers, we find differences that preclude reliance on the classical model of the private strike.

As noted above, the private employer is motivated by loss of sales — an occurrence which is direct, measurable, and predictable. However, in most public employee strikes, the government's revenues continue; only its wage payments stop. What creates pressure on the governmental employer to bargain are expressions by its citizens of their need for the public services.[23] Such

[20] *See, e.g.*, Marceau & Musgrave, *Strikes in Essential Industries: A Way Out*, 27 HARV. BUS. REV. 286 (1949).

Indeed, in 1947 Congress sought to curtail strikes capable of threatening the national health and safety by national emergency dispute provisions. *See* Labor-Management Relations Act (Taft-Hartley Act) §§ 205-08, 29 U.S.C. §§ 175-78 (1970).

[21] *See, e.g.*, Comment, *Six Carrier Mutual Aid Pact: A New Concept of Management Strike Strategy in the Airline Industry*, 60 COLUM. L. REV. 205 (1960); Comment, *Strike Insurance: An Analysis of the Legality of Intercmployer Economic Aid under Present Federal Legislation*, 38 N.Y.U.L. REV. 126, 127-34 (1963).

[22] Strike benefits tend to be small. N. CHAMBERLAIN, THE LABOR SECTOR 620 (1965).

[23] For many years I have suggested that the consumer-taxpayer-citizen be regarded as the real public employer. This characterization was independently espoused by Professor Clyde Summers at the 1969 Midwest Labor Conference.

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expressions are rarely clear, however, for the citizenry is composed of many groups with overlapping interests in getting services, differing abilities to pay taxes, and varying degrees of political punch.[24] Moreover, citizens are rarely aware of the precise relation between costs and services. On innumerable occasions in the last decade rejections in referenda of taxes to support schools have led to subsequent school shutdowns; I suggest that the votes might well have been different had the shutdowns occurred before or during the time that the voters were registering their preferences. Unfortunately, the precision of citizen perception may not be significantly increased even by strikes, because the choice for citizens then seems to be, not how much of a public service to have, but whether or not to have it at all.

A second crucial difference between private and public employers is that the former are, so far as labor relations are concerned, relatively closely knit organizations. Top management often participates in collective bargaining, and when it does not, the company negotiators generally report directly back to it. In addition, management has had, at least until Phases I and II of President Nixon's game plan, the ability to set prices and make similar policy decisions without interference. This concentration of power makes possible reasonably rapid and decisive resolution of disagreements with unions.

Government employers, however, are characterized by diffusion of responsibility. Typically, one set of officials is involved in the negotiation process and another in the appropriations process; and occasionally even the citizens may speak directly through referenda. For local governments this problem is exacerbated, for not only are there executive and legislative officials at the local level, but also significant portions of local budgets are determined by the state legislature and the governor, and, indeed, by Congress and the President.[25] Therefore, those officials who

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See 1969 LAB. REL. YEARBOOK 305. An experienced nonacademic labor relations expert shares this analysis. Simons, *Discussion: The American City and Its Public Employee Unions*, in INDUSTRIAL RELATIONS RESEARCH ASS'N, COLLECTIVE BARGAINING IN THE PUBLIC SERVICE: PROCEEDINGS OF THE 1966 ANNUAL SPRING MEETING 104, 107 (G. Somers ed. 1966).

[24] The rash of rejections of school bonds and levies indicates that the dominant instructions from citizens are to economize. *But see* Wellington & Winter, *Structuring Collective Bargaining in Public Employment*, 79 YALE L.J. 805, 849 (1970), which, remarkably, posits public pressure "for settlements without much regard for the costs . . . ."

[25] In 1969 local government expenditures totalled about $80 billion, of which $48 billion came from their own sources. U.S. BUREAU OF THE CENSUS, 1971 STATISTICAL ABSTRACT OF THE UNITED STATES 400 (1971). The state governments contributed $22 billion. COUNCIL OF STATE GOVERNMENTS, THE BOOK OF THE

participate in negotiations often cannot make binding decisions; at most they can pledge to seek requisite funds or legislation. And, as a corollary, those who allot funds have great difficulty in predicting how much each type of service will cost and thus in allocating resources among services. The result of all this is that the decisionmaking process takes much time.[26]

In order to perform their functions in collective bargaining, public officials usually need the citizen pressure generated by strikes, but they need it in a form that gives them more time than the traditional strike permits. In Pennsylvania, the early months under a statute allowing strikes [27] have been marked by numerous stoppages, possibly beyond the number anticipated.[28] This might be a temporary phase which will not be repeated as public employers and unions learn how to use the law.[29] I suspect, though, that the strike weapon is too drastic for the peculiarities of public labor relations. And in any event, the implacable opposition in most states to traditional strikes by public employees places the legalization of such strikes beyond debate for the foreseeable future.

III. Compulsory Arbitration — A Dubious Alternative

Compulsory arbitration is often proposed as a peaceful means of settling the differences between public employers and employees.[30] There are, however, serious objections to the use of this device in either the private or public sector. Successful

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States 1970–71, at 281 (1970). Together, local and state governments derived $19 billion from the federal government, U.S. Bureau of the Census, 1971 Statistical Abstract of the United States 403 (1971), much of it reach... the localities via the state governments.

[26] "Frequently many months are needed to reach agreement . . . ." New York City Office of Collective Bargaining, 1969 Annual Report 7 (1970).

[27] Pa. Stat. Ann. tit. 43, § 1101.1003 (Supp. 1971).

[28] I was so informed by one member of the Governor's Commission to Revise the Public Employee Law of Pennsylvania. Others with operating responsibility, I am told, feel that strike activity has been slight and at the level generally expected.

[29] On both sides, but especially on the employer's, one can expect lack of experience in labor relations frequently compounded by amateurism. The regular duties of district and county attorneys do not equip them to deal with unions. Clearly, an important element of state labor relations policy is to supply education to public officials, preferably before they are confronted with a union challenge. And after the union is on the scene as bargaining representative, the state should furnish to local officials experienced lawyers and economists to familiarize them with the legal and practical intricacies of their unaccustomed situation and provide advice as to the peaceful alternatives available.

[30] *See, e.g.*, N.Y. Times, Oct. 31, 1971, § 1, at ., col. 1.

bargaining requires that each side determine which issues it feels most strongly about, estimate the other side's priorities, determination, and strength, and then trade concessions with the other side in an effort to reach a mutually acceptable "deal." In arbitration, however, all arguments are supposedly based on logic — even though it has long been recognized that reasoned criteria, especially for setting wages, are illusory.[31] Consequently, compulsory arbitration undermines good faith bargaining, for the weaker party has little to gain from bargaining.[32] Furthermore, since arbitrators may treat the best disclosed offers as the permissible limits of the award, it pays for each side not to disclose how far it is really willing to go on each issue. As a result, the availability of arbitration saps the efficacy of factfinding; and, at the arbitration stage, the stated issues and arguments may so obscure the parties' true needs and desires that the resultant award may easily miss a satisfactory resolution of the dispute.

A further difficulty arises from use of compulsory arbitration of disputes in the public sector — the preemption of public officials from deciding policy issues. Viewed mechanically, the arbitration process does not seem to allocate public resources: arbitrators fix equitable salaries for employees, and officials determine, given these cost figures, how much public service should be purchased. As a practical matter, however, employers rarely contemplate and unions would rarely permit curtailment of services and employment. Thus, the wage decision and the resource allocation decision are inevitably linked. Also, professional employees often bargain over programs. For example, teachers' unions may demand certain kinds of educational offerings or limits on class size. Even if arbitrators were capable of dealing with the complexities of budgeting and choosing programs, elected officials should not delegate the duty they owe the electorate to settle these questions. Deciding policy issues is the vocation of officials, not of arbitrators. Furthermore, when decisions lack an adequate electoral base, they will be short-lived, as the drastic retrenchments of Medicaid demonstrate.

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[31] *See* I. BERNSTEIN, ARBITRATION OF WAGES 51–105 (1954); Taylor, *Criteria in the Wage Bargain*, in N.Y.U. 1ST ANN. CONF. ON LABOR 65 (E. Stein ed. 1948).

[32] *See* H. NORTHRUP, COMPULSORY ARBITRATION AND GOVERNMENT INTERVENTION IN LABOR DISPUTES: AN ANALYSIS OF EXPERIENCE 207 (1966); W. WIRTZ, LABOR AND THE PUBLIC INTEREST 52 (1964) ("Experience, particularly the War Labor Board experience during the forties, confirms that a statutory requirement . . . [for] arbitration has a narcotic effect on private bargainers . . . ."); Kheel, *Strikes and Public Employment*, 67 MICH. L. REV. 931, 936–40 (1969). *But see* Finkelman, *When Bargaining Fails*, in COLLECTIVE BARGAINING IN THE PUBLIC SERVICE 116, 125–26 (K. Warner ed. 1967).

Compulsory arbitration in the public sector would also face a problem more mechanical, but no less important, than that of inappropriate delegation. Typically, the employment contracts of public employees are staggered, so that only one or a few groups will be negotiating new contracts at any one time. In such a context the frequent disputes over the relative pay scales of the various groups of public employees create nearly insoluble perplexities, with each group demanding higher pay scales than the previous group received. I suggest that the bargaining process offers a possible way off this treadmill: a compensation package can be negotiated with each group of employees which, while intrinsically satisfying to the group, defies comparison with those of other groups. It is dubious, however, that the traditional arbitration format can produce stable arrangements. Even if the arbitrators possess the abilities necessary to determination of the appropriate pay relationships — and they may not, since the basic problem requires policy resolution — they would not, in the course of arbitrating one group's contract dispute, have all the competing groups before them. Nor would some new scheme to allow all competing groups to present the merits of their claims be feasible, for it would incur the risk of a simultaneous strike by all those groups dissatisfied with the award.

I would also like to point out what would be a significant transitional problem were compulsory arbitration to be widely adopted in the public sector. Few potential neutrals now possess sophistication in public finance. While expertise might be developed, several years of factfinding in public labor disputes which involved budgeting issues seem to have produced little confidence among arbitrators that they are equipped to deal with such problems.

"Either-or" arbitration, having been specially proposed,[33] deserves special mention. Under this arrangement the arbitrators decide which side's final offer is more "reasonable" and take it as their award; they cannot choose any point between the parties' offers. While such a system is said to encourage reasonableness by both parties, it is actually gimmickry which encourages poker playing. Sweetly reasonable and unpalatably sour proposals may often be intermixed in each party's offer, but the arbitrators are powerless to select only the reasonable elements. Furthermore,

[33] President Nixon has proposed such a plan for resolving emergency disputes in the railroads. *See* 1971 U.S. CODE CONG. & AD. NEWS 42. Neil Chamberlain reports that this type of arbitration "was tried briefly and without much success under the German Weimar Republic . . . ." N. CHAMBERLAIN, THE LABOR SECTOR 640 (1965). For a seasoned observer's low opinion of "either-or" arbitration in public employment, consult Wildman, *Representing the Teachers' Interests*, in INDUSTRIAL RELATIONS RESEARCH ASS'N, *supra* note 23, at 113, 119.

even if under such a system it may be said that the parties deserve what they get, the ultimate award carries with it little promise of stability. Anyone with labor relations experience knows that whenever a winner and a loser may be identified, the leadership of the loser is likely, if only to regain face, to cause trouble.

In conclusion, since neither the union nor the local government may have agreed to the process of arbitration, to the selection of the arbitrators, or to the ultimate award, the resolution of disputes by this method is inherently unstable. Coercion is not only unattractive; it also works quite poorly.

IV. Proposed Alternatives: The Nonstoppage Strike and the Graduated Strike

It is reasonably clear that in public employment, the strike ban does not work; yet in most jurisdictions legalization of the strike is not a real possibility. And, I submit, the strike as it is known in the private sector would not function in the same way in the public sector and does not fit the peculiarities of public collective bargaining — diffuse responsibility and the consequent need for longer periods of time to reach settlements than in the private sector. Compulsory arbitration has serious drawbacks, not the least of which are its unacceptability to large segments of public management and unions and the likely instability of its results.

Therefore I suggest [34] that we explore the possibilities of two other arrangements which have never been considered in the public sector [35] but which, I suggest, fit the needs of *all* the parties

[34] I want to emphasize that the proposed procedures should be part of a comprehensive public labor relations scheme which provides protection of employees against reprisal for collective activity, procedures for ascertaining appropriate bargaining units, elections to determine employee preferences, recognition and mandatory bargaining, sanctions against improper union activity, mediation procedures for bargaining disputes, and factfinding with recommendations in the case of bargaining deadlock. Such procedures are necessary conditions to the proper functioning of the nonstoppage and graduated strikes. Happily, it is also the case that these procedures will work more effectively if the pressure devices I propose are available.

[35] Several proposals for "nonstoppage" or "statutory" (because imposed by statute) strikes were made for the private sector starting in the late 1940's. They were, in chronological order, Marceau & Musgrave, *Strikes in Essential Industries: A Way Out*, 27 Harv. Bus. Rev. 287 (1949); Goble, *The Non-Stoppage Strike*, 2 Lab. L.J. 105 (1951); N. Chamberlain & J. Schilling, Social Responsibility and Strikes 279–86 (1952); Gregory, *Injunctions, Seizure and Compulsory Arbitration*, 26 Temp. L.Q. 397, 402 (1953). The major variations are summarized and assessed in McCalmont, *The Semi-Strike*, 15 Ind. & Lab. Rel. Rev. 191 (1962); Marshall & Marshall, *Nonstoppage Strike Proposals — A Critique*, 7 Lab. L.J. 299 (1956).

All of these proposals envisioned that employees continue at work and that the

more adequately than either present practices or the currently proposed alternatives.

It will help to give a rough sketch of the functioning of these two arrangements before I go into them in detail. In a nonstoppage strike, operations would continue as usual, but both the employees and the employer would pay to a special fund an amount equal to a specified percentage of total cash wages. Thus, while both parties would be under pressure to settle, there would be no disruption of service. In a graduated strike, employees would stop working during portions of their usual workweek and would suffer comparable reductions of wages. Here, there would be pressure not only on employees and employer but also on the community; however, the decrease in public service would not be as sudden or complete as in the conventional strike. I believe that these two new types of strike substitutes would work best in tandem.

A. The Nonstoppage Strike

Under my proposal, a public employee union would be free to declare a nonstoppage strike after all other bargaining procedures failed to produce a settlement. Employees would be obliged to continue to work full time but would forego a portion of their take-home pay. I suggest that, initially, ten percent would suffice. This money would be paid by the public employer directly into a special fund (more fully discussed below). In addition to paying the equivalent of regular wages, the employer would also put into the fund an extra amount equal to what the employees have given up; this latter sum would constitute a loss to the employer. The union would have the option periodically to increase the amount of the foregone wages and employer payment, perhaps by increments of ten percent every two weeks. The public employer would have the option to require the union to switch to a graduated strike. If the employer did this, the employees would continue to lose the same rate of pay, but the employer would forego services rather than pay out additional funds.

I believe that exercise of the option to initiate the nonstoppage strike and increase the percentage can be limited to the union. The union has little other leverage, since the conventional strike would still be prohibited. Also, were the public employer able to initiate a procedure under which employees would work without

employer lose some income; and most involved a reduction of pay between declaration of the nonstoppage and settlement. All were limited to the private sector. The proposal I make here is the first to suggest application to the public sector and differs in several respects from each of the earlier versions.

The graduated strike is, to the best of my knowledge, original with me.

pay, questions of involuntary servitude might arise. In any event, the employer would still have the strategic bargaining advantage of instituting, after a deadlock in negotiations, certain changes in pay or other terms of employment which have been offered to the union and rejected.

The nonstoppage strike would accommodate the peculiarities of public labor relations. It would attract the attention of and put pressure on both the public officials who deal directly with the union involved and other members of the executive branch whose own budgets might be affected, the local legislature, and state officials. And while a nonstoppage strike would not precipitate a crisis, its pressure would be steady and increasable. Thus, it may provide the necessary incentive for the various bodies of government to act, while allowing them the time they need to do so effectively. Moreover, it does not disturb consideration of the merits of the dispute with the hysteria and histrionics now typical of illegal strikes.

While nonstoppage strikes would create additional expense for public employers — many of whom are hard pressed as it is — they should also put an end to the present practice of paying the employees at overtime rates when a strike ends to reduce the backlog of work accumulated during the strike. Also, hopefully, the expense should be only temporary, and, as will be explained below, the money will not go to waste. In any event, the price does not seem too high to pay for a substantially improved process of bargaining.

Nonstoppage strikes offer significant advantages to employees, perhaps even more than would legalization of conventional strikes. In the first place, their rate of loss of pay would be lower at any given time than if there were an all-out strike. For employees with mortgage and other installment obligations to meet, this continuity of income is highly desirable. And, to the extent that the nonstoppage strike encourages more responsive bargaining without any stoppages, the total loss of pay may be less. In addition, in a full-scale strike, especially one of long duration, the employer is not liable for fringe benefit payments. Thus, life insurance policies may lapse or require payments by employees at a time when their income is interrupted, and group medical care insurance may have to be kept in force at the higher-cost individual rates. In a nonstoppage strike these benefits should continue.

Second, in actual strikes employees run the risk of losing their jobs. A common sanction in illegal strikes is to fire strikers. In the private strike, too, replacement of economic strikers has long been permitted, and while I have seen no data on public

employer activity of this sort, I think it highly probable that permanent, nondiscriminatory replacement of strikers will become a feature of the legal public employee strike. In nonstoppage strikes, of course, jobs would be secure. Moreover, the absence of even temporary replacements would eliminate a traditionally potent source of violence, which everyone has a stake in averting.

Third, long-run employee and union interests are best served by a method that is legal and discomfits the community as little as possible. As union leadership knows from its post-World War II experience, unpopular strikes lead to distasteful legislation. And, by the same token, strikers, even if they feel their conduct justified, often must incur the disapproval of friends, neighbors, and others in the community. A peaceful method of pursuing demands seems clearly preferable.

The public employer would need some means of assuring union and employee compliance with the ground rules. Obviously, working full time for less than full pay might encourage some employees to slow down or "call in sick" — a favored device in strike-ban jurisdictions. Two procedures would minimize violations. First, the unions must see that it is to their advantage to persuade members that it is to *their* advantage to abide by the rules. That is, all must be made aware that the "struck" employer is indeed under strike-like pressure. Second, the statute should provide for an expedited (and I mean quick) unfair labor practice procedure to hear and determine charges of slowdown or improper absence. However, these areas are so sensitive and have such a potential for emotional overreaction that employer discipline of employees should be limited to those cases where impartial hearing officers make a finding that the improper action has taken place.

One serious problem with the nonstoppage strike is finding a suitable use for the special fund to which the public employer and employees have contributed. In order to insure that the loss will actually discipline the parties' conduct in bargaining, the fund would have to be placed effectively beyond their recapture.[38] I recommend that the fund be put at the disposal of a tripartite Public Purposes Committee in which respected community figures outnumber the total number of union and government members. This committee would be charged with the task of applying the money to publicly desirable, preferably short term projects

[38] It might, however, be worthwhile to experiment with partial recapture as an incentive to rapid settlement. Thus, the amounts lost by the parties in the week in which they reach a settlement might be returned to them. *Cf.* Goble, *supra* note 35, at 106.

that are not currently in the public budget — creation of scholarships or construction of public recreation facilities, for example. Certainly public employees would get little direct advantage from such a use of the money. Moreover, since these projects would not be currently funded, the committee's action would not discharge any of the government's present obligations; and since such contributions would occur irregularly, the government could not count on being relieved of any future burdens. Consequently, given public officialdom's abhorrence of losing control over money, this use of the funds should also provide an incentive for public employers to bargain.

Finally, I would like to dispel what may perhaps be a lingering doubt about nonstoppage strikes. Although they were initially proposed for use in the private sector more than two decades ago, they have had little acceptance by private parties. There are a number of reasons for this. First, although strikes have been the subject of some academic disapproval and periodic editorial dismay, they remain an acceptable device in the private sector. There has been, therefore, little real pressure for a substitute. Second, for a nonstoppage strike in the private sector to be as effective as the conventional strike, the contributions of the employer to the fund must be geared to the amount of profits it is spared from losing. Because of the obvious difficulty of calculating this figure, achieving a formula for employer contribution which is satisfactory to both parties could easily be more formidable an obstacle than resolving their basic economic differences. Third, any statutory imposition of a nonstoppage plan would, while solving in a crude way the complexities of computing the formula, raise the claim by employers of deprivation of property without due process and the analogous employee claim of involuntary servitude.

Clearly the first reason does not apply in the public sector, for strikes are not currently acceptable. Nor does the second carry much weight. There is no need in the public sector to base a formula on profits because there are no profits; what should be required by the employees is that there be sufficient pressure on the public employer, and I believe my proposal provides that. The third, too, is inapplicable. Government may of course impose conditions on itself; and since it is constitutional totally to deprive public employees of the right to strike,[37] it should be permissible to provide them with a halfway measure, especially when it is the union which voluntarily initiates its use. In short,

[37] United Fed'n of Postal Clerks v. Blount, 325 F. Supp. 879 (D.D.C. 1971), *aff'd*, 92 S. Ct. 80 (1971).

no significant barriers to adoption of nonstoppage strikes exist in the public sector.

B. The Graduated Strike

A nonstoppage strike may be insufficient to induce responsive bargaining. More direct pressure may be required, and the graduated strike would provide it.

In a graduated strike the union would call work to a halt in stages. During the first week or two of the strike the employees would not work for half a day; during the next period, if the union so chose, they would not work for one full day per week; and so on, until they reached some floor short of total stoppage. Employees' take-home pay would be cut proportionately.

The effect of a graduated strike would be to give the public a taste of reduced service without the shock of immediate and total deprivation. This would start in motion the political machinery I described earlier,[38] but would not overload it. Citizens would make complaints about their inconvenience known to their elected representatives. Local officials, both executive and legislative, would thus be under pressure to *do* something, but would nevertheless be able to consult with each other and with the officials at higher levels of government. They would therefore be able to negotiate with the union in a reasonably coordinated and authoritative manner. Free of resentment and of posturing over illegality, the complicated political process of sorting out preferences between higher costs and fewer services and among competing demands could then work itself out.

To insure that employees really suffer proportionate loss of wages would require, first, that they be unable, after the strike, to reduce backlogs at overtime rates. This could probably be accomplished simply by a limitation on overtime pay for some period following the strike. It does not seem necessary to do more: to the extent the employees ultimately recoup their lost wages, the public will have the lost service restored; and in any case it is unlikely that either side's losses will ever be totally recovered. Second, it would be necessary that the shutdown not exceed the announced level. While enforcement of this requirement would not be easy, it would probably be satisfactory for an impartial body with an expedited hearing procedure to determine the actual extent of the employee stoppage and to mete out appropriate penalties, including reduction of wages. In addition, there would be another strong inducement to proper observance of the ground rules: union and employee recognition that

[38] *See* pp. 464–66 *supra*.

they have an effective, fair, and acceptable weapon to encourage good faith bargaining.

As I stated before, I think that the graduated strike and nonstoppage strike would work best in tandem. Because a nonstoppage strike would cause the public less disruption, we should perhaps require that unions try it for at least four weeks; they would then have the option of instituting a graduated strike. However, since both types of strikes are certain to put pressure on the public employer, I think we should give the employer some limited options. If it feels itself financially hard pressed, it can select the graduated strike, which would result in no additional expense. If it believed that the service performed by the employees was so essential to the public that cessation could not be tolerated — for example, fire and police protection — it should have the opportunity to persuade an impartial, preferably expert, tribunal that the services are in reality so indispensable. If successful, it could limit the union to the ever-more-expensive nonstoppage strike.

V. Conclusion

A blanket ban on strikes by public employees does not work. Illegal strikes are bad for labor relations and even worse for the rule of law. However, conventional strikes, if legalized, would be ill adapted to the complex procedures of public labor relations. Yet the public must accord its employees reasonable procedures that produce responsible bargaining. Under my proposals, bargaining could perform its salutary function, but without the disruption caused by the conventional strike and in ways adapted to the peculiarities of the public's needs and the government's intricate procedures for allocating resources.

Our federal system is complex and often awkward, but it enables us to experiment with various means of regulating public labor-management relations so that neither the public nor public employees are victimized. We should test the nonstoppage strike, the graduated strike, and indeed any other promising arrangement as we grope in this old field mined with so many new problems.

THE PRECEDING PAGES WERE TREATED AS
A UNIT IN THE ORIGINAL FILE.

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Wash. DC.

COMMENTS BY SAM ZAGORIA (U.S. MUNICIPAL LEAGUE) RE SB 501

I spoke to Zagoria 3-20-78 on the recommendation of Ron Garzini (Fairbanks North Star Borough) and Fred Jones (Labor Relations, Municipality of Anchorage) regarding national experience in new approaches to final arbitration or local public sector collective bargaining impasses.

Zagoria said he was familiar with the situation in Alaska, having talked with Mayor Sullivan a number of times. He pointed out two areas of possible action:

1) Bargaining in public. Zagoria said that last week the state of Tennessee had signed into law public bargaining for teachers. He also said that the state of Florida had had this provision for a number of years and that the results were considered good. He noted that, by bargaining in public, both sides felt the pressure of public opinion to negotiate moderately and without taking extreme stands.

2) Public referendums. He believed that the referendum method had the greatest potential for development and thought that it was closer philosophically to the true intent of public collective bargaining, i.e. where public authorities were acting as agents for the public itself.

In regard to public referendums, Zagoria said that the Colorado town of Englewood, just outside Denver, has had a public referendum system in effect for the past five years. The interesting aspect of the arrangement is that no referendum has ever been held. The process (in theory) is as follows: (a) impasse occurs, (b) mediation takes place, (c) upon the failure of mediation a fact-finding board investigates the situation and makes a recommendation to both sides, (d) both sides have 30 days to accept or reject the recommendation, (e) the recommendation of the fact-finding board, plus the last best offers of the two deadlocked sides are put on the ballot for a public vote.

Zagoria said that twice-- once with policemen and another time with firemen-- the labor groups waited until the evening of the 29th day. Then they called a special meeting and accepted the fact-finders' recommendation. In Zagoria's view, they waited until they determined that the public was not with them before they accepted the compromise. Last November 2, two more Colorado towns adopted this procedure.

The City Manager of Englewood is Andy McCown (303-761-1140), City Hall 3400 S. Elati Street, Englewood, Colorado 80110. Zagoria will send us material on the public bargaining system as well as Englewood's system.

Ben Harding

SB 501

Officials Oppose Union Cont

Local labor leaders and school board members yesterday joined in opposing Senate legislation that could give final arbitration of government-labor union disputes to the voters.

A series of witnesses testifying during a teleconference hookup with the Legislature in Juneau also opposed binding arbitration by Outside arbitrators called in when both sides reach an impasse.

Settling a labor dispute between governmental agencies and a union by means of either voter referendum or by submission to a three-member elected panel would amount to "a cop-out" by the government, said school board member Caroline Wohlforth.

Millett Keller, also a board member, said settling such disputes is the responsibility of the two parties involved. "We elect you to make the decisions and set the policies."

Setting up an elected panel to settle disputes would only "create another layer of government . . . further insulating the body that decides what can be spent from the body that decides what can be taxed," he said.

John Alexander, representing the International Brotherhood of Electrical Workers local 1547 said taking labor disputes to the voters would only "further complicate the process of bargaining."

Representatives of the Teamsters, carpenters, International Association of Firefighters local 1264, AFL-CIO, and other unions all said they opposed both binding arbitration by an outside arbitrator and voter intervention as well as a proposal to open up negotiations to the public with announcements of offers and counter-offers by both sides.

However, both school board members said they believe making negotiations open to the public might be helpful in ending disputes.

One union representative, however, likened such a move to "conducting courtship in public."

Labor representative Robert W. Johnson said that would be "an unwanted intrusion . . . like taking your mother in law along on your honeymoon."

He said he likes to see bargaining "carried out to its ultimate end."

Keller said collective bargaining in Alaska "has certainly served the public employees well" resulting in low turnover, good wages, excellent benefits including liberal holidays and good retirement, plus "outstanding job security."

Teleconference witnesses picked up in Fairbanks, Ketchikan and Bethel generally echoed sentiments voiced locally.

The Juneau end of the conference was chaired by Sen. Bill Sumner, R-Anchorage.

Senate bills under discussion were No. 373, relating to public information regarding collective bargaining by public employees, and No. 501, which would allow cities the additional options of settling impasse disputes by means of submission to an elected panel, or by direct vote at

tract Settlements By Voters

the first upcoming general municipal election.

These would apply only to those cities electing to handle negotiations under provisions of the labor relations legislation already in effect, Sumner said. Both bills were introduced by Sen. Joe Orsini, R-Anchorage.

Anchorage Daily News April 27, 1978 SB 501

Mediator reports on deadlock

By SUZAN NIGHTINGALE
Daily News Staff Writer

Personality conflicts between negotiators and skepticism on the part of municipal employees have been cited as two of the reasons why deadlocked negotiations between the Anchorage Municipal Employees Association and the administration aren't proceeding.

In a report released Wednesday by the Municipal Employee Relations Board, mediator-fact finder Joe Keenan recommends that the negotiations be re-opened with "pre-established and enforceable guidelines" and possibly even a change in the composition in the negotiation committees themselves.

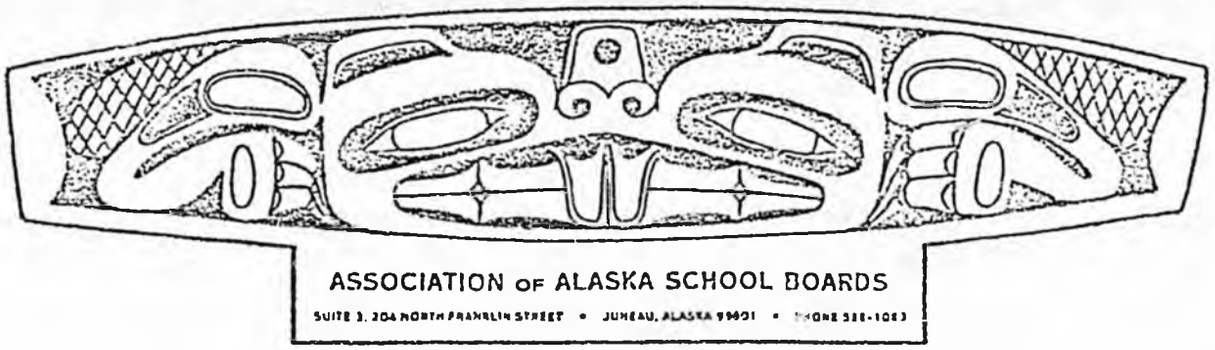
KEENAN ALSO offered to continue his role as mediator, a suggestion expected to be ruled on today by the Employee Relations Board.

The Anchorage Municpal Employees Association, which represents more than 500 general classified employees, has been without a contract since June, 1976, and has been in negotiations with the administration since June, 1977. In March, Keenan was appointed to act as a mediator-fact finder, after talks bogged down. While Keenan was acting as mediator, from March 29 to April 18, about half the items being negotiated were agreed on, according to sources. But on April 19, the AMEA negotiating team gave formal notice of an impasse, indicating they believed meaningful progress was no longer being made.

Wednesday, however, Mark Sollenberger of the AMEA negotiating committee said that group would be willing to reconvene negotiations with Keenan again acting as mediator.

IN HIS REPORT, Keenan cites "such a complete lack of confidence on the part of the employees with the city representatives that any proposal . . . immediately gave rise to such a degree of skepticism as to compel the employees to immediately assume a defensive posture, obviously saying to themselves, 'We heard what you said, but what do you really mean?' "

Keenan added that a "ghost from the past" was also evident during negotiations as employees "continually dwelt on past experiences in connection with their relations with the city."



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P.O. Box 275
Glennallen, Alaska 99588

Marie Barber
P.O. Box 134
Glennallen, Alaska 99588

Sam Aguiar
P.O Box 153
Gakona, Alaska 99586

Althea Hughes
Galkona, Alaska 99586

Joe Roche
c/o Tonsina Lodge
Copper Center, AK 99573

Rev. Lincoln Smith
Box 151
Copper Center, AK 99573

Patricia Hunt
Kenny Lake via
Copper Center, AK 99573

Al Krinke, Supt.
P.O. Box 66
Glennallen, Alaska
99588

CORDOVA City Schools

Jack Lamb, Pres.
P.O. Box 376
Cordova, Alaska 99574

Bruce Bolan
P.O. Box 21
Cordova, Alaska 99574

Peter Blake
Box 187
Cordova, Alaska 99574

Judith Reynolds
Box 903
Cordova, Alaska 99574

Ruth Isleib
P.O. Box 139
Cordova, Alaska 99574

Tyrus Brown, Supt.
P.O. Box 140
Cordova, Alaska 99574

CRAIG City Schools

Joyce Jones, Pres.
Craig, Alaska 99921

Ron Hatch
Craig, Alaska 99921

Margaret Demmert
Craig, Alaska 99921

Janet Charles
Craig, Alaska 99921

Delores Swanson
Box 72
Craig, Alaska 99921

Jim Paul, Supt.
Craig, Alaska 99921

DELTA / Greely Schools

Richard Anderson, Pres.
P.O. Box 806
Delta Junction, AK 99737

William Haslem
P.O. Box 112
Delta Junction, AK 99737

Hoyt Moss
P.O. Box 181
Delta Jucntion, AK 99737

Jack Adams

Delta Junction, AK 99737

Doris Fales
P.O. Box 47
Delta Junction, AK 99737

William Fowler
P.O. Box 415
Delta Junction, AK 99737

Marvin Fogelsong
P.O. Box 415
Delta Junction, AK 99737

Glen Chowning, Supt.
P.O. Box 64
Ft. Greely, Alaska 99790

DILLINGHAM
SOUTHWEST REGION SCHOOLS

Jeri Nelson, Pres.
P.O. Box 199
Dillingham, Alaska 99576

Richard Clark

Dillingham, Alaska 99576

Vi Hasti

Dillingham, Alaska 99576

Dan O'Connell
P.H.S. Hospital
Dillingham, Alaska 99576

Judith Nelson
P.O. Box 124
Dillingham, Alaska 99576

Herb Oba, Supt.
Box 202
Dillingham, Alaska 99576

FAIRBANKS No. STAR BOR. Schools

Jim Movius, Pres.
P.O. Box 372
Fairbanks, Alaska 99701

Mary Kay Barsdate
P.O. Box 80174
College, Alaska 99701

Cam Carlson
P.O. Box 80234
College, Alaska 99701

Marguerite Stetson
1189 Nenana
Fairbanks, Alaska 99701

H.O. Williams
333 Glacier
Fairbanks, Alaska 99701

Margery Kniffen
P.O. Box 1956
Fairbanks, Alaska 99701

Paul Frith
675 7th Street, Sec. K
Fairbanks, Alaska 99701

Dr. Bryce Stallard, Supt.
P.O. Box 1250
Fairbanks, Alaska 99701

GALENA City Schools

Dorothy Rhea, President
Galena, Alaska 99741

Beverly Huhndorf
Galena, Alaska 99741

Sidney Huntington
P.O. Box 27
Galena, Alaska 99741

Don Lowe
Galena, Alaska 99741

Pat Sweetsir
Galena, Alaska 99741

Peter Flisock, Supt.
P.O. Box 299
Galena, Alaska 99741

HAINES Borough Schools

Ray Menaker
P.O. Box 118
Haines, Alaska 99827

Mary Asper
P.O. Box 37
Haines, Alaska 99827

Ruth C. Sage
P.O. Box 286
Haines, Alaska 99827

Virginia Wight
P.O. Box 32
Haines, Alaska 99827

Joan Snyder
P.O. Box 3
Haines, Alaska 99827

Pat Jones
P.O. Box 466
Haines, Alaska 99827

Steve McPhetres, Supt.
P.O. Box 251
Haines, Alaska 99827

HOONAH City Schools

Marlene Johnson, Pres.
P.O. Box 218
Hoonah, Alaska 99829

Sharon Schoonover
P.O. Box 218
Hoonah, Alaska 99829

Jennie Lindoff
P.O. Box 194
Hoonah, Alaska 99829

Maxine Savland
P.O. Box 260
Hoonah, Alaska 99829

Trudy Wolfe
P.O. Box 103
Hoonah, Alaska 99829

Gerald Fiscus, Supt.
P.O. Box 8
Hoonah, Alaska 99829

HYDABURG City Schools

Frieda Peele, Pres.
Hydaburg, Alaska 99922

Alvin Edenshaw
Hydaburg, Alaska 99922

Thelma Edenshaw
Hydaburg, Alaska 99922

Victor Burgess
Hydaburg, Alaska 99922

Blanche Kelly
Hydaburg, Alaska 99922

Elbie Gann, Supt.
Hydaburg, Alaska 99922

IDITAROD Area Schools

Ray collins, Pres.
P.O. Bxo 75
Mc Grath, Alaska 99627

Henry Deacon
Grayling, Alaska 99590

Kenneth Chase
Anvik, Alaska 99558

Elizabeth Johnson
P.O. Box 98
Holy Cross, Alaska 99602

Adolph Hamilton
Shageluk, Alaska 99665

Jeff Stokes
Nikolai, Alaska 99665

Ernest Holmberg
P.O. Box 51
McGrath, Alaska 99627

Jim Zuelow, Supt.
P.O. Box 105
McGrath, Alaska 99627

JUNEAU Borough Schools

Bill Johnson, Pres.
136 Behrends Ave.
Juneau, Alaska 99801

Diane Bergstrom
340 Highland
Juneau, Alaska 99801

Tom Cashen
Box 244
Juneau, Alaska 99801

Gary Jenkins
P.O. Box 194
Auke Bay, Alaska 99821

Gerald O'Brien
R.R. 3, Box 3964
Juneau, Alaska 99803

Roger Lange
R.R. 4, Box 4180-4
Juneau, Alaska 99803

Carole Burger
P.O. Box 985
Auke Bay, Alaska 99821

John Coffee, Supt.
P.O. Box 808
Douglas, Alaska 99824

KAKE City Schools

Cecilia Mills, Pres.
Kake, Alaska 99830

Delbert Kakake
Kake, Alaska 99830

Della Cheney
Kake, Alaska 99830

Shirley Jackson
Kake, Alaska 99830

Dan Vernetti
Kake, Alaska 99830

Dave Dillman, Supt.
Kake, Alaska 99830

KENAI Peninsula Borough Schools

Jerry Hobart, Pres.
P.O. Box 6
Soldotna, Alaska 99669

Carl Glick
P.O. Box 528
Kenai, Alaska 99611

Sandra Morris
P.O. Box 7159 NRB
Kenai, Alaska 99611

Carolyn Cannava
P.O. Box 502
Soldotna, Alaska 99669

Sheila Owens
P.O. Box 879
Kenai, Alaska 99611

Linda O'Brien
P.O. Box 813
Soldotna, Alaska 99669

Joyce Fischer
P.O. Box 784
Soldotna, Alaska 99669

Dr. Paul Gallaher, Supt.
P.O. Box 1266
Soldotna, Alaska 99669

KETCHIKAN Gateway Borough Schools

Ann Graham, Pres.
P.O. Box 5544
Ketchikan, Alaska 99901

Tom Carlin
P.O. Box 7735
Ketchikan, Alaska 99901

Ray Hendricks II
P.O. Box 5041
Ketchikan, Alaska 99901

Kaye King
517 Canyon Rd.
Ketchikan, Alaska 99901

Sharon Walker
R.R. 1, Box 48
Ketchikan, Alaska 99901

Alaire Stanton
3818 Fairview
Ketchikan, Alaska

Willard Jones
A-27
Ward Cove, Alaska 99928

Ron Stekl, Supt.
Pouch Z
Ketchikan, Alaska 99901

KING COVE

Glennora Samuelson, Pres.
P.O. Box 102
King Cove, Alaska 99612

Francis Larsen
P.O. Box 8
King Cove, Alaska 99612

Walter Samuelson
P.O. Box 17
King Cove, Alaska 99612

Marilyn Mack
P.O. Box 74
King Cove, Alaska 99612

Alex Samuelson
P.O. Box 5
King Cove, Alaska 99612

DeWiley Holeman, Supt.
P.O. Box 44
King Cove, Alaska 99612

KODIAK Island Borough Schools

Louise Collins, Pres.
P.O. Box 1064
Kodiak, Alaska 99615

Stan Baltzo
P.O. Box 92
Kodiak, Alaska 99615

Stanley Sargent
P.O. Box 574
Kodiak, Alaska 99615

Joan Johnson
P.O. Box 2727
Kodiak, Alaska 99615

David Crowe
P.O. Box 223
Kodiak, Alaska 99615

John Anttonnen, Supt.
P.O. Box 886
Kodiak, Alaska 99615

KUSPUK Schools

Gary Nelson, Pres.
P.O. Box 31
Aniak, Alaska 99557

George Morgan, Sr.
Kalskag, Alaska 99607

Charles Bender
P.O. Box 454
Aniak, Alaska 99557

Lewis Vanderpool
P.O. Box 18
Aniak, Alaska 99557

Sinka Williams
Lower Kalskag, AK 99626

George Willes
Red Devil, Alaska 99656

Nick Mellick, Jr.
Sleetmute, Alaska 99668

Bob McHenry, Supt.
Aniak, Alaska 99557

LAKE & PENINSULA Schools

Sara Hornberger, Pres.
P.O. Box 69
Iliamna, AK 99606

Carl Jensen
Pedro Bay, Alaska 99647

Mrs. R. Briggs
Ugashik, Alaska 99683

Harry Kosburk
P.O. Box 109
Perryville, AK 99648

John Lind
Chignik Lake, AK 99648

Linda Johnson
Newhalen via
Iliamna, Alaska 99606

Art Skonberg
Chignik Bay, AK 99564

Dr. Charles White, Supt.
P.O. Box 119
Naknek, Alaska 99633

LOWER KUSKOKWIM Schools

Joerene Hout, Pres.
P.O. Box 346
Bethel, Alaska 99559

Charlie Moses
Toksook Bay, AK 99673

Paul Kuinya, Sr.
Kipnuk, Alaska 99614

Paul Guy
Napaskiak, AK 99559

Sera Baxter
P.O. Box 96
Bethel, Alaska 99559

Mijo Rich
Box 649
Bethel, AK 99559

Isaac Mute
P.O. Box 474
Bethel, AK 99559

Fritz Beebe, Sr.
Eek, Alaska 99578

Elizabeth Dillon
Kwethluk, Alaska 99621

B.A. Weinberg, Supt
P.O. Box 305
Bethel, Alaska 99557

LOWER YUKON Schools

Owen Riffe, Pres.
Hooper Bay, AK 99604

Joseph Mike
Kotlik, Alaska 99620

Peter Black
P.O. Box 84
Alakanuk, Alaska 99554

Axel Johnson
Emmonak, Alaska 99554

Frank Chayalkun
Chevak, Alaska 99563

August Sexton
P.O. Box 15
Hooper Bay, AK 99604

Andrew Brown, Sr.
P.O. Box 187
Mr. Village, AK 99632

Willie Francis
Pitka's Point, AK 99658

Alex Nick
Russian Mission, AK 99657

LaVerne Etter, Supt.
P.O. Box 200
Mt. Village, AK 99632

MATANUSKA-SUSITNA Borough Schools

Monty Hotchkiss, Pres.
P.O. Box S-950
Palmer, Alaska 99645

Jerry Sommers
Box 439
Palmer, Alaska 99687

Karen Siry
SR Box 5232
Wasilla, Alaska 99687

Jean Marsh
Star Route B, Box S386
Palmer, Alaska 99645

Ken Soule
P.O. Box 36
Palmer, Alaska 99645

Dr. Norm Rousey, Supt.
P.O. Box AB
Palmer, Alaska 99645

NENANA

Gordon Sale, Pres
P.O. Box 144
Nenana, Alaska 99760

Robert Coghill, Sr.
P.O. Box 178
Nenana, Alaska 99760

Marge Riley
P.O. Box 7
Nenana, Alaska 99760

Connie Jensen

Nenana, Alaska 99760

Bobby Johnson
Clear, Alaska 99704

Dick Leath, Supt.
P.O. Box 127
Nenana, Alaska 99670

NOME City Schools

Paul Sterling, President
P.O. Box 86
Nome, Alaska 99762

Jim Engwall
Box 820
Nome, Alaska 99762

Doris Wilke
P.O. Box 86
Nome, Alaska 99762

Stan Summers
P.O. Box 820
Nome, Alaska 99762

Gary Longley
P.O. Box 1051
Nome, Alaska 99762

Darroll Hargraves, Supt.
P.O. Box 131
Nome, Alaska 99762

NORTH SLOPE

Jeslie Kaleak, Pres.
P.O. Box 548
Barrow, Alaska 99723

Bud Stevens
P.O. Box 726
Barrow, Alaska 99723

Lollie Hopson
P.O. Box 129
Barrow, Alaska 99723

Kate Beals
P.O. Box 129
Barrow, Alaska 99723

David Bodfish
Wainwright, AK 99782

David Kagak
Wainwright, AK 99782

Pat Hugo
Anaktuvuk Pass, AK
99781

Don Renfroe, Supt.
P.O. Box 169
Barrow, Alaska 99723

NORTHWEST ARCTIC Schools

June Nelson, Pres.
P.O. Box 158
Kotzebue, Alaska 99752

Bert Greist
Selawik, Alaska 99770

Samuel Barr
Kavalina, AK 99750

Vince Schuerch
Kiana, Alaska 99749

Arthur Douglas, Sr.
Ambler, Alaska 99786

Christina Westlake
Kiana, Alaska 99749

Robert Newlin, Sr.
P.O. Box 85
Noorvik, Alaska 99663

Evelyn L. Conwell
P.O. Box 125
Kotzebue, Alaska 99752

Mary Schaeffer
P.O. Box 106
Kotzebue, Alaska 99752

Robert Schaeffer
P.O. Box 29
Kotzebue, Alaska 99752

Sophie Ferguson
P.O. Box 131
Kotacbue, Alaska 99752

George White, Supt.
P.O. Box 51
Kotzebue, Alaska 99752

PELICAN City Schools

Vivian Max, Pres.
P.O. Box 774
Pelican, Alaska 99832

Don Nash
Pelican, Alaska 99832

Donya Anselm
Pelican, Alaska 99832

Rose Perley
Pelican, Alaska 99832

Edith Carlson
Pelican, Alaska 99832

Harry Davidson, Supt.
P.O. Box 732
Pelican, Alaska 99832

PETERSBURG City Schools

Patti Norheim, Pres.
P.O. Box 642
Petersburg, AK 99833

Wilmer Oines
P.O. Box 642
Petersburg, AK 99833

Don Ripple
Box 889
Petersburg, AK 99833

Carol Enge
P.O. Box 166
Petersburg, AK 99833

Mike Dean
P.O. Box 30
Petersburg, AK 99833

D.W. Schultz, Supt.
P.O. Box 389
Petersburg, AK 99833

PRIBILOF School

Agafon Krukoff, Pres.
St. Paul Island, AK
99660

Alice Philemonof
St. George Island, AK
99660

Alexander Melovidov
St. Paul Island, AK
99660

Ella Kashevarof
St. George Island, AK
99660

Louis Weaver, Supt.
Pribilof Public Schools
St. Paul Island, AK
99660

ST. MARY'S Public Schools

Flora Paukan, Pres.
St. Mary's, AK 99658

Mary Travers
St. Mary's, AK 99658

Mary Andrews
St. Mary's, AK 99658

Sr. Francis Porter
P.O. Box 173
St. Mary's, AK 99658

Maggie Paukan
St. Mary's, AK 99658

Walter Brown, Supt.
P.O. Box 71
St. Mary's, AK 99658

SITKA Borough Schools

Ken Stedman, Pres.
P.O. Box 1510
Sitka, Alaska 99835

Norm Wilson
P.O. Box 671
Sitka, Alaska 99835

Carole Welsh
P.O. Box 256
Sitka, Alaska 99835

Ernestine Massey
P.O. Box 808
Sitka, Alaska 99835

Loraine Glenn
Star Route Halibut Pt
Sitka, Alaska 99835

Dr. Neland Haavig, Supt.
P.O. Box 179
Sitka, Alaska 99835

SKAGWAY City Schools

Ron Hunz, Pres.
Skagway, Alaska 99840

Carl Rose
Skagway, Alaska 99840

John O'Daniel
Skagway, Alaska 99840

Leslie Fairbanks
Skagway, Alaska 99840

Paul Taylor
Skagway, Alaska 99840

Gordon Tope, Supt.
Skagway, Alaska 99840

SOUTHEAST ISLANDS Schools

Richard Madden, Pres.
P.O. Box 106
Thorne Bay, AK 99950

Allen Strahle
313 Rainy Lane
Thorne Bay, AK 99959

Donna Meyer
Meyers Chuch
Alaska

Lucille Hedrich
Pouch L - Trlr. #5
Ketchikan, Alaska 99901

Kathy Pesterfield
P.O. Box 142
Ketchikan, Alaska 99901

Bruce Hill, Supt.
P.O. Box 8340
Ketchikan, Alaska 99901

SOUTHWEST REGION Schools

Robert Clark, Pres.
P.O. Box 16
Clark's Point, AK 99559

Stanley Active, Sr.
P.O. Box 16
Togiak, Alaska 99678

Keefa Moxie
P.O. Box 47
Aleknagik, Alaska 99555

Michael Gloko
General Delivery
Manokotak, Alaska 99628

Wilbur Bavilla
P.O. Box 68
Togiak, Alaska 99673

Luki Akelkok
Ekwok, Alaska 99630

Joe Hiratsuka
Ikuk via
Dillingham, Alaska 99576

David Dickerson, Supt.
P.O. Box 28
Dillingham, Alaska 99576

UNALASKA

Harriet Berikoff, Box 81
Unalaska, Alaska 99685

Charles Huffman
Unalaska, Alaska 99685

Marti Norton
Unalaska, Alaska 99685

Walter Dyakanoff
Unalaska, Alaska 99685

Betty Bundy, c/o Unisea
Dutch Harbor, AK 99685

Bill Gregory, Supt.
Unalaska, Alaska 99685

VALDEZ City Schools

Patrick Shely, Pres.
Valdez, Alaska 99686

James Lindsey
P.O. Box 809
Valdez, Alaska 99686

Jean Phillips
P.O. Box 989
Valdez, Alaska 99686

Jimmie Williams
P.O. Box 1579
Valdez, Alaska 99686

Mary Zaremba
P.O. Box 304
Valdez, Alaska 99686

Herman Hutchens, Supt.
P.O. Box 526
Valdez, Alaska 99686

WRANGELL

Bill Gill, Pres
P.O. Box 608
Wrangell, Alaska 99929

Bill Zeiger
P.O. Box 439
Wrangell, Alaska 99929

Pat Hall
P.O. Box 96
Wrangell, Alaska 99929

Bob Rasco
P.O. Box 1522
Wrangell, Alaska 99929

Les Olds
P.O. Box 807
Wrangell, Alaska 99929

Bob McConnell
P.O. Box 651
Wrangell, Alaska 99929

YAKUTAT City Schools

Victoria Demmert, Pres.
Yakutat, Alaska 99689

Joan Pond
P.O. Box 345
Yakutat, Alaska 99689

Stan Rousey
Yakutat, Alaska 99689

Evelyn Anderson
Yakutat, Alaska 99689

Sue Valle
Yakutat, Alaska 99689

Fredrick Kent, Supt.
P.O. Box 227
Yakutat, Alaska 99689

YUKON FLATS Schools

Dick Mueller, Pres.
P.O. Box 329
Ft. Yukon, AK 99740

?
Antic Village, AK 99722

Richard Martin ??
Chalkyitsik, AK

Steven Ginnis
P.O. Box 144
Ft. Yukon, AK 99740

Nancy James
P.O. Box 144
Ft. Yukon, AK 99740

William Ben, Jr.
Stevens Village, AK 99740

Albert Carroll, Sr.
Circle, Alaska 99733

Will Riggen, Supt.
Ft. Yukon, AK 99740

YUKON/KOYUKUK Schools

Ronald Sam, Pres
Alatna, Alaska 99720

Lincoln Bifelt
Huslia, Alaska 99746

Kenneth Sam
Huslia. Alaska 99746

Elmer Manook
Gneeral Delivery
Nulato, Alaska 99765

Leonard Stickman, Sr.
General Delivery
Nulato, Alaska 99765

Donald Honea, Sr.
P.O. Box 17
Ruby, Alaska 99765

Eileen Kozevnikoff
P.O. Box 192
Tanana, Alaska 99777

Dorothy Jordan
P.O. Box 293
Tanana, Alaska 99777

Joe Cooper, Supt.
Nenana, Alaska 99760

With our apologies.....

KLAWOCK City Schools

Robert Peratrovich, Pres.
P.O. Box 109
Klawock, Alaska 99925

Dorothy Schenk
Klawock, Alaska 99925

Ernestine Kato
P.O. Box 43
Klawock, Alaska 99925

Sonja Armour
P.O. Box 21
Klawock, Alaska 99925

Donna Williams
P.O. Box 117
Klawock, Alaska 99925

William Suss, Supt.
Klawock, Alaska 99925

STATE BOARD

Katherine Hurley, President
P.O. Box 157
Wasilla, Alaska 99687

Jan Hohman
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Nome, Alaska 99672

Malcolm Roberts
3620 Clay Products Rd.
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Thelma Langdon
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Anchorage, Alaska 99503

Augie Anderson
P.O. Box 478
Sitka, Alaska 99835

Beverly Horn
P.O. Box 15
Kodiak, Alaska 99615

Darwin Heine
1506 Denali Way
Fairbanks, Alaska 99701

Dr. Marshall Lind, Commissioner
Pouch F
Juneau, Alaska 99811

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Karen Kraus
SRA Box 26-B
Anchorage, Alaska 99507

Col. Bernard P. Jones
71 Halibut Street
Ft. Richardson, Alaska 99505

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

February 15, 1978

Sent to:

Also sent to: School Dist Pres. & REAA's

All Boroughs
All Home Rule Cities
All First Class Cities
and . . . Bethel, Fairbanks

I have enclosed for your review a copy of Senate Bill no. 501 ("An Act relating to municipal labor relations"), which concerns procedures for binding arbitration in matters involving local public employees, both municipal and school district.

I would very much appreciate your comments and assessment of this proposed legislation so that the Senate Community and Regional Affairs Committee will be able to benefit from your views when it takes up the measure later during the session.

I would like to point out that SB 501 is designed to allow local government or the appropriate administrative body the option adopting either or neither of these means of settling local public collective bargaining disputes. It is not my intent for the legislation in any way to mandate these forms of arbitration to the local governing body, but to permit it to select the most flexible course of action possible and locally desirable.

In this respect, I would also appreciate any suggestions you may have on ways in which SB 501 might be refined or made more responsive to local requirements.

Sincerely,

Joe Orsini
Chairman
Community and Regional
Affairs Committee

JO/tb

Enclosure: SB 501

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

BOX AB PALMER, ALASKA 99645 PHONE 745-4822

NORMAN S. ROUSEY
SUPERINTENDENT OF SCHOOLS

February 20, 1978

The Honorable Joseph L. Orsini
Senator
State of Alaska
Juneau, Alaska 99801

Sir:

First, let me express my appreciation to you for requesting our Board's input into Senate Bill 501.

This "binding arbitration" problem is one of our major concerns and we can appreciate the legislature and its dilemna in attempting to reach a satisfactory solution. Unfortunately, there is probably no complete satisfactory answer. Please let me make a few points that may be important in consideration of such a bill:

1. Teachers have been dealt with more than fairly in this State as all salary schedules, etc., will point out.

2. The public is responsive to school board actions and would react in cases of unfairness as well as they react when they feel the boards are too liberal.

3. The law seems to be silent on the right to strike by these employees.

4. School boards are elected by the people and have the responsibility to respect their wishes and desires.

5. The school boards represent a much larger body of voters in this State even though the National Education Association is able to make more noise because of their organization.

With these thoughts in mind, our Board's stand is that the Legislature allow the authority to remain in the hands of the people through their elected representatives. Give the public employees, teachers, etc., the right to strike. How else can the people be more aware of what is happening and respond?

Senate Bill 501 provides for an elected board to have "binding arbitration" powers. Why do we elect another board to do the job that we are responsible for in the first place? The problem of going to the voters with the last best offer may not be to either party's benefit when trying to educate the public in all of the ramifications. Otherwise, it's very expensive and to what success?

I guess what I am saying is that our present system is working. Our employees are well paid with good benefits. The boards are responsible to the public and their status is dependent upon their being responsive. The Supreme Court has said the boards do not have the right to give away their responsibilities to arbitration unless you change the law. This is the way it should be.

Again, thank you, for requesting our input. Feel free to call on Bill Overstreet's office as Mr. Overstreet and his staff represent our views as well as having immediate contact with all the boards in the State and can be very responsive when help or information is needed.

Very truly yours,

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Fremont L. Hotchkiss

FREMONT L. HOTCHKISS
President
MATANUSKA-SUSITNA SCHOOL BOARD

FLH:ccs

cc: Senator Ferguson
Senator Kerttula
Representative Ose
Bill Overstreet

SB 501

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

February 21, 1978

Susan Stitham, President-Elect
P.O. Box 80913
College, Alaska 99701

Dear Ms. Stitham:

I have enclosed for your review a copy of Senate Bill no. 501 ("An Act relating to municipal labor relations"), which concerns procedures for binding arbitration in matters involving local public employees, both municipal and school district.

I would very much appreciate your comments and assessment of this proposed legislation so that the Senate Community and Regional Affairs Committee will be able to benefit from your views when it takes up the measure later during the session.

I would like to point out that SB 501 is designed to allow local government or the appropriate administrative body the option adopting either or neither of these means of settling local public collective bargaining disputes. It is not my intent for the legislation in any way to mandate these forms of arbitration to the local governing body, but to permit it to select the most flexible course of action possible and locally desirable.

In this respect, I would also appreciate any suggestions you may have on ways in which SB 501 might be refined or made more responsive to local requirements.

Sincerely,

Joe Orsini

Joe Orsini
Chairman
Community and Regional
Affairs Committee

JO/tb

Enclosure: SB 501

V

F SB 501

ST. MARY'S SCHOOL DISTRICT

BOX 71
ST. MARYS, ALASKA
99658

LICAUVICUAG ELEMENTARY

ANDREAFSKY HIGH

Feb. 22, 1978

Senator Joseph Orsini, Chairman
Committee on Community and Regional Affairs
Pouch V-State Capitol
Juneau, Alaska 99811

Dear Senator Orsini:

The St. Mary's School Board discussed Senate Bill no. 501 at it's meeting last evening.

The members of the Board feel that this particular bill would seriously erode it's legal responsibilities, powers and duties. It would also definitely impede the responsibility the board has under Alaska statutes to manage and control the St. Mary's City School District.

The members of the St. Mary's School Board are opposed to binding arbitration in any form. Consequently, they do not feel that any legislation should be introduced which furthers the cause of binding arbitration.

I wish to thank you for the opportunity you provided us to review Senate Bill No. 501.

Sincerely,

Flora Paukan

(Mrs.)Flora Paukan
President
St. Mary's School Board

FP:deb

xc: Senator John Sackett
Representative William Akers
Mr. William Overstreet

F: SB 501

City of Kodiak

PHONE (907) 486 - 3224
P.O.BOX 1397
KODIAK, ALASKA 99615

February 24, 1978

Senator Joe Orsini, Chairman
Community and Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

Thank you for the opportunity to comment on Seate Bill 501. It is not clear that if a City has opted out regarding unions whether it has to comply with this or not. If there are no unions allowed in a municipality, it would seem that this would be superfluous.

I feel that by your allowing the local government to adopt either or neither of these means is a good way to go. By allowing local option, we are given more opportunities to resolve labor relations problems.

Very truly yours,

CITY OF KODIAK

Ivan L. Widom

Ivan L. Widom
City Manager

ILW/lp

BOX 1200

PH. 262-5846

F: SB 501

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

SOLDOTNA, ALASKA 99669

March 1, 1978

The Honorable Joseph L. Orsini
Alaska State Senate
Pouch V - State Capitol Building
Juneau, Alaska 99811

Dear Senator Orsini:

We appreciate your interest in our suggestions and evaluation of Senate Bill No. 501 a copy of which was forwarded to me and the other Board of Education members.

Obviously much thought and study has gone into your attempt to facilitate bargaining between municipal authorities and their labor forces. However, we should be mindful that the negotiations procedure originated in private industry and bringing the public sector into it has raised problems as public bargaining lacks much of the leverage on both sides that private labor and industry utilize.

I honestly feel that Senate Bill No. 501, though well intentioned, would result in creating more problems than it may solve. The answer to labor relations, I believe, lays in trust, respect and communications throughout the year - not just at negotiations time. The negotiations process can work in its present form and has worked for us on the Kenai Peninsula thus far. We have completed a set of teacher negotiations and feel the process will continue to work here.

Sincerely,

(Mrs) Carolyn Cannava

Mrs. Carolyn Cannava, President
Board of Education

CC:sb

Official Business

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

March 10, 1978

The Honorable Billy Akers
State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Billy:

The Senate Community and Regional Affairs Committee will be holding hearings on Senate Bill 501 ("An Act relating to municipal labor relations") which explores new concepts and approaches in the field of collective bargaining at the municipal level. These hearings will be video-broadcast from Juneau to the communities of Ketchikan, Anchorage, Bethel, Fairbanks and Nome on March 30th.

For your background information, I have enclosed a copy of the letter sent by the Committee to mayors and interested parties in those communities notifying them of the video-hearings and providing details of the arrangements.

If you are interested in following the public testimony on new directions in resolving public collective bargaining impasse disputes, I would like to invite you or members of your staff to attend these hearings.

Sincerely,

Joe

JOE ORSINI
Chairman, Senate
Community and Regional
Affairs Committee

JO:gd

Enclosure(s): 2

Official Business

Alaska State Legislature

Senate

Committee on
Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

March 10, 1978

Leo Rasmussen, Mayor
City of Nome
P. O. Box 281
Nome, Alaska 99762

Dear Mayor Rasmussen:

The Senate Community and Regional Affairs Committee has scheduled a video-conference hearing on March 30th for Senate Bill 501 ("An Act relating to municipal labor relations") which is intended to explore new concepts and approaches in the field of collective bargaining at the municipal level.

SB 501 was drawn up to allow local government or the appropriate administrative body the option of adopting either, or neither, of the procedures outlined in the attached legislation as a means of resolving local public collective bargaining impasses. It was not my intent to mandate any of these forms of arbitration to local government bodies, but to permit them to select the most flexible and most responsive approach to the needs of the local situation.

Because of the increasing public interest in collective bargaining in the public sector, I would like to invite representatives from your organization to present your views on the proposed legislation at the hearing. The video-conference will be broadcast from Juneau to the communities of Ketchikan, Anchorage, Fairbanks, Bethel and Nome at 12:30 p.m. (Juneau time) on March 30th. Persons are welcome to attend the meeting in Juneau, but I would ask that only participants in the other communities testify. If time permits and all the participants outside Juneau who wish have testified, Juneau participants may present testimony. If there is inadequate time to hear all those desiring to testify, further hearings may be scheduled.

Mr. Peter Fromuth of the Legislative Affairs Agency in Juneau will be handling the technical and organizational arrangements for the video-conference. Either he or video-conference moderators in communities outside Juneau may be contacted for details involving these matters. (names attached)

In order to provide the Committee with a better idea of the extent of possible testimony, I would appreciate your informing me if you or your representatives wish to speak at the March 30th hearing.

Sincerely,

Joe Orsini

JOE ORSINI
Chairman, Senate
Community and Regional
Affairs Committee

JO:gd

Enclosure(s): SB 501

LETTERS SENT TO THE EXECUTIVE DIRECTORS OF: APEA, NEA-Alaska, Alaska Association of School Boards, League of Women Voters, Alaska Chamber of Commerce

AND TO THE MAYORS OF: Ketchikan (city and borough), Anchorage Bethel, Fairbanks (city and borough) and Nome.

VIDEO-CONFERENCE MODERATORS

Anchorage - Charity Kadow	278-3668
Bethel - Peter Twitchill	543-3131
Fairbanks - April Moore	452-4449
Ketchikan - Sandy Wendte	225-9675
Nome - Myrtle Johnson	443-2770

Official Business

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

March 10, 1978

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P. O. Box 281
Nome, Alaska 99762

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Sincerely,

Joe Orsini

JOE ORSINI
Chairman, Senate
Community and Regional
Affairs Committee

JO:gd

Enclosure(s): SB 501

LETTERS SENT TO THE EXECUTIVE DIRECTORS OF: APEA, NEA-Alaska, Alaska Association of School Boards, League of Women Voters, Alaska Chamber of Commerce

AND TO THE MAYORS OF: Ketchikan (city and borough), Anchorage Bethel, Fairbanks (city and borough) and Nome.

VIDEO-CONFERENCE MODERATORS

Anchorage - ~~Charity Kadow~~ Judy Hopkins	278-3668	9
Bethel - Peter Twitchill	543-3131	2 in meeting?
Fairbanks - April Moore	452-4449	2
Ketchikan - Sandy Wendte	225-9675	~~2~~ 3.
Nome - ~~Myrtle Johnson~~ Irene	443-2770	

Sent to:

All Home Rule Cities
All Boroughs
All First Class cities
Bethel & Kotzebue

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

March 16, 1978

Frank Benson, Mayor
City of Galena
Box 149
Galena, Alaska 99741

Dear Mayor Benson:

I am writing further to my letter of February 15, 1978, in which I asked your assessment of Senate Bill 501 regarding collective bargaining for municipal employees.

A number of local government bodies have expressed their concern to me that SB 501 could force binding arbitration on municipal governments and school districts. As such, they stated that they opposed this kind of legislation which, in a case of school boards in particular, would remove a significant portion of the authority of legally constituted governing bodies to carry out their responsibilities.

It was not my intent or that of the legislation to create such a situation. I am concerned, however, that local governments may find themselves compelled in the future to accept binding arbitration from an outside arbitrator. The purpose of SB 501 was to allow local governments the option of selecting other forms of collective bargaining. Such options included taking the last best offer from both sides of a deadlocked negotiation process to a vote of the people, the election of local arbitrators who would be part of the community and, at election time, answerable to it, as well as a suggestion made recently from Anchorage that the municipal assembly sit as final arbitrator.

I believe conditions in the Legislature and elsewhere are such that major efforts will soon be made to extend binding arbitration throughout local government in Alaska. I would hope that SB 501 could serve as a conceptual framework to develop new approaches and new ideas so that the initiative, direction and accountability in collective bargaining can be maintained and enhanced at the local level.

In this respect, it is my hope that you will be able to use SB 501 as a vehicle to work out new concepts, and that you will feel free to provide me with your thinking on how it can be shaped to meet local needs.

Sincerely,

Joe Orsini

JOE ORSINI
Chairman, Senate
Community and Regional
Affairs Committee

JO:gd

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907 465-3800

M E M O R A N D U M

March 22, 1978

SUBJECT: SB 501

TO: Senator Joseph L. Orsini

FROM: Richard A. Bradley, Legislative Counsel

Ben Harding asked that I review SB 501 to determine whether a bill was necessary to achieve the results sought in the bill.

SB 501 amends AS 23.40.200, a section establishing the "arbitration" procedures in the Public Employees Relations Act, (AS 23.40.070 - 23.40.260). AS 23.40.250(6) includes a municipality within the definition of the term public employer and accordingly the act applies to municipalities unless they have exercised their option under sec. 4, ch. 13, SLA 1972 to reject its application. State v. City of Petersburg, 538 P.2d 263 (Alaska 1975).

The provisions of SB 501 provide that a municipality, by ordinance, may exempt itself from AS 23.40.200(a) to (f) if it adopts a procedure authorized under §200(g)(1) or (g)(2).

While municipalities possess substantial rights of legislation under Art. X, sec. 11 of the Constitution, it has been determined that the provisions of PERA apply to municipalities and control their actions. State v. City of Petersburg, supra.

In my view, therefore, in the absence of SB 501, a municipality may not exempt itself from the provisions of §200.

RAB:hjd

F: SB 501

Matanuska-Susitna Borough, Inc.

BOX B, PALMER, ALASKA 99645 • PHONE 745-3246
DEPARTMENT OF ADMINISTRATION

March 22, 1978

The Honorable Joseph L. Orsini
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

Subject: SB 501 Municipal Labor Relations

In response to your letter to Mayor Ron Larson we wish to point out that under Chapter 113, SLA 1972, the Matanuska-Susitna Borough has exempted itself from the State Public Employment Relations Act. Thus, this Borough would not be affected by SB 501.

However, assuming that this Borough might come under the Public Employment Relations Act at a later date, we favor the system of binding arbitration as set forth in our Borough Code. Please note MSB 2.54.070 a copy of which is attached. It provides for the selection of arbitrators in the normal manner, not for their election.

In brief, the collective bargaining options offered by SB 501 are not adequate.

Very truly yours,

Wesley M. Howe
Borough Manager

WMH:er

Enclosure

2. The Board shall meet to consider the issue, render its determination and instruct the parties as to its determination. (Ord. 76-25 §8, 1976).

2.54.070 Mediation and fact finding. A. If, after a reasonable period of negotiation over the terms of a collective bargaining agreement, a deadlock exists between the management and an organization, the Board may, either on its own initiative or at the request of one of the parties to the dispute, take steps to see that the following procedures are used in the order indicated:

1. Mediation;
2. Fact finding with recommendations;
3. Binding arbitration.

B. In the case of mediation or fact finding, the mediator or fact-finder shall be appointed by the Mayor or his representative and the employees' representative. If the two parties cannot agree on an appointment, the appointment shall be made by the Board.

C. In the case of binding arbitration, an arbitration panel of three persons shall be established; one shall be chosen by the employee organization and one shall be chosen by the Mayor or his representative; these two shall select the third panel member. The employee organization and management shall each submit a proposed contract to the panel, together with explanations and justifications for their proposed contracts. The panel shall consider the proposed contracts, and may consult with the employee organization and management jointly or separately. Following such consideration, the panel shall endorse one of the proposed contracts: the endorsed contract shall be binding on the parties. (Ord. 76-25 §9, 1976).

2.54.080 Work stoppages. Work stoppages, including strikes by employees, individually or collectively, except absences authorized by personnel-related ordinances or regulations, are prohibited. (Ord. 76-25 §10, 1976).

2.54.090 Ratification of agreement. Upon completion of negotiations between the Borough and the bargaining representative, the terms and conditions shall be reduced to writing in agreement form. The agreement shall then be presented to the employee organization for ratification and to the Assembly for ratification separately. Upon ratification of an agreement the Assembly shall enact all resolutions and ordinances necessary to carry out the terms of such agreement. (Ord. 76-25 §11, 1976).

2.54.100 Unfair labor practices. A. The Borough or its agents may not:

1. Interfere, restrain or coerce an employee or employee organization in the exercise of its rights guaranteed in this chapter;

City and Borough of Sitka

P.O. BOX 79 · SITKA, ALASKA · 99835

March 22, 1978

Senator Joseph Orsini, Chairman
Senate Community & Regional Affairs
Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

The City and Borough of Sitka opposes Senate Bill No. 501 which we consider to be a further intrusion upon the powers of local government. The proposed legislation runs contrary to our Home Rule Charter, and enactment of SB 501 would ursurp powers given our Assembly by the local electorate.

Over the past few years the legislature has chipped away at the powers of local government to the point that Home Rule is fast becoming a misnomer. We find it difficult to understand why the Legislature would object in continuing to allow each political subdivision to make its own decisions on local labor matters. Local government decisions on this matter are, and would continue to be made with full knowledge of the needs and desires of each locality, and would not be a scattergun approach as contained in SB 501. Your vote against SB 501 will be a vote of confidence for local government.

Very truly yours,

Fermin Gutierrez
Administrator

cc: Sen. Edward Willis
Sen. Glenn Hackney
Sen. Bill Sumner

cc: Sen. Patrick Rodey
Sen. Bill Ray
Sen. John Sackett
Sen. Pete Meland
Rep. Richard Eliason
Jim Rolle, AML

F: SB 501

OFFICE OF THE MAYOR
POUCH 6-650
ANCHORAGE, ALASKA 99502

GEORGE M. SULLIVAN
MAYOR

March 23, 1978

Senator Joe Orsini
Chairman
Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Joe:

In regard to SB 501, I hope Ted Berns had a chance to review with you some of the things we are doing here on our labor ordinance.

I even have concern on making the Assembly the final authority. In San Francisco they take it to the voters. I could support this concept. I think SB 501 is a good lever for us. Many thanks.

Sincerely,

George M. Sullivan
Mayor

GMS:lo

F: SB 501

NEA - ALASKA

(ALASKA EDUCATION ASSOCIATION)

AFFILIATED WITH THE NATIONAL EDUCATION ASSOCIATION

Carolyn Doggett, President

JUNEAU OFFICE
207 SEWARD BUILDING
JUNEAU, ALASKA 99801
PHONE: (907) 586-3090

ANCHORAGE REGIONAL OFFICE
1515 EAST TUDOR ROAD
ANCHORAGE, ALASKA 99507
PHONE: (907) 279-8544

FAIRBANKS REGIONAL OFFICE
954 COWLES, SUITE 143
FAIRBANKS, ALASKA 99701
PHONE: (907) 452-2297

Mr. Alan Dill
Past President
P. O. Box 423
Sitka, AK 99835

Ms. Susan Stitham
President Elect
P. O. Box 80913
College, AK 99701

Mr. Bill Potter
NEA-Director
177 Behrends Avenue
Juneau, AK 99801

Hank Harrison, NEA
Executive Committee
P. O. Box 10325 - Klatt
Anchorage, AK 99502

Mr. Tyler Henshaw
Director Region 1
P. O. Box 69
Petersburg, AK 99833

Ms. Jean Krause
Director Region 2
P. O. Box 1019
Wasilla, AK 99687

Ms. Pat Jacobson
Director Region 3
P. O. Box 91
Kodiak, AK 99615

Mr. Charlie Gustafson
Director Region 4
P. O. Box 21
Dillingham, AK 99576

Ms. Gayle Pierce
Director Region 5
P. O. Box 80913
College, AK 99701

Mr. Merritt Olson
Director Region 6
843 West 11th Avenue
Anchorage, AK 99501

Ms. Rosie Peterson
Director Region 6
4808 Blackstone Circle
Anchorage, AK 99507

March 27, 1978

The Honorable Joseph Orsini
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini,

Thank you for inviting NEA-Alaska to testify at the March 30 hearings on Senate Bill 501.

As the bill does not cover teachers, we will not be taking any organizational position at those hearings. However, as citizens, we are in opposition to any form of impasse resolution which has the effect of weakening the integrity of the bargaining process itself. Viewed from this light, the proposals in SB 501 which require submitting articles at impasse to a popularly elected arbitration panel or directly to the voters would have just such a deleterious effect.

It is in the best interests of all Alaskans to provide for fair, equitable, and speedy resolution of any breakdown in any negotations. It would seem apparent from past history, both in Alaska and in the country at large, that binding arbitration by a professional neutral consistenly serves the best interests of employer, employee, and therefore the public as a whole.

Again, thank you for your letter. As I will not become president of NEA-Alaska until July of this year, if you wish to discuss this legislation or any other issue with us, please contact Carolyn Doggett, or our Executive Secretary, Bob Van Houte.

Sincerely,

Susan Stitham

Susan Stitham
President Elect

cc:Carolyn Doggett
Bob Van Houte

SS:gp

(C) 490

PUBLIC EMPLOYMENT RELATIONS ACT

Political Subdivisions which opted out:

City and Borough of Juneau	Resolution 150
City of Anchorage	Resolution 49-R-72
Matanuska-Susitna Borough	Resolution 72-48
City of Wrangell	
City of Homer	
Kenai Peninsula Borough	Resolution 72-17R
City of Ketchikan	Resolution 954
City of Fairbanks	
City and Borough of Sitka	
City of Petersburg	
City of Soldotna	Resolution 72-17
City of Palmer	Resolution 255
City of Kodiak	Resolution 16-72

Ketchikan Gateway Borough opted out - then rescinded their action

Fairbanks North Star Boruogh joined APEA

EDWARD D. PERKOWSKI, EXECUTIVE SECRETARY-TREASURER
P. O. BOX 347, FAIRBANKS, 99707
PHONE 452-3862

GEORGE PEARSON, PRESIDENT
407 DENALI, ANCHORAGE, 99501
PHONE 276-3533

F: SB-501

Alaska State Council of Carpenters

AFFILIATED WITH

United Brotherhood of Carpenters and Joiners of America

LOCALS
486 SITKA
1243 FAIRBANKS
1281 ANCHORAGE
1501 KETCHIKAN

LOCALS
2162 KODIAK
2247 JUNEAU
2520 ANCHORAGE

"Build It With Wood"

March 28, 1978

Senator Joe Orsini, Chairman
Senate Community and Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Re: Senate Bill No. 501 - Municipal Labor Relations

Dear Senator Orsini:

I have been involved in municipal negotiations and became frustrated with the length of time some negotiations had taken but I cannot believe that S.B. 501 is the solution. For example, lets suppose that a municipality by ordinance was to set up an arbitration panel and then the unions and working people of the community were effective in getting all three arbitrators elected. Is this what you desired to achieve in S.B. 501?

Arbitration is serious business and arbitrators should be serious, impartial and knowledgeable. The selection of an arbitrator likewise is serious business and should not be religated to an elective process where popularity, goodlooks and the ability to fund a campaign can be the deciding factors. Should a municipality by ordinance establish a general election to decide collective bargaining impasses as you propose in S.B. 501, I can see nothing but abuses. For example, if the average wage for a municipality's employees was $10.00 and the employees were asking for $12.00 the municipality could counter with $6.00 which you can be sure would be rejected, the municipality could refuse to budge, declare an impasse and have a general election.

Your bill forces the employees into an expensive campaign to plead and campaign for decent wages against a campaign expounding that "the best government is the cheapest government" and "a vote for $12.00 wages is a vote for greater taxes." I ask you, would you like to operate a business where the customers voted to decide what prices you could charge them? Perhaps you should have a bill introduced to let the voters decide whether Alaska Senators salaries will be $11,750.00 a year or $5,750.00 a year and whether they shall receive $50.00 or $25.00 per day per diem and if annual expenses will be $4,000.00 or $2,000.00. Wages and prices should be established in their respective market places and this bill would effectively remove negotiations from its market place and put negotiations into arenas of absurdity.

This piece of proposed legislation rather than solve existing problems will create a multitude of additional problems, make a mockery of the negotiation process and no doubt set presidence where at some future date the elector may decide the wages of their elected representatives.

Sincerely,

CARPENTERS LOCAL UNION 1281

George Pearson

George Pearson
President

GP:ch

F: SB-501
CSSB-373

745 West 13th
Anchorage, Ak.
99501
March 30, 1978

Alaska State Senate
Community and Regional Affairs Committee
Joseph L. Orsini, Chairman
Pouch V
Juneau, Ak. 99811

Dear Senators, Senator Orsini

The following is the testimony I verbally gave today via the Teleconference Hearing on SB 501 and CSSB 373:

Mr. Chairman and Senators, I'm Sue Linford speaking as a private Alaskan citizen of 24 years and former member and President of the Anchorage School Board. Currently, I am Chairman of the Anchorage Chamber of Commerce Education Committee and Representative from Alaska PTA to the Ruralcap Board of Directors. (*)

As a preface to my remarks, the concept presented in both 501 and 373 is an ideal and as an ideal it is presented as the perfect solution to impasse resolution in collective bargaining. Unfortunately, when dealing with fallible imperfect humans and human behavior, perfection is impossible. I oppose both pieces of legislation for one overall reason - they limit local control. Both pieces further narrow local governments' authority and ability to discover their own imperfect solutions to the perfect problem i.e. impasse resolution. The State would be better advised to spend the taxpayers' money on on-going training of employee groups and elected officials around the state in various techniques which will help insure fair collective bargaining, that is to better learn the rules of the game as it currently exists.

Regarding specifics of the bills - In speaking to both bills, my particular point of view is their effect on school personnel. I don't have to tell you that there is a vast difference between public and private sector negotiations; I also do not have to convince you, or you wouldn't be serving, of the greatness of the democratic institution of representative government. Put these two points together and you have the voters' elected representatives with the fiduciary responsibility for the public funds under their direct control. Further, this representative responsibility can not be fragmented or our checks and balance system will no longer work. I'm referring specifically to SB 501 Sec. 1, g, (1) - First of all, the panel suggested duplicates already existing elected bodies which have the OVERALL governing responsibility within their particular jurisdiction and areas of expertise. To add another layer, further insulates government from the direct voice of the people. If we were to deal with all local government problems in this manner, we would have taxpayer dollars spent for elections of ALL kinds and for ALL manners of panels. The result being - no ONE person or body where the BUCK actually stops. Also the politics of electing the panel suggested is lethal!

It is open to special interest manipulation not to mention the built-in invitation once elected for influence-buying and corruption. In other words, the bill suggests developing a democratic Frankenstein which is NOT responsible to or for the overall day-to-day governing of its public but rather a very narrow, specialized area called arbitration.

In Sec. 1, g, (2) - At a time when public sector bargaining is just barely being understood, this bill suggests submission of issues in dispute to an election of the voters, thereby changing entirely the rules of collective bargaining!

In conclusion, I'm reminded of a poker game in which heavy betting has taken place on specific hands; finally, when all bets are placed and a winner is about to be determined, a passerby comes to the table, picks up the hands, snifts some of the cards around, throws down one hand, points to a person and declares both the hand and the person the winner - then he turns and disappears into the sunset. . .

Regarding CSSB 373 - This substitute is much better than the original bill eliminating much of the poor wording and loop holes and seems fairly innocuous, however, I'm still opposed for the reason previously mentioned - limits local control. Additionally, I do question the wording in paragraph (b) - How do you envision the public "expressing itself?" and in paragraph (c) - What is meant by "the labor relations agency?"

Thank you.

Sincerely,

Sue Linford

(*) All of these organizations have taken a position opposing binding arbitration even Ruralcap, indirectly, through its co-sponsorship with the State of the Citizens Participation Conference at which the delegates from the rural areas of the State took the position against it.

SB 501

ANCHORAGE
SCHOOL DISTRICT
4600 DeBarr Road - Anchorage, Alaska
99504
AREA CODE 907-333-9561

April 5, 1978

The Honorable Joe Orsini
Alaska State Senate
Pouch V
Juneau, AK 99811

Dear Senator Orsini:

The attached comments were delivered by Caroline Wohlforth and Millett Keller at the teleconference hearing March 30. If you have any questions or comments, please feel free to contact me.

Sincerely,

John B. Peper

John B. Peper, Ed.D.
Superintendent

pa

enclosures

ANCHORAGE
SCHOOL DISTRICT
4600 DeBarr Road - Anchorage, Alaska
99504
AREA CODE 907-333-9561

TO: Alaska Senate Community & Regional Affairs Committee, Honorable Joe Orsini, Chairman

FROM: Caroline Wohlforth, President
Anchorage School Board

SUBJECT: Testimony Regarding SB 501 & SB 373
Municipal Labor Relations

DATE: March 30, 1978

I am speaking to you as an elected official, one whom fellow citizens chose to represent them, and, with their implied consent, to make decisions for them and to exercise certain authority on their behalf.

SB 501 strikes at the core of this philosophy by forcing elected officials to abdicate their duties as decision makers.

One of the most important functions of government in Alaska is as an employer. Since that is a condition of our times, we must recognize, on an equal basis, the importance of government relations with its employees.

The policies and decisions which are an everyday function of employer and employee relations are most effectively within the domain of leaders who are chosen by the electorate to make those decisions.

If government were to be run by referendum, then there would be no need for "government" -- there would be only a need for administrators who decide what to place on ballots and other administrators who manage elections.

On the same basis, we question the use of binding arbitration as a means of settling the disputes which arise in negotiations. Under our system, management and labor have certain prerogatives during negotiations. Binding arbitration would deny both parties those prerogatives and put governmental policy making outside of government.

We need only think back to the arbitrated settlement of the Anchorage Community College teacher's strike to see the illustration.

If an arbitrator has to leave orders that his findings can't be revealed for at least a week after he leaves town, doesn't it seem as though there might be a question of fairness involved for the taxpayer? The alternatives offered in 501 are also impractical.

The election of a three-member panel of arbitrators would further politicize the settlement of negotiations; furthermore, in rural areas especially, but also in cities it could be very difficult to find three people with both the technical expertise to fully understand the implications of contract language and salary schedules and the time and willingness to run for what should be a thankless job. I have already mentioned the philosophic problems elected officials have with government by referendum; the chief practical one I see refers again to the complexity of negotiated agreements and the all-or-nothing gamble inherent in last-best-offer arbitration. To sum up our objections, referring resolution of negotiations to any kind of arbitrator or to the public is a cop-out for government.

This is not what Alaskans expect of their government. On this basis, we oppose the adoption of SB 501.

Regarding SB 373 -- We support this proposal as we have had some experience with it on a local level and found that experience to be helpful. Last year, the Anchorage School District and the Anchorage Education Association publicly released their initial bargaining proposals. The release touched off a good deal of public debate and constructive comment on our relationship as a public body with our employees. We welcome this breath of fresh air into the critical arena of public employment policy.

We believe it is vital that our constituents be informed of the policies and decisions of their elected officials on a systematic basis, just as we believe it is their duty of elected officials to set policy and make thoughtful decisions sensitive to the best interests of that electorate.

Caroline Wohlforth

pa

ANCHORAGE
SCHOOL DISTRICT
4600 DeBarr Road - Anchorage, Alaska
99504
AREA CODE 907-333-9561

TO: Alaska Senate Community & Regional Affairs Committee, Honorable Joe Orsini, Chairman

FROM: Millett F. Keller, Vice President
Anchorage School Board

SUBJECT: Testimony Regarding SB 501
Municipal Labor Relations

DATE: March 30, 1978

Whenever the question of binding arbitration of disputes with public employees comes up, I always reflect on how the collective bargaining process has worked so far in Alaska. Collective bargaining has served Alaska's public employees quite well. Let's look at the record; our public employees are:

1. among the highest paid employees in the State,

2. have a low turnover,

3. have achieved excellent benefits, including vacation and medical plans that exceed most offered by private industry, an outstanding retirement system, and liberal holiday schedules,

4. and have job security.

With all these gains, why is there concern about the need for binding arbitration. Is management asking for help? Are the public employees being aggrieved and asking for your help? Is the public being subjected to crippling strikes? No. The need for binding arbitration in the public sector has not been demonstrated. In fact, quite the contrary is true.

When our nation's founders formed our government, they had a deep distrust and dislike for government. In fact, the movement from Europe to America was in large part a flight from a tyrannical government which imposed taxes without the consent of the public.

Our nation was formed on the principles of a republic, that is we would elect our representatives and they would be responsible for setting policy and guiding the government.

The Democratic process would be used to elect the representatives and thus ensure that the public would have the ultimate power to elect, remove or replace an elected official who was not satisfactory.

Our Federal Constitution and our State Constitution both reaffirm the principles of a representative democratic republic. This form of government has served our nation well and has withstood the test of time.

The introduction of collective bargaining into our local governments brought a new dimension of conflict into our goverment.

Previously, the Constitution had been a document which protected the public from the government. Now, the collective bargaining agreement has become the document which protects the government from the public.

In spite of all the problems we have managed to accommodate our government to the rigors of collective bargaining. The government employees have done quite well and local governments have paid the price both for bargaining agreements made at the local table and settlements which the unions have been able to make at the legislative table.

But binding arbitration is where we draw the line. Binding arbitration is a repudiation of our representative form of government. We are taking the most powerful force we give our government, the ability to tax, and we are giving it to someone who does not account to the voters for tax levies.

Some say that SB 501, by providing for an elected arbitration panel, retains voter control of the public treasury. Senators, all this bill would do is create another layer of government which would insulate the body which decides how much we spend from the body that decides how much we tax.

In the case of Juneau, Sitka, and Anchorage, we have unified our governments so that we could hold one set of legislators accountable for our local taxes. In the case of other organized boroughs, the elected arbitration panel would impose a third or fourth layer of government on boroughs and cities that are already smothered by government.

But an even more sinister threat to our representative government is posed by the second option, the submission of collective bargaining dispute to the voters. Senators, I submit that the voters want and indeed demand that their elected officials step up to all the tough issues and represent the public by making decisions. Furthermore, voter outrage and disgust at our governmental institutions will surely be increased when the public is continuously called upon to settle the collective bargaining nitpicking disputes between elected officials and union negotiators.

However, if you believe that our representative form of government cannot function in the collective bargaining arena, then I think we ought to consider changing the Constitution rather than the laws.

Why wouldn't the same logic prevail in the Legislature. Think of all the time and hassle that could be saved if we let the people vote on the state budget rather than the Legislators. And think about the possibilities of eliminating the free-conference committee and submitting those disagreements to final and binding arbitration by a body completely immune from the Legislature or the Governor. To make sure that equity prevailed we could have an election to see if we would elect the public interest free conference committee or have an annual state referendum on free conference committee issues.

Senators, when we talk about binding arbitration, we are talking about overthrowing our representative form of government.

I for one do not support such a move and sincerely hope that you will resist the beguiling arguments of the sirens, and oppose binding arbitration of public employee disputes.

Thank you very much.

Millett Keller

pa

ALASKA
STATE LEGISLATURE

Copy

MEMORANDUM

May 30, 1978

TO: Peter Fromuth, Teleconference Coordinator

FROM: Senator Joe Orsini

RE: Senate C&RA Teleconference, March 30th on SB 501

For your records, the teleconference held on March 30, 1978, was not in lieu of committee travel.

JO:cl

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

May 8, 1978

SUBJECT: Teleconference Costs

TO: Senator Joe Orsini

FROM: P.F. Peter Fromuth, Teleconference Coordinator

The final report on the teleconference network will compare teleconference costs with those of various alternatives. One alternative is committee travel.

Our records show that the Senate C&RA Committee has held one teleconference March 30 on SB 501. Would you please notify me if this teleconference was in lieu of committee travel.

PF:lmk

To: PF

From: Sen J.O.

No.

BACKGROUND ON THE ALASKA PUBLIC EMPLOYMENT RELATIONS ACT

AS 23.40.070-260, otherwise known as the Alaska Public Employment Act or PERA, provides for collective bargaining and binding arbitration for public employees at the state level.

It groups public employees into three categories: 1) employees whose services may not be interrupted for even a short period of time, 2) employees whose services may be interrupted for limited periods of time and 3) employees whose services may be interrupted for indefinite periods of time without the public suffering irreparable harm.

All political subdivisions of the state -- boroughs and cities -- were originally included under PERA. However, Section 4, chapter 133, SLA 1972, significantly modified PERA's application to local government by providing for political subdivisions to opt out of the regulations either by ordinance or by resolution.

Most of the major subdivisions of the state have in fact opted out of PERA with the exception of the Fairbanks North Star Borough and the Ketchikan Gateway Borough. (See attached list)

The reasons for this action by municipalities was that they could thereby fashion their own labor ordinances, tailored to local conditions and needs. In some cases, such as the City and Borough of Juneau and the Municipality of Anchorage, complete and parallel systems of collective bargaining agreements and arbitration have been adopted.

Under AS 23.40.250(5), public school employees were specifically exempted from PERA by excluding them from the definition of "public employees".

In this respect, the language of the Act is somewhat confusing and ambiguous, since in previous parts of the legislation direct reference is made to school teachers as public employees whose "services may be interrupted for a limited period but not for an indefinite period of time" (AS 23.40.200 paragraph "c"). However, despite the ambiguity of language, it has been understood as the legislative intent of the Act to exempt teachers and they have been excluded accordingly.

AS 23.40.190 provides for the appointment by the Labor Relations Agency of a mediator if a deadlock exists between a public employer and a labor organization.

AS 09.43.200, also known as the Uniform Arbitration Act, provides for the court to appoint an arbitrator or arbitrators if the parties agree to binding arbitration and if no written agreement exists for the appointment of arbitration. It also outlines specific procedures for implementing arbitration.

Senate Bill 501 would not modify or affect existing arbitration ordinances or procedures adopted locally by municipalities. The bill would, however, give greater flexibility to those municipalities which have elected to remain under the provisions of the State Public Employees Relations Act by providing them with additional options if they chose to use them.

PUBLIC EMPLOYMENT RELATIONS ACT- AS 23.40.070-260

(Section 4, ch. 133, SLA 1972, provides: "This Act is applicable to organized boroughs and political subdivisions of the state, home rule or otherwise, unless the legislative body of the political subdivision by ordinance or resolution, rejects having its provisions apply.")

The following municipalities have opted out of the Public Employment Relations Act*:

City and Borough of Juneau	Resolution 150
Municipality of Anchorage	Resolution 49-R-72
Matanuska-Susitna Borough	Resolution 72-48
City of Wrangell	
City of Homer	
Kenai Peninsula Borough	Resolution 72-17R
City of Ketchikan	Resolution 954
City of Fairbanks	
City and Borough of Sitka	
City of Petersburg	
City of Soldotna	Resolution 72-17
City of Palmer	Resolution 255
City of Kodiak	Resolution 16-72

Ketchikan Gateway Borough opted out, but later rescinded its action

Fairbanks North Star Borough joined APEA

(* data supplied by Alaska Municipal League)

OPEN NEGOTIATIONS AND PUBLIC PARTICIPATION FOR PUBLIC SECTOR COLLECTIVE BARGAINING

Englewood, Colorado (public referendum)

Aurora, Colorado (public referendum)

Pueblo, Colorado (public referendum)

San Francisco, California (public referendum)

Kansas City, Missouri (bargaining in public)

State of Tennessee (bargaining in public)

State of Florida (bargaining in public)

State of California (public disclosure of initial bargaining positions for school negotiations)

State of Wisconsin (public disclosure of initial bargaining positions)

State of Massachusetts (13-member fact-finding review panel)

Haddock

- Ritter → Bethel
July Anchorage
Drew - none
April Fairbanks
Sandy Ketchikan

~~Fairbanks~~
General Public
Self Gary Ackerman Plumbers & Steamfitters
negotiations should be between employer & employee
Premature at this time

Anch. Gen. Public
Walt Bennett - Anch. C of C
opposed to any binding arb.
Need for fact finder to settle the items at issue in the public mind

Ketch. - Iverson - public

Anch. Caroline Wolfforth
Sol Pres. Anch. School Board
would destroy effectiveness of school board
Anch. Comm. College - arbitrator decisions
can't be revoked for 1 week after
Problem with finding competent people to fill positions (especially rural)

37½ support - experience helpful - and released the opening positions

Ketch Eleanor Walker
member School Board
Relies response of duly elected officials

Hudson

Atty. John Carlson
Boro mayor
Supports Munic. League
Should have total opt. out provision!
" to provision for replacement
Solicited 3 - APEA (was used 2 years ago
3 - Boro

GET DECISION

Arb. Millet Keller
VP Arb. Sch. Bd.
Employees have liberal perks under present
law - why add binding arb.?
another layer of cost
Re art 2: voters ask those elected to
represent them to make decisions
why not submit state budget to binding
arb. instead of F. C. C.
Favors open bargaining with press
present at table
1 - 4 cc - binding arb.
2 - Fire-fighters (Portland Arbitrator)

Keith Bob Collins
APEA Rep.
opposes -
Local panels would be inexperienced in
determining items under dispute
opposed to state settlement since awards
are lower than under bargaining
Suggestions all date Shelby for added
info.
Re 373 - Hudson position not Carries
Indistinct

Bethel — Rosemary Parker
Ed. Pendra Jones
SB 501 Gives municip. options
Elected boards would be politicized
would reduce investigative time &
staff 3 member boards. would be like
electing a school board.

Anch. — Robert Johnson
Reps. for and 9-4
501 Reps. opposed to SB 501's potential
to destroy collective bargaining
would be open door to lawsuits, except
for gold on a green strip
Current model, unamended
Existing arbitration is best of three units
373 Initial stand of parties would not be what
appeals Jules - publicizing would interfere
the public

Kotzebue — Bob Garza
Nana Natl Central Labor Council
opposes 501
Board might be conservative or liberal
today, take a chance

Anch. — John Alexander
Rep. for and 15-4
→ Was pres. of PERS when act was passed
No need for bill
Present act has everything needed
Points to reality of bargaining process.
Present act not fair

Arch. Geo Pearson
501 Alas. State Council of carpenters
Leave present act alone.
Negot. or labor could sit down with
all members of panel.
Arbitrators would be elected on a
popularity basis.
Would like more detailed definitions
on wages

373 Nothing

Self Bethel Diane Carpenter
501 Less number of negotiations, team
issues not clear cut enough for voters
to intelligently decide on.
Could be a time when finding art.
would be appropriate and if so a selected
panel (list)
373 Initial proposals should be kept secret
between unit of negotiation Public has
right to know in open session.

Bethel – Allan Wintersteen
Came as concerned citizen.
501 appears
Separate loan money items
" Will go ahead with bargaining unless
final difference should be decided by
binding by and person for more
balanced approach; perpetuated. It
understood the importance to be of
space to outline the issues,
373 Agency and Tri-Council procedures.

Amdt. Pu Dayton (12 yr. resident)
I.F. assn Fire fighters Local 1264
appeal:
• Called. barg. would be compromised
and less competent negotiators
Fire dept. does own bargaining
Eventual elimination has no place in
373 would cause emotional reaction
Binding arb. came from
① mediation ② fact finding ③ binding arb.
Arbitrator was from Portland
(no faith in Dayton labor bc came from boss
a) mutually selected arbitrator)
was here for one week.

Self Amdt. Sue Lipsey
Chmn C-J-C Committee
Rep. to IFO
501 — Limits local control. Elected
officials should solve their own unique
problems.
Voters elected reps should make decisions
to which they are answerable
Duplicates people already in place.
Special interest manipulation could
take place
Submission to voters unnecessary.
373 CS in letter

Amdt. Jim Lucas
Pres ACC Fed. Teachers
Oppose 501
Incompetency corruption are possible
under elective Arb. board.
would discourage

Official Business

Alaska State Legislature

Senate

Committee on
Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

March 27, 1978

John B. Peper, Ed.D.
Superintendent
Anchorage School District
4600 DeBarr Road
Anchorage, Alaska 99504

Dear Dr. Peper:

Thank you for your letter of March 21 commenting on House Bills 681, 853 and 489. I know that you and your staff are fully occupied with immediate school district matters, so I do appreciate your taking the time to write on pending legislation.

Your earlier comments on the first draft of SB 373 were particularly useful to the Committee and they served as the basis for a proposed committee substitute. I have enclosed a copy of the redraft for your information and also for any further assessment you may wish to make.

I also hope that the Anchorage School District might be able to participate on March 30 in the video-broadcast hearings this Committee will hold on SB 501 (relating to the resolution by the public of public collective bargaining impasses) and, as time permits, on CSSB 373 as well.

You have my sympathy and full understanding regarding the deluge of regulations and new legislation affecting education. Hopefully, the flood can be brought under control or at least kept to measures truly benefiting municipalities and school districts.

Sincerely,

Joe Orsini

JOE ORSINI
Chairman, Senate
Community and Regional
Affairs Committee

JO:gd

Enclosure: CSSB 373

(A-contd) examples - ACC binding arb. ; Arch firefighters (?) police
voters vote on bond issue - should have some voice in arb
'housekeeping' vs. capital improvements

K Bob Collins = APEA
support existing ; oppose 501
elected arb are inexperienced - arrive @ poor decisions
APEA has stat on voter-settled arb. Higher increases
submission to voters becomes media battle

oppose 373 - media battles + hardened posn

B Rosemary Porter Tundra drums
501 - gives many options - good
- opposes elected 3 member panel
The elected is better than appointed

A Bob Johnson - Teamsters
opposes 501 - irresponsible & dangerous
no delegation of responsibility
no need - no "helpless + hopeless" cities

exist arb as "lesser of evils",

does not support 373, but no experience

3/30

F Gary Akerman - member of plumbers union
leave to employer/employee
premature for 501 + 373

A Walt Bonnett Anch C of C
oppose any form of binding arb.; strikes are OK
3rd party, reduces public awareness - bad

A Caroline Wohlforth Pres Anch Sch Bd
501 "forces' abdication of respon. of elected officials
oppose binding arb -
support strikes over binding arb
501(2) further "politicize" nego process
"all or nothing" gamble on last o

Support 373 - did make public ~~the~~ first offer
@ last nego in Anch
ACC is example of bad arb

K Sharon Walker KGB Bd of Ed
oppose any binding arb - i.e. 501

F J. Carlson - Mayor
Support municipal legis pol statement - don't want
state direction
means of replacement
did use a 'panel' approach : empl employer
3 - 3

A M. Keller Sch Bd
oppose public sector binding arb
large public sector advantages in current system
Spending to taxation - one set of legislators for taxes

Support 373 - supports public hearing.

COMMENTS BY SAM ZAGORIA (U.S. MUNICIPAL LEAGUE) RE SB 501

I spoke to Zagoria 3-20-78 on the recommendation of Ron Garzini (Fairbanks North Star Borough) and Fred Jones (Labor Relations, Municipality of Anchorage) regarding national experience in new approaches to final arbitration for local public sector collective bargaining impasses.

Zagoria said he was familiar with the situation in Alaska, having talked with Mayor Sullivan a number of times. He pointed out two areas of possible action:

1) Bargaining in public. Zagoria said that last week the state of Tennessee had signed into law public bargaining for teachers. He also said that the state of Florida had had this provision for a number of years and that the results were considered good. He noted that, by bargaining in public, both sides felt the pressure of public opinion to negotiate moderately and without taking extreme stands.

2) Public referendums. He believed that the referendum method had the greatest potential for development and thought that it was closer philosophically to the true intent of public collective bargaining, i.e. where public authorities were acting as agents for the public itself.

In regard to public referendums, Zagoria said that the Colorado town of Englewood, just outside Denver, has had a public referendum system in effect for the past five years. The interesting aspect of the arrangement is that no referendum has ever been held. The process (in theory) is as follows: (a) impasse occurs, (b) mediation takes place, (c) upon the failure of mediation a fact-finding board investigates the situation and makes a recommendation to both sides, (d) both sides have 30 days to accept or reject the recommendation, (e) the recommendation of the fact-finding board, plus the last best offers of the two deadlocked sides are put on the ballot for a public vote.

Zagoria said that twice-- once with policemen and another time with firemen-- the labor groups waited until the evening of the 29th day. Then they called a special meeting and accepted the fact-finders' recommendation. In Zagoria's view, they waited until they determined that the public was not with them before they accepted the compromise. Last November 2, two more Colorado towns adopted this procedure.

The City Manager of Englewood is Andy McCown (303-761-1140), City Hall, 3400 S. Elati Street, Englewood, Colorado 80110. Zagoria will send us material on the public bargaining system as well as Englewood's system.

Ben Harding

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

POUCH V - STATE CAPITOL
JUNEAU ALASKA 998 1
907 465 3800

M E M O R A N D U M

March 22, 1978

SUBJECT: SB 501

TO: Senator Joseph L. Orsini

FROM: Richard A. Bradley, Legislative Counsel

Ben Harding asked that I review SB 501 to determine whether a bill was necessary to achieve the results sought in the bill.

SB 501 amends AS 23.40.200, a section establishing the "arbitration" procedure in the Public Employees Relations Act, (AS 23.40.070 - 23.40.260). AS 23.40.250(6) includes a municipality within the definition of the term public employer and accordingly the act applies to municipalities unless they have exercised their option under sec. 4, ch. 13, SLA 1972 to reject its application. State v. City of Petersburg, 538 P.2d 263 (Alaska 1975).

The provisions of SB 501 provide that a municipality, by ordinance, may exempt itself from AS 23.40.200(a) to (f) if it adopts a procedure authorized under §200(g)(1) or (g)(2).

While municipalities possess substantial rights of legislation under Art. X, sec. 11 of the Constitution, it has been determined that the provisions of PERA apply to municipalities and control their actions. State v. City of Petersburg, supra.

In my view, therefore, in the absence of SB 501, a municipality may not exempt itself from the provisions of §200.

RAB:hjd

MUNICIPAL COMMENTS ON SB 501

	Support	Oppose	Other	Comments
Mat-Su Borough			X	Mat-Su has own system of collective bargaining
Kenai Peninsula Borough School District		X		Present system working well and should not be tampered with
City of Kodiak	X			Would increase local flexibility
St. Mary's School District		X		Opposed to any form of binding arbitration
Mat-Su Borough School District		X		Leave system as it is and allow for teachers to strike if need be
Anchorage School District (orally through school board)		X		School board should be allowed to handle its own responsibilities
City and Borough of Sitka		X		Further intrusion by state into local affairs
City of Valdez (by telephone)		X		No-strike clauses are unenforceable and binding arbitration is an infringement on local municipalities.

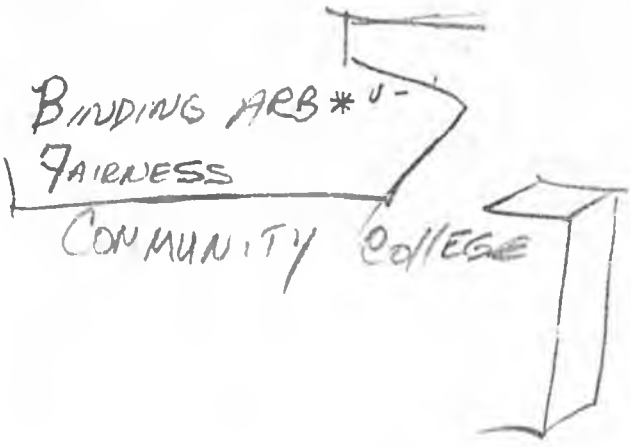
SB 501 PUBLIC EMPLOYEE
PUBLIC EMPLOYER

Ruch (July) 6

WALT BOUNETT
CAROLYN WOLFORTH
MILLET KELLER U.P A.S.B.

- HI PAY
- VACA PLAN
- JOB SECURITY

BINDING ARB * U-
FAIRNESS
COMMUNITY COLLEGE



7 BKS - (April)

Gen. Public - Gary A Rennaker V-4 Mi.

Closed - Meetings
John CARLSON

KETCH -

PUBLIC EMPLYR SCHOOL BOARD
BOB Collins Re Cherry

SB

507

Most Recent

anchorage
breakthrough
....helping shape tomorrow today

pouch 7-1977 anchorage, alaska 99510
telephone (907) 279-1977

Pete Burns
8502-708 mill
2-16-78
F: 53 507

TO: Steering Committee Members

FROM: Elizabeth Cuadra EC

RE: Final Text of State Bill for Municipal Capital Improvements

DATE: February 7, 1978

Some final clarifications have been made in the text of Section 2. On Max Hodel's approval, the new Section 2 has already been transmitted to Chat Chatterton in the State Legislature.

In your communications with legislators and others concerning our bill, be sure to use this current version only. For identification purposes, I have inserted the revision date (1/30/78) at the top of page 2.

max hodel, general chairman; steve holmes, vice chairman; judge james singleton, vice chairman; frank reed, sr, secretary-treasurer

steering committee

bob baer, mamie bowman, natalie brooks, bill cotterell, bob crosby, betty cuddy, bill dash, chuck eddy, kay fanning, janie fleischer, bill hall, herbie hope, ben humphries, tom jensen, dick leonard, bob lyng, john manders, ken maynard, don mellish, ed moses, conn murray, don nelles, gene nogushi, lorena stevens, howard slack, dale teal, gary thurlow, chuck webber, eric wohlforth

AN ACT RELATING TO COMMUNITY
DEVELOPMENT AND STATE FINANCIAL
ASSISTANCE FOR MUNICIPAL CAPITAL IMPROVEMENTS

SECTION 1. (a) During each fiscal year, and in accordance with agreements entered into by the State and the municipality, the State shall allocate to every incorporated municipality in the State of Alaska an amount equal to fifty percent (50%) of the annual principal and interest owing by the municipality on general obligation bonded indebtedness for capital improvements incurred by the municipality after 1977, or, if monies are available, make a grant to the municipality of fifty percent (50%) of the costs of the capital improvement which the municipality seeks to construct or acquire.

No monies under this act shall be applied to principal and interest which was due and owing before 1979 or for general obligation bond issues authorized before 1978.

(b) The Department of Community and Regional Affairs shall express its financial commitment to each municipality, concerning each capital improvement project to receive State monies under this act, in a written agreement, before the project is begun, binding the State to its share of the funding of the project; provided, however, that no State monies shall be committed to nor expended for construction

cost overruns or other costs in excess of the original project estimated cost, set forth in the agreement.

(c) State monies shall not be expended under this act for capital improvement projects for which the federal and State actual funding level, under other programs, equals or exceeds the 50% share established by this act for State participation in municipal capital improvements.

SECTION 2. Any municipality may, for any proposed municipal capital improvement eligible for State assistance under this act, obtain from the State a grant for the capital improvement in an amount equal to fifty percent (50%) of the cost of the project to the extent that monies are available for this purpose. The municipal share of the funding of the capital improvement may be obtained by the municipality from any source lawfully available to it for such use, including but not limited to the sale of general obligation bonds.

SECTION 3. No more in grants or for principal shall be allocated to any municipality under this act than:

$3,000 general obligation bond indebtedness per capita or $3,000 in cash per capita on the first 1,000 population;

$2,000 general obligation bond indebtedness per capita or $2,000 in cash per capita on population over 1,000 but less than 10,000;

$1,000 general obligation bond indebtedness per capita or $1,000 in cash per capita on population of 10,000 and more.

SECTION 4. Every municipality obtaining monies under this act shall, by accepting such monies, be solely responsible for the maintenance and operation of the capital improvement. Nothing in this act shall obligate the State to participate in or contribute to the cost of operation and maintenance of such capital improvements.

SECTION 5. (a) No monies shall be made available under this Act unless the municipality submits to the State of Alaska Department of Regional and Community Affairs a five-year capital improvement plan showing the capital improvements planned for the municipality during the next five years, and the planned sources of revenues to pay for the capital and

operational costs of the capital improvements; provided that the Department of Community and Regional Affairs shall make no determinations based upon its evaluation of the desirability or priority of a project.

(b) No monies shall be paid as 50% of the cost of a capital improvement or as 50% of the annual principal and interest cost of a capital improvement unless the municipality has first obtained a written confirmation from the Department of Regional and Community Affairs that the municipal capital improvement is eligible for matching by the State in cash or by paying 50% of the principal and interest upon general obligation bonds authorized by the voters of the municipality or to be submitted to the voters for authorization after 1977. The Department of Community and Regional Affairs shall have the sole discretion as to whether 50% of a capital improvement shall be funded in cash as opposed to the State paying 50% of the principal and interest upon a general obligation bond issue for a capital improvement, but shall, in any event, advise the municipality promptly whether the proposed capital improvement, or portions of it, will qualify for State participation under this act, whether the State participation will be in cash or by the State paying 50% of principal and interest on the general obligation bond for capital improvements, and the approximate date upon which any payments by the State in cash or toward the principal and interest shall be paid.

SECTION 6. (a) The municipality shall provide the following notice to the voters in any general obligation bond election, both in the required notice of election and the ballot, regarding State participation in the principal and interest costs of the capital improvements:

Proposition (set forth bonding proposition)

(The State of Alaska may pay 50% of the principal and interest on the bonded indebtedness)

$_____

No bond notice, ballot or bond approval shall be invalid because of failure to set forth the above notice. The sole remedy of any aggrieved person, including the State of Alaska, under this section is an action for mandamus in the courts of Alaska to require inclusion of the notice or postponement of the election until the notice is included.

(b) In addition, the municipality shall furnish a notice with tax statements mailed for the fiscal year for which State aid for general obligation bonded indebtedness or cash grants for capital improvements are received under this act setting forth the amount made available by the State to the municipality for that fiscal year. This information shall be incorporated in any notice to the taxpayer required under AS 43.18.030 in connection with State aid to local governments.

SECTION 7. No monies shall be made available for principal and interest under this act until January 1, 1979. Should general obligation bonds be sold before January 1, 1979 and should principal or interest payments become owing upon such bonds before January 1, 1979, any monies owing by the municipality upon such bonds before January 1, 1979 shall not be eligible for matching under this act; provided that nothing in this act shall be construed as prohibiting a municipality from borrowing for planning, engineering, drawings, design, specifications and bid documents in 1978 with repayment from a State grant under this act, from proceeds of any authorized bond issue or from municipal revenues as provided by law.

SECTION 8. (a) The State of Alaska Department of Community and Regional Affairs shall promulgate regulations to implement this act, including, but not limited to form of applications, standards for determining eligibility of capital improvements, determination of population, financial capacity, proof of actual application of monies by municipalities to general obligation bonded indebtedness, calculation of amounts to be allocated to a municipality and time of payments.

(b) In no event, however, shall the Department of Community and Regional Affairs or any State official promulgate regulations, review applications from municipalities or otherwise administer this act in such a manner as to diminish the authority of municipalities, in their sole discretion,

to determine what types of capital improvements, or priorities therefor, or design thereof, are appropriate for their communities. No State judgment as to the appropriateness of a particular capital improvement in a particular community shall become a factor in determining eligibility of capital improvements for funding under this act.

SECTION 9. This act is effective immediately upon passage.

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

March 9, 1978

James A. Poor, Mayor
City of Cordova
P. O. Box 1210
Cordova, Alaska 99574

Dear Mayor Poor:

Senate Bill 507 ("An Act authorizing state aid to municipalities for the construction and development of cultural facilities") and Senate Bill 508 ("An Act providing for the issuance of general obligation bonds...for the purpose of paying the cost of cultural facilities") have been referred to this Committee for review and action.

In order to provide the background needed by Committee members for their consideration of this legislation, I would appreciate it if you could make the following information available on the projects proposed for your community:

1) What specifically would be the use of the facility and what kinds of functions would be undertaken there which could not be accommodated by existing facilities?

2) What is the total cost of the fa[illegible]ity? How much would be locally funded?

3) What do you anticipate the annual operation costs of the facility (maintenance, lights, heat, etc.) to be? How will funds be obtained to meet these costs?

4) Do you have a specific site located for this facility? What is the land value of this site? Who currently owns the site? If not municipally owned, how will the site be obtained?

5) Is this facility included in the community development plan adopted by your community? Is this facility included in your community's adopted capital improvements program?

6) What additional infrastructure support will be required (roads, sewers, power, etc.) for the site? How much will this additional infrastructure cost for construction be? How will funds be obtained for these costs?

I would also hope that you can inform me of any additional needs and projections which you believe may develop in your community for cultural facilities over the next decade.

Sincerely,

JOE ORSINI
Chairman, Senate
Community and Regional
Affairs Committee

JO:gd

Enclosure(s): (2)

3-8-78

Peter Jack Sr., Mayor
City of Cuyuna
P.O. Box 189
99890

George M. Sullivan, Mayor
Municipality of Anchorage
Pouch 6-650
99502

James K. Poor, Mayor
City of Cordova
P.O. Box 1210
99574

Freeman A. Roberts, Mayor
City of Dillingham
P.O. Box 191
99576

Jack A. Wallace
City of Haines
P.O. Box 576
99827

William A. Moran
City of Ketchikan
P.O. Box 7800
99901

J. D. Overstreet, Mayor
133 S. Seward Street
Juneau, Ak. 99801

Jack Frost, Mayor
City of Kodiak
P.O. Box 1397

Gary Bradford, Mayor
Bristol Bay Borough
Box 189
Naknek 99633

Theodore M. Smith
City of Petersburg
P.O. Box 329
99833

Ben F. Grussendorf
City & Borough of Sitka
P.O. Box 79
99835

Robert Mesage
City of Skagway
P.O. Box 415
99840

PLEASE REPLY BY AIR MAIL

F: SB 507

WARREN C. CHRISTIANSON
ATTORNEY AT LAW
SITKA, ALASKA 99835

POST OFFICE BOX 4
TELEPHONE 747-[illegible] 6681
403 LINCOLN STREET

March 14, 1978

The Honorable Charles H. Parr
House of Representatives
Pouch V, Mail Stop #3100
Juneau, Alaska 99811

Dear Representative Parr:

The Sitka Community Action Group went on record March 13, 1978, as supporting your House Bill 768 and that of Senator Rodey as to Senate Bill 508. We feel it is important to get this bond issue out to the voters and also feel that the quality of life is highly important in all of our Alaska communities. I want to add my personal support for these bills as well. I have seen what the summer arts camp here at Sheldon Jackson has done for my children and feel the cultural facilities would provide an even greater emphasis on this line, one which is badly needed not only in Sitka, but in other communities as well.

Concerning Senate Bill 507 and House Bill 769, I must say that I much prefer Senate Bill 507 and also feel that the land itself should be considered as part of the the contribution. Land is extremely valuable in Sitka as in most Alaskan cities and certainly represents a very valuable and significant part of the total cost.

Very truly yours,

Warren C. Christianson
Chairman
Sitka Community Action Group

cc: Chairman of House Community &
& Regional Affairs
Pouch V
Juneau, Alaska 99835

Chairman of House Finance
Chairman of Senate Community &
& Regional Affairs
Chairman of Senate Finance

F: 1, SB 507
2. SB 508

CITY OF DILLINGHAM

P.O. BOX 191 DILLINGHAM, ALASKA 99576
TELEPHONE (907) 842-5211 or 842-5212

March 16, 1978

The Honorable Joe Orsini
Chairman, Senate Community
and Regional Affairs Committee
Pouch V
Juneau, AK 99811

Dear Senator Orsini:

In response to your letter of March 9, 1978 regarding Senate Bills 507 and 508, the following background information is provided concerning the City of Dillingham's proposed Regional Cultural Center:

1) The specific use would include an auditorium/theater seating 350 with two classrooms which could be opened up to increase seating to 500; a museum area; classrooms for the University of Alaska Extension Center; day care center; office space for Bristol Bay Regional Resource Center, Bristol Bay Native Association and Bristol Bay Area Health Corporation. The theater would be used by the school for music and drama presentations and rehearsals, for Beaver Roundup Activities, concerts and performances sponsored by the Dillingham Arts Council, and would have projection equipment for showing movies. There is presently no facility of this kind in Dillingham or in the region. Also included in the plan is a multi-purpose room which could be used for banquets, making the facility a logical conference center. At present the only building which meets any of these needs is the school gymnasium which is already heavily scheduled for school activities. The school has no space for the music or drama classes. Music classes are presently held in an old armory which has no restroom facilities, very poor heating system, and is scheduled to be moved or torn down this coming year.

2) The total projected cost is $9 million based on an estimated building and equipment cost of $200/sq. foot. We would attempt to meet the 10% local funding by including land value and first year operating costs, as well as the several thousand that have been spent and time donated during the planning that has gone on in the past four years toward this project.

3) Annual operation costs, including a manager for the facility, janitor, and utilities is roughly $150,000. This amount would be increased by from $50,000 to $90,000 a year depending on insurance coverage. The cost of maintenance is to be met by rental of available office space (see attachments).

4) The city has several possible sites but has not designated a specific site for two reasons. The most desirable location is close to the high school and there is a possibility that land presently owned by Alaska Department of Fish and Game which is adjacent to the school may become available to the City. Also, more land will be received from the Village Corporation when their land is conveyed. If either of these land possibilities present a more desirable site than those presently owned by the city, we wish to utilize them. However, the City Council has, by resolution, agreed to provide a site for the facility. Land value in the townsite area is $30,000/acre and the facility would require an acre or more.

5) The facility is included in the Community Project Matrix submitted to the Division of Economic Enterprise. We have no adopted capital improvements program.

6) The location of the facility will be tied closely to existing or planned buildings. A planned low-income housing project of 35 homes will be built this fall, bringing improved water and sewer, roads, and power to one potential site. A new judicial building would bring the same infrastructure support to another potential site. It would be expected that the total estimated figure of $9 million would cover the cultural centers cost of hookups to existing utilities.

This center has been discussed at many City Council meetings and the council has gone on record as supporting the plan and agreeing to accept and administer the monies for building it if they are received. The council recognizes the problem of providing maintenance for the building and many questionaires and contacts have been made to determine whether the space rental available would be utilized and indeed provide the revenue necessary. Each organization contacted has asked for more space than when they were first contacted. If the money becomes available, a definite committment will be requested from the agencies requesting space before the building is begun. It is expected that the planned facilities would meet our needs for many years to come.

This center would do a great deal toward meeting some of the presently unmet needs in the Bristol Bay Region and it has regional support. We would, however, encourage your committee to support House Bills 781 and 782 rather than Senate Bills 507 and 508 because communities such as ours will surely need to include land value in order to provide matching funds.

Thank you for giving us the opportunity to provide input into this matter.

Sincerely,

Gordon W. Ryan

GORDON W. RYAN
City Manager

Gwr/jtm

ENC: Resclution No. 77-6
Basis for Cost Estimates
Potential Uses
Maintenance Cost Estimates

cc: Senator George Hohman

CITY OF DILLINGHAM

RESOLUTION NO. 77-6 - Regarding Proposed Regional Cultural Center

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DILLINGHAM THAT SAID CITY IS A MUNICIPALITY DULY ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF ALASKA AND FULLY AUTHORIZED TO ENTER INTO THE FOLLOWING RESOLUTION:

WHEREAS, a preliminary plan for a Regional Cultural Center has been prepared as a result of an assessment of community needs, and

WHEREAS, several Alaska communities are proposing a State Bond issue in 1978 to secure funding for facilities of this kind, and

WHEREAS, in order to be included in the State Bond Proposal the local project must have the approval of the municipal authority, and

WHEREAS, the City Council recognizes that the need for such a facility exists in Dillingham and the Bristol Bay Region,

NOW, THEREFORE, BE IT RESOLVED:

1. That the City Council approves including the Dillingham Regional Cultural Center on the proposed State Bond Issue Ballot in 1978.

2. That the City of Dillingham agrees to accept the monies from such a bond issue and to arrange for construction of the building.

3. That the proposed plan may be modified to meet the needs of the area as they exist and will include a theater facility.

4. That the City will work toward choosing a building site for the facility.

5. That the City will be responsible for the operation and maintenance of the facility once it is built.

6. That the project will be built 3 or more years away and the City reserves the right to review the feasibility of this Regional Cultural Center and act accordingly.

APPROVED AND ADOPTED this 2 day of February, 1977.

Barbara S. Lowy
Acting Mayor

SEAL:

ATTEST:

Lou L Hermanson
City Clerk

PROPOSED REGIONAL CULTURAL CENTER

Rental Space Available in Plan "B" (Including that designated for library and day care center)	14,942 sq.ft.	Rental @ .85 sq.ft.	$152,408
Rental Space Available (Excluding library and day care center)	8,496 sq.ft.	Rental @ .85 sq.ft.	86,659
Estimate of need given by potential lessees (Does not include space needs of school)	20,950	Rental @ .85 sq.ft.	$213,690

Other potential users and uses:

Chamber of Commerce - Beaver Roundup Activities

Dillingham Arts Council - Concerts, workshops, craft sales.

Films - Projection equipment part of plan, good revenue source.

Local Drama Group - Talent shows, plays. Good alternative to alcoholism due to boredom.

Library - Possible school library here if placed close to school.

School Superintendent - Has suggested his office here, present space for classrooms.

Museum

Workshop areas- Could be utilized by native groups, school, Univ. of Alaska. This might also be a good alternative activity for community needs.

Convention Center - Could include handling of meals with kitchen facilities.

Local Potlaches and Banquets - Do not need elaborate kitchen, just essential things plus space for seating.

CITY OF DILLINGHAM

P.O. BOX 191 DILLINGHAM, ALASKA 99576

TELEPHONE (907) 842-5211 or 842-5212

BASIS FOR COST ESTIMATES

DILLINGHAM REGIONAL CULTURAL CENTER

SPACE ALLOCATIONS:		SQUARE FEET
Stage/Auditorium/Classrooms		7,665
Museum and Craft Rooms		2,399
Day Care Center		1,761
Rental Space		
Bristol Bay Area Health Corporation	4,000	
Bristol Bay Native Association	6,000	
University Extension Program	5,600	
Regional Resource Center	2,000	17,600
General and Miscellaneous		
Kitchen	207	
Conference/Banquet Room	1,540	
Boiler Room	1,216	
Mechanical Equipment	1,026	
Stairs and Elevator	464	
Corridors	6,600	
Toilet Area	540	11,593
TOTAL USEABLE SPACE		41,018
TOTAL AREA PER OUTSIDE DIMENSIONS		45,000

COST ESTIMATE FOR PLAN "B" (45,000 sq/ft @ $200/sq.ft) is $9,000,000.00

Current building costs in Dillingham vary but the recent school gymnasium which included no restroom facilities and minimum equipment cost $150/sq.ft. to build and equip. The estimate of $200/sq.ft. for the Cultural Center is intended to include all equipment.

The preliminary plan is subject to change of use areas to be determined by needs which may arise, but the major areas have remained unchanged since the original plan was drawn in 1975. The primary intent is to allocate enough space to meet community and regional needs and still allow enough rental space to provide income for maintenance of the building.

Gordon W. Ryan

GORDON W. RYAN
City Manager

REGIONAL CENTER INFORMATION

MAINTENANCE COST ESTIMATES:

Based on High School Maintenance costs for comparable space:

Electricity	$ 36,748.
Fuel	16,808
Custodial (2 @ $13,000)	30,000
Contracted Maintenance	16,562
Supplies	17,000
Manager	30,000
*Total	$ 147,118

*Does not include insurance. High school is currently paying $68,000/yr. Liability insurance would be needed if no other.

Comparison with Anchorage Historical & Fine Arts Museum:

They have 25,000 sq. ft. compared to our plan of 45,900 sq. ft.

1 Janitor @ $7.81/hr - $16,000+/yr.

All utilities including telephone - Pay a flat fee of $53,000/yr. to the Anchorage municipality since they are owned by the municipality.

Insurance - Part of overall municipality policy so did not know how much for this one building. Do have a fine arts floater @ $6,000 and Gen. Liability @ $6,700.

They hire 15 full time people plus a manager.

INSURANCE INFORMATION FROM DAWSON & COMPANY:

Their only rough estimate was $1 per $100 valuation or $90,000/yr but this could vary depending on what kind of sprinkler system, method of construction, etc. by at least as much as .25 per $1. This is also based on a $9 million value.

RENTAL RATES IN DILLINGHAM AT PRESENT:

BBNA is paying roughly .75/sq.ft. Regional Resource Center .65/sq.ft. Health Corporation is interested in 5,000/sq.ft. and did not feel .85/sq.ft. out of line for rent. Choggiung is not planning to include office rental space in their proposed building other than to the state.

SPACE RENTAL ESTIMATE OF PROCEEDS:

15,000 sq.ft @ .85 = $153,000/yr @ .75 = $135,000/yr @ .65 = $117,000/yr.

According to survey done, user groups would like more than the 15,000 sq.ft. presently allowed for rental space.

F: SB 507
2 SB 507-508

City and Borough of Sitka

P.O. BOX 79 · SITKA, ALASKA · 99835

March 16, 1978

Senator Joseph Orsini
Chairman, Senate Community and
Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

In reply to your letter of March 9, 1978, addressed to Mayor Grussendorf regarding Senate Bill 507 and 508, first we wish to advise you that we endorse HB 781 and 782 which provide two specific items not contained in SB 507 and 508. The House Bills allow for land to be used as part (or all if the land is valuable enough) of the cash match. We respond to the questions contained in your letter as follows:

1. The intercultural Arts Center would serve all the arts organizations and programs in the community. It would provide spaces for concerts, theater performances, dance companies (touring groups in modern dance, folk dance and ballet as well as our own New Archangel Dancers), choral concerts, school bands and choruses, local dance recitals, musicals, operettas, and the like. It would also provide a high security art exhibit room for both local and traveling exhibits. It would provide workshop and classroom space for people in the visual arts. Depending on its location, it would have daytime use by the colleges or public schools in the community and after school, evening, and weekend use by the community at large.

   Briefly stated, it would provide a home for the performing and visual arts programs in our community.

In the existing facilities, the only place where we can perform now is the Centennial Building. It is a convention center with a flat-floored auditorium and a "stage" 40 x 11. Speaker's platform is a better term. Although we have local productions and touring programs there, it is inadequate. There is no proper access to the stage; there are no dressing rooms or make-up rooms; there is no wing space. There is a room for art exhibits, but it is not high security, nor humidity controlled. Consequently, we can not have touring exhibits of any arts that are of any value. We can not have a full-sized symphony perform. We can not have a full performance by a ballet company. We can not have a professional theater company. Locally, we can not perform plays or musicals that require set changes of any involvement. The full high school band can not fit on the stage, so those performances are held in the high school gym where they can not be heard.

2. The total cost of the facility, if built by 1980 including site preparation etc., and 1% for Art In Public Places is $9,500,000. We would fund 10% of the costs providing Representative Duncan's bills are enacted.

3. The cost of operating the facility is estimated to be approximately $200,000 to $225,000 per year. The building income would come from regular users from the community (art groups and individual artists that might want to use the building on a regular basis), groups that want to use the building on an irregular basis (for example, for one dance recital a year or one performance by the Community Chorus), the schools that will use the building, convention groups that can not be accomodated by the Centennial Building, fund raising efforts for the building by the arts groups, grants from the State Arts Council, the National Endowment for the Arts, and private foundations, and municipal support.

4. We have two sites under consideration. The first site is comprised of two acres of land adjacent to Sitka High School and is owned by the municipality. The other site is comprised of 3½ acres of land on Sheldon Jackson College Campus. The Sheldon Jackson College site is available through a long-term lease.

5. The proposed facility is not listed in our community development plan, or capital improvements program. The question of whether or not to construct the proposed building will be put to the local electorate.

6. The road, sewer, water and power lines are already installed in the areas adjacent to the sites under consideration.

We are of the opinion that the proposed facility for Sitka will meet all the arts needs for the community (in terms of housing) not only for the next decade, but for years beyond that. The proposed building for Sitka may appear large now, but the needs of the future have been taken into consideration.

Very truly yours,

Fermin Gutierrez
Administrator

E: HB 507

Lynn Canal Community Players, Inc.

HAINES, ALASKA 99827

March 17, 1978

Joe Orsini, Chairman
Senate Committee on
Community & Regional Affairs
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

The Lynn Canal Community Players, Inc. is one of the oldest little theatre groups in Southeast Alaska, having given its first production in 1957. By using one of the large unused buildings at old Ft. Wm. H. Seward, this group was instrumental in initially establishing a cultural facility in the Haines area during the Centennial year. However, this building is in sad need of renovation. The Alaska State Drama Festival takes place here every other year (1979 will be next) and present facilities are woefully inadequate.

We wholeheartedly support the proposed bond issue which will make facilities available to many other communities. Let us not let this opportunity slip by! These centers will have multiple uses, such as meeting rooms, convention centers, dinners, art shows and displays, and adequate facilities for visiting artists, both in the performing and visual arts fields. Alaska is attracting tourism--now a major industry. How much more could be done for the visitor were such centers in operation.

We support SB 507 as a good bill and urge your committee to give it a "do pass". However, we would urge an amendment to allow for local land match. This would go a long way toward making this proposal workable. We would also like to ask for the addition of an advisory committee, feeling that this is a necessary function to determine what communities are ready. We ask for your assistance on this proposal.

Sincerely,

LYNN CANAL COMMUNITY PLAYERS, INC.

Mimi G. Gregg

Mimi G. Gregg
Secretary

F: 52508

HAINES BOROUGH

P.O. BOX H
HAINES, ALASKA 99827

March 21, 1978

Joe Orsini, Chairman
Senate Community and Regional Affairs Committee
Pouch V, State Capitol
Juneau, Alaska 99811

Dear Senator Orsini;

The Haines Borough is please to respond to your letter concerning SB 507 and 508, "An act authorizing state aid to municipalities for the construction and development of cultural facilities," and "An act providing for the issuance of general obligation bonds for the purpose of paying the cost of cultural facilities."

You are no doubt aware that 12 communities around the state have been involved for several years planning cultural facilities projects which could qualify under this legislation. These communities have an overall project coordinator, Mrs. Shirley Rediger, who has an office in Juneau. Her address is: Shirley Rediger, Coordinator, Cultural Facilities Development Committee, 127 South Franklin Street, Juneau, Alaska 99801. Telephone 586-6806

Mrs. Rediger will be glad to provide your committee detailed pre-hearing information on the Haines project, as well as all other projects currently active with the Cultural Facilities Development Committee. She has detailed site, use, cost, operating costs, and infrastructure support information on each project where planning has achieved this level of sophistication.

The Haines Borough, and the Cultural Facilities Development Committee are supporting HB 781 and 782 sponsored by Representative Duncan and others. These bills reflect the years of study which have gone into the project. Currently HB 768 and 769, submitted by Representative Parr are also under consideration. These bills do not reflect, on several critical points, the planning which has gone into this project.

It is most important to the participating communities that the value of real property put up by the sponsoring municipal government be usable as a match on the state grant funds which would be available. The matching percentage formula in SB 507 appears to be a good one. SB 507 fails to mention an Advisory Committee to the Department of Commerce and Economic Development which HB 781 does provide for. The reasoning in favor of the advisory committee will be presented to your committee during your hearings on the bill.

We are pleased that Senator Rodey's bill will be before your committee and we look forward to the hearings on the bill; our representative will be there to provide testimony.

Sincerely,

Raymond R. Menaker

Raymond Menaker, Mayor
HAINES BOROUGH

F: SB. 507
SB 508

KETCHIKAN GATEWAY BOROUGH
344 FRONT STREET
KETCHIKAN, ALASKA 99901

March 22, 1978

Chairman
Alaska State Senate
Community & Regional
Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Mr. Orsini:

Your letter to Mayor William Moran has been referred to the Ketchikan Gateway Borough Planning Department. Under City Resolution No. 1086 of December 15, 1977, the Community Center Steering Committee is the designated policy advisory Committee to the City Council on matters pertaining to the proposed Community Center. The Planning Department is providing technical assistance to the Community Center Steering Committee.

1) What specifically would be the use of the facility and what kinds of functions would be undertaken there which could not be accommodated by existing facilities?

The proposed facility will meet the theatre needs of the Arts Council, the gallery needs of the community-at-large, and special needs related to the arts. The theatre will be used for:

drama	by	First City Players and other groups
dance	"	Ketchikan Theatre Ballet and other groups
music	"	musical organizations and groups
meetings	"	community groups, visitors
lectures	"	community groups, visitors
education	"	Community College, school district, and other groups
films	"	Community College, film groups

Ketchikan does not have a theatre devoted to the performing arts and the Ketchikan Arts Council does not have priority use of any alternative spaces. The First City Players have used the High School auditorium, various taverns and miscellaneous structures for their performances. These facilities do not provide adequate opportunity for rehearsal, and they lack many basic theatre amenities. The High School

does not have a set shop, set storage area, or light grid. It seats 1,200 and cannot be subdivided for smaller crowds and personal performances. The largest tavern can provide seating for 200, but it lacks proper theatre amenities.

The Ketchikan Theatre Ballet has used the High School auditorium and the Totem Bight Council House for performances. The Council House stands 150 and lacks seating.

Despite the lack of facilities the First City Players and the Theatre Ballet maintain very active schedules. A typical year will contain 140 performances. Full documentation has been provided to the State Cultural Facilities Development Committee.

The gallery will meet a large variety of community needs. It can be used for: dinner theatre or theatre-in-the-round, active recreation, conventions, banquets, exhibits, and festivals.

Ketchikan does not have a large indoor multi-use space devoted to the public. There are four gymnasiums in the community: 2 public school gyms @ an average size of 8,850 sq. ft., (2 small multi-purpose rooms in primary schools), a small Coast Guard gym @ 3,000 sq. ft. and an Armory @ 7,500 sq. ft. There is no secured exhibit space available on a temporary basis. There are several medium size meeting rooms connected with service clubs, hotels and restaurants. The maximum seating capacity of any one meeting room is between 150 to 200 people. However, no adequate and efficient space for conventions and meetings of over 100 - 150 people is available.

The Armory has been used by the Arts Council for the annual art show and ball. The National Guard has jurisdiction over the facility and it has an increasingly limited availability to the public.

The Community Center will be designed to meet special needs of the community. There are no public or non-profit facilities in the community which adequately meet the demands of special interest arts, crafts, and recreational groups.

2) What is the total cost of the facility? How much would be locally funded?

The estimated cost of the facility is six million six hundred thousand dollars. $6,600,000. The City of Ketchikan has traditionally financed its share of public improvements. City of Ketchikan participation will probably depend, in part, on pending State legislation and we would support subsection f, page 3, of Senate Bill No. 507.

3) What do you anticipate the annual operation costs of the facility (maintenance, lights, heat, etc.) to be? How will funds be obtained to

meet these costs?

Operations Cost:

Director, receptionist, overhead	$50,000
Maintenance	20,000
Custodians (contractual)	15,000
Supplies	5,000
Insurance	10,000
Electricity	10,000
Heat (oil)	25,000
	$135,000/yr.

Revenue:

Performance Center	$10,000	Less than 50% of operations: income special summer tourism productions
Open Space	31,500	Less than 50% of operations: income from charges to private groups and athletic teams
Radio Station	5,000	Rent
Snack Bar/Lounge	15,000	Concession fees
Meeting Rooms and Special Use Rooms	26,000	Less than 50% of operations: charge to private groups Less that 50% operations: charge to classes
SUBTOTAL	$67,500	

Remainder - approximately $67,500 to be divided as follows:

Tax support	$22,500	City of Ketchikan (Parks & Recreation Department)
Subscriptions	22,500	Community-at-large, special interest groups
Bed Tax	22,500	Visitor Industry Levy
TOTAL	$135,000	

4) Do you have a specific site located for this facility? What is the land value of this site? Who currently owns the site? If not municipally owned, how will the site be obtained?

The first choice site is owned by Cape Fox Native Corporation. The land value is being negotiated between the City and the Corporation. Current appraisal is low but will rise when access and utilities are provided by the Corporation.

The second choice site is in mixed public/private ownership. The appraised value of the private property is $446,670. The site would be purchased by the City.

5) Is this facility included in the community development plan adopted by your community? Is this facility included in your community's adopted capital improvement program?

The 1977 O.E.D.P. Annual Report and Program Projection lists the community center as the number two development priority from a list of 12 priorities. There is no capital improvements program. These needs are met by the Comprehensive Plan and the Overall Economic Development Program report.

6) What additional infrastructure support will be required (roads, sewers, power, etc.) for the site? How much will this additional infrastructure cost for construction be? How will funds be obtained for these costs?

The first choice site is located on an undeveloped plateau close to the downtown business district. As part of the purchase agreement with Cape Fox Native Corporation, access will be constructed without cost to the City. The City might pay for the capital cost of installed utility equipment, but not for the installation. Part of these costs will be reflected in the negotiated purchase price.

The second choice site is located in the downtown area. The estimated cost for sewer and water lines is $3,350.

Over the next decade it is possible that the community center will be expanded. Detailed information about the community center including; needs documentation, site selection, public presentations, fund raising and preliminary specifications, have been filed with the State Cultural Facilities Development Committee. This information is also available from the KGB Planning Department. If you have any additional data needs, please contact me or Ron Wendte.

Sincerely,

Ira Winograd
Acting Planning Director

Ron Wendte
Community Center Steering
Committee Coordinator

cc: Jim Van Altvorst
Acting City Manager

SB 508

City of Kodiak

PHONE (907) 486 - 3224
P.O.BOX 1397
KODIAK, ALASKA 99615

March 22, 1978

Senator Jo Orsini, Chairman
Senate Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

Thank you for the opportunity to comment on Senate Bills 507 and 508. Listed below are the answers to questions in your March 9, letter.

1. A needs assessment was done by the Kodiak Chamber of Commerce to see what kinds of activities could be utilized if a facility were built. The primary activity is a 500 seat theater. At the present time, the city's only facilities for cultural activities and large group gatherings for public purposes are the Elk's Club, High School and Jr. High School gymansiums, as well as the Borough Assembly Meeting Room. None of these are considered adequate for meetings of 100 people or more.

The Kodiak Russian Dancers and other similar cultural groups find it very difficult to utilize any of the above mentioned facilities. With a 500 seat theater we would be able to attract many new cultural and civic activities into the community, as well as better serve the public with the types of activities that are now occurring.

In relation to the Community College, this new facility would provide classrooms for art instruction and drama. This is a current need for the Kodiak Community College. And is one of the reasons they are looking at giving us a piece of land.

2. The total cost of the facility is in the neighborhood of four million dollars. We have approached the University of Alaska regents to obtain a piece of land at the Community College campus, which is located in the City limits. At the present time, we are looking at about six acres which includes parking. Local funding is questionable, depending on the requirements of the legislation and the operation and maintenance costs. The City of Kodiak does not have any funds currently available in which to provide a local match.

3. The annual operating costs of the facility are approximately one hundred thousand dollars. These funds can be raised in several different ways. One, of course, is to charge for the use of the facilities. This would include conventions

and others from inside and outside the community. Another way would be to charge a hotel tax, that revenue could be earmarked specifically for the cultural facility maintenance fund. This tax would be collected by the City of Kodiak.

4. As mentioned above, the specific site we are now looking at is located at the Community College. We do not have the current value of this site, however, this information will be provided as soon as it is available. The site is now owned by the State of Alaska and we are trying obtain it from the Regents. In preliminary discussions with the University, they are quite interested in the land donation, as this facility would be utilized by the college as well. The last we heard this request will be taken up by the regents at their next meeting in the early part of April in Juneau.

5. The Community Development Plan is now being revised by the Kodiak Island Borough planning commission. This facility will be in that plan. For the 1978 fiscal year, the City of Kodiak will have the cultural facility in its capital improvements program. In addition, this type of facility has been mentioned as a priority item in the City's overall economic development program.

6. Depending on the specific location of the facility, we should have sewer, roads and water to the site provided by the City of Kodiak. If funds were not available from the project, the City of Kodiak would consider providing the necessary infrastructure, however it depends on where the ultimate site is.

If you require any additional information, please feel free to call on me at your convenience.

Very truly yours,

CITY OF KODIAK

Ivan L. Widom

Ivan L. Widom
City Manager

ILW/yb

Enclosures

KODIAK AREA CHAMBER OF COMMERCE

KACC

SENATOR JOE ORSINI, CHAIRMAN
COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
POUCH V
JUNEAU, AK.
99811

March 22, 1978

Dear Senator Orsini:

As a member of the Kodiak Cultural Facilities Committee, the Chamber sent questionaires to thirty organizations in Kodiak. These questions were as follows:

1. Would you use a center?
   Answer: Yes

2. How often?
   Answer: As often as we have meetings.

3. How often do you hold meetings?
   Answer: From six to twenty per year.

4. What type of organization?
   Answer: School, church, fisheries, canneries, Borough, City, Coast Guard, etc.,

Senator, the entire community of Kodiak is behind this project and the need is of a desparate nature.

Kodiak does not at this time have a place to hold meetings and functions. The use for a cultural facility in Kodiak is endless.

We now have the Elks Lodge and the Junior High School Gymnasium, neither of these are adequate.

Kodiak is a very rapidly growing community and a cultural facility is a very needed addition to support that growth.

I could continue with the need, however, in the interest of not be laboring the point, let me say that words are not adequate to express the true need for a Kodiak Cultural facility, therefore we respectfully request your able support.

Sincerely yours,

L.A. "TINY" BOYER
DIRECTOR
CHAMBER OF COMMERCE
KODIAK, ALASKA

F. SB 507
SB 508

CITY OF UNALASKA
P.O. BOX 89
UNALASKA, ALASKA 99685
~~PHONE 581-1260~~
"Capital of the Aleutians"
581-1251

UNALASKA, ALASKA

March 24, 1978

The Honorable Joe Orsini, Senator
Chairman, Senate
Community & Regional Affairs Committee
Pouch V
State Capitol
Juneau, Alaska 99811

Dear Joe:

I am responding to your letter to Mayor DeVaney regarding Senate Bills 507 and 508. We certainly see the merit of these bills and enthusiastically support them. We definitely would wish to be included and named in the bill's roster of proposed recipients.

Our needs at the moment would be minimal, indeed, in comparison to the requests of other communities, but no less important or redeeming.

As you might be aware from your involvement in our community planning we have been attempting to restore the old bishop's rectory in Unalaska, which was built in 1882 for Bishop Nestor and partially destroyed by fire in 1957. It is the community's intent to utilize this very important site of community heritage as a museum and repository of Aleut culture not only for the Unalaska area, but the entire Aleut Native region.

This edifice served as the residence of Orthodox Bishops, priests, and teachers for several decades. It became the center of Russian school activities at Unalaska and prior to its devastation by fire, was contiguous to the rectory. A major portion of the rectory was saved. The house is built of California redwood and contains the fine lines and beauty of 19th century homes. It is our intent to restore the building as closely as possible to its original architecture.

We have proceeded as far as our meager funds would allow and at least have it weatherproofed now. It is our estimate that to complete its restoration, landscaping, and furnishing the building for museum purposes with repository containers and fire safety mechanisms would require $100,000.

Again we support Senate Bills 507 and 508 and request our inclusion in the amount of $100,000. at its inception. I wish to personally thank you, Joe, for thinking of our community and enlightening us on this worthwhile piece of legislation.

Most sincerely,
City of Unalaska

Jess Burton
City Manager

1. SB 507
2. SB 508

CITY OF CORDOVA

Phone: (907) 424-3237
or 424-3238

Box 1210

Reply to:

CORDOVA, ALASKA 99574

"The Friendly City"

March 28, 1978

The Honorable Joe Orsini
Chairman, Senate Community and Regional
Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

Mayor Poor has asked me to repond to your letter regarding Senate Bills 507 and 508. I have answered point by point.

1. Be used for all school and community gathering including school assemblies, theatre productions, school and community concerts, medium size conventions (350 seats) and art display area.

2. It is estimated to be $3.4 million based on 1980 costs. At present time the community has agreed to provide the real estate for the facility. The plans have been paid for and funds are available for completion of schematic drawings.

3. It is estimated that the maintenance costs will vary between $22-28,000 annually depending on use. Funds would have to be generated from use of hall and the school district.

4. Yes. $12,000, The City of Cordova.

5. No, however, the comprehensive plan was published February 1976 and the cultural center plan was not developed until November 1976. It is not in the Capital Improvement Program.

6. Parking lot would help but available space other than the school parking lot and adjacent on street parking is all that would be available without condenmation and removal of existing structures. No price tag for this is available at this time.

The Arts and Pagents, Inc. Board feels that this facility would provide adequate home for visual and performing arts for the next decade.

We appreciate the opportunity to respond to your inquiry.

Very truly yours,

Perry D. Lovett
City Manager

cc Chris Putnam
Chairperson-Cordova Arts &
Pagents, Inc.

J. Orsini

Municipality of Anchorage

POUCH 6 650
ANCHORAGE, ALASKA 99502
(907) 274-2525

F: SB 507
508

OFFICE OF THE CLERK

March 30, 1978

Honorable John L. Rader
President of the Alaska State
Senate
Pouch V
Juneau, Alaska 99811

Dear John:

This is to inform you that the Ancherage Municipal Assembly, following review, formally endorsed and encourages support of the following legislation:

CS for SB 471 - an Act relating to Annual Motor Vehicle Registration

HB 781 - an Act authorizing state aid to Municipalities for the construction and development of Cultural Facilities

HB 782 - an Act providing for the Issuance of General Obligation Bonds in the amount of $30,106,900 for the purpose of paying the cost of Cultural Facilities; and providing for an effective date

The Assembly formally voted its support of this legislation on Tuesday, March 28, 1978.

It would be greatly appreciated if you would inform all members of the Senate of this action.

Sincerely,

Phyllis Ellen Banks

for Mary Coffey
Municipal Clerk

cc: Paul Brown, Alaska Reportory Theater
Carol Derfner, Alaska Council on Arts
Betzi Woodman

F: SB 507
SB 508

235-8121

BOX 335

CITY OF HOMER

HOMER, ALASKA 99603

March 30, 1978

Senator Joe Orsini, Chairman
Community & Regional Affairs Committee
Pouch V, State Capitol
Juneau, Alaska 99811

Dear Senator Orsini;

I am in receipt of your letter of March 14, concerning Senate Bills 507 and 508 and my response is contained herein.

The City of Homer is presently planning a Community Center Complex, a total design concept which is desperately needed and applicable, in part, to the intent of these Senate Bills.

The Center will include such facilities as a Performing Arts Theater and the Homer Museum. Certainly these facilities are very much culturally oriented, and as such would be eligable for participation in the cultural facilities program.

Preliminary planning indicates that the Performing Arts Theater (which would also function as City Council Chambers) should be a minimum of five hundred seating capacity, and being of sufficient design to accomodate future expansion. A seating capacity of this size is expected to require a 7,500 square foot facility. Estimating costs of $100.00 per square foot reflects total costs of $750,000.00 for this proposed facility.

The existing Homer Museum comprises some 4,800 square feet. Last year some 22,000 visitors enjoyed the exhibits there, and this type of public facility can only be expected to increase in use. However, this existing facility can not be expanded due to the limitations of the property dimensions without costly appropriation of funds to purchase adjacent property. Additionally, the total "community use" concept of a Community Center dictates that this type of facility be included within the Center. It is anticipated that 5,000 square feet, with appropriate facility design to accomodate future expansion, will be sufficient. At an estimated cost of $ 100.00 per square foot, total costs of $500,000.00 are realized.

Hence, participation by Homer for this cultural facilities program would be $1.25 million.

I appreciate your concern for our community and thank you for the opportunity to express our needs for cultural facilities.

Sincerely,

Gary Williams

Gary Williams
Mayor

GW/lm

Joe
FI SB 507
508

Friday, April 7th
Assembly 103

Senator Orsini:

We received a phone call from Nome today, from Lynn Chambers and Leo Rasmussen, asking us to pass on the message to you that, in answer to your letter to Mayor Rasmussen, yes, they do want to be included in the Cultural Facilities monies.

They want 5.63 million for a Cultural Center in Nome for the Northwest Alaska Region.

Leo Rasmussen is following up this message with a letter to you.

Fran Cole
A.A. for Representative Nakak

Message copies: Rep. Schaeffer
Sen. Ferguson

CITY OF NOME

F. SB 507
508

Home of the End of
IDITAROD TRAIL RACE

Office of the Mayor
LEO B. RASMUSSEN

BOX 2
NOME, ALASKA 99762
443-2919, -2798, -2900

CITY OF NOME
P.O. BOX 281 · NOME, ALASKA 99762
TELEPHONE (907) 443-5242

NOME'S A PLACE THAT YOU WILL HAVE TO VISIT:
IN MARCH - THE IDITAROD TRAIL RACE, NOME-GOLOVIN SNOWMACHINE RACE, IDITAROD BASKETBALL TOURNAMENT, NOME JAMBOREE & CARNIVAL. IN JUNE - THE MID-NITE SUN FESTIVAL IN JULY - AN OLD FASHIONED 4TH OF JULY UNDER THE MIDNIGHT SUN. TOURING YEAR-ROUND, GOLD MINING IN ACTION, ESKIMOES AND THEIR ARTS & CRAFTS, DOG MUSHING, DO YOUR OWN GOLD PANNING AND VISIT WITH SOME OF THE MOST HOSPITABLE PEOPLE IN THE WORLD.

April 11, 1978

Joe Orsini
Chairman, Senate
Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

The council took action on R-78-4-3 in regard to SB 507 and 508.

We are requesting that we be included in these bills for an amount of 5.63 million dollars to provide for construction and development of a cultural facility for the City of Nome. I appreciate your letter noticing us of this legislation and I hope that we can be included in the final makeup of this bill.

Also included is R-78-4-6 speaking to Representative Nakak's HB 260 to provide for a port facility. I would appreciate your consideration when it comes to the floor.

Sincerely,

Leo B. Rasmussen
Mayor

Support the IDITAROD TRAIL RACE
ALASKA'S GREATEST DOG MUSHING EVENT

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

March 14, 1978

Leo Rasmussen, Mayor
City of Nome
P. O. Box 281
Nome, Alaska 99762

Dear Mayor Rasmussen:

Senate Bills 507 and 508 authorizing state aid to municipalities for the construction and development of cultural facilities have been referred to this Committee for review and consideration. (Copies of the bills are attached for your information).

At this time, the Committee is aware of twelve Alaskan communities which have proposed slightly over $72 million in cultural projects under the provisions of this legislation introduced by Senator Pat Rodey. They include Dillingham ($9 million), Cordova ($3.4 million), and Petersburg ($3.5 million). Since your community was not one of those listing plans for cultural facilities, I would appreciate your reviewing the attached bills and notifying the Committee if your community would wish to participate in the cultural facilities program, assuming it is approved by the Legislature.

I would also appreciate any other comments or suggestions you might have on the proposed legislation.

Sincerely,

JOE ORSINI
Chairman, Senate
Community and Regional
Affairs Committee

JO:gd

Enclosure(s): SB 507 and 508

Mayor Rasmussen
Action Taken:
Yes/5/ No/0/ Other/ /

R-78-4-3

A RESOLUTION SUPPORTING AUTHORIZATION BY THE STATE OF ALASKA FOR THE CONSTRUCTION AND DEVELOPMENT OF A CULTURAL FACILITY PROGRAM FOR THE CITY OF NOME IN THE APPROXIMATE AMOUNT OF $5,630,000

WHEREAS, the Alaska State Legislature is currently seeking input from Alaska communities concerning Senate Bills 507 and 508, and

WHEREAS, these Senate Bills are concerned with establishing within the Department of Commerce and Economic Development a cultural facilities development fund for the purpose of providing state assistance in the construction and development of cultural facilities within those municipalities which actively provide support to the arts and humanities,

NOW THEREFORE BE IT HEREBY RESOLVED BY THE COMMON COUNCIL OF NOME, ALASKA that the City of Nome support the authorization by the State of Alaska for the construction and development of a cultural facility program in the approximate amount of $5,630,000.

SIGNED and DATED this 10th day of April, 1978, at Nome, Alaska.

Leo B Rasmussen

Leo B. Rasmussen, Mayor

ATTEST:

Jean E. Hardy

Jean E. Hardy, City Clerk

NOME REGIONAL CULTURAL CENTER*

In response to a letter from Joe Orsini, attached, the following rough plan was put together by Lynn Chambers, of the Nome Eskimo Community, with planning assistance from:

Caleb Pungowiyi, BSNA
Tom Ellanna, Kawerak
Jerry Trigg, Sitnasuak
John Pollock, King Island Native Corporation
Charles Kokuluk, King Island IRA Council
Ray Penetac, King Island IRA Council
Jeanette Morton, Nome Museum/Library Committee
Caroline Reader, Nome Historical Society

The purposes of the cultural center will include:

1. To research, record and revive the regional Eskimo Cultures.
2. To foster Eskimo visual & performing arts.
3. To foster contemporary visual & performing arts.
4. To collect, house & display artifacts of the region.
5. To research & record the gold mining history of the region.
6. To research & record the western whaling activities of the area.
7. To research, record, and promote the City of Nome's history.

The space requirements are approximately:

Auditorium (includes stage, back-stage)	6000 sq. ft.
Museum display area	3500 sq. ft.
Museum workshop/storage	2000 sq. ft.
Visual Arts Workshops	2000 sq. ft.
Sled & boat building	1000 sq. ft.
Kitchen - Eskimo food preparation & recipe writing	500 sq. ft.
Antro/Historical Research	800 sq. ft.
Conference room	300 sq. ft.
Office space	1000 sq. ft.
	17,100 sq. ft.

Calculating construction costs at $300 per sq. ft. (approx. school construction costs of $250 plus $50 to include furnishing) the cost of construction of the cultural center would be approximately $5,130,000., plus an acquisitions budget of $500,000, for a total of $5,630,000.

Funding for future acquisitions, the cities 10% of construction costs, maintenance and operation of the facility, could be handled by a non-profit corporation now in the organization stages, under the direction of Lynn Chambers and the planners involved in this report. The non-profit corporation is planning to apply for a

*needs a name

planning grant, most likely from the Rockerfeller Foundation. Those funds would be used to hire a fund raiser for the Center, to work full-time raising funds. Application to the Rockerfeller Foundation will be made as soon as Articles of Incorporation are filed with the State and the IRS 501 (c3) exemption status is granted.

CULTURAL CENTER

What the Center will include:

- activity centers for
  - story telling, reading & writing
  - traditional arts workshop
  - contemporary arts workshop
  - food preparation & recipe writing
  - anthropological studies
  - historical studies
  - preforming arts
  - dog team, sled building, harness making
  - boat building
  - eskimo medicine
  -
  -
  -
  -
  -
- old style houses from different areas on Seward Peninsula
- Kazghi, to use as story telling center
- Arts & Crafts sales shop
- collect artifacts
- auditorium
- mounted animals displayed
- collect present day tools, cloths, equipment
- museum to include past & present
- develop media programs
-
-
-
-
-

What the Center will do:

- collect stories, legends, history
- sponsor exhibits of
  - traditional arts
  - artifacts
  - sponsor carnivals especially at Christams
  -
  -
  -
  -
  -
  -
- sponsor special art classes
- sponsor contests
- reproduce artifacts (making replicas) for sale
- artists - in - residence
- revive old ways - including medicine man
- classes scheduled in each activity center
- sponsor special demonstrations by visitors from out of town & residents
- sponsor tourist attraction programs
-
-
-
-

How the Center will do these things:

- provide space
- hire staff to include
  - director/curator
  - anthropagist
  - historian
  - arts-in-residence
  - lay-instructors
  - clerical staff
  - grant writer
  - co-ordinator-of-activities
  - security
  -
  -
  -
  -
  -
- locate funding for special activities
- volunteers
- CETA
-
-
-
-
-

Requested By:
Mayor Rasmussen
Action Taken:
Yes/5 No/0

R-78-4-6

A RESOLUTION EXPRESSING INTEREST IN SEEKING THE CONSTRUCTION OF A PORT FACILITY FOR THE CITY OF NOME, AND ENDORSING HB 260

WHEREAS, the Alaska House of Representatives has introduced HB260 which provides for ten per-cent (10%) matching funds for port facilities; and

WHEREAS, the City of Nome is desirous of constructing a port facility,

NOW THEREFORE BE IT HEREBY RESOLVED BY THE COMMON COUNCIL OF NOME, ALASKA, that the City of Nome express interest in seeking the construction of a port facility for the City of Nome, and in so doing, endorse HB 260.

SIGNED AND DATED this 10th day of April, 1978, at Nome, Alaska.

Leo B. Rasmussen

Leo B. Rasmussen, Mayor

ATTEST:

Jean E. Hardy

Jean E. Hardy, City Clerk

F. SB 507
508

City of Galena

P.O. Box 149
Galena, Alaska 99741
Telephone (907) 656-1281

April 12, 1978

Joe Orsini
Chairman, Senate
Community and Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

The City Council has reviewed the bills I received from your office pertaining to the construction of cultural facilities. The City of Galena is extremely interested in the proposed legislation and, if approved, would be interested in developing plans for a $2 million facility.

We are expressing our full support for the pending legislation and our desire to participate in the program.

Thank you for notifying us of this proposal.

Sincerely,

Hollis M. Mitchell

Hollis M. Mitchell
City Manager

HM/ph

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

June 5, 1978

James A. Poor, Mayor
City of Cordova
P. O. Box 1210
Cordova, Alaska 99574

Dear Mayor Poor:

House Bill 781 ("An Act authorizing state aid to municipalities for the construction and development of cultural facilities") has been referred to this Committee for review and action. A copy of the bill is attached for your information and review.

House Bill 781 is the House version of Senate Bill 507, in which we have had previous correspondence with your office. HB 781 has been amended by the House Finance Committee, with additions not previously included in the other proposed legislation.

In the Committee Substitute version, two additions have drawn our attention:

(1) Page 6, lines 10 and 11: "for purposes of this section, a cultural facility may be considered an educational facility"
This inclusion of educational facilities appears to greatly broaden the scope of the legislation. Your input and proposals concerning educational facilities to be included would be appreciated.

(2) Page 6, lines 22 through 29; and page 7, lines 1 through 20: establishing an Advisory Commission on Cultural Facilities, membership as recommended by the State Council on the Arts.
This new commission would assume design and financing responsibility and authority. Because of the range of responsibilities of the proposed commission, this Committee would very much appreciate your comments.

Due to this late date in which the legislation has been referred to this Committee, it is very necessary that we receive your input and comments quickly. There is great interest in passing the legislation out of Committee, but we are also concerned that your community's needs are met.

We would also appreciate any other comments or suggestions you might have on the proposed legislation.

Sincerely,

Joe Orsini

JOE ORSINI
Chairman, Senate
Community and Regional
Affairs Committee

JO:gd

Enclosure: HB 781

3-8-78

Peter Jack Sr., Mayor
City of Angoon
P.O. Box 189
99820

George M. Sullivan, Mayor
Municipality of Anchorage
Pouch 6-650
99502

James K. Parr, Mayor
City of Cordova
P.O. Box 1210
99574

Truman A. Roberts, Mayor
City of Dillingham
P.O. Box 191
99576

Jack A. Wallace
City of Haines
P.O. Box 576
99827

William A. Moran
City of Kotzebue
P.O. Box 1200
99752

J. D. Overstreet, Mayor
133 S. Seward Street
Juneau, AK 99801

[illegible] Miner
City of Nome
P.O. Box 1179

Larry Bradford, Mayor
Bristol Bay Borough
Box 189
Naknek 99633

Wheeler McSmith
City of Petersburg
P.O. Box 329
99833

Ben F. Grussendorf
City & Borough of Sitka
P.O. Box 79
99835

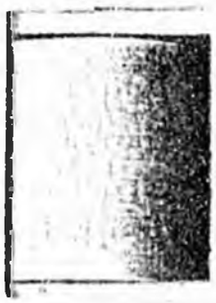
Robert Mesaros
City of Skagway
P.O. Box 415
99840

Larry E. Powell
Yakutat 99689
P.O Box 6

Jerraine Knight
Seldotna 99669
P.O. Box 401

Samuel R. Privett
Wrangell 99929
P.O. Box 531

Gary Williams
Homer
P.O. Box 335
99603



Pat Hyelle
Wasilla 99687
Box 430

Stanford Orcutt
Delta Junction
P.O. Box 329
99737

Royal DeVaney
Unalaska 99685
P.O. Box 89

Jonathan Solomon
Fort Yukon 99740
P.O. Box 269

Jack E Marx
Palmer
P.O. Box B68
99645

Frank Benson
Galena 99741
Box 149

John B. Cockill
Nenana 99760
Box 177

Ronald J. Larson
Mat-Su Borough
Box B, Palmer 99645

Leo B. Rasmussen
Mayor, Box 2
Nome, Ak. 99762

Harold Gillam
City of Fairbanks
410 Cushman
Fairbanks. 99701

Eben Hopson
North Slope Borough
Box 69
Barrow, Ak. 99723

Donald E. Gilman
Kenai Peninsula Borough
PO Box 850
Soldotna, Ak. 99669

John A. Carlson
Fairbanks North Star Borough
PO Box 1267
Fairbanks, Ak. 99701

John Julian
Bethel
P.O. Box 388
99559

Raymond J. Kluglis
Seward
P.O. Box 337
99664

Vincent O'Reilly
Kenai
P.O Box 580
99611

Royal E. Harris
Kotzebue
P.O. Box 416
99752

Carleta Lewis
North Pole 99705
P.O. Box 5109

THE CITY AND BOROUGH OF JUNEAU
CAPITAL OF ALASKA
155 SOUTH SEWARD ST. JUNEAU, ALASKA 99801

DATE: June 7, 1978

FILE NO. HB 781

SUBJECT:

Honorable Joseph Orsini, Chairman
Senate Community Regional Affairs Committee
Pouch V - Capitol Building
Juneau, Alaska 99811

Dear Senator Orsini,

Your letter of June 5, 1977 to Mayor Overstreet has been referred to my office for a response. The municipality is pleased that your committee still has CSHB 781 (Fin.) under active consideration. We offer the following comments in response to the two questions you raise in your letter.

First, as to the addition of the language relating to the facility being considered an educational facility, it is my understanding based on a conversation with the prime sponsor that this language was added to insure that the Haines Borough would be able to construct a cultural facility under its limited third class borough powers. This purpose could be clarified by inserting the phrase "in a third class borough" before the semi-colon in line 11 on page 6 of the bill.

As I read the section relating to the Advisory Commission on Cultural Facilities, the State Council on the Arts would merely provide a list of candidates to the Governor, and it is the Governor who would actually appoint the members. Also, the committee is strictly advisory and has no responsibility or authority for design or financing. It is there to assist the community in conducting its needs assessment and to review and comment on local proposals, if the community requests such assistance. In addition, the committee would advise the commissioner on construction assistance requests. Design and financing responsibility and authority would remain with the muncipality but be subject to approval by the commissioner. We have no objection to the creation of an Advisory Commission such as the one proposed in CSHB 781 (Fin.). It is substantively the same commission as was proposed in the bill as introduced with the addition by House CRA Committee of the duty to assist those municipalities requesting assistance.

We urge the committee to hold a hearing on the bill at the earliest possible date and to refer this bill and an appropriate bonding measure out of committee with a favorable report.

Very truly yours,

Gerald L. Sharp
City/Borough Attorney

GLS/sm

cc: Mayor Overstreet
Jane Stewart

CULTURAL FACILITIES DEVELOPMENT COMMITTEE

(Program Costs Per Capita)

CITY	COST	POPULATION	$ PER CAPITA
Angoon (Detailed)	500,000.	287	$ 1,742.16
Anchorage (Detailed)	25,000,000.	180,658	138.38
Cordova (Detailed)	3,420,000.	2,046	1,421.45
Dillingham (Detailed)	9,000,000.	1,269	7,092.20
Haines (Detailed)	1,474,614.	1,366	1,079.50
Ketchikan (Detailed)	6,000,000.	11,490	522.20
Juneau (Detailed)	12,300,000.	20,465	601.00
Kodiak (Detailed)	4,000,000.	7,901	506.25
Naknek (Detailed)	400,388.		
Petersburg (Detailed)	3,549,910.	2,216	1,669.80
Sitka (Detailed)	7,000,000.	7,650	915.00
Skagway	("Stalemate" position at this time)		

RESPONSES TO COMMITTEE LETTER

(Program Costs Per Capita)

CITY	COST	POPULATION	$ PER CAPITA
Galena (Non-detailed)	2,000,000.	631	$ 3,170.
Homer (Detailed)	5,630,000.	2,585	2,178.
Nome (Non-detailed)	1,250,000.	1,538	813.
Unalaska (Detailed)	100,000.	510	196.

File SB 508

CULTURAL FACILITIES DEVELOPMENT COMMITTEE A

(Program Costs Per Capita)

CITY	COST	POPULATION	$ PER CAPITA
Angoon	500,000.	287	$ 1,742.16
Anchorage	25,000,000.	180,658	1,383.80
Cordova:	3,420,000.	2,046	1,421.45
Dillingham	9,000,000.	1,269	7,092.20
Haines:	1,474,614.	1,366	1,079.50
Ketchikan:	6,000,000.	11,490	522.20
Juneau:	12,300,000.	20,465	601.00
Kodiak:	4,000,000.	7,901	506.25
Naknek:	400,388.		
Petersburg:	3,549,910.	2,216	1,609.80
Sitka:	7,000,000.	7,650	915.00
Skagway:	("Stalemate" position at this time)		

CULTURAL FACILITIES DEVELOPMENT COMMITTEE B

(Program Costs Per Capita)

CITY	COST	POPULATION	$ PER CAPITA
Galena	2,000,000.00	631	$ 3,170.
Homer	5,630,000.00	2,585	2,178.
Nome	1,250,000.00	1,538	8,128. 813
Unalaska	100,000.00	510	1,961. 196

CULTURAL FACILITIES DEVELOPMENT COMMITTEE

(Preliminary Data for Bond Issue)

Contact person:
Shirley Rediger
State Coordinator
586-6806 Juneau
225-3077 Ketchikan
127 So. Franklin St.
Juneau, AK 99801

Allan Gregg
President, CFDC
Box 1069 1078
Wrangell, AK
Phone 874-3570

BACKGROUND:

A state wide hearing conducted by the Alaska State Arts Council in 1974 revealed a crucial needs for cultural facilities in most Alaskan communities.

A direct resultant of this hearing was the formation of a state committee. This committee developed the concepts and found funding for a Theater Development Project, a unique experiment in a community arts planning. An appropriation of 68,000 from the Alaska Legislation, 10,000 grant from the National Endowment For The Arts, and 5,000 from each participating municipality was secured. This funding allowed communities to hire consultants and technicians to implement the planning process. For the most part, communities used the services of Eldon Elder Associates, Inc., 27 West 67 Street, New York, New York 10023.

The plans developed for each community are available under separate cover. A typical report of the planning and research in each community includes the following:

History of the Project
Community Characteristics
Plan Development
Cost of Project
Site Selection
Recommendations for Future Action

At the present time the Cultural Facilities Development Committee has engaged a part time executive to assist the committee is compiling the data necessary to promote and implement a bond issue which will provide the funds necessary to build these Cultural Facilities.

This is a brief outline of the Cultural Facilities Development for your initial review.

However, detailed data available by November 1st on these facilities will include:

1. Comprehensive report from Eldon Elder Associates or other theater consultants. (see sample book attached)

2. Summary statement of the facility: purposes for which it will be used; why it is needed; what benefits will accrue the community; how maintenance staffing and programming for the facility will be financed.

3. Summary of physical layout: space allocations, dimensions and schematic drawings, if possible.

4. Site acquisition: a copy of written agreements where applicable.

5. Cost breakdown: architect's and engineer's fees, equipment, parking, inflation (1979-80 construction target dates) 1% construction cost for art works.

6. Official letter or resolution from municipality to show municipality's willingness to administer funds for construction and management of facility (if appropriate).

COMMUNITIES INVOLVED IN THEATER DEVELOPMENT PROJECT

~~Eleven~~ Twelve communities have been involved in planning for a cultural facility. The communities are as follows:

Anchorage	Naknek
Angoon	Petersburg
Cordova	Sitka
Dillingham	Skagway
Haines	Juneau
Ketchikan	Kodiak

BRIEF SUMMARY DESCRIPTION OF EACH FACILITY

ANGOON: Contact Person

Maxine Thompson
City Clerk
P. O. Box 189
Angoon, AK

This cultural facility will be called the Living Museum. Its primary purpose will be to serve as a museum for the artifacts owned by the community.

The building will be fireproof which will maximize the security of the art objects. Local clans and individuals may deposit their artifacts in this facility for safe keeping and may check them out to use for dancing, pay-off parties or other Indian activities. Another facet of the proposed facility will be space and equipment which can be used for cultural arts activities, particularly, Tlingit dancing, movies, speakers, lectures and so on. It is felt that this building will be great asset in developing tourism.

The building is 2,000 square feet of space and will cost $500,000. City land will be used and the City will own the facility.

ANCHORAGE: Contact Person

Betzi Woodman
117 E. Cook Avenue
Anchorage, AK 99501
Phone 277-0764

Roy H. Helms
Alaska State Council
on the Arts
619 Warehouse Avenue
Suite 220
Anchorage, AK 99501
Phone 278-1558

Anchorage's cultural facility will be part of the Anchorage Center, a complex for cultural, recreational, community and convention activities. The need for an Arts facility has been defined by the Mayor's Advisory Committee. 138 groups performed in Anchorage in 1975 and an estimated 250 groups performed in 1976. The existing facilities cannot accommodate the demand for space. It is felt that an arts facility would greatly enhance the ability of the local groups, such as the Civic Ballet, Civic Opera, Symphony, Community Chorus and Community Theater to offer more and better quality performance to Anchorage residents.

The Cultural Facilities Development Committee has budgeted 25 million for this facility.

CORDOVA: Contact Person

Chris Putnam
P. O. Box 518
Cordova, AK
Phone 424-7369

The proposed building in Cordova -- The Cordova Arts and Humanities Center, is conceived as a facility available for use by schools, the community, and outside groups for performances and other purposes. The primary use of the building will be for a 350 seat theater with a secondary use as an Arts and Crafts school and show area. Cost of facility $3,420,000.

DILLINGHAM: Contact Person

Dorothy Anderson
P. O. Box 234
Dillingham, AK
Phone 842-5302

A multi-purpose cultural facility is being planned for Dillingham. This building will have many functions including performing arts, day care center, community education, radio broadcasting and university extension courses.

Dillingham is the center of a 10 village community and this facility will serve the entire regior as well as the village of Dillingham. The cost of the facility is 9 million. The city of Dillingham agrees to own the facility. A site is available for this building.

HAINES: Contact Person

David Y. Nanney
General Delivery
Haines, AK 99827
Phone 766-2763

The city of Haines is renovating and expanding the Chilkat Center for the Arts. The Chilkat Center for the Arts is an historical building renovated in 1967. The proposed renovation and improvement program will provide much needed equipment and space to insure that a complete facility which will meet the needs of the community will exist in Haines. This will include renovation of heating and plumbing systems, improved building insulation and fire protection, renovation of second floor space to a multippurpose social center and rehearsal room, expanded lobby and display space, construction of a new wing to house shops, dressing rooms, storage areas, and new mechanical equipment and improvements to lighting and sound equipment. Cost of project is $1,474,614.00

KETCHIKAN: Contact Person

John W. "Jack" Shay Jr.
P.O. Box 3159
Ketchikan, AK 99901

Ketchikan is developing a plan for a multi-purpose cultural facility that will implement furthering both the performing and the visual arts in a manner that will enhance the artist and his work, the cultural opportunities of the local community and the interests and needs of visitors to Ketchikan. A 400 seat theater is planned. Basic structure will be approximately 15,320 aquare feet. Total cost of project is $6 million.

JUNEAU: Contact Person

Jane Stewart
925 Calhoun
Juneau, AK 99801
Phone 586-1220

Juneau will be building a Performing Arts Center. This proposed new center will contain 5900 square feet of floor space. A medium size theater capable of holding 700 to 750 people and a smaller flat floor "forum" with retractable theater seating capable of holding 20 to 250 persons for meetings and cultural presentations. The building also would contain a scenery workshop, costume workshop, a crafts shop for local artists, dressing rooms, rehearsal halls, a performer waiting room (green room), besides office space and radio and future television operations. Projected cost of this facility is $12.3 million.

KODIAK: Contact Person

Gerald C. Wilson
P.O. Box 1792
Kodiak, AK

The Kodiak Community Center will be a round type construction quite similar to the center in Fairbanks. It will be used by every people-oriented organization in Kodiak for art, dance, craft, theater workshops, meetings, crab festivals, state activities, conventions, meetings, education, fisheries oriented businesses, U.S. Coast Guard functions. Kodiak growth makes the Community Center essential to the community's survival. Projected cost is $4 million.

NAKNEK: Contact Person

Anita Erickson
Box 136
Naknek, AK 99633

A community cultural center museum is proposed in Naknek. This will be a single story 8 room building with 2,152 total square feet. This facility will provide a focal point for local cultural programs. Artists could arrange displays and instruction sessions using the facilities. By viewing museum exhibits, visitors to the area could obtain an idea and an appreciation of the transition in life styles that has ocurred locally in recent time. At the present time the oral history program and the collection of historical objects are stored in a Bristol Bay Borough school building.

The shortage of storage space in the school may force these accumulated historical materials to be stored in private homes.

The cost of this building will be ~~$500,000~~. 400,388.

PETERSBURG: Contact Person

Syd Wright
Petersburg High School
P. O. Box 289
Petersburg, AK 99833

The proposed Petersburg Fine Arts Center has a 350 seat theater with supporting rooms, a lobby arts and crafts display area, an arts and crafts room and space for the local FM radio station. This theater will be built on school property. The proposed facility will be a community center and open to use by everyone. The maintenance, staffing and programming will be carried out under the existing school administration structure with the possible addition of a part time technical theater person. The cost of proposed project is $3,549,910.

SITKA: Contact Person

Jan Craddick
P. O. Box 678
Sitka, AK 99835
Phone 747-8581

The proposed Intercultural Arts Center in Sitka is a 68,000 square foot arts center which has been designed to house both the performing and visual arts. The center spaces will include a 750 seat procenium theater, 250 seat arena where productions can be staged in-the-round, a high security art exhibit area, two low security areas for art displays, a community crafts workshop, scene and costume shops, a green room and office spaces. Most if not all of these spaces can be used for a variety of functions. The theater can be used for dramatic and musical productions, for conventions and for public meetings. The arena can also house conventions, and when its bleacher seating is folded back can serve from a caterer's kitchen, 200 in a banquet setting.

The projected construction and equipment cost for the facility is$9.5million (if the building is completed in 1980) as opposed to $7 million if it were built today.

SKAGWAY: Contact Person

Diana Cates
President, Skagway Arts Council
P. O. Box 116
Skagway, AK 99840

The initial plans for performing arts facility in Skagway were to renovate the old railroad depot. The railroad building would be remodeled to accommodate a theater/auditorium, office/exhibition center. Since this building is owned by the U.S. Department of Interior National Park Service, a cooperative joint effort with the city has been attempted. However, at this point in time, the National Park Service has taken the position that the plans conceived by the theater consultant, Eldon Elder are too ambitious and may be in conflict with the National Historical Preservation Act (Section 106)

Since the Skagway community and the Park Service are in an apparent "stalemate" position at this time, the Skagway Performing Arts Center will not be included in the bond package, unless the difficulties are resolved in the next 30 days.

F: SB 507

THE AMERICAN LEGION - DEPARTMENT OF ALASKA

P. O. BOX 250 JUNEAU, ALASKA 99802

January 21, 1978

Resolution passed by the Department Executive Committee
at Haines, Alaska

RESOLUTION NO. 78-3

WHEREAS, It is recognized that the existence of adequate cultural facilities in Alaskan communities is of direct benefit to the economy and quality of life in such communities; and

WHEREAS, The educational and cultural programs made possible by such facilities have been proven to be a determent to crime and social deviance; and

WHEREAS, Legislation is now being proposed to provide state matching funds for the construction of such facilities; now, therefore, be it

RESOLVED, That The American Legion, Department of Alaska, in Executive Committee Meeting assembled in Haines, Alaska on January 21, 1978, supports in concept the proposed legislation to implement, by law, State of Alaska matching grant funds to communities which qualify for justified cultural facilities and projects; and be it further

RESOLVED, That The American Legion urges the Legislature of the State of Alaska and the Governor to act favorably on the legislation so that a bond issue for first increment funding can go before the voters of the State in November of 1978; and be it further

RESOLVED, That copies of this resolution be sent to each member of the Alaska Legislature and to the Governor of Alaska.

/s/ Wallace E. Utley
WALLACE E. UTLEY
Department Commander

ATTEST:

William C. Kelm

WILLIAM C. KELM
Department Adjutant

rec'd
SC/RA
3-8-78

SB 507

F: SB 507

Assumptions:

1. Personnel Services

   One Professional person, a Capital Improvement Project Coordinator (range 20) will be required. This position will:

   a) establish an inclusive application process
   b) work closely with each community which applies for cultural facility funds
   c) administer the grant program
   d) oversee the engineering and architectural work and;
   e) prepare the financial package to go to bid.

   (Salary $2,296 per month, plus benefits of $567 per month.) $34,356

   In addition, one clerical person working half-time will be required. Clerk Typist III (range 8) for correspondence, filing, etc.

   (Salary $546 per month plus benefits of $169 per month.) $8,580

2. Travel requirements are estimated at 12 trips @ $300 per trip (per diem included in estimate). These trips will be required during the application process, to meet with the cultural coordinating committees over architectural designs and engineering estimates and during the early stages of construction. $3,600

3. Contractual

A.	Rent - 250 feet^2 @ $1.25 per feet^2/month	$3,700
B.	Telephone, communications	1,000
C.	Postage, etc	300
D.	Printing and advertising	1,000
E.	Professional fees and services..	1,200

4. Commodities

   Office supplies..... 300

5. Equipment

   Desk, chair, file cabinet, calculator..... 1,500

After FY '79 - Inflation estimated @ 6% per year

Equipment and advertising - larger expenditures required first year.

Total $53,356.00

From:
Pam Knoche
Dept. of Commerce

F. SB 507
" 508

TELEGRAM

[illegible]

[illegible]

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PMS SEN. JOE VASSI

ALASKA LEGISLATURE ROOM 101 ASSEMBLY BUILDING

JUN

SUGGESTED AMENDMENT TO HB886, TO PROVIDE EQUAL-POPULATION OF BOROUGH (IN COMPUTING LIMITATION ON STATE FUNDS) IN CASES WHERE ORGANIZED BOROUGHS CONTAIN ONE OR MORE CITIES WHICH QUALIFY AS MUNICIPALITIES.

INSERT THIS NEW PARAGRAPH AT THE END OF SECTION AS.17.20.010(A), AS PART OF SUBSECTION (A)

OUTER BOROUGH, HOWEVER, EQUAL-POPULATION OF ANY POPULATION GROUP IS PROHIBITED. IN CASES WHERE AN ORGANIZED BOROUGH CONTAINS ONE OR MORE CITIES WHICH QUALIFY AS MUNICIPALITIES, THE LIMITATION ON TOTAL GRANTS FROM THE BOROUGH AND TO THE CITIES THEREIN SHALL BE COMPUTED BASED ON THE TOTAL POPULATION WITHIN THE BOROUGH, SO THAT PERSONS RESIDING BOTH IN THE BOROUGH AND IN A CITY THEREIN SHALL BE COUNTED ONLY ONCE. THE TOTAL AMOUNT DISTRIBUTED THUS OBTAINED SHALL BE APPORTIONED AMONG THE BOROUGH AND THE CITIES WITHIN IT, FOR ANY CALENDAR YEAR, IN THAT PROPORTION WHICH THE ANNUAL OPERATING BUDGET FOR THE MUNICIPALITY (EXCLUSIVE FUNDS FOR EDUCATION PURPOSES) BEARS TO THE TOTAL OF THE OPERATING BUDGETS FOR ALL OF THE MUNICIPALITIES IN THE BOROUGH (EXCLUSIVE THE BOROUGH ITSELF (EXCLUDING FUNDS FOR EDUCATION PURPOSES) FOR THE SAID CALENDAR YEAR. REPORTS

[illegible]

SB 507
SB 508

SB 781: AN ACT AUTHORIZING STATE AID TO MUNICIPALITIES FOR THE CONSTRUCTION AND DEVELOPMENT OF CULTURAL FACILITIES, and
SB 782: AN ACT PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION BONDS IN THE AMOUNT OF $30,106,000 FOR THE PURPOSE OF PAYING THE COST OF CULTURAL FACILITIES; AND PROVIDING FOR AN EFFECTIVE DATE.

These two bills would authorize the State to assist municipalities in the development and construction of cultural facilities through grants from a proposed "1978 Municipal Cultural Facility Fund". Because of the obvious need for cultural facilities in Anchorage, the Municipality of Anchorage supports this bill.

Sydney Laurence Auditorium and West High School Auditorium with respective seating capacities of 650 and 2,000 are the two primary performing arts facilities in Anchorage, and the Visual Arts Center is the only primary visual arts facility in Anchorage.

All three of these primary arts facilities are overused during the peak use period between January and April. Five different performing groups will want to reserve the same date for a performance at Sydney Laurence Auditorium or West High School Auditorium. Because the number of rehersals exceed performances by a 7 to 1 ratio over actual performances, the usage problem for performing arts facilities is critical. Those performing groups fortunate enough to reserve a date at the primary facilities must often reherse at cramped and wholly inadequate secondary facilities, and the performing groups not so fortunate must both perform and reherse at such secondary facilities. The fact that the Visual Arts Center is overused is obvious because it is used daily-Sunday through Saturday-52 weeks a year.

All three primary arts facilities are also inadequately equipped. Sydney Laurence Auditorium has inadequate lobby and box office and dressing room space. It has no shop and storage space and its audience floor is not sufficiently raked; therefore, sight lines are obscured. The stage, backstage, and storage space at West High Auditorium are all too small. It has no shower facility. The acoustics there are a problem, and the lighting and sound equipment is dated. Because the Visual Arts Center was originally designed as the Alaska Centennial Building, it is even more inadequately equipped than the other two primary arts facilities. It is overcrowded.

It lacks adequate lighting in the gallery and professional studios. It lacks adequate heating, and it has no special storage areas with technical consideration for art collection, unpacking shows, stone and other bulk materials.

Anchorage has become a remarkably prolific town for community artistic activities. It is much more active in this regard than other cities of identical size throughout the United States. Such interest deserves attention; the Municipality therefore urges action on HB 781 and HB 782 consistent with our needs.

March 7, 1978, Anchorage Times

Downtown Group Explores Proposals Of Breakthrough

A multi-million dollar improvement package for Anchorage was explained by Breakthrough officials and explored by the Downtown Anchorage Association last night.

Breakthrough, a volunteer citizens' group, developed the recommendations for improvements in community facilities, roads, mass transit, parks and other areas over a year of study. The improvement package totals about $750 million in projects over the next five to seven years, the group's chairman said last night.

The group hopes to fund the local share of that package through a $126 million bond election tentatively planned for May 23.

Chairman Max Hodel said Breakthrough representatives will appear at as many community and organization meetings as possible over the next few weeks to air the improvement recommendations.

Also on hand for the meeting at the Anchorage Westward Hilton Hotel last night were Anchorage Assembly members Dave Rose, Arliss Sturgulewski and Tony Knowles and Municipal Manager Doug Weiford.

Breakthrough anticipates that most of that $750 million improvement package will be footed by state and federal sources, with the local share, after grants, to be about $250 million. The group hopes to cut that figure in half with a bill to be introduced in the Legislature calling for 50 percent state support of municipal capital improvement projects in cities across the state.

The group has proposed a special bond election May 23 on nine propositions totaling about $126 million — the figure Breakthrough says needs to be funded by local bonds. That issue is now before the Anchorage Municipal Assembly, which has scheduled a work session at 5 p.m. today to dig deeper into the Breakthrough package.

Following two public hearings, tentatively planned for April 11 and April 18, the assembly must approve motions to place each proposition on the ballot.

Among the Breakthrough recommendations:

— Creation of a one-way grid street system in the downtown core to handle traffic more efficiently.

— The addition of about 2,200 parking spaces in the central business district.

— Construction of a $63 million complex, composed of two separate buildings, one to house a convention-sports center and the other for a performing and visual arts center.

— A $30 million municipal office complex to consolidate offices now spread over several locations throughout the municipality.

— A new headquarters library on the existing Denali School site.

— A massive road improvement package totaling about $180 million over the next five years.

— A $4.9 million local commitment to mass transit, to be used as the local match for federal grants to purchase buses for the municipality's People Mover system.

— Creation of a development corporation to spur a new retail complex in the central business district, with hopes of attracting a third major department store to "anchor" the downtown business area.

— Improvements and expansion of the Anchorage Historical and Fine Arts Museum.

The package got a mixed reception last night from the Downtown Anchorage Association, a group of downtown merchants.

The recommended parking improvements got perhaps the warmest reception from the merchants, many of whom have long complained of inadequate parking in the central business district.

Dan Stewart criticized the one-way grid recommendation. "I have been very annoyed by these grids," Stewart said, noting that a wrong turn may take eight blocks of travel to correct.

Other merchants criticized other facets of the package.

Several, however, applauded the Breakthrough effort.

"I really think these people have really worked hard," said Sewell Faulkner. "They've recommended a lot of things that can really help us downtown."

Budd Parsell, president of the association, termed the Breakthrough package one that "really has something for everyone" and cited a "need to appeal to as many of the voters as possible" before the planned May bond election.

Weiford, the municipal manager, announced the administration's support for the proposal.

"The recommendations of Breakthrough are mind boggling," he said.

"I dare say you couldn't find a single person who would agree with everything" in the package, Weiford said. But "what I think is true (is that) here we have had a truly remarkable, distinctive, different kind of citizen involvement in this community."

Rose applauded the plan, terming it a "comprehensive" approach to solving Anchorage problems rather than "a piecemeal approach."

Rose said he hopes differences of opinion about the plan can be resolved "so we have a pretty good consensus on where we want to go before we get to the ballot box."

PLEASE NOTE

THE ORGINAL FILE CONTAINS AN OVERSIZED DOCUMENT THAT IS UNSUITABLE FOR FILMING. PLEASE REFER TO THE ALASKA STATE ARCHIVES TO VIEW THE ORIGINAL.

F: SB 507

Breakthrough's final report

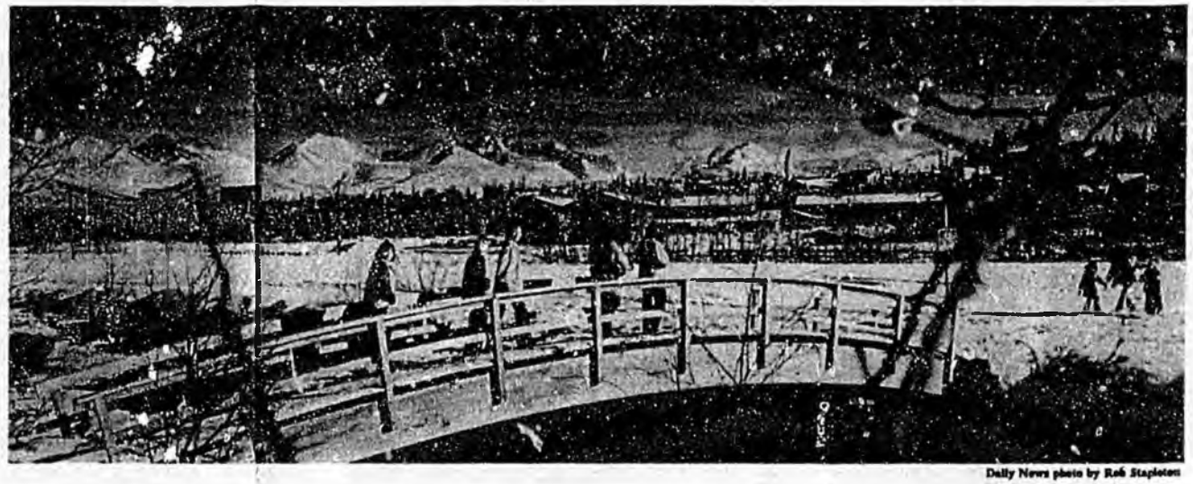
Anchorage is the third fastest growing city in the United States today. The area changes almost daily as new subdivisions, commercial buildings and centers spring up outside the city core. It can rapidly become one of the worst communities in the United States; but most decidedly it has the potential for becoming one of the best.

Breakthrough is a citizens' effort to realize that potential in a way that will preserve and enhance the friendliness, livability, beauty and economic soundness of our unique city.

Anchorage's population is now in excess of 186,000, and Breakthrough estimates that by 1986, the population will have risen to 314,000, and that by 1996, Anchorage's population will be 487,000. This accelerated growth places upon us an extra demand to decide now what kind of city we want Anchorage to become in the next decade. The growth is certain. It is important, however, that it happen according to action plans prepared, officially adopted and fully supported by all segments of the population.

Breakthrough is people. Nearly 300 of them who have worked for more than a year to do the studies and make the recommendations necessary to helping shape Anchorage's tomorrow today. This action plan is based on reports of Task Forces on Community Facilities, the Central Business District, Transportation, Parks and Recreation, Public Utilities, Crime and Financial Resources. It was not meant to gather dust; rather it is a plan of action with which we can strive together to do what we know can be done.

The time to start is now.



Daily News photo by Rob Stapleton

Community facilities/CBD

Anchorage is headstrong and tough, familiar with adversity and proud to be alive.

Anchorage's heart and character have suffered, though, from the rapid growth, and now the city needs nurturing attention from the people it has tried so hard to please.

Where is the uniqueness that could make Anchorage the most striking city in the Pacific Northwest? Where might a visitor sense the pride of Anchorage's heritage? Where, indeed, is the essence of Anchorage and Alaska in our city?

It is hidden, lost to the eyes of its seekers by snarling traffic so there is no reason to try to walk, by drab streets and sidewalks so there is no reason to pause and look, by asphalt and concrete so there is no space for grass and trees and flowers. Ugliness abounds where beauty ought to flourish. It doesn't have to be that way. We can change it.

Let's start by giving people more reason for coming downtown. Breakthrough has contacted several national firms who have expressed an interest in the

The Performing and Visual Arts Center will consist of a Concert Hall, a Drama Theater, a Visual Arts Center, a total cultural facility.

The Convention Center will include an arena which could be used for some sports events, and have provision for adding more seats; meeting rooms, kitchen facilities, administrative offices and a 50,000 to 90,000 square foot exhibit hall. With this splendid facility, Anchorage could attract lucrative conventions from all over the world and add substantially to the economic effect of the tourism industry in the entire state. The facility also will accommodate spectator sports events such as basketball, hockey, rodeos, ice shows, boxing and wrestling.

With both facilities at the downtown location, Anchorage residents will have convenient access, convention delegates will be near all the major hotels, and the various facilities would be in proximity to allow maximum usage because each facility has some areas of compatibility with the others. Undoubtedly, the pedestrian mall, complete with public art and lots of greenery.

Both for beautification and convenience, we'll construct a striking Municipal Center on land now occupied by the old City Hall Annex (formerly a school building) and the City Gymnasium (the area between Fifth and Sixth Avenues and F and G Streets). Sydney Laurence Auditorium will be retained just as it is. The Municipal Center will be a 10-12 story structure which will consolidate the multitude of Municipal offices into a central location and will complement the downtown City Hall, a landmark which must be preserved.

This new structure will provide 250,000-300,000 square feet of space and provide Anchorage residents with a beautiful and convenient center in which to do business with the Municipality of Anchorage. Recreational facilities, such as those now enjoyed by so many at the City Gym, will be available in the new center, too, and will be vastly improved.

A new Headquarters Library is a necessity for Anchorage, too, and it will be constructed at the reference service. The time has come, however, to eliminate the parking lot behind the Z.J. Loussac Library and the picturesque City Hall. The area will be converted to park space with public facilities to provide a green space in the heart of the downtown. Anchorage residents made it clear years ago they wanted a park there, and now is the time to make it happen.

Anchorage's Historical and Fine Arts Museum must be expanded to include an educational activity center, a dual use theater and planetarium, a natural history gallery, and the display area for painting and sculpture will be doubled. With the addition of 2,000 or 3,000 square feet, the facility can provide a museum of science and industry with emphasis on Arctic problems and solutions. There also will be a reading room, library, cafeteria, and a glassed-in sculpture courtyard on the Sixth Avenue side of the museum, which is located at the corner of Sixth Avenue and A Street.

As a matter of policy,

Public utilities

Needs for utility services in Anchorage and Southcentral Alaska are going to increase dramatically over the next two decades, and clearly there is a need for long-range planning to assure that all reasonable alternatives are investigated to guarantee that adequate, reliable and environmentally-sound utility services are available when needed.

Utility planning is highly complex and technical, requiring extensive, specialized study and evaluation of massive amounts of data. Breakthrough looked at four major utility areas:

Power: Demands for power throughout Southcentral Alaska are going to increase in the next few years, but there is no way to quantify the rate of growth at this time because there are too many variable factors. There is, however, agreement on two points:

—The cost of power to the consumer is going to increase no matter what happens.

—Some way must be found to reduce excessive costs and delays attendant to proceedings before the Alaska Public Utilities Commission (APUC).

Clearly, there is a need for long-range planning, and Breakthrough considers it mandatory that the Alaska Power Authority be charged with the responsibility of directing a coordinated effort to develop a long-range planning process and a policy designed to assure adequate power for all of southwest Alaska.

Telephone: There is an immediate need to explore alternate methods of financing operations of the Anchorage Telephone Utility, and to reduce excessive costs and delays attendant to proceedings before the Alaska Public Utilities Commission.

Solid Waste: Breakthrough endorses the Municipality's plan for installation of a Solid Waste Shredding Facility.

Water/Wastewater: Water-providing systems must be integrated, both to assure maximum ability to meet increasing demands and for master planning purposes. To best accomplish the integration of the systems, the existing Water Utility Advisory

activities, and serve to bring people back into the downtown area for convenient shopping.

A Downtown Development Corporation financed by public and private funds will be formed to implement the retail development of the downtown area, and continue as an influential factor in keeping the downtown area alive in years to come.

For years Anchorage residents have talked of a Performing and Visual Arts Center and a Convention Center. It's time to build them. The facilities are to be constructed on property between Fourth and Sixth Avenues between A and C Streets, close to the retail development, a cultural-convention complex that will be the envy of every city on the West Coast.

On the North-South streets that don't cross the Park Strip, let's create space for people. We'll drop the speed limit to five miles an hour, switch to angle parking which will slightly increase the number of parking spaces available, and develop malls with large and small sculptures, fountains, trees and planters and imaginative lights.

Immediately, let's eliminate parking on Fourth Avenue between C and F Streets, extend the sidewalks on both sides, install trees and benches and otherwise beautify to create a pleasant area in the heart of downtown. Once the East-West Corridor-Tidewater Parkway (see Transportation) is completed, let's convert Fourth Avenue from A to L Streets into a specializing in business and construction.

Crime

Crime in the Anchorage area costs you and the head of every other household about $500 a year. That's assuming you haven't been hit over the head, robbed or otherwise affected personally by the rising crime rate. And that $500 doesn't include the cost of crime in the toll it takes in human misery and destruction of life and property.

Upon hearing of a criminal incident, many of us are still prone to say, "I never would have thought that could happen in Anchorage."

But it does. Every day. And we're getting more and more used to it. Just as our physical bodies adjust and eventually tolerate germs and even deadly poisons in less-than-fatal amounts, so there is a tendency for citizens to tolerate crime in ever-increasing doses and assume there is nothing they can do. It is easier not to become involved. Easier, but fatal.

The crime rate continues to rise, posing innumerable problems to which there are no simple, short range solutions.

There are many groups, agencies and individuals involved in the effort to combat crime, but it appears that they do not communicate on a regular basis with each other. There is no unity of action or purpose. Crime appears to be organized, even at the local level, but municipal, state and citizen efforts to combat it are not organized.

Without an organized effort to combat crime, the situation is not going to improve. Public facilities are not keeping up with the needs, so competition for the available tax dollars will further complicate the obtaining and maintaining of an adequate criminal justice system.

There is something we can do. The general public must become involved, and Breakthrough intends to accomplish that involvement through the creation of a Citizens Crime Commission. Such commissions have been influential in reducing crime rates in other cities, and it can happen here.

The Citizens Crime Commission will be organized as a nonprofit corporation under the guidelines recommended by the National Association of Citizen Crime Commissions, and it is important that it be an organization of citizens, from all sectors of the community, who, with the assistance of a limited staff, would make policy and direct the activities of the commission. The organization should be non-profit and non-political and will not play the role of any law enforcement agency.

The commission's principal weapon will be the knowledge that comes through research and investigation, information that is prepared in clear, understandable form, and the power of public opinion which is translated into action by the dissemination of information.

Parks and recreation

Located as it is between the mountains and the sea Anchorage is a great place to live, work and play. But we can make it even greater, offering virtually unlimited recreational opportunities to residents and visitors alike.

Implementation of these action plans will provide a comprehensive, balanced system of parks, multi-use trails, and organized play facilities, both indoor and outdoor.

More neighborhood and community parks need to be created, to provide a minimum of five acres of parks per 1,000 population, a nationally accepted standard. Now, there are 11 neighborhood parks, 37 vest pocket parks under five acres in size and eight community parks. To meet today's population needs, Anchorage should have 93 neighborhood parks and 23 community parks.

To expedite acquisition and development, we will establish a Public Lands Conservancy Foundation to solicit private monies for acquiring public interest lands to be held in trust or developed as required. The foundation also will solicit private monies for park development and maintenance; develop guidelines and provide assistance to neighborhoods in regard to special assessment acquisition and park development; serve as a coordinating agency for parks and recreation acquisition, development and maintenance by area service organizations.

Somewhere in the downtown area, perhaps on the Ninth Avenue Park Strip, there will be built a major botanical display garden and aboretum for the exhibit of all the plants that can be used in Anchorage gardens.

A new recreation "teen center" will be built in both the Muldoon and Sand Lake areas.

Breakthrough recommends that an interpretive program be instituted at all public school levels, possibly combined with field trips and visual aids, to encourage proper use of and appreciate for parks and discourage littering, vandalism and fires. A vital part of this program would be the establishment of a Parks Youth Corps, composed of young Alaskans dedicated to the proper use and maintenance of parks within the municipality. The corps' activities would include on-the-job training whereby members would be employed by the municipality for work in the parks. This program not only would enhance public education, but also provide jobs for young people at the minimum wage level, which would be economical for the municipality.

To vastly increase the opportunities for enjoying the outdoors for everyone, there will be developed a balanced system of trails for winter and summer use by motorized and non-motorized vehicles. According to season, trails would be designated for snowmachinces, bicycles, dirt bikes skiing, walking, horseback riding, dog sledding, with specialized trails for physical fitness and the handicapped.

Overall, land use in the Anchorage area should be more closely coordinated, and Breakthrough recommends the formation of a joint planning and management body to facilitate such coordination. The unit would be composed of representatives of all Municipal, State and Federal agencies controlling public use lands in the area.

Breakthrough strongly supports the development of the Far North Bicentennial Park according to the master plan adopted by the Greater Anchorage Area Borough in September 1974.

Transportation

Anchorage's transportation system is woefully inadequate now, and will only deteriorate more if positive action is not taken soon. Our population is now about 186,000 and Breakthrough estimates that by 1986 the population of Anchorage will have risen to 314,000. Transportation demand is a straight line function of population, and with these projections, our transportation system will be virtually nonfunctional if we don't do something about it now.

Implementation of the action plans in this report will provide the Anchorage area with a comprehensive, modern and efficient transportation system. It will be an integrated highway and mass transit system which will accommodate our needs for the next decade and beyond and ensure orderly land use to protect and maintain the environment while allowing people the flexibility to move around easily and comfortably.

Five-year action plan: The five-year action plan projects consist primarily of local improvements and minor road extensions which must be completed within the next five years if we are to have a livable transportation system. Thirty short-range projects are scheduled for action on a priority basis. Top priority projects which are to be completed within two years include: construction of a multi-lane urban arterial on Northern Lights from Lake Otis to Muldoon; expand the Old Seward Highway to four lanes from 36th to Dimond; convert C and A to one-way streets north of 36th; rebuild Dimond to four lanes from Sand Lake to New Seward Highway, reconstruction on Birch and Huffman roads; construct Bragaw extension between Northern Lights and UAA; enlarge Fireweed to four lanes between Seward Highway and Spenard Road; and expand New Seward Highway to four lanes from Dimond to Potter Marsh.

Long-range action plan: Long-range action plans include nine major projects. Those which must begin in the immediate future include: extension of Minnesota south and to the New Seward Highway; reconstruction of Seward Highway from south of 36th Avenue to the East-West Corridor (Tidewater Parkway) at Ship Creek; upgrade Northern Lights Boulevard west of Lois Drive to connect with Anchorage International Airport access; construct route from Abbott Loop from O'Malley to Boniface at Tudor Road to provide direct access between southeast and northeast portions of Anchorage; construct East Loop from south of Rabbit Creek to the East-West Corridor (Tidewater Parkway); extend Dowling Road east to Abbott Loop Road.

Knik Arm Crossing and Turnagain Arm Crossing are projects that are also needed, but first, we need to do whatever it takes to drive safely and conveniently.

Buses: Anchorage needs a dependable and reliable bus system in order for it to be a practical and attractive alternative to the automobile. To provide faster and more direct service, more routes are needed. More routes mean more buses. Anchorage needs a People Mover bus fleet of 100 buses by 1980. Now we have 36.

Light-rail: The Alaska Railroad offers a backbone for rail use. The light-rail transit system for Anchorage would follow the proposed Tidewater Parkway from downtown Anchorage to the International Airport. It would then travel along Minnesota Bypass from International Airport to the intersection of Minnesota Bypass (proposed extension) and the Alaska Railroad at O'Malley. Several parking areas have been tentatively identified for users of light-rail.

Rail to new capital and other communities: The Anchorage Metropolitan Area Transportation Study should undertake a study into the feasibility of using the existing Alaska Railroad, with a spur to the new capital city, for mass transit from Anchorage to the new capital and to other railbelt communities. The Capital Planning Committee should include in its planning for a capital site a light-rail spur to the heart of the new capital. At the very beginning of capital site planning, the Planning Committee should identify the required right-of-way at the Willow end, and make arrangements for acquiring and setting aside the right-of-way. This planning would be for purposes of making possible rapid transit by rail between Anchorage International Airport, downtown Anchorage, Eagle River - Chugiak, Wasilla and the new capital.

S.E. Alaska Empire Mon. April 17, 1978

Culture Facility Funds Backed

Representatives from communities throughout the state returned to Juneau today to push for passage of a $30 million bond issue for cultural facilities.

The House Finance Committee heard testimony from members of the Cultural Facilities Development Committee, which represents 12 cities including a number in Southeast Alaska.

Among proposals presented was a $12.3 million performing arts center for Juneau. It would include a theater to seat 700, a "forum" to seat 20 to 250 and scenery and costume workshops, dressing rooms and rehearsal halls as well as space for a television studio.

Other communities seeking funding for facilities under the bond package are Angoon, Haines, Skagway, Ketchikan, Sitka, Petersburg, Anchorage, Cordova, Dillingham, Naknek and Kodiak. Hydaburg recently has requested assistance from the committee as well, a spokeswoman for the group said.

Most representatives testified their communities have insufficient space or no place to perform.

"We have nothing in Skagway," a spokeswoman for that community said. "Skagway has no arts program in the school because there is no facility for it."

"We've had programs at 10 o'clock at night to try and work around a basketball game," the Cordova spokeswoman said. That community is forced to perform in the high school gym, she said.

"A cultural arts program cannot be developed in a gymnasium," the spokesman for Petersburg echoed.

Proposals for the 12 cities would cost $80 million. However, the committee decided to break down the bonding to smaller pieces beginning with the $30 million bond issue currently requested.

The committee is recommending communities receive money "on a first come, first serve basis," Allan Gregg, chairman of the group said.

Anchorage Times March 23, 1978

State Aid Bill 'Too Costly,' Says Sponsor

JUNEAU (AP) — Recently introduced legislation sponsored by an Anchorage booster group for state aid to municipal improvement projects around the state would cost taxpayers up to $400 million, the chairman of the House Community and Regional Affairs Committee says.

Rep. Lisa Rudd, D-Anchorage, said she agreed to introduce the bill at the request of Operation Breakthrough, a volunteer organization which is trying to revitalize Anchorage, but warned the civic group that the measure stood little chance of passage.

"I promised to give them a hearing but I also told them I didn't think it would pass," Ms. Rudd said. "They said they wanted to lobby for it anyway."

Ms. Rudd said, however, that the legislation was too open-ended and loosely worded and also was in direct competition with a popular bi" by Rep. Jim Duncan, D-Juneau, for state aid to communities for cultural projects.

A companion bill by Duncan would authorize a $30 million bond issue to kick off funding for the cultural facilities aid program.

"There's a tremendous amount of support for the cultural bill and the Legislature is unlikely to do both," Ms. Rudd said. "There's an incredible amount of support for the Dun-

(See Page 2, Col. 3)

Breakthrough Bill Said 'Too Costly'

(Continued From Page 1)

can proposal throughout the state."

Ms. Rudd said Duncan's legislation probably would be approved by her committee next Monday.

In addition to political obstacles, Ms. Rudd said the Operation Breakthrough proposal also faces substantive problems.

"It is a much broader concept, and would have to be tightened substantially before I could support it," she said.

The proposal would allow the state to assume 50 percent of the cost of municipal capital improvement projects with a ceiling of $3,000 per capita on the first 1,000 population, $2,000 per capita on populations between 1,000 and 10,000 and $1,000 per capita on populations of more than 10,000.

Ms. Rudd said, however, the legislation should include a definition of the kinds of projects eligible for state aid and a more clear ceiling on the state's financial liability.

"It says capital improvements can be anything the municipality wants," Ms. Rudd said. "And at an estimated $400 million, it's just too costly."

She said her House committee would conduct a hearing on the bill sometime next week, but held out little hope for action this session.

SB
508

SB 507
HB 508

HB 781: AN ACT AUTHORIZING STATE AID TO MUNICIPALITIES FOR THE CONSTRUCTION AND DEVELOPMENT OF CULTURAL FACILITIES, and
HB 782: AN ACT PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION BONDS IN THE AMOUNT OF $30,106,000 FOR THE PURPOSE OF PAYING THE COST OF CULTURAL FACILITIES; AND PROVIDING FOR AN EFFECTIVE DATE.

These two bills would authorize the State to assist municipalities in the development and construction of cultural facilities through grants from a proposed "1978 Municipal Cultural Facility Fund". Because of the obvious need for cultural facilities in Anchorage, the Municipality of Anchorage supports this bill.

Sydney Laurence Auditorium and West High School Auditorium with respective seating capacities of 650 and 2,000 are the two primary performing arts facilities in Anchorage, and the Visual Arts Center is the only primary visual arts facility in Anchorage.

All three of these primary arts facilities are overused during the peak use period between January and April. Five different performing groups will want to reserve the same date for a performance at Sydney Laurence Auditorium or West High School Auditorium. Because the number of rehersals exceed performances by a 7 to 1 ratio over actual performances, the usage problem for performing arts facilities is critical. Those performing groups fortunate enough to reserve a date at the primary facilities must often reherse at cramped and wholly inadequate secondary facilities, and the performing groups not so fortunate must both perform and reherse at such secondary facilities. The fact that the Visual Arts Center is overused is obvious because it is used daily-Sunday through Saturday-52 weeks a year.

All three primary arts facilities are also inadequately equipped. Sydney Laurence Auditorium has inadequate lobby and box office and dressing room space. It has no shop and storage space and its audience floor is not sufficiently raked; therefore, sight lines are obscured. The stage, backstage, and storage space at West High Auditorium are all too small. It has no shower facility. The acoustics there are a problem, and the lighting and sound equipment is dated. Because the Visual Arts Center was originally designed as the Alaska Centennial Building, it is even more inadequately equipped than the other two primary arts facilities. It is overcrowded.

It lacks adequate lighting in the gallery and professional studios. It lacks adequate heating, and it has no special storage areas with technical consideration for art collection, unpacking shows, stone and other bulk materials.

Anchorage has become a remarkably prolific town for community artistic activities. It is much more active in this regard than other cities of identical size throughout the United States. Such interest deserves attention; the Municipality therefore urges action on HB 781 and HB 782 consistent with our needs.

S.E. Alaska Empire Mon. April 17, 1978

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The committee is recommending communities receive money "on a first come, first serve basis," Allan Gregg, chairman of the group said.

PLEASE REPLY BY AIR MAIL

F: SB 508

WARREN C. CHRISTIANSON
ATTORNEY AT LAW
SITKA, ALASKA 99835

POST OFFICE BOX 4
TELEPHONE 747-~~3551~~ 6681
403 ~~Xst~~ LINCOLN STREET

March 14, 1978

The Honorable Patrick Rodey
Senate
Pouch V, Mail Stop #3100
Juneau, Alaska 99811

Dear Senator Rodey:

The Sitka Community Action Group went on record March 13, 1978, as supporting your Senate Bill 508 and that of Representative Parr as to House Bill 768. We feel it is important to get this bond issue out to the voters and also feel that the quality of life is highly important in all of our Alaska communities. I want to add my personal support for these bills as well. I have seen what the summer arts camp here at Sheldon Jackson has done for my children and feel the cultural facilities would provide an even greater emphasis on this l one which is badly needed not only in Sitka, but in other ommunities as well.

Concerning Senate Bill 507 and House Bill 769, I must say that I much prefer Senate Bill 507 and also feel that the land itself should be considered as part of the the contribution. Land is extremely valuable in Sitka as in most Alaskan cities and certainly represents a very valuable and significant part of the total cost.

Very truly yours,

Warren C. Christianson
Chairman
Sitka Community Action Group

cc: Chairman of House Community &
& Regional Affairs
Pouch V
Juneau, Alaska 99835

Chairman of House Finance
Chairman of Senate Community & ✓
& Regional Affairs
Chairman of Senate Finance

F. SB 507
" 508

TELEGRAM

[illegible] COMMUNICATIONS INC.
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PMS SEN. JOE ORSINI

ALASKA LEGISLATURE ROOM 101 ASSEMBLY BUILDING

JUN

SUGGESTED AMENDMENT TO HB836. TO PREVENT DOUBLE-COUNTING OF PEOPLE (IN COMPUTING LIMITATION ON STATE FUNDS) IN CASES WHERE ORGANIZED BOROUGHS CONTAIN ONE OR MORE CITIES WHICH QUALIFY AS MUNICIPALITIES.

INSERT THIS NEW PARAGRAPH AT THE END OF SECTION 43.18.023(A), AS PART OF SUBSECTION (A)

QUOTE PROVIDED, HOWEVER, THAT DOUBLE-COUNTING OF ANY POPULATION GROUP IS PROHIBITED. IN CASES WHERE AN ORGANIZED BOROUGH CONTAINS ONE OR MORE CITIES WHICH QUALIFY AS MUNICIPALITIES, THE LIMITATION ON TOTAL GRANTS TOTHE BOROUGH AND TO THE CITIES THEREIN SHALL BE COMPUTED BASED ON THE TOTAL POPULATION WITHIN THE BOROUGH, SO THAT PERSONS RESIDING BOTH IN THE BOROUGH AND IN A CITY THEREIN SHALL BE COUNTED ONLY ONCE. THE TOTAL MAXIMUM ENTITLEMENT THUS OBTAINED SHALL BE APPORTIONED AMONG THE BOROUGH AND THE CITIES WITHIN IT, FOR ANY CALENDAR YEAR, IN THAT PROPORTION WHICH THE ANNUAL OPERATING BUDGET FOR THE MUNICIPALITY (EXCLUDING FUNDS FOR EDUCATION PURPOSES) BEARS TO THE TOTAL OF THE OPRATING BUDGETS FOR ALL OF THE MUNICIPALITIES IN THE BOROUGH INCLUDING THE BOROUGH ITSELF (EXCLUDING FUNDS FOR EDUCATION PURPOSES) FOR THEPRIOR CALENDAR YEAR. UNQUOTE

MAX HOBEL, BREAKTHROUGH

Joe
FI SB 507
508

Friday, April 7th
Assembly 103

Senator Orsini:

We received a phone call from Nome today, from Lynn Chambers and Leo Rasmussen, asking us to pass on the message to you that, in answer to your letter to Mayor Rasmussen, yes, they do want to be included in the Cultural Facilities monies.

They want 5.63 million for a Cultural Center in Nome for the Northwest Alaska Region.

Leo Rasmussen is following up this message with a letter to you.

Fran Cole
A.A. for Representative Nakak

Message copies: Rep. Schaeffer
Sen. Ferguson

March 7, 1978, Anchorage Times F. D SB 507
2) SB 508

Downtown Group Explores Proposals Of Breakthrough

A multi-million dollar improvement package for Anchorage was explained by Breakthrough officials and explored by the Downtown Anchorage Association last night.

Breakthrough, a volunteer citizens' group, developed the recommendations for improvements in community facilities, roads, mass transit, parks and other areas over a year of study. The improvement package totals about $750 million in projects over the next five to seven years, the group's chairman said last night.

The group hopes to fund the local share of that package through a $126 million bond election tentatively planned for May 23.

Chairman Max Hodel said Breakthrough representatives will appear at as many community and organization meetings as possible over the next few weeks to air the improvement recommendations.

Also on hand for the meeting at the Anchorage Westward Hilton Hotel last night were Anchorage Assembly members Dave Rose, Arliss Sturgulewski and Tony Knowles and Municipal Manager Doug Welford.

Breakthrough anticipates that most of that $750 million improvement package will be footed by state and federal sources, with the local share, after grants, to be about $250 million. The group hopes to cut that figure in half with a bill to be introduced in the Legislature calling for 50 percent state support of municipal capital improvement projects in cities across the state.

The group has proposed a special bond election May 23 on nine propositions totaling about $126 million — the figure Breakthrough says needs to be funded by local bonds. That issue is now before the Anchorage Municipal Assembly, which has scheduled a work session at 5 p.m. today to dig deeper into the Breakthrough package.

Following two public hearings, tentatively planned for April 11 and April 18, the assembly must approve motions to place each proposition on the ballot.

Among the Breakthrough recommendations:

— Creation of a one-way grid street system in the downtown core to handle traffic more efficiently.

— The addition of about 2,200 parking spaces in the central business district.

— Construction of a $63 million complex, composed of two separate buildings, one to house a convention-sports center and the other for a performing and visual arts center.

— A $30 million municipal office complex to consolidate offices now spread over several locations throughout the municipality.

— A new headquarters library on the existing Denali School site.

— A massive road improvement package totaling about $180 million over the next five years.

— A $4.9 million local commitment to mass transit, to be used as the local match for federal grants to purchase buses for the municipality's People Mover system.

— Creation of a development corporation to spur a new retail complex in the central business district, with hopes of attracting a third major department store to "anchor" the downtown business area.

— Improvements and expansion of the Anchorage Historical and Fine Arts Museum.

The package got a mixed reception last night from the Downtown Anchorage Association, a group of downtown merchants.

The recommended parking improvements got perhaps the warmest reception from the merchants, many of whom have long complained of inadequate parking in the central business district.

Dan Stewart criticized the one-way grid recommendation. "I have been very annoyed by these grids," Stewart said, noting that a wrong turn may take eight blocks of travel to correct.

Other merchants criticized other facets of the package.

Several, however, applauded the Breakthrough effort.

"I really think these people have really worked hard," said Sewell Faulkner. "They've recommended a lot of things that can really help us downtown."

Budd Parsell, president of the association, termed the Breakthrough package one that "really has something for everyone" and cited a "need to appeal to as many of the voters as possible" before the planned May bond election.

Welford, the municipal manager, announced the administration's support for the proposal.

"The recommendations of Breakthrough are mind boggling," he said.

"I dare say you couldn't find a single person who would agree with everything" in the package, Welford said. But "what I think is true (is that) here we have had a truly remarkable, distinctive, different kind of citizen involvement in this community."

Rose applauded the plan, terming it a "comprehensive" approach to solving Anchorage problems rather than "a piecemeal approach."

Rose said he hopes differences of opinion about the plan can be resolved "so we have a pretty good consensus on where we want to go before we get to the ballot box."

LETTERS SENT TO THE MAYORS OF: Fairbanks, Fairbanks North Star Borough, North Slope Borough, Bethel, Nome, Seward, Kenai, Yakutat, Kotzebue, Delta Junction, Nenana, Palmer, Mat-Su Borough, Kenai Peninsula Borough, Fort Yukon, Unalaska, North Pole, Galena, Wrangell, Soldotna, Wasilla and Homer.

Alaska State Legislature

Senate

Committee on
Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

March 14, 1978

Jonathan Solomon, Mayor
City of Fort Yukon
P. O. Box 269
Fort Yukon, Alaska 99740

Dear Mayor Solomon:

Senate Bills 507 and 508 authorizing state aid to municipalities for the construction and development of cultural facilities have been referred to this Committee for review and consideration. (Copies of the bills are attached for your information).

At this time, the Committee is aware of twelve Alaskan communities which have proposed slightly over $72 million in cultural projects under the provisions of this legislation introduced by Senator Pat Rodey. They include Dillingham ($9 million), Cordova ($3.4 million), and Petersburg ($3.5 million). Since your community was not one of those listing plans for cultural facilities, I would appreciate your reviewing the attached bills and notifying the Committee if your community would wish to participate in the cultural facilities program, assuming it is approved by the Legislature.

I would also appreciate any other comments or suggestions you might have on the proposed legislation.

Sincerely,

Joe Orsini

JOE ORSINI
Chairman, Senate
Community and Regional
Affairs Committee

JO:gd

Enclosure(s): SB 507 and 508

Cultural Facilities Development Committee
(Data for Bond Issue)

UPDATE

SKAGWAY: Contact Person

Dianna Cates
Executive Secretary
Skagway Fine Arts Council
P.O. Box 116
Skagway, Ak. 99840
Ph. 983-2378

The Skagway cultural facility plan has been updated and revised to create a new multi-purpose cultural building. The updated plans include theatre, museum, archives, court space, city government offices, and day care. The building will provide a civic center for a growing population and for the 100,000+ tourists who visit Skagway each year. For this new facility projected cost is 4.7 million

Dear Legislator:

The informational packet you received concerning 12 communities' projected Cultural Facilities did not include this update on Skagway's plan. Please include this in your information about the Cultural Facilities Development Committee.

If additional information is needed at this time, please call the CFDC Coordinator, Shirley Rediger, at 586-6806.

CULTURAL FACILITIES
DEVELOPMENT COMMITTEE

STATE COOPDINATOR

Shirley G. Rediger

127 SO. FRANKLIN STREET
JUNEAU, ALASKA 99801

586-6806 - JUNEAU
225-3077 - KETCHIKAN

SB
F: 508

04-D3LH

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER / POUCH S – JUNEAU 99811

February 16, 1978

The Honorable Joseph Orsini
Chairman
Senate Community & Regional
Affairs Committee
Room 100 - Assembly
Juneau, Alaska

Re: Senate Bill No. 508

Dear Senator Orsini:

Senate Bill No. 508, an Act providing for the issuance of general obligation bonds in the amount of $30,106,000 for the purpose of paying the cost of cultural facilities, was introduced in the Senate on February 14, 1978 and was referred to the Senate Community and Regional Affairs and Finance Committees.

The State's Bond Counsel, Mr. C. Richard Walker of Orrick, Herrington, Rowley and Sutcliffe ahs advised that general obligations bonds of the State and nearly all other state and local government bonds are issued in the denomination of $5,000, the standard unit.

Using Senate Bill No. 508 as an example, according to Mr. Walker, this would result in issuing one odd bond in the denomination of $1,000 along with 6,021 bonds in the usual denomination of $5,000.

Issuing a bond in an odd denomination requires extra time and expense in connection with the preparation of the resolution, notice of sale, official statement and other documents relating to the bonds and the printing of the one odd bond with all its special coupons.

Consequently, it is respectfully recommended that the proposed legislation be amended to allow for rounding off the principal amount of the proposed bond issue to the nearest $5,000 by making the principal amount in the bill to read $30,105,000.

Very truly yours,

R. D. Stevenson

R. D. Stevenson
Special Assistant

cc: The Honorable John C. Sackett
Chairman
Senate Finance Committee
Alaska State Legislature
State Capitol Building
Juneau, Alaska

Sterling Gallagher
Commissioner of Revenue
Secretary, State Bond Committee

David Klemmer, Debt Manager
Treasury Division
Department of Revenue

THE CITY AND BOROUGH OF JUNEAU
CAPITAL OF ALASKA
155 SOUTH SEWARD ST. JUNEAU, ALASKA 99801

DATE June 6, 1978

FILE NO. Legislature - 1978 Session
HB 781

SUBJECT: Support for Cultural Facilities Legislation

Honorable Joseph Orsini, Chairman
Senate Community Regional Affairs Committee
Pouch V - Capitol Building
Juneau, Alaska 99811

Dear Senator Orsini,

An article in last night's Southeast Alaska Empire indicates that you or your committee believe that there is inadequate interest in the cultural facilities bills which are in your committee to bring them up for a hearing. Prior experience with the Empire has led me to conclude that it more often than not sacrifices accuracy for dramatic impact. For that reason I presume that neither you nor the committee has taken as firm a position on the cultural facilities bills as the Empire article indicates.

The City and Borough of Juneau fully supports the approach expressed in House Bill 781 for state assistance to municipalities for the construction of cultural facilities. This bill is now in your committee and we urge you to schedule it for hearing at the earliest possible date and to refer the bill out so that the entire Senate may be given an opportunity to express its position on state aid for cultural facilities.

Ms. Shirley Rediger of the statewide Cultural Facilities Development Committee has provided your committee with material which consists of fairly detailed proposals for each of the major communities, including Juneau, which are interested in constructing cultural facilities. These proposals deal with most of the information which your committee had requested earlier this year. On the chance that the committee-provided information was inadequate, our public works department is now preparing a response to the specific request for information. I have been informed that both Ms. Jane Stewart of the Juneau Cultural Facilities Development Committee and the various potential users of a local cultural facility have written to your committee expressing theirs and the community's support for the cultural facilities bills. The assembly has designated Ms. Stewart and the Juneau committee to represent it on the state committee. We support both the local and the state committee efforts to

have legislation such as House Bill 781 passed. We again urge you to schedule this bill and one or more of the companion bond bills for a hearing and urge you to pass them out of committee. Only by doing so will the communities in Alaska have any hope of acquiring facilities adequate to meet their needs for facilities which can be utilized to support and perpetuate the cultural arts and local culture.

Very truly yours,

Gerald L. Sharp
City/Borough Attorney

GLS/sm

cc: Senators Willis, Ferguson, Hackney, and Sumner
Mayor Overstreet
Jane Stewart, Juneau CFDC

SB

533

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE MINUTES

March 14, 1978

Present: Chairman Orsini, Senators Willis and Hackney and Ferguson; Rob Kocsis, Senator Hohman's Office; Vern Metcalf, Department of Transportation; Jack Chenoweth, Legislative Affairs Agency; Kathy Brown, Senator Ferguson's Office; Deborah Fink, Senator Hohman's Office; Bruce Aronson, Department of Community and Regional Affairs; Marilyn Miller, Alaska Municipal League.

Absent: Senator Sumner

SENATE BILL 533

Chairman Orsini explained that SB 533 had been drawn from Section 8 of SB 510 which was a permanent fund legislative package and which had only a Senate Finance Committee referral. He said that the intent of SB 533 was to address the issue of coordinating the requirement for the Department of Transportation to draw up inventories of municipal capital facilities with the municipalities own planning functions and activites.

Rob Kocsis, Senate Interim Permanent Fund Staff, said that the rationale for Section 8 in Sb 510 was to provide a data base of existing capital facilities so that an accurate six-year schedule for the investment of 30 percent of the permanent fund monies into capital improvements could be drawn up. He said that the requirements for DOT to prepare the inventory for communities with less than 12,000 people was to avoid imposing too great a burden on less populated areas.

Chairman Orsini asked how, under this bill, was the State to coordinate its planning with municipalities in light of the fact that state law called for the State to attempt to keep its local activities consistent with local municipal objectives Also, he wished to know how municipal wishes and capital planning was going to be reflected in the state-generated capital inventory which in turn was to be used to determine a six year statewide capital investment program under the permanent fund.

Kocsis responded that there was no intention to by-pass the municipalities in this function and that it was intended for the State to draw up the inventories based on the information supplied by the municipalities themselves. In response to a question from Chairman Orsini, Bruce Aronson, Department of Community and Regional Affairs, replied that to his knowledge very little of HUD 701 funds were being used by municipalities for capital improvement planning and that the money was being primarily for land use planning.

Vern Metcalf, Department of Transportation, expressed concern at the scope of responsibilities which SB 533/510 would place on his department. He pointed out that the resources of the DOT were currently strained merely by the requirement to prepare a statewide survey of state-owned facilities. He did not believe it was possible to add a municipal

facility inventory on top of that without DOT first receiving additional personnel and funds for the program. Senator Hackney questioned whether rented facilities would also be taken into account in the proposed inventory and expressed some skepticism about the extent to which state administrations would carry out six year schedules set by preceding administrations. He also asked that a fiscal note be prepared for SB 533. (To be prepared by DOT, per Metcalf)

ANCSA 14(c)(3) Village Land Reconveyance Status Report

In response to a request by Chairman Orsini, Senator Ferguson had his Administrative Assistent Kathy Brown prepare a status report on the 14(c)(3) village land conveyance situation. (see attached report). During a general Committee discussion following Ms. Brown's presentation, Senator Ferguson noted that the possibilities for friction between village corporations and municipalities was far greater than most of the parties involved, especially in western Alaska, presently realized. He pointed out that in his own area the groundwork for later confrontation was already being laid and that he expected considerable legal challenges to be made on this issue throughout the state.

Senator Willis questioned the ambiguities and omissions which existed in state statutes regarding the municipal entities which could legally receive the conveyances from villages within their area. Jack Chenoweth, Legislative Affairs Agency, pointed out that Congress, when it passed the Alaska Native Claims Settlement Act, was not informed as to the exact divisions of local government in Alaska. As a result, in his opinion, Congress left it up to the State Legislature to define through its statutes what kinds of municipalities were designated recipients of the reconveyances. This, he noted, was done by the Legislature two years ago when it excluded first and second class boroughs from the definition of "municipal corporations" in the Act.

Chairman Orsini said that he wished to schedule further discussions on the 14(c)(3) situation, dealing with the drawing up of regulations, and taking testimony from persons such as Byron Mallot, President of the Alaska Federation of Natives, who are directly involved in the issue.

F: SB 535

S/HESS 4/6/78
Minutes

Representative Chatterton speaking to proposed amendment. Appearing befo~e you in support of SB 556 because very simply it offers a very beautiful that I would hope you and your committee would consider saddling with my amendment. Background -- this particular section of title 47 of chapter 7 seems to get bandaids added The situation is this, in Anchorage we have a nonprofit outpaitient surgical care clinic. That nonprofit corporation is referred to the surgery center its business manager or executive director is a Horris Sue Evering. In existant for a year and a quarter.

To date this well licensed existing outpatient surgical care clinic has run about 1,500 patients through it everything from tonsillectimate to removing warts. These are patients that are not the normal types of peple that would be receiving mdeical funds. In fact they cannot taken any medical patients at the present time. The beauty of it a tonsell would cost about 600 where at a hospital it would cost about 1,200. It was brought to my attention that there would be a savings in tax payers moneies of people eleigble for medicaid and medicare funds could aso availa themselves of this ervice. Have discussed matter with Dave Davidson and under present state statue they cannnot so qualify. With this two things would be necessary for this surgery center to qualify for medicaid or madicare funds. 1. The state would have to amend its legislation and 2. whatever it is, they would have to complete what is know as an 11.22 review. As a result of this to take to be permissive for the surgery center to accept people nnedy people in need of medical services I've suggested this amendment.

Motion by Senator Rodey to pass out with DP reces no objections so ordered.

SB 535 -- exit Senator Rodey -- Thomas Scott, Division of Health and Social Services. Department supports SB 535 look at it as a housekeeping document to allow for ambulanse sevices to respond outside municipal boundaries. currently Alaska law 29.48.030 delineates which service are home or local government can provide. AS 29.048.037 delineates those services that can be provided outside the boundaries of a municipality. This bill would make emergency medical services a service that a home or local government can provide within its boundaries and allow it to be provided outside its boundaries. Right now all the ambulanse services in the state except in the Matsu borough in the anchorag municip provide service respond outside their municipal boundaries because there is no one else outside to respond.

When they do that they lose their insurance coverage and so forth that they have. They become liable for, they are actually breaking the law when they do that. This bill would extend the authority to respond outside at the same time it wouldn't allow them any revenue sharing or any more allow them to tax for their services. The City of Petersburg actually stopped serving outside the boundaries here last year becuase on the recommendation of their insurance company and the city council did two things -- they extended the boundaries a little bit and then put the rest to provide services outside and worry about liability later on.

Senator Willis move that it pass from committee with a dp rec. no objs so ordered

SB 487 -- Paul Arnoldt, Director of the Division of Retirement and Benefits SB 487 At first we weren't quite sure what was intended here but we've been able to determine that primarily this bill would affect one individual and what is happening is this individual served at service with the territory between 1931 and 1943 of which no contribution had been made to any kind of retirement program and no credit was received and no benefit was being payed. Since then he went to work with the U of A for one month to come under the teachers retirement system which the prior years service was credited for a total of9.6 years and he had .1 years at the University so a total of 9.7 years. We are currently paying him a benefit on this service that amounts to including COLA and PRP that was just issues last year comes to $36.27 a month. What this bill would do would make that a minimum 9f $20 for each year of service and bring his benefit to about ¶200 per month So far we have payed this individual abut $1,200 and he has contribu4d 100 for the system. The bill was put to one side until Mr. Arnoldt could determine whether this individual was receiving any other retirement benefits from the state -- resulted from a question by senator ziegler

SB 512 -- Is identifcal to two house bills -- 818 and 823. This has been heard before the legislative board of retirement benefits and they recommended this bill shold not pass. I concur with them in that recommendation for two reasons. This would allow services for former employes of the Alaska State Housing authority under either the Teachers retirement system or the The concept of having hte state pick up past service liabilities for former or for some other entity this would the first time this has ever happened. Any time an entitty joins the system they have the opportunity to bring in past service. In other words they can elect to bring no past service, past service under certain conditions, all past service. The Alaska State Housing Authority , the Attorney general has already ruled that they are eligible to joing the PERS system. I've also received a letter from Mr. Perry Goldbar that was addressed to Commissioner Allen which states that the and part of it says that the Alaska State Housing Authority is at this tme making preparations to a' :empt to terminate our private employee retirement plan and we would like to become a memeber of the PERS on July 1 1978 if possible. Thank you for your assistant. This seems to me that if the Alaska State Housing Authority does joing at that point in time they cuold pick up past service for their employees and would be responsible for the liability of that service and would be consistent with the practices udner the other 68 employers within the system.

Senator Ziegler -- assuming the changeover does not come about and we still have this agreived individual who he could resubmit this bill through a friend next year otherwise it moght be takne care of automatically in the

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE MINUTES

April 6, 1978

Present: Senators Orsini, Willis, Hackney and Ferguson; Reed Stoops, Senate Resources; Jack Chenoweth, Legislative Affairs Agency; Richard Holden, Department of Transportation and Public Facilities; Jim Rolle, Alaska Municipal League; Peter Froehlich, Attorney General's Office; Bob Waldrop, Department of Natural Resources; Veronica Clark, Department of Community and Regional Affairs; Robert Cole, Department of Health, Education and Social Services; Janice Gates, Department of Health, Education and Social Services.

Absent: Senator Sumner

The bills before the Committee today were SB 562, SB 533 and SB 183.

Chairman Orsini called the meeting to order at 3:05.

SENATE BILL 562

Pat Conheady and Bob Waldrop, Department of Natural Resources, stated that the bill responds to three basic needs: 1) Stability 2) land policy management and 3) guidance from the Administration and Legislature, the latter providing the kind of stability that the Department needs to transcend the Administrative whims of various governors and their cabinets. They stated that it was a reflection of the experience brought to them by the Land Use Planning Commission, Senator Poland and various land administrators around the state. They went on to highlight the needs of the bill. Basically it is a two part bill: 1) Establishes land resources inventory and 2) mandates that the Administration dispose of 50,000 acres of land in the first year and thereafter whatever the budgetary constraints are and whatever the wishes of the legislature are. Stated that this was so that the Department wouldn't run into the problem of needing the land but not having the money to make the land available. Bob Waldrop explained that the 50,000 acres was derived from an estimate that they decided the Department could enact this year if thye got sufficient assistance from the budgetary process. Pat Conheady stated that the State currently had patent to 36 million acres and presented a chart which illustrated the categories in which the land could be used. Bob Waldrop stated, however, that only approximately 1.4 million acres of State land was suitable for intensive habitation and agriculture.

They stated that the Department feels that if this bill and SB 568 were enacted into law it would give the voters an alternative at the ballot box come November on the Beirne initiative. The enactment of this legislation, they concluded, would provide a legislative umbrella for the implimentation of land policies, such as the municipal land selection bill.

SENATE BILL 183

Robert Cole, Department of Health, Education and Social Services stated

that this bill was really designed to place greater amounts of power in the hands of local voters in election districts in making decisions on how alcohol was to be sold, used and utilized within each community. He stated that this bill would do the following: election would be held which would allow voters to chose several options of how alcohol is to be sold and used in their communities. One of the options would be to completely restrict the sale of beverage alcohol. It would further empower through that same process citizens to restrict sell, plus ban shipment through mail orders or telephone orders in restricted areas. He stated that this bill would also allow communities that had voted to go dry to decide to open a community liquor store by referendum vote. He stated that another provision has to do with compensating communities in rural Alaska which voted to close liquor stores since they would lose a lot of local sales taxes. The proposal that the Department made was that if they chose to vote themselves dry the state would be willing to pay them a credit based upon a 10% per capita for lost sales tax revenue. The Committee and Mr. Cole went over the penalties for bootlegging and possession laws in the provisions of this bill. He stated that there was a provisions that retailers state-wide would receive a list of the communities that went dry and would be prohibited by law to receive any order from those communities. The Committee also discussed additional alternatives to going completely dry, such as permitting beer and wine but no hard liquor.

Jim Rolle, Alaska Municipal League, suggested that some consideration for local municipalities to protest to licensing of liquor sales on the local level should be made.

Chairman Orsini stated that this bill would be held in committee for further discussion.

SENATE BILL 533

Richard Holden, Deputy Commissioner of the Department of Transportation and Public Facilities and Keith Dick, Department of Transportation and Public Facilities. Mr. Holden stated that the Department had prepared a fiscal note and had some amendments for the bill.

Mr. Holden pointed out that currently there is no coordinated planning for capital facilities in rural Alaska. Consequently many expensive mistakes are made and inefficient projects are undertaken to provide, for example, schools were there are inadequate water supplies or sewer facilities. He continued that frequently small communities receive over-complicated facilities without the means of funding their operation, since one area of state government is not required to coordinate its activities with another.

The proposed Committee Substitute for SB 533, in Holden's view, would provide DOT with the authority to coordinate the numerous agency programs in rural areas.

Veronica Clark, Department of Community and Regional Affairs stated that she and Larry Kimball also from the Department of C&RA had worked closely

with Mr. Holden on the amendments and two of the things that they were interested in having changed from the original bill was 1) make very clear the responsibilities of the other agencies and 2) expand the scope of the bill beyond municipalities and to include unincorporated areas. These were the two things the Department of Community and Regional Affairs wanted covered in this bill.

Mr. Holden discussed the problem of the state inventory of state owned buildings. He also stated that DOT was not funded to do this inventory and has to have the cooperation with other departments to be able to do this. He explained that the Department would approach it directly through the technical assistance program. He stated that they would not change the approach in rendering assistance it would still have to be at the request of local communities as opposed to automatically doing it.

Jime Rolle, stated that the Alaska Municipal League supports this bill.

Chairman Orsini stated that this bill would be brought before the committee again next week for further discussion.

Chairman Orsini adjourned the meeting at 5:00.

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE MINUTES

April 11, 1978

Present: All Committee Members, Jay Moor, DPDP; Richard Holden, DOT; Reed Stoops, Senate Resources; Jack Chenoweth, Legislative Affairs; and Jim Rolle, Alaska Municipal League.

Senate Bill 533 and Senate Bill 562 were the bills before the Committee.

SENATE BILL 533

Richard Holden, Department of Transportation and Public Facilities, stated that the Department had drawn up an amended fiscal note and also some proposed amendments to the bill. He stated that both of these had been finalized with the Department of Community and Regional Affairs, Division of Policy, Development and Planning, Department of Health, Education and Social Services and Jim Rolle of the Alaska Municipal League. He said that the basic proposal of the bill was to achieve the coordination between agencies and municipalities by requiring state oversight of municipal and local activities which state agencies either fund or operate.

Mr. Holden explained that current statutes require DPDP to coordinate state capital improvement activities.

Jay Moor, DPDP, stated that his division had requested the inclusion of subsections 14 and 15 into the proposed committee substitute to insure DPDP's coordination role. He explained that subsection 14 stated that DPDP must maintain a comprehensive development plan and subsection 15 stated that planning agencies use coordinating projections.

Senator Sumner expressed his concern that DPDP's involvement with state agencies seemed more and more like a management role than that of a coordinating role. He was disturbed that he would be referred to DPDP for information by certain Departments when, in fact, he wanted the information from that Department first hand.

Mr. Moor explained that, in the case of two agencies disagreeing over planning policy, the dispute would be settled by the Governor's office. In such a situation, the Governor's office might request DPDP to prepare a staff study recommending one or another course of action.

In response to Committee questions, Mr. Holden acknowledged that a state agency desiring to construct a facility in a municipality would first be required to obtain local planning and zoning approval before work could begin. The existence of legislation along the lines of SB 533, he affirmed, would not remove municipal oversight on state activities within municipal boundaries.

Chairman Orsini stated that this bill would be brought up again Thursday, April 13, 1978, for further testimony.

SENATE BILL 562

Chairman Orsini asked the committee members if they wanted to work on the bill themselves or send it on to Senate Resources where they would be sure to change it. He suggested three possible changes in the bill, one of which would be an increase in acreage, dealing with the state trust lands and the concept of residential credits which, he stated, was not in the bill but would fit into it. The Committee members felt that it should go on through the process and Senator Ferguson moved that the Committee pass the bill out with individual recommendations.

The meeting was adjourned at 4:30 p.m.

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE MINUTES

April 13, 1978

Present: All Committee Members; Tom Scott, HESS; Larry Kimball, Department of C&RA; Dick Holden, Department of Transportation; Charlie Smith, Department of Public Safety; Bruce Aronson, Department of C&RA.

Senate Bill 535 and Senate Bill 533 were the bills before the committee.

SENATE BILL 535

Tom Scott, Department of Health, Education and Social Services and Charlie Smith, Department of Public Safety, testified that their Departments support the bill.

In response to Chairman Orsini's inquiry, Bruce Aronson, Department of Community and Regional Affairs, stated that his department also supported the legislation.

Senator Hackney recommended SB 535 be passed out of Committee with a DO PASS recommendation. There was no objection.

SENATE BILL 533

Larry Kimball, Department of Community and Regional Affairs, explained that his department is mandated to assist communities on a request basis. SB 533 would not change any of the authority C&RA already possesses.

Under Section 2 of the proposed committee substitute, Kimball stated that C&RA would analyze and inform the Department of Transportation and Public Works, and appropriate program agencies, of the effects the proposed capital improvements would have on land use planning and municipal facility procurement plans.

Chairman Orsini noted that the bill's language would need tightening to insure that C&RA was not mandated to plan for municipalities, but would only become involved in planning upon request by a municipality.

Kimball stated that 12 to 15 community development plans had gone through his department since 1973. The department has never prepared in-house plans since this would require a diversified staff numerous planners which the department could not support on an on-going basis. Kimball stated that C&RA has concentrated on the larger communities, most of which now have comprehensive plans. Additionally, he stated, C&RA has funded 3 or 4 capital improvement elements in the comprehensive plans.

Kimball explained that C&RA's involvement in the fiscal note would be the development of information that DOT and other agencies would need. At present, C&RA does not have the budget or staff to do this. He noted that after three years C&RA's fiscal involvement would disappear with the completion of the projects.

Richard Holden, Department of Transportation and Public Works, testified that the original bill requires DOT to budget on behalf of other agencies for capital improvements, which in his view was not a proper function for his department. He stated that DOT's job should be to help them coordinate both the capital needs required by their programs and the capital needs that are generated which inter-agency coordination would require.

Chairman Orsini questioned why DOT would not prepare facilities inventories for municipalities with populations greater than 12,000. Holden explained that DOT would grant them the funds to do their own inventory since these municipalities would have adequate expertise to do the job with their own personnel.

The Committee discussed the definition of "public facilities" in the legislation and expressed concern that the committee substitute might include any facilities which had in any degree received state funding or administrative support. Examples included fisheries, new farm enterprises, medical facilities, clinics and home finances with state veterans loans.

Chairman Orsini stated that SB 533 would be taken up for further Committee discussion on Tuesday, April 18, 1978.

The meeting was adjourned at 4:20 p.m.

SENATE COMMUNITY & REGIONAL AFFAIRS
COMMITTEE MEETING

April 18, 1978

Present: Senators Orsini, Willis, Hackney and Sumner; Cherie Shelly, APEA; Jon Scribner, Department of Environmental Conservation; Lowell Swartz, Department of Health, Education and Social Services; Richard Peter; Robert L. Cole, Department of HESS; Robert L. Stewart; Greg Mackyowsky, Code Revision Commission; Bob Van Houte, NEA-Alaska; Richard Holden, Department of Transportation and Public Facilities; Janice Gates, Department of HESS.

Absent: Senator Ferguson

Senate Bill 373, relating to public information regarding collective bargaining by public employees; Senate Bill 533, relating to planning of public facilities for municipalities; Senate Bill 183, relating to alcoholic beverages and House Bill 795, appropriations for Fairbanks Town and Village Assoc., for Development, Inc., were the bills before the Committee.

SENATE BILL 373

Chairman Orsini stated that there was a committee substitute for this bill which covered most of the testimony that was heard on the bill. Senator Hackney moved that the Committee pass out SB 373 with individual recommendations.

HOUSE BILL 795

Senator Hackney moved that the Committee pass out HB 795 with individual recommendations.

SENATE BILL 533

Jack Chenoweth, Legislative Affairs Agency, explained the committee substitute draft to the Committee members. Section 1 is from the original bill. Section 2 derived from draft provided by Richard Holden, DOT, requiring that there be a state-wide comprehensive facility procurement plan done by the Commissioner. He also explained that he had defined "public facility", which was of some concern to the Committee last meeting. Section 3 expands upon the public responsibility of the Department of Community and Regional Affairs in this process.

Chairman Orsini stated that he would like to pin down the concepts and make the initial changes in the bill Thursday

Janice Gates, Department of HESS, called attention to the Committee that on Page 2, Sec. (d) dealing with health care facilities that "in communities without such facilities", was confusing and unnecessary. The Committee discussed the rest of the items on that page and it was brought out that there was other language that was not particularly necessary. The language would be revised for Committee consideration on Thursday.

Richard Holden, DOT, stated that a repealer, which states that highways and ferries are not a "public facility" was left out of the work draft.

Senator Sumner expressed concern regarding the health care and social services facilities in private finance facilities. He stated that there were serious questions regarding the "certificate of need" and whether that is not some sort of self-regulating opportunity. He also stated that he wanted to make sure that if "certificate of need" and planning were not tied together in this bill that they are not tied together in practice as well.

Jon Scribner, Department of Environmental Conservation, with regard to the water and sewer system section of the bill, stated that DEC has a program in which it works with local communities and the communities themselves set the priorities on their water and sewer systems. In that regard, he stated, the Department was unsure of how this kind of program fits in with this particular bill. He went on to explain that the Department has an Advisory Committee, which the Legislature set up last year that sets money priorities for villages in this program. Mr. Holden stated that there was a solution to this problem, because most of the agencies have some sort of peculiarity with e.g. source of federal funds. He stated that in one of the earlier committee meetings Senator Sumner suggested that a clause go in the bill that Administrative regulation draft to implement this legislation be developed by each program agency for that particular programing and approved by them before promulgating it.

Chairman Orsini stated that he would like to have a new draft drawn up incorporating some of the concerns expressed and again stated that the final adjustments would be made Thursday.

SENATE BILL 183

The Committee had a draft committee substitute drawn up and Jack Chenoweth, Legislative Affairs Agency, pointed out some of the differences in the proposed draft and the original bill. He stated that he generally went throughout the bill and cleaned up where the references were. He explained that he added language, at the Committee's request, giving municipalities greater authority with respect to the renewal or new applications for a liquor license. Chairman Orsini suggested that there should be some requirement to prevent the ABC Board from taking action on applications in that 30-day period. Mr. Chenoweth stated that the only way a municipality can disapprove an application would be with a local ordinance. He stressed the validity of that ordinance as it could be subject to a law suit.

Mr. Chenoweth stated that he tried to shorten and simplify the language of the referendum ballot language that is actually put before the public to determine liquor sales within a community or municipality.

He explained section 04.15.438 which would give a municipality the option of staying wet but with the sale of non-distilled alcoholic beverages only, such as beer and wine.

In reference to penalties, Mr. Chenoweth stated that on Page 16, line 2 "may" was changed to "shall". This was done so that on a third violation there would be no question, the license would be revoked and the operation would be closed. Mr. Robert Cole, Department of HESS, pointed out that in changing "may" to "shall" that it should also be done on Page 15, line 28 referring that the board, council or assembly "shall" revoke a license upon the direction of the majority of its members upon the first and second violations.

Senator Hackney added that "consective" terms for violations should be put into the language.

The Committee also instructed Mr. Chenoweth to prepare a separate bill, to be introduced by the Committee, containing Section 9 and the Section on Limitation of Sales from the CS of SB 183. The resulting new legislation would deal only with municipal authority, in the CSSB 183.

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE MINUTES

April 20, 1978

Present: Senators Orsini, Willis, Hackney and Ferguson, Lee Sharp, Attorney for the City and Borough of Juneau; Jim Rolle, Alaska Municipal League; Larry Kimball, C&RA; Dick Holden, DOT; Vivian Hegg, League of Women Voters; Lowell Swartz, Dept. of HESS; Kathy Brown, Senator Ferguson's staff; Veronica Clark, Dept. of C&RA; Jack Chenoweth, Legislative Affairs Agency; Murray Walsh, Alaska Coastal Policy Council.

Absent: Senator Sumner

Senate Bill 533 and the Alaska Coastal Management Regulations were before the Committee today.

SENATE BILL 533

Dick Holden, DOT, testified that he had no problem with the present draft of the bill.

Chairman Orsini stated that on Page 2, delete Section (G) and on Section (E) "school" should be changed to "education". Chairman Orsini also questioned if there was any particular reason why "sanitation facilities and recreation facilities" were not included in the bill. Mr. Holden replied that it was an oversight. It was decided that "sanitation facilities" should be addressed in the bill but there was question on whether "recreation facilities" was too open-ended. In response, Dick Holden suggested that if DOT finds facilities that are state-funded under the definition of "public facility" that should be included DOT can always recommend including them at a later date.

Chairman Orsini stated that on Page 3, Line 20, that if the language "exceed 50%" was used it would be excluding schools, which is currently 50% and then suggested using "50% or more". Also on Page 3, Line 14, Chairman Orsini suggested deleting "by the state".

Chairman Orsini stated that the capital improvements aspect of planning had basically been taken care of but questioned the comprehensive planning stage. Dick Holden stated that C&RA would take care of that with the monies provided for in the fiscal note.

Larry Kimball, Dept. of C&RA, gave an outline of the communities throughout the state that already had comprehensive plans. He stated that the estimated monies for 220 community profiles should be revised to reflect 105 and the other 115 should have about $15,000 to $30,000 cost involved and the larger 17 regional centers should have one closer to $50,000. He also suggested that the 17 regional centers be done in context of the comprehensive plan and the remainder given the composition of those villages.

Chairman Orsini requested that the fiscal note be updated by an additional $3 million. The bill containing these revisions would be taken up again on April 25.

COASTAL MANAGEMENT GUIDELINES AND STANDARDS

Chairman Orsini stated that the legislature had passed a bill last session which was thought to have made clear that the legislature would have to approve the Coastal Policy Council's regulations. A legal opinion from Jack Chenoweth, Legislative Affairs Attorney, in a letter of March 28 pointed out, however, that the Council's regulations were not defined -- the Alaska Coastal Management Act on requiring Legislative approval.

Murray Walsh, Alaska Coastal Policy Council, stated the Council's entire guideline effort was conducted with the assumption that the Legislature would take some sort of affirmative action. The Council would feel more secure having guidelines which also received Legislative endorsement. He also stated that the Council intends to examine the guidelines on an annual basis to correct whatever flaws which the actual operations of the Coastal program might uncover.

Jim Relle, Alaska Municipal League, stated that he had a meeting scheduled the next day in Anchorage with members from different communities. He stated that he would be looking for specific input from those members that have participated frequestnly on the Council and also from communities that had no participants. He wanted to see if they were satisified with the regulations.

Vivian Hegg, stated that the League of Women Voters supported the process and the product.

Senator Hackney suggested that the Committee introduce a resolution similar to the one the House C&RA introduced and proceed from there.

The meeting was adjourned at 3:40.

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE MINUTES

April 25, 1978

Present: Senators Orsini, Sumner, Willis and Ferguson; Roger Allington, Co-Chairman of the Alaska Coastal Management Council; Murray Walsh, Office of Coastal Management; Bruce Aronson, Department of C&RA; Pat Sharrock, ABC Board; Jim Rolle, Alaska Municipal League.

Absent: Senator Hackney came latter part of meeting.

The meeting was called to order at 3:10.

SB 533, SB 208, SB 599 and SCR 103 were the bills before the Committee.

SENATE BILL 533

Senator Sumner moved and asked unanimous consent that the Committee pass out CSSB 533 with individual recommendations.

SENATE BILL 208

Bruce Aronson, Dept. of C&RA, testified that the Department supports SB 208. Senator Sumner moved and asked unanimous consent that the Committee pass out SB 208 with individual recommendations.

SENATE BILL 599

Chairman Orsini stated that SB 599 is an outgrowth from discussions on SB 183, which is part of the Governor's Alcohol package. The bill does essentially two things -- first, it allows a municipality to adopt ordinances by which either new, renewel or transferred liquor licenses could be rejected by a municipality. If a municipality does not act to reject the license request within 30 days the application is automatically placed before the ABC Board.

Senator Sumner questioned the need to transfer a state level function, such as liquor licensing, to the local government level.

Chairman Orsini stated that Section 1 and 2 both deal with municipalities but were separate from each other. Section 2 gives an intermediate means of municipal alcoholic control if the municipality votes to do this. It would limit sales to nondistilled alcoholic beverages, such as beer and wine.

Chairman Orsini stated that he had spoken with CHAR Lobbyist, Dorothea MacDonald, and she initially had no objection to the bill but stated that the CHAR executive committee later decided to oppose it.

Pat Sharrock, Director of the Alcohol Beverage Control Board, stated that one provision of the bill that he does like is the requirement for a municipality to place a license application on its agenda for a public hearing. He stated that one are of the bill seemed to be a conflict or a duplication, which is where the applicant and the ABC

Board both would be required to send a copy of the application to the governing body involved. In regards to the 30 day waiting period provided for a municipality to disapprove an application he asked that it be specified when the 30 day count-down would begin.

Mr. Sharrock had no comments on Section 2 of the bill.

Jim Rolle, Alaska Municipal League, in response to the concern that the municipalities may be given too much power by being able to reject applications, stated that now the only protest to the ABC Board is generally in the area of health and zoning. He stated that this bill would give municipalities an option. Then if they chose not to adopt appropriate ordinances the ABC Board would continue to make the decisions. He stated that the municipal officials are, in his opinion, as effective as the ABC Board in judging what is good for their community and what isn't.

He also stated that he agreed with Mr. Sharrock that the 30 day period is confusing. He also had no comment on Section 2.

COASTAL MANAGEMENT GUIDELINES AND STANDARDS

Chairman Orsini stated that the Committee now has SCR 103 before the Committee approving the regulations.

Roger Allington, Co-Chairman of the Alaska Coastal Policy Council, stated that the Coastal Management regulations are slightly different from other regulations. For one, he pointed out that they are being promulgated by a specially-organized body, the Alaska Coastal Policy Council, composed of government and public members. He also noted that the intent of the regulations was to establish broad policy principles and allow local municipalities and district to draw up their own management programs essentially on a zoning basis. Furthermore, the areas themselves would draw their own boundaries for coastal management jurisdiction, providing certain criteria were met.

Although the Council extensively revised the final version of the regulations, Allingtion stated that on the last part of Section 85, concerning council review, was new. He also stated that there was a major change in the Timber Harvest Section of the regulations which was requested by the timber industry. There was also work done on the subsistence section. The question was raised of what would happen if local or state agency regulations conflicted with the Coastal Regulations. Mr. Allington replied that the agencies or local governments must bring their regulations into conformity with the coastal management program.

Murray Walsh, Coastal Zone Management Office, stated that the critical time would be the next six or seven months which would bring out the flaws and problems of the regulations. He also stated that the Legislature should consider an increase in state funding of this program just to give the coastal management more flexibility and eliminate some of that federal dependence.

The meeting was adjourned at 4:35.

F: SB 533

Alaska MUNICIPAL League

TELEPHONE
586-1325

JUNEAU, ALASKA 99801

The Honorable Joe Orsini
Chairman
Senate Community and Regional Affairs

Dear Senator Orsini:

As I will not be present at your Thursday meeting on SB 533, I am in hopes that you will accept the attached written testimony.

Sincerely,

Jim Rolle
Executive Director

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

Mr. Chairman:

We would like to go on record in support of SB 533 with the requested amendments by the Department of Transportation. I might add that we were participants in the meeting from which the amendments came.

Mr. Chairman, we view this as an opportunity for municipalities to do what they have wanted to do in the past, but lacked resources in time, money and expertise. We feel that SB 533 will fill that gap.

It is our understanding of the bill that the effort will be cooperative between the municipalities and the Department of Transportation and the Department of Community and Regional Affairs. We find this refreshing as we hope their participation would give them a better idea of the needs of the municipalities in the future, and that a cooperative effort by all state agencies will provide a better growth pattern in the municipalities where facilities are being contemplated.

Thank you for the opportunity to support this bill.

4/13

SB 535 — Tom Scott - DHSS
Chas Smith - DPS
-DCRA
} support bill

SB 533

L. Kimball
CRA - ~~mandated~~ organized to help munis

Sec 2 - language change to denote parallel ti 080(a)

existing law - allows CIP
since 73 - 12-15 Comm Dev Plans - contract or pass through
" - 3-4 Cap Imp Prog. -

Sec 2 CRA - do (assist) Dev Plan + CIP - exist law
comm profiles a inventory done together (?)

Sec 3 - does include performing facility planning for munis

Sec 1 - ~~no~~ funding for larger munis under contractual

Sec 3 - even state met laws would be involved; also contracts

advance regs under this bill must be approved by program agency

ques - waste vs centralized control by state

1st Proposed CS

SENATE BILL NO. 533 - "AN ACT RELATING TO PLANNING FOR PUBLIC FACILITIES"

Section 1. AS 44.42.020(a) is amended by adding new paragraphs to read:

(13) Maintain a current inventory of Public Facilities for municipalities and unincorporated villages with populations of less than 12,000 and on a cooperative basis with larger municipalities. The inventory shall include a record of the condition of the facilities and the capability of expansion or addition.

(14) The Department shall request and receive on an annual basis from all program agencies, prior to the initiation of a Facility Procurement Plan, a projection of the anticipated facility needs for the next annual Capital Improvement Program, including:

(a) Justification of the level of service anticipated by the program agency.

(b) The geographic location to be served, and all relevant data concerning that agency's existing public facilities in that location.

(c) The date by which the anticipated services must be delivered.

(d) Alternative program methods for delivering the anticipated services.

(e) Other pertinent data requested by the Department in accordance with procedures developed under AS 35.10.180.

(15) Develop specific facility procurement plans.

(a) For projects in the following catagories:

(i) sewage transmisstion and treatment systems in communities without a central system;

(ii) water transmission and treatment systems in communities without a central system;

(iii) electrical generation and distribution systems;

(iv) health care facilities in communities without such facilities, unless those facilities can be provided in conjuction with school facilities;

(v) school facilities which will provide adequate recreational, physical fitness, public library, health care, and other related activities;

(vi) transportation facilities which will provide all-weather access for supplies and transportation to employment centers on a reliable and consistent basis;

(vii) community development projects which will provide local employment opportunities;

(viii) public safety and justice facilities;

(b) To accomodate the various levels of service specified in paragraph (14) above including:

(i) recommendations on current and future facility needs; '(14)(B)(iii)

(ii) space standards and design guidelines for the appropriate facility types;

(iii) maintenance and operations standards and guidelines for the appropriate facility types;

(iv) recommendations on construction techniques and contracting methods.

(v) facility project budget requirements.

(16) Following development of specific Facility Procurement plans, the Department shall submit its findings and recommendations to the appropriate program agency to facilitate the development of program agency capital improvement budget requests.

(17) Coordinate the specific Facility Procurement Plans of various program agencies in order to:

(a) Make technical recommendations on the total Capital Improvement Program;

(b) Identify common facility need among the various user agencies.

Section 2. AS 44.47.080 shall be amended by adding new paragraphs to read:

(C+RA)

(2) The Department shall make recommendations to the Department of Transportation and Public Facilities and the appropriate program agencies concerning the effects upon the land use planning of the appropriate municipalities of facility procurement plans developed under AS 44.42.020 a(15)

(C+RA)

(3) The Department shall coordinate with and obtain approval from the Municipalities effected by Facility Procurement plans developed under AS 44.42.020 a(15).

Section 3. Definitions

Program Agency - program agency means the state agencies responsible for delivery of services delineated in Section 1 paragraph 15(A) above.

Public Facility - public facility means a physical facility funded all or in part by the State for the purposes delineated in Section 1 paragraph 15(A) above.

Section 4 AS 35.10.200 (3) is repealed. (DEFINITIONS - "life cycle", "policies", "public facilities" - excluding highways + services)

2nd Proposed CS 4/11/78 L. Kimbell

SENATE BILL NO. 533 - "AN ACT RELATING TO PLANNING FOR PUBLIC FACILITIES"

Section 1. AS 44.42.020(a) is amended by adding new paragraphs to read:

(13) Maintain a current inventory of Public Facilities for municipalities and unincorporated villages with populations of less than 12,000 and on a cooperative basis with larger municipalities. The inventory shall include a record of the condition of the facilities and the capability of expansion or addition.

(14) The Department shall develop specific facility procurement plans based on criteria developed by program agencies under paragraph (15) and in accordance with policies promolgated under the State Comprehensive Development Plan per AS 44.19.880 (2). – DPDP

(15) The Department shall request and receive on an annual basis from all program agencies, prior to the initiation of a Facility Procurement Plan, a projection of the anticipated facility needs for the next annual Capital Improvement Program, including:

(a) Justification of the level of service anticipated by the program agency utilizing population projections and estimates approved by the Governor.

(b) The geographic location to be served, and all relevant data concerning the agency's existing public facilities in that location.

(c) The date by which the anticipated services must be delivered.

(d) Alternative program methods for delivering the anticipated services.

(e) Other pertinent data requested by the Department in accordance with procedures developed under AS 35.10.180. ~ ? Physical facil procurement & planning policies

(16) Develop specific facility procurement plans.

(a) For projects in the following catagories:

(i) sewage transmission and treatment systems in communities;

(ii) water transmission and treatment systems in communities

(iii) electrical generation and distribution systems;

(iv) health care and social service facilities in communities;

(v) school facilities in communities;

(vi) transportation facilities to or in communities;

(vii) community development projects which will provide local employment opportunities;

(viii) public safety and justice facilities;

(ix) renewable resource facilities;

(x) communication facilities;

(xi) other public facilities;

(b) To include recommendations to accomodate the various levels of service specified in paragraph (15) above including:

(i) current and future facility needs;

(ii) space standards and design guidelines for the appropriate facility types;

(iii) maintenance and operations standards and guidelines for the appropriate facility types;

(iv) construction techniques and contracting methods;

(v) facility project budget requirements.

(vi) relative costs of identified alternatives (Life Cycle Cost Analysis)

(17) Following development of specific Facility Procurement plans, the Department shall submit its findings and recommendations to the appropriate program agency to facilitate the development of program agency capital improvement budget requests.

(18) Coordinate the specific Facility Procurement Plans of various program agencies in order to:

(a) make technical recommendations on the total Capital Improvement Program to the program agencies and to the Divisions of Policy Development and Planning and Budget and Management.

(b) Identify common facility need among the various user agencies.

Section 2. AS 44.47.080 shall be amended by adding new paragraphs to read:

(2) The Department of Community and Regional Affairs shall make recommendations to the Department of Transportation and Public Facilities and the appropriate program agencies concerning the effects upon the land use planning of the appropriate municipalities of facility procurement plans developed under AS 44.42.020 a(15).

Section 3. AS 44.42.900 is amended by the addition of the following definitions:

(4) Program Agency - program agency means the state agency responsible for the approval of or delivery of public facilities delineated in Section 1 paragraph 15(A) above.

(5) Public Facility - public facility means a physical facility funded all or in part by the State or operated all or in part by the State for the purposes delineated in Section 1 paragraph 15(A) above.

Section 4 AS 35.10.200 (3) is repealed.

Section 5 AS 44.19.880 shall be amended to read:

(2) The Division of Policy Development and Planning shall prepare and maintain a State Comprehensive Development Plan which shall include policies for the coordination of state agencies.

(12) Review all proposals for the location of capital improvements by all state agencies including facility procurement plans developed under AS 44.42.020 and advise and make recommendations concerning location of these capital improvements.

SB 533

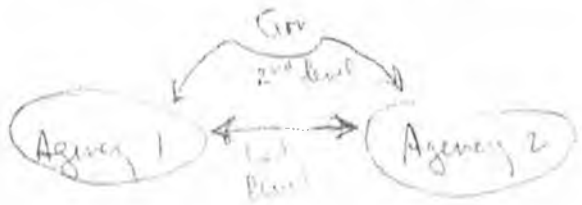
4/11/78

DHSS ; DPDP ; [redacted] DCRA

State
DPDP purposes policy (e.g. pop priv)

Jay Moore DPDP
Dick Holden DOT

DPDP establishes data base (e.g. pop. priv.)



defn of public facil - Sec 3 . 900(5)

AMMTS - etc. coord for trans Sec 1 (15)
withhold funds if mass (pub facil) is detrimental to state

* regs must be done in conj w/ affected entities

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES
DEPUTY COMMISSIONER – ADMINISTRATION

POUCH Z
JUNEAU, ALASKA 99811

April 6, 1978
100H

Honorable Joseph Orsini, Chairman
Community & Regional Affairs Committee
Room 100, Assembly Apartments
Juneau, Alaska 99801

Dear Senator Orsini:

Enclosed as requested is fiscal note for SB 533, which is an act relating to planning for public facilities of municipalities.

Sincerely,

Patrick P. Ryan

Patrick P. Ryan
Deputy Commissioner
Administration

Enclosure.

cc: J. H. Hogan, Legislative Finance Division.
Keith Specking, Legislative Assistant to Governor.

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 533
Title An Act Relating To Planning For Public Facilities of Municipalities
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected Department of Transportation and Public Facilities
Program Category Affected Facility Planning and Research
Budget Request Unit(s) Affected Facility Procurement Policy (Life Cycle Cost)

EXPENDITURES (Thousands of Dollars)

		FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100	PERSONAL SERVICES			394.7	426.3	188.7	203.8
200	TRAVEL			15.0	15.0	5.0	5.0
300	CONTRACTUAL			970.0	900.0		
400	COMMODITIES			1.5	1.6	0.7	0.7
500	EQUIPMENT			5.0			
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL			1,386.2	1,342.9	194.4	209.5

FUNDING (Thousands of Dollars)

GENERAL FUND			1,386.2	1,342.9	194.4	209.5
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME			4-G.F. 6-C.I.P.	4-G.F. 6-C.I.P.	4-G.F.	4-G.F.
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

SEE ATTACHMENT

IV. DATE April 6, 1978 PREPARED BY W.K. Gerken
AGENCY Division of Facility Procurement Policy
PHONE 465-4671

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 10/76)

ATTACHMENT - SB 533

PERSONAL SERVICES SUMMARY

POSITION	YEARS REQ'D	QUANTITY	GRADE	TOTAL ANNUAL COST
Physical Planning Coordinator	79-	4	21	161,800
C.I.P. Coordinator	79 & 80	6	20	232,878
				394,678

CONTRACTUAL SUMMARY

	FY 79	FY 80
1) Inventory & Condition Surveys 220 Locations @ $7,500	$825,000	$825,000
2) Location Index for Cost Estimations	$ 20,000	
3) Development of Maintenance and Operations Program Planning System	$125,000	$ 75,000
	$970,000	$900,000

POSITION PAPER/Department of Health and Social Services

Senate Bill No. 533

Senate Bill No. 533 proposes to add specific duties to the Department of Transportation and Public Facilities which relate to the maintenance of:

1. an inventory of public facilities,
2. an evaluation of future service ability of these facilities and
3. providing the Governor with a prioritized list of replacement facilities and proposed new facilities in areas where none currently exist.

One category of facilities to be included in the prioritized list to be submitted to the Governor is that of health care facilities. This inclusion appears to be a duplication of responsibilities. Existing statutes provide for the Department of Health and Social Services to perform these activities concerning health care facilities. These duties are referenced in AS 44.29.020, AS 18.20.140-220, AS 18.25.010-120 and AS 18.07.011-111.

The latter citation addresses the functions of the State Health Planning and Development Agency which are guided by P.L. 93-641. One function of this agency is outlined in Sections 1602-1603 of P.L. 93-641 (attached) and relates specifically to requirements of medical facilities planning as prerequisites to the receipt of federal funding allocations for medical facility construction.

Historically and under the existing Statute, planning for construction of health facilities has been one in which not just public facilities are considered but other non-profit and proprietary facilities as well. In the funding of new construction, non-profit and public facilities have both been eligible under various programs. The current trend, both nationally and in Alaska favors tying facilities planning even more directly to the planning for health services in general.

The Department of Health and Social Services therefore questions the apparent dual authority being proposed concerning health care facilities planning and secondly questions whether planning for health care facilities could appropriately be done without consideration of and full involvement in the planning for health services.

Without commenting as to the inadequacy of the proposed criteria for prioritization in relation to other types of facilities, these criteria would be considered by this Department to be inadequate as related to health care facilities. In administering its medical facility planning function, the Department takes into consideration such factors as the comprehensive provision of health care services, the financial resources of the community, etc.

The Department recommends that SB 533 be amended to permit the Department of Transportation to draw upon the medical facilities planning capability of the Department of Health and Social Services in maintaining a current inventory of public facilities and in prioritizing future health facility construction needs.

Recommended by: Christine Tollefson for D. Sharon Osborne — 4/6/78

D. Sharon Osborne, Coordinator
Office of Planning & Research

Date

Approved by: Helen D. Beirne/bnj — 4/6/78

Helen D. Beirne, Commissioner
Department of Health & Social Services

Date

F: SB 533

3/24

Jor.

Are you going to push SB 533? I'd like to have it become law this year. Please advise.

Thor Cutler

4/6/78

SB 562

Bob Waldrop, Pat Corkendy

Policy - Planning - Action combination

Resource Inventory & 50K^m disposal

patent to 36.1M ac; ~ 5½ m ac are "suitable"

another 2½ m ac are suit for ag ~ 1.6 → Native

3½ of this 5½ will go to Native

TA'd land (~ 358Mac) - little acceptable for habitation

20 m ac in whole state are suitable for hab.

1½ m ac ~~[illegible]~~ are suitable for ag or dev

13.3 m a protected from ~~[illegible]~~ initiative - but not ag

Court tests - similar

Classif - 60-70 days

~ 1 yr for enactment → public

38.05.345 - classif of land 30c notice to mun, mgrs.

SB 533 - Thurs

4/6

SB 183

more power to local govt in deciding use of alcohol
choose options for booze

enforcement - basically up to state

could go partially dry - if have comm. legion store
can vote every 6 mos. on "wet or dry"

fairly heavy fines provided - conveyor of booze?

e.g. in Bethel, child abuse fr has decreased since went dry

cost of loss of license to present license holder

mileage - fact of being on at hwy's pattern? (2 mi if no, 5 mi if yes)

increase ability of municipality to object to a license

SB 533

Dick Holden; Keith Gerken DOT&PF
Veronica Clark DCRA Kindall

X

State -

not even basic facility inventory done statewide

CRA - do normal fnct (?)

Agency coord. needs to be required

DPDP fnct ?

SENATE BILL NO 533

3500 Carla											
~~4765 LINDA LAW~~	✓										
3850 CINDY BRYSON	✓										
3701 SENATE SEC.	✓										
3766 FERGUSON	✓										
3787 HACKNEY	✓										
3771 SUMNER	✓										
3895 WILLIS	✓										
SPONSOR											
~~6 3300 LEE SHARP~~											
~~6 1325 DON BERRY~~											
4735 Bruce Aronson ~~4707 PALMER~~	✓										
~~3837 CHENOWETH~~											
~~3878 AL OSE~~											
~~SAM COXON~~											
~~264 4443 TED BERNS~~											

F: SB 533

ALASKA
STATE LEGISLATURE

March 15, 1978

MEMORANDUM

RE- Fiscal Note for Senate Bill 533

Glenn Metcalf came by the office this morning to notify us that the Department of Transportation was preparing a fiscal note for Senate Bill 533 as requested by Senator Hackney in the SC/RA Committee meeting yesterday afternoon.

Ben Harding

STATE OF ALASKA

Inter-Department Route Slip

TO:
MAIL STATION NUMBER 3101

DEPARTMENT Leg Affairs Rm503

ATTENTION Jack Chenoweth

- ☐ Approval
- ☐ Signature
- ☐ Comment
- ☐ Contact Me
- ☐ Prepare Reply
- ☐ For Your File
- ☐ Note & Return
- ☐ Initial & Return
- ☐ Return As Requested
- ☐ Return For Approval
- ☐ Necessary Action
- ☐ Your Information

Remarks:

Effective - 3/1/78

FROM:
MAIL STATION NUMBER 0500

DEPARTMENT Education

BY Nat Cole DATE 4-12-78

02-002 (REV.10/73)

SER 31.030
31.040

F: SB 533

1. 4 AAC 06 .030 SCHOOL CONSTRUCTION. Repealed / / .

2. 4 AAC is amended by adding a new chapter to read:

CHAPTER 31. SCHOOL FACILITY PLANNING AND CONSTRUCTION.

Section

10. Educational specifications
20. Guides for planning educational facilities
30. Review of school construction plans
40. Approval of school construction plans
50. Approval of purchase of non-school facilities
60. State aid for school construction
90. Definitions

4 AAC 31.010 EDUCATIONAL SPECIFICATIONS. The chief school administrator, under the direction of the school board, is responsible for the preparation of educational specifications for all new public elementary and secondary schools, additions, and major rehabilitation of existing facilities. These educational specifications must include, as a minimum, the following:

(1) the current and four year projected elementary and secondary enrollments to be served by the attendance center;

(2) a statement of educational philosophy and goals for the proposed facility;

(3) the curriculum to be housed by the facility;

(4) the activities that will be conducted in the facility;

(5) the anticipated community uses of the facility;

(6) the specific architectural characteristics desired;

(7) the spaces needed, their equipment requirements, and their space relationship to other facility elements; and

(8) the size, use, and condition of existing school spaces in the attendance center. (Eff. / / , Register)

Authority: AS 14.07.020(1) & (7)
AS 14.07.060
AS 43.18.100(b)

4 AAC 31.020 GUIDES FOR PLANNING EDUCATIONAL FACILITIES. The following are the basic guides for state educational facility planning:

(1) The Guide for Planning Educational Facilities as published by the Council of Educational Facilities Planners, International, 1976 edition;

(2) A Guide to the Development of Program Statements and Educational Specifications for Small Secondary Schools as published by the Alaska State Department of Education, 1977 edition;

(3) Alaska Small High School Program and Space Guidelines as published by the Alaska State Department of Education, 1977 edition;

(4) Alaska Small Elementary School Program and Space Guidelines as published by the Alaska State Department of Education, 1977 edition;

(5) Department of Education Guidelines for School Equipment Purchases as published by the Alaska Department of Education, 1977 edition; and

(6) Alaska's Program Planning and Facilities Procurement Process: Educational Facilities as published by the Alaska Department of Transportation and Public Facilities, 1977 edition. (Eff. / / , Register)

Authority: AS 14.07.020(1),(7)
AS 14.07.060
AS 43.18.100(b)

4 AAC 31.030 REVIEW OF SCHOOL CONSTRUCTION PLANS. (a) The elements of a plan for new school construction, additions, or rehabilitation to be undertaken by a school district must be submitted to the commissioner for his review and recommendations as they are developed and before any construction activity is initiated.

(b) The commissioner shall waive, upon prior request, submission of those elements of a plan which are not applicable, as determined by him, to a proposed addition or rehabilitation project.

(c) For purposes of this section, "plan" includes the following:

(1) educational specifications;

(2) schematic design documents;

(3) final construction contract documents:

(4) estimated cost and proposed means of financing the project;

(5) proposed method of construction; and

(6) estimated completion date of the project. (Eff. / / , Register)

Authority: AS 14.07.020(1),(7)
AS 14.07.060
AS 14.08.101(6),(7)
AS 43.18.100(b)

4 AAC 31.040 APPROVAL OF SCHOOL CONSTRUCTION PLANS. (a) Before they may commence construction activity, regional educational attendance areas undertaking new school construction, additions, or rehabilitation with funds granted to them under AS 14.08.161(d) and cities or boroughs which are school districts undertaking such construction projects for which state aid will be sought under AS 43.18.100 must secure the approval of the commissioner of the final working documents for the project as follows:

(1) if construction contract bids are to be invited for the project, the final working documents must be submitted to the commissioner at least 15 working days before the bid invitation is made; and

(2) if the project will not be advertised for bids, the final working documents must be submitted to the commissioner no later than ~~ten~~ 10 working days after the final working documents for each construction phase are available.

(b) The commissioner's approval under (a) of this section is void after two years unless construction on the project has been initiated within that time. (Eff. / / , Register)

Authority: AS 14.07.020(1),(7)
AS 14.07.060
AS 14.08.101(6),(7)
AS 43.18.100(b)

4 AAC 31.050 APPROVAL OF PURCHASE OF NON-SCHOOL FACILITIES. Regional educational attendance areas proposing to purchase an existing facility for use as an elementary or secondary school with funds granted to them under AS 14.08.161 and cities and boroughs which are school districts proposing to make such a purchase for which state aid under AS 43.18.100 will be sought must secure the approval of the commissioner before acquisition of the facility. (Eff. / / , Register)

Authority: AS 14.07.020(1),(7)
AS 14.07.060
AS 14.08.101(6),(7)
AS 43.18.100(b)

4 AAC 31.060 STATE AID FOR SCHOOL CONSTRUCTION. (a) This section applies to claims by cities and boroughs which are school districts for state aid for school construction costs under AS 43.18.100.

(b) Claims must be made on forms prescribed by the commissioner and, with respect to construction projects commenced or existing facilities purchased after July 1, 1978, must have been approved by the commissioner under sec. 40 or sec. 50 of this chapter, respectively.

(c) All claims for expenditures must be supported by a certified audit report of the school district prepared in accordance with the requirements of 4 AAC 06.120 and by a certified audit report of all school construction accounts or funds used by the city or borough. If the audit reports are not prepared in sufficient detail to clearly identify school construction costs as opposed to other construction and maintenance costs, or debt service costs of school construction as opposed to other debt service costs, detailed expenditure schedules that reconcile to audit report figures must be prepared and submitted with the claims.

(d) Only actual disbursements may be included as expenditures. Transfers into bond redemption funds or capital project funds are not eligible for reimbursement under AS 43.18.100.

(e) Only cash disbursements from locally generated revenues are eligible for reimbursement under AS 43.18.100(a)(1) and (3).

(f) Unless a claim is supported by financial schedules and prior year audit reports identifying the original source of revenue, only disbursements from revenues generated in the year for which the claim is made are eligible for reimbursement. (Eff. / / , Register)

Authority: AS 14.07.020(1),(7)
AS 14.07.060
AS 43.18.100(b)

4 AAC 31.090 DEFINITIONS. As used in this chapter and AS 43.18.100, unless the context requires otherwise:

(1) "additions" means providing space for expanded educational p[illegible]ms, new program spaces or replacement of substandard or destroyed s[illegible]; by connection to an existing school facility and includes capital e[illegible]ment;

(2) "capital equipment" means built-in and movable equipment used to furnish a newly constructed or rehabilitated space; It includes first-time purchase of library books, reference material and media to furnish a new or renovated library; It does not include supply items such as textbooks and expendable commodities; The term is further defined in the Department of Education Guidelines for School Equipment Purchases, 19[illegible] edition;

(3) "commissioner" means the commissioner of the department of education;

(4) "elementary and secondary schools" means buildings which have been built or converted predominently for instruction of elementary and secondary students as defined in Alaska Small Elementary Program and Space Guidelines, 1977 edition, and Alaska Small High School Program and Space Guidelines, 1977 edition, or, for schools designed to house in excess of 100 students, not more than 100 gross square feet per student in kindergarten through the eighth grade and not more than 150 gross square feet per student in the ninth through twelfth grade, and buildings for the support of that instruction;

(5) "locally generated revenues" means revenue derived from sales or property taxes levied by the city or borough, revenue in-lieu-of taxes received by the school district under PL 81-874 and AS 14.17.215, and funds received under AS 43.18.100 and AS 43.50.140;

(6) "new school construction" means providing space for educational programs which have not been previously offered, replacing a substandard or destroyed school building or providing space for an expanded enrollment in the attendance center by construction or reconstruction of a detached school facility of any size, with related capital equipment;

(7) "rehabilitation" means adapting an existing facility to improve the opportunity to provide a contemporary educational program. It includes major remodeling, repair, renovation and modernization, with related capital equipment; These projects generally exceed 25% of the current cost of replacement of the facility or $100,000, whichever is less;

(8) "school construction costs" means the costs of construction, as well as consultant services relating to planning, design, administration, review, cost control, construction inspection, and legal services, along with the direct costs of site acquisition, capital equipment purchase, and related expenses of district employees whose main function is to work on the construction project; Projects eligible for state aid under AS 43.18.100 include public elementary and secondary school new construction, additions, and rehabilitation, and may include other site improvements and facilities as approved by the commissioner, but do not include employee or student housing; Municipal and state offices, health clinics, community libraries, and other spaces may be built jointly with a school if approved by the commissioner as to compatibility and separation of funds; The commissioner has final authority to determine the proration of space and costs between school space and other space in such a jointly built project. (Eff. / / , Register)

Authority: AS 14.07.020(1),(4),(7)
AS 14.07.060
AS 43.18.100(b)

ALASKA
STATE LEGISLATURE

F: SB 533

March 17, 1978

MEMORANDUM

Commissioner's Office, HESS,
Janice Gates (3030)/called this morning re SB 533 and requested background. She noted that HESS was statutorily required to carry out the activities in (14)(A)(iv) and asked how DOT had become involved. She asked that she be contacted when the Committee resumed discussion of the bill and said that she would prepare a HESS position paper for the Committee

Ben Harding

SB
535

F: SB
535

ALASKA
STATE LEGISLATURE

MEMORANDUM

4/14/78

Joe-

Chenoweth is still out sick. I talked to Berrier about SB 535 (emergency medical services) and he said that "on the face of it" he saw no problems or pitfalls with the bill...that it looked like a housekeeping measure to him.

Ben

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE MINUTES

April 13, 1978

Present: All Committee Members; Tom Scott, HESS; Larry Kimball, Department of C&RA; Dick Holden, Department of Transportation; Charlie Smith, Department of Public Safety; Bruce Aronson, Department of C&RA.

Senate Bill 535 and Senate Bill 533 were the bills before the committee.

SENATE BILL 535

Tom Scott, Department of Health, Education and Social Services and Charlie Smith, Department of Public Safety, testified that their Departments support the bill.

In response to Chairman Orsini's inquiry, Bruce Aronson, Department of Community and Regional Affairs, stated that his department also supported the legislation.

Senator Hackney recommended SB 535 be passed out of Committee with a DO PASS recommendation. There was no objection.

SENATE BILL 533

Larry Kimball, Department of Community and Regional Affairs, explained that his department is mandated to assist communities on a request basis. SB 533 would not change any of the authority C&RA already possesses.

Under Section 2 of the proposed committee substitute, Kimball stated that C&RA would analyze and inform the Department of Transportation and Public Works, and appropriate program agencies, of the effects the proposed capital improvements would have on land use planning and municipal facility procurement plans.

Chairman Orsini noted that the bill's language would need tightening to insure that C&RA was not mandated to plan for municipalities, but would only become involved in planning upon request by a municipality.

Kimball stated that 12 to 15 community development plans had gone through his department since 1973. The department has never prepared in-house plans since this would require a diversified staff numerous planners which the department could not support on an on-going basis. Kimball stated that C&RA has concentrated on the larger communities, most of which now have comprehensive plans. Additionally, he stated, C&RA has funded 3 or 4 capital improvement elements in the comprehensive plans.

Kimball explained that C&RA's involvement in the fiscal note would be the development of information that DOT and other agencies would need. At present, C&RA does not have the budget or staff to do this. He noted that after three years C&RA's fiscal involvement would disappear with the completion of the projects.

Richard Holden, Department of Transportation and Public Works, testified that the original bill requires DOT to budget on behalf of other agencies for capital improvements, which in his view was not a proper function for his department. He stated that DOT's job should be to help them coordinate both the capital needs required by their programs and the capital needs that are generated which inter-agency coordination would require.

Chairman Orsini questioned why DOT would not prepare facilities inventories for municipalities with populations greater than 12,000. Holden explained that DOT would grant them the funds to do their own inventory since these municipalities would have adequate expertise to do the job with their own personnel.

The Committee discussed the definition of "public facilities" in the legislation and expressed concern that the committee substitute might include any facilities which had in any degree received state funding or administrative support. Examples included fisheries, new farm enterprises, medical facilities, clinics and home finances with state veterans loans.

Chairman Orsini stated that SB 533 would be taken up for further Committee discussion on Tuesday, April 18, 1978.

The meeting was adjourned at 4:20 p.m.

F: SB 535

SENATE BILL NO. 535

"An Act authorizing emergency medical services by municipalities inside and outside the corporate limits of municipalities."

The Department of Health and Social Services supports Senate Bill 535 as consistent with the program objectives of the Department.

Alaska law (AS 29.48.030) delineates which services home rule local government may provide within its municipal boundaries. Those services may not be provided outside of the boundaries unless specifically authorized by AS 29.048.037.

The purpose of Senate Bill 535 is to allow municipally operated ambulances to respond beyond the boundaries of the municipality. Presently, ambulances do respond beyond the boundaries of the municipality regardless of the law because human life is at stake. However, when the ambulance does leave the city limits any insurance the city may carry, including liability and workmen's compensation, does not cover the extraterritorial incident.

The City of Petersburg recently faced this problem. Ambulance and fire protection was not provided to those citizens living outside the boundaries of the City because of lack of insurance. The problem was solved when the city council determined that even though residents outside the boundaries do not pay city property tax that the city would provide the ambulance services first and then worry about liability.

This attitude is prevalent in Alaska. The law needs to be changed so that our cities are not penalized for providing vital services that no one else is providing or is able to provide.

The Department understands that this provision will not increase the cost to the State in revenue sharing or other obligations, nor will it allow the cities to tax extraterritorially for the services.

Recommended by: Robert J. Fraser 20 Mar 78

Robert T. Fraser, M.D., Director — Date
Division of Public Health

Thomas Scott

Approved by: Helen D. Beirne 3/27/78

Helen D. Beirne, Commissioner — Date
Department of Health and Social Services

PUSH NON PAPER/Department of Health and Social Services

SB
562

SENATE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE MINUTES

April 4, 1978

Present: Senators Orsini, Hackney, Sumner and Willis; Janet McCabe, Federal-State Land Use Planning Commission; Rynnieva Wescott, Fairbanks Town & Village Assoc.; Pat Conheady, Department of Natural Resources; Walt Parker, Federal-State Land Use Planning Commission; John Katz, Federal-State Land Use Planning Commission.

Absent: Senator Ferguson

Senate Bill 562 and House Bill 795 were the bills before the committee.

Chairman Orsini called the meeting to order at 3:02.

HOUSE BILL 795

Rynnieva Wescott, Fairbanks Town and Village Association for Development, Inc. stated that there were four basic goals of the program: 1) To develop a comprehensive program for public works projects in their region 2) to establish a closer multi-agency communications and coordination within communities 3) to create provisions for reduction in construction leave time and cost of public facilities and 4) to insure the capital improvements budgeting reflects the economic development goals of local decision makers and residents. She also stated that the Rural Capital Improvements Program was involved in long range economic development planning in an area consisting of 240,000 square miles with 45 small communities in the area. There are 32 organized municipalities and the rest are run by traditional village councils. She stated that the Rural Capital Improvements Program was basically funded by state money though it has a planning grant from EDA that includes the entire district. It also receives planning money from the borough for planning within the borough.

Chairman Orsini asked whether state money was being used to plan development of private enterprises. Ms. Wescott replied that Town and Village Assoc. works with village corporations to assist in planning and helps in finding funding for the corporations' projects.

Chairman Orsini stated that this bill would come before the committee again for further discussion.

SENATE BILL 562

Janet McCabe, Federal-State Land Use Planning Commission, stated that the Commission had assisted the Senate Resources Committee and the Administration in preparing this bill for the disposal of approximately 50,000 acres of state lands annually into private ownership. She stated that the Commission supports SB 562. She

gave a background of state land use up until the present. She also went over the three main sections of the bill and outlined the intent of each section. The Committee members, Ms. McCabe, Mr. Walt Parker, Commission Co-Chairman and Mr. John Katz, Commission Attorney discussed the municipal land selections, wilderness permits and the means by which Stated trust lands could be used for income producing purposes.

Chairman Orsini stated that this bill would also be held in committee for further discussion. The meeting was adjourned at 4:10 p.m.

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE MINUTES

April 6, 1978

Present: Senators Orsini, Willis, Hackney and Ferguson; Reed Stoops, Senate Resources; Jack Chenoweth, Legislative Affairs Agency; Richard Holden, Department of Transportation and Public Facilities; Jim Rolle, Alaska Municipal League; Peter Froehlich, Attorney General's Office; Bob Waldrop, Department of Natural Resources; Veronica Clark, Department of Community and Regional Affairs; Robert Cole, Department of Health, Education and Social Services; Janice Gates, Department of Health, Education and Social Services.

Absent: Senator Sumner

The bills before the Committee today were SB 562, SB 533 and SB 183.

Chairman Orsini called the meeting to order at 3:05.

SENATE BILL 562

Pat Conheady and Bob Waldrop, Department of Natural Resources, stated that the bill responds to three basic needs: 1) Stability 2) land policy management and 3) guidance from the Administration and Legislature, the latter providing the kind of stability that the Department needs to transcend the Administrative whims of various governors and their cabinets. They stated that it was a reflection of the experience brought to them by the Land Use Planning Commission, Senator Poland and various land administrators around the state. They went on to highlight the needs of the bill. Basically it is a two part bill: 1) Establishes land resources inventory and 2) mandates that the Administration dispose of 50,000 acres of land in the first year and thereafter whatever the budgetary constraints are and whatever the wishes of the legislature are. Stated that this was so that the Department wouldn't run into the problem of needing the land but not having the money to make the land available. Bob Waldrop explained that the 50,000 acres was derived from an estimate that they decided the Department could enact this year if thye got sufficient assistance from the budgetary process. Pat Conheady stated that the State currently had patent to 36 million acres and presented a chart which illustrated the categories in which the land could be used. Bob Waldrop stated, however, that only approximately 1.4 million acres of State land was suitable for intensive habitation and agriculture.

They stated that the Department feels that if this bill and SB 568 were enacted into law it would give the voters an alternative at the ballot box come November on the Beirne initiative. The enactment of this legislation, they concluded, would provide a legislative umbrella for the implimentation of land policies, such as the municipal land selection bill.

SENATE BILL 183

Robert Cole, Department of Health, Education and Social Services stated

that this bill was really designed to place greater amounts of power in the hands of local voters in election districts in making decisions on how alcohol was to be sold, used and utilized within each community. He stated that this bill would do the following: election would be held which would allow voters to chose several options of how alcohol is to be sold and used in their communities. One of the options would be to completely restrict the sale of beverage alcohol. It would further empower through that same process citizens to restrict sell, plus ban shipment through mail orders or telephone orders in restricted areas. He stated that this bill would also allow communities that had voted to go dry to decide to open a community liquor store by referendum vote. He stated that another provision has to do with compensating communities in rural Alaska which voted to close liquor stores since they would lose a lot of local sales taxes. The proposal that the Department made was that if they chose to vote themselves dry the state would be willing to pay them a credit based upon a 10% per capita for lost sales tax revenue. The Committee and Mr. Cole went over the penalties for bootlegging and possession laws in the provisions of this bill. He stated that there was a provisions that retailers state-wide would receive a list of the communities that went dry and would be prohibited by law to receive any order from those communities. The Committee also discussed additional alternatives to going completely dry, such as permitting beer and wine but no hard liquor.

Jim Rolle, Alaska Municipal League, suggested that some consideration for local municipalities to protest to licensing of liquor sales on the local level should be made.

Chairman Orsini stated that this bill would be held in committee for further discussion.

SENATE BILL 533

Richard Holden, Deputy Commissioner of the Department of Transportation and Public Facilities and Keith Dick, Department of Transportation and Public Facilities. Mr. Holden stated that the Department had prepared a fiscal note and had some amendments for the bill.

Mr. Holden pointed out that currently there is no coordinated planning for capital facilities in rural Alaska. Consequently many expensive mistakes are made and inefficient projects are undertaken to provide, for example, schools were there are inadequate water supplies or sewer facilities. He continued that frequently small communities receive over-complicated facilities without the means of funding their operation, since one area of state government is not required to coordinate its activities with another.

The proposed Committee Substitute for SB 533, in Holden's view, would provide DOT with the authority to coordinate the numerous agency programs in rural areas.

Veronica Clark, Department of Community and Regional Affairs stated that she and Larry Kimball also from the Department of C&RA had worked closely

with Mr. Holden on the amendments and two of the things that they were interested in having changed from the original bill was 1) make very clear the responsibilities of the other agencies and 2) expand the scope of the bill beyond municipalities and to include unincorporated areas. These were the two things the Department of Community and Regional Affairs wanted covered in this bill.

Mr. Holden discussed the problem of the state inventory of state owned buildings. He also stated that DOT was not funded to do this inventory and has to have the cooperation with other departments to be able to do this. He explained that the Department would approach it directly through the technical assistance program. He stated that they would not change the approach in rendering assistance it would still have to be at the request of local communities as opposed to automatically doing it.

Jime Rolle, stated that the Alaska Municipal League supports this bill.

Chairman Orsini stated that this bill would be brought before the committee again next week for further discussion.

Chairman Orsini adjourned the meeting at 5:00.

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE MINUTES

April 11, 1978

Present: All Committee Members, Jay Moor, DPDP; Richard Holden, DOT; Reed Stoops, Senate Resources; Jack Chenoweth, Legislative Affairs; and Jim Rolle, Alaska Municipal League.

Senate Bill 533 and Senate Bill 562 were the bills before the Committee.

SENATE BILL 533

Richard Holden, Department of Transportation and Public Facilities, stated that the Department had drawn up an amended fiscal note and also some proposed amendments to the bill. He stated that both of these had been finalized with the Department of Community and Regional Affairs, Division of Policy, Development and Planning, Department of Health, Education and Social Services and Jim Rolle of the Alaska Municipal League. He said that the basic proposal of the bill was to achieve the coordination between agencies and municipalities by requiring state oversight of municipal and local activities which state agencies either fund or operate.

Mr. Holden explained that current statutes require DPDP to coordinate state capital improvement activities.

Jay Moor, DPDP, stated that his division had requested the inclusion of subsections 14 and 15 into the proposed committee substitute to insure DPDP's coordination role. He explained that subsection 14 stated that DPDP must maintain a comprehensive development plan and subsection 15 stated that planning agencies use coordinating projections.

Senator Sumner expressed his concern that DPDP's involvement with state agencies seemed more and more like a management role than that of a coordinating role. He was disturbed that he would be referred to DPDP for information by certain Departments when, in fact, he wanted the information from that Department first hand.

Mr. Moor explained that, in the case of two agencies disagreeing over planning policy, the dispute would be settled by the Governor's office. In such a situation, the Governor's office might request DPDP to prepare a staff study recommending one or another course of action.

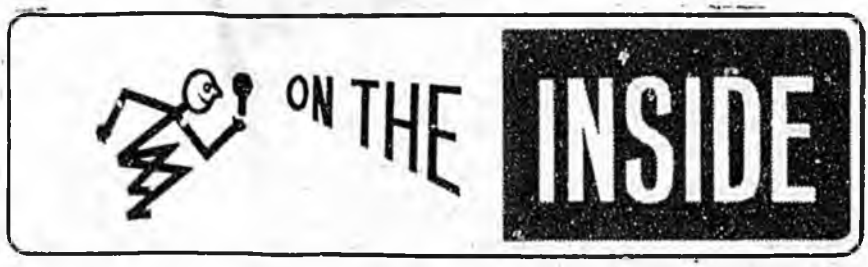
In response to Committee questions, Mr. Holden acknowledged that a state agency desiring to construct a facility in a municipality would first be required to obtain local planning and zoning approval before work could begin. The existence of legislation along the lines of SB 533, he affirmed, would not remove municipal oversight on state activities within municipal boundaries.

Chairman Orsini stated that this bill would be brought up again Thursday, April 13, 1978, for further testimony.

SENATE BILL 562

Chairman Orsini asked the committee members if they wanted to work on the bill themselves or send it on to Senate Resources where they would be sure to change it. He suggested three possible changes in the bill, one of which would be an increase in acreage, dealing with the state trust lands and the concept of residential credits which, he stated, was not in the bill but would fit into it. The Committee members felt that it should go on through the process and Senator Ferguson moved that the Committee pass the bill out with individual recommendations.

The meeting was adjourned at 4:30 p.m.



NO HIPPIES—While walking around town today the Insider heard several young people complaining that the land opened for public selection under the "Hippy Homestead" bill passed last year was being taken by older folks who had been in Alaska 35 or 40 years, and no hippies were getting the land. Evidently we've called the bill by its nickname so long that some folks think that's the official title and intent. It's not. The designation came from an earlier version sponsored by Rep. Oral Freeman, D-Ketchikan, which legislators said would give land only to the types of people losing out on the residency-based land selection program now.

Fairbanks Daily News Miner

April 17, 1978

(2)

SB 562 Janet Mc Cabe

Support 562-

late 60's - large disposal
Recently - very little disposed

Berne Inc.; Gov's land credit;

Art I = policy for pub + pvt use
- land near comm to be developed first
- retaining land in local use
II = land avail for pvt use
TOK min acres
III = Inventory planning + closing.

LUPC has adopted policy poss.
addl language in bill

Muni land selec bill - was considered

W. Parker

Desire by many for wilderness experience - try to avoid survey costs - spread them out - anticipate only a few hundred doing this.
Probably not a sure legal means of state not providing services (school, police)

Land trading ?

Mental Hlth, Univ land, School land
Suggest these lands are most valuable
no active program for utilizing trust land
legal oblig for trust lands.
"Perm fund" except for sale of trust lands

CSSB 562

RESOURCE ASSOCIATES OF ALASKA, INC.

3230 AIRPORT WAY, FAIRBANKS, ALASKA 99701
TELEPHONE: (907) 479-6231/6097
TELEX: 090 35402

May 19, 1978

To: Alaska House of Representatives
Alaska State Senate

Senator Joseph Orsini:

C.S.S.B. 562 "An act relating to Alaska land policy" should be rescinded by the Senate and stopped in the House. It is a deceptive measure which disenfranchises the people of Alaska from their State land. It is passed off as a conveyance of land into private hands but actually it is a massive lock up of state land patterned after the BLM Organic Act. It can be used to create an instant wilderness devoid of private human use.

The land is the foundation of our economy, our livelihoods, our liberty. Please read the following notes on CSSB 562.

Chapter 4 Title is deceptive because it addresses state land surface whereas the bill addresses both surface and subsurface.

Section 38.04.065 has sections lifted verbatim from the BLM Organic Act which have already proved unworkable. This section effectively removes all the basic rights of citizens on the land and places the land in the hands of total bureaucratic control.

Subsection (e) can be used to prevent any private activity on the land for an indefinite period pending classification. This means hunting, fishing, guiding, mining, logging, every conceivable private use.

The entire section gives total discretion over our lives to the Commissioner.

What does subsection (b)(3) mean? In whose judgement are these decisions to be made?

Subsection (b)(8) can easily be used to close all state lands to mining and oil exploration and development.

Section 38.04.070 creates new systems for reserves, parks, wild and scenic rivers. Do we not have enough of this from the Feds already?

This bill completes the process of economic suicide of Alaska's resource industries that was begun with 17d-2 and HR-39 (even potentially including tourism through application of Section 38.04.065 (e)). Yet it is being hailed as an aid to private ownership. It is a monstrous deception.

My outfit has hoped to employ over 100 Alaskans this year, which generates about 40 jobs with subcontractors. But if you people pass anything like CSSB 562 into law, the predictable consequence of the regulations which will be promulgated is that the resource industries will be drowned in bureaucracy and these potential jobs will be lost. The task of raising risk capital for exploration will become insurmountable.

I implore you not to disenfranchise us from our land. At the least, please give us a chance to testify at public hearings. Our livelihoods are at stake.

Respectfully,

Jeff Knaebel

JK:sad

F: SB 562

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2325

GEORGE M. SULLIVAN
MAYOR

OFFICE OF THE MAYOR

April 17, 1978

The Honorable Kay Polland
Alaska State Senator
Pouch V
Juneau, Alaska 99811

Dear Senator Polland:

Senate Bill No. 562 will come before the Natural Resources Committee on Monday, April 17, 1978. There are three sections of this Bill which may adversely affect the Municipality of Anchorage. We would like to share our concerns with you regarding these sections before the Bill is heard by your committee.

Proposed section 38.04.045 (b) deals with the survey and subdivision of State land to be conveyed to private ownership. This section mandates compliance with local planning and platting ordinances. However, this section exempts from these ordinances land made available through mineral sales or a cabin permit system.

We object to the exemption provision for two reasons. First, it would be detrimental to the Municipality's planning program because under it large segments of land within the Municipality would not be subject to our planning and platting ordinances. If certain segments of land are not subject to the Municipality's planning and platting ordinances, then the ordinances become ineffective because they are designed to regulate <u>all</u> the land within the Municipality.

Second, the exemption provision conflicts with the policy contained in A.S. 09.55.275 which requires that any agency of the State must comply with local platting regulations in the same manner as private land owners when the State seeks to acquire property. This policy logically applies to the converse, i.e. when the State seeks to dispose of property. Providing for a partial exemption when the State seeks to dispose of property appears to serve no purpose. For the foregoing reasons, we suggest that the exemption provision be deleted.

Proposed section 38.04.065 deals with State Land Use Planning and Classification. Subsection (g) requires that State land use plans be consistent with local plans only to the extent that the Commissioner determines the local plan to be consistent with State interests.

We object to this subsection because is seems to conflict with A.S. 35.10.020 entitled "Consultation with Municipal Planning and Zoning Commissions". This section requires the State to comply with all local planning and zoning ordinances in the same manner as private land owners unless a State agency can "clearly demonstrate an overriding State interest". When a State agency makes such a showing, a specific waiver must be granted by the Governor.

We suggest that subsection (g) be made consistent with the language in A.S. 35.10.020 by amending the latter to require State land use plans to be consistent with Municipal plans unless a gubernatorial waiver is granted upon a "clear showing of an overriding State interest".

Proposed Section 38.04.065 would involve the State in regional land use planning in areas which now have local planning. The Municipality of Anchorage has actively engaged in a land use planning program and intends to maintain this effort. Until the degree of State involvement in local land use management is clarified, we cannot support this proposed section.

Sincerely,

George M. Sullivan
Mayor

Michael J. Meehan
Director of Planning

/sw

SENATE BILL 562 "An Act relating to Alaska land policy"

Background

SB 562 was introduced by the Senate Resources Committee, chaired by Senator Poland. The bill's counterpart in the House is HB 904, introduced by the Governor. According to Senator Poland's AA, the basic data for SB 562 was prepared by the Land Use Planning Commission. Senator Poland, who had been interested in this subject, used the LUPC material and, in conjunction with the Governor, got the two bills introduced, one in the House and the other in the Senate. (SB 568, introduced by Senate Rulles at the Governor's request, allows a state resident a land credit of $1,000 for each year's continuous residence in Alaska. SB 568 has not been referred to Senate Community and Regional Affairs)

Purpose (Sec. 38.04.020)

In FY 79, the director of lands would make available to the public not less than 50,000 acres. Not more than ten percent of this figure could be used for leasing. For each year thereafter, the director will present three options to the Legislature: 1) an increased-level land dispoal program, 2) a current-level program and 3) a reduced-level program. One of these options must include at least 50,000 acres.

Criteria (Sec. 38.04.035)

1) To cover costs to public, the land must be conveyed to private ownership at fair market value.

2) Land readily accessible to community centers or where it has a high commercial value should be either leased or sold to private owners.

3) Lease programs should be used:

   a) for special public needs to control specific land use
   b) when intended use is temporary
   c) in commercial or industrial uses where leases would generate high cash flow
   d) unique location with special public values
   e) where public demand use is high, such as waterfront recreation

4) Limited or conditional title to the land where the state determines this to be in the public interest (e.g. agriculture).

Policy (Sec. 38.04.005)

1) Choice of lands to be conveyed shall be determined through the inventory, planning and classification process of the bill.

2) The director of lands shall make adequate provision for public open spaces accessible to communities for public recreation.

3) The requirement for future generations must be considered and adequate state land retained for their needs.

4) Involvement of municipalities and local residents is essential in determining conveyance of state land to private ownership.

Other

In addition to the disposal of land, the bill also calls for the director of lands to develop, maintain and revise land use plans for state-owned land, according to a set of criteria. (Sec. 38.04.065)

The bill also sets up (Sec. 38.04.070) a series of Management Systems for state lands retained in public ownership. They include: State Public Reserve System, State Park System, State Trails System, Wild and Scenic River Systems and State Public Domain.

In addition it outlines criteria for the retention of state land (Sec. 38.04.015)

Senate Community and Regional
Affairs Committee Staff

April 4, 1978

SB150

Senate Bill 562

"An Act relating to Alaska Land Policy"

This bill, based on the recommendations of the Federal-State Land Use Policy Commission, seeks to provide a comprehensive land use policy for state land which will implement broad constitutional goals for both public and private purposes. These policies are to be sufficiently detailed to guide administration decision making. The legislature must approve annually, the Administration's state land disposal program.

The bill contains three major elements:

1) Policy for Use and Classification of State land and Surface. Article VIII of the Alaska Constitution mandates that the state provide for a balanced combination of public and private land use and to allocate suitable land for such use.

   Local involvement in land classification prior to disposal is provided for in order to balance public use against private which may be especially important in lands adjacent to communities.

2) Land Availability for Private Use. This section mandates that state land be made available to individuals on an annual basis in locations and parcel sizes that best meet differing needs in different parts of the state. A minimum of 50,000 acres shall be made available during the first year after enactment, no more than 10% of which shall be for leases. Thereafter, the Administration shall present to the legislature annually for its approval, three options for land disposal programs. These options will be a) an increased level program, b) a current level program, and c) a reduced level program. At least one option must include at least 50,000 acres.

3) Inventory, Planning and Classification. The bill requires the timely completion of an inventory of the resource values of all state lands. Through use of the inventory, land needs may be met with the best possible lands designated for the purpose intended. The designation of land use shall be accomplished in cooperation with local governments and the public.

In addition to existing state land management systems (State parks, trail systems, wild and scenic river systems, etc) a new classification called the State Public Reserve System is established for lands to be designated for multiple uses. The legislature would retain its existing authority to approve any designation of more than 640 acres which would close land to multiple use.

Further provisions establish guidelines for surveys and subdivision, public access and easements.

WRITTEN BY PETE FROELICH IN THE AG'S OFFICE

Introduced: 3/22/78
Referred: Community & Regional Affairs, Resources and Finance

IN THE SENATE BY THE RESOURCES COMMITTEE

SENATE BILL NO. 562

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to Alaska land policy; and providing for an effective date."

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

* Section 1. PURPOSE. Alaska's Constitution directs that the state "encourage the settlement of its land and the development of its resources by making them available for maximum use consistent with the public interest" (art. VIII, sec. 1), and to "provide for the utilization, development, and conservation of all natural resources belonging to the State, including land and water for the maximum benefit of its people" (art. VIII, sec. 2). The constitution also directs that "Fish, forests, wildlife, grasslands, and all other replenishable resources belonging to the State shall be utilized, developed, and maintained on the sustained yield principle, subject to preferences among beneficial uses" (art. VIII, sec. 4). The purpose of this Act is to implement these broad constitutional goals through establishment of policies for use of state land surface and to express these policies in sufficient detail to guide the administrative decisions which govern the use and management of state-owned land.

* Sec. 2. AS 38 is amended by adding a new chapter to read:

CHAPTER 4. POLICY FOR USE AND CLASSIFICATION OF STATE LAND SURFACE.

ARTICLE 1. PUBLIC AND PRIVATE LAND USE.

Sec. 38.04.005. POLICY. (a) In order to provide for maximum use of state land consistent with the public interest, it is the policy of the State of Alaska to plan and manage state-owned land to

establish a balanced combination of land available for both public and private purposes. The choice of land best suited for public and private use shall be determined through the inventory, planning, and classification processes set out in secs. 60 and 70 of this chapter.

(b) In classifying state land for private use and settlement purposes, the director shall make adequate provision for public open space which is accessible to communities so that natural areas are easily reached from all communities and settled areas. The amount of such land must be sufficient to meet existing and projected needs for accessible public recreation land. Special care shall be taken to preserve public access to public water and to retain state ownership of sufficient land which combine high value for recreation and other public purposes with accessibility to settled areas. This classification for public purposes does not constitute dedication to open space, but the division's management of land so classified shall be in a manner to preserve the identified values.

(c) In allocating land for private use and public retention, the requirements of future generations must be considered. To this end, a supply of state land of a variety of types and locations must be reserved to provide an opportunity for future decisions.

(d) Private land use rights are integral to the material well-being of the people of Alaska and our society.

(e) Involvement of municipalities and local residents is essential in the decision making process which leads to making state land available for private use.

Sec. 38.04.010. PUBLIC INTEREST IN MAKING LAND AVAILABLE FOR PRIVATE USE. (a) The primary public interest in conveying rights to state land surface to private parties is to make them available to individuals and other persons for direct use in areas classified as

suitable for these purposes. In making state land available for private use, the director shall seek to guide year-round settlement to areas where public services already exist, or can be extended with reasonable economy, or where development of a viable economic base is probable.

(b) State land which is located beyond the range of existing schools and other necessary public services, or which is located where development of sources of employment is improbable, may be made available for seasonal recreational purposes or for low density settlement, with sufficient separation between residences so that public services will not be necessary or expected.

Sec. 38.04.015. PUBLIC INTEREST IN RETAINING STATE LAND IN PUBLIC OWNERSHIP. The primary public interests in retaining areas of state land surface in public ownership are:

(1) to make them available on a sustained yield basis for a variety of beneficial uses including subsistence, forestry, grazing, sport hunting and fishing, hiking, snowmobiling, skiing, and other activities of a type which can generally be made available to more people and conducted more successfully if the land is in public rather than private ownership;

(2) to facilitate mining and mineral leasing by managing appropriate public land for surface uses which are compatible with subsurface uses;

(3) to protect critical wildlife habitat and areas of special scenic, recreational, scientific, or other environmental concern;

(4) to restrict development in floodplains, avalanche zones, and other hazardous locations; and

(5) to guide the location of settlement and development to

SUBSISTENCE AMENDMENTS COULD be plogged in here

minimize public costs and maximize social and economic benefits.

ARTICLE 2. LAND AVAILABILITY FOR PRIVATE USE.

Sec. 38.04.020. TIMING AND AMOUNT. On a continuing or annual basis, the director shall make available for private use an array of state land suitable for a variety of uses. During fiscal year 1979, the director shall make available a minimum of 50,000 acres, not more than 10 per cent of which may be made available for leasing. Annually thereafter, the following three options for the state land availability program must be submitted to the legislature along with the administration's budget: an increased-level program, a current-level program, and a reduced-level program. At least one option must include at least 50,000 acres.

Sec. 38.04.025. VARIETY OF USES. In making state land available for private use, the director shall endeavor to accommodate persons with a current need and anticipated use for the land. To this end, the director shall assess the nature of the supply and demand for state land in different regions and locations of the state, taking into account the supply of available land under other ownership, and shall make land available in locations and other programs suited to the differing needs of prospective users throughout the state.

Sec. 38.04.030. LAND AVAILABILITY PROGRAMS. Programs which may be used by the director to make the state's land surface available for private use under this section include sale of whole or partial rights to the fee simple estate, including conveyance of agricultural use rights; leasing; open-to-entry; homesiting; homesteading; permitting for construction and occupation of cabins in isolated locations on land retained in state ownership; and other methods as provided by law.

Sec. 38.04.035. CRITERIA FOR PROGRAM SELECTION. In determining

which land availability program is appropriate for state lands in different locations, the director shall be guided by the following criteria:

(1) To cover public costs associated with private land use and to provide the public with a fair return for publicly owned property, conveyance of state land to private parties should be at fair market value except where otherwise authorized by statute or by administrative regulation.

(2) Sale or lease programs should be employed where land is readily accessible to a major community center or where, because of a prime location on waterfront or a transportation route or some other location characteristic, land has relatively high real estate value.

(3) Lease programs should be employed

(A) where special land use controls are required and there is a high public interest in having certain types of land used for particular purposes;

(B) when the intended use is a temporary one;

(C) in commercial or industrial situations when a leasehold can provide cash flow advantages to the lessee;

(D) when a unique location with special public values is involved, as in a deep water port; and

(E) where current demand for private use is high, but projections suggest that, in the future, the land may be more valuable for public use, as in accessible waterfront recreation areas.

(4) For enabling isolated cabin development in remote locations where survey and conveyance is impractical, a system for cabin permits on public land should be used.

(5) Limited or conditional title may be granted when the

state's best interest so dictates. Among other things, title limitations may include grants of agricultural interest only, retention of development rights, and retention of scenic or other easements. A conditional title may be tied to a development schedule or other standards of performance.

Sec. 38.04.040. AVAILABILITY OF MENTAL HEALTH LAND, SCHOOL LAND, AND UNIVERSITY LAND. Mental health land, school land, and university land may be made available at fair market value for private use under the purposes of this chapter; however, any such action must be in accordance with statutes pertaining to these lands and the authority of the mental health land board, the Board of Education, and the Board of Regents of the University of Alaska.

Sec. 38.04.045. SURVEY AND SUBDIVISION. (a) State land to be conveyed in fee simple or less than fee simple estate must be subdivided so that lots and tracts are of a size which fits the requirements of individual users and reflects the physical characteristics of the land, except that in locations where there is an inadequate margin between the demand for and the supply of vacant land, the state may make land available for private acquisition in parcels that are larger than required for individual use.

(b) Before the conveyance of surface rights to state land, an official cadastral survey must be accomplished, unless a comparable, acceptable survey exists that has been conducted by the Federal Bureau of Land Management. The rectangular survey section corner positions must be monumented and shown on a cadastral survey plat approved by the state. However, for those areas where the state may wish to convey surface estate outside of an Official Cadastral Survey grid, the director may waive monumentation of all individual section corner positions and substitute an official control survey with control

points being monumented at approximately two-mile intervals and shown on control survey plats approved by the state. No portion of land to be conveyed may be located more than two suitable miles from such a survey control monument. The lots and tracts in state subdivisions must be monumented and the cadastral survey and plats for the subdivision must be approved by the state. Where land is located within a municipality with planning, platting, and zoning powers, plats for state subdivisions must comply with local ordinances and regulations in the same manner and to the same extent as plats for subdivisions by other landowners. State subdivisions must be filed in the district recorder's office. The requirements of this section do not apply to land made available through material sales or a cabin permit system, or under short-term leases.

Sec. 38.04.050. ACCESS TO PRIVATE USE AREAS. Wherever state land is surveyed for purposes of private use, adequate rights-of-way and easements must be reserved as necessary for access and, where appropriate, for power and telephone service to each parcel of land. Where necessary and appropriate for the use intended, the director shall arrange for the development of surface access as part of the land availability program. The direct cost of local access development must be borne by the recipient of the land unless otherwise provided by state statutes or regulations.

Sec. 38.04.055. ACCESS THROUGH PRIVATE USE AREAS. The director shall reserve easements and rights-of-way on and across land which is made available for private use as necessary to reach or use public water and public and private land.

ARTICLE 3. INVENTORY, PLANNING, AND CLASSIFICATION.

Sec. 38.04.060. INVENTORY. (a) The commissioner shall prepare and maintain on a continuing basis an inventory of all state land and

water and their resource and other values, giving priority to areas of potential settlement and of critical environmental concern. This inventory must be kept current so as to reflect changes in conditions and to identify new and emerging resource and other values.

(b) The commissioner's inventory must include land and water under interagency assignment of land management authority and land and water proposed for such an assignment. That land and water must be reviewed at regular intervals to analyze current and proposed uses as these uses relate to alternative uses for all or part of the land and to determine the uses which best provide for the public interest.

(c) As funds and manpower are made available, the commissioner shall provide local and federal governments and major private landowners with data from the inventory for the purpose of planning and managing the uses of land in proximity to state land.

Sec. 38.04.065. LAND USE PLANNING AND CLASSIFICATION. (a) The commissioner shall, with local governmental and public involvement, develop, maintain and, when appropriate, revise land use plans which provide, by regions or areas, for the use of the state-owned land.

(b) In the development and revision of land use plans, the commissioner shall:

(1) use and observe the principles of multiple use and sustained yield;

(2) use a systematic interdisciplinary approach to achieve integrated consideration of physical, economic, and social factors affecting the region or area;

(3) give priority to planning and classification in areas of potential settlement and critical environmental concern;

(4) rely, to the extent that it is available, on the inventory of the state land, its resources, and other values;

(5) consider present and potential uses of state land;

(6) consider the supply, resources, and present and potential use of land under other ownership within the area or region of concern;

(7) weigh long-term benefits to the public against short-term benefits;

(8) plan for compatible surface and mineral land use classifications; and

(9) provide for meaningful participation in the planning process by affected local governments, state and federal agencies, adjacent landowners, and the general public.

(c) As a basis for more detailed land use planning and classification, the commissioner shall develop regional land use plans for the use of all state land. These regional plans must identify and delineate (1) areas of settlement and settlement impact, where land must be classified for various private uses and for public recreation, open space, and other public uses desirable in and around settlement; and (2) areas which must be retained in state ownership and planned and classified for various uses and purposes in accordance with sec. 15 of this chapter.

(d) Official regional or area plans and subsequent amendments adopted by the commissioner after public and local governmental participation must be signed and dated by the commissioner. Land classifications must be made in accordance with these official plans.

(e) Land must be classified before being made available for private use or included in the management systems described in sec. 70 of this chapter.

(f) Decisions about the location of easements and rights-of-way, other than for minor access, must be integrated with land use planning

and classification for the appropriate area or region.

(g) Land use plans adopted by the commissioner under this section must be consistent with local governmental land use plans to the maximum extent he determines to be consistent with the state interests and the purposes of this chapter.

Sec. 38.04.070. MANAGEMENT SYSTEMS. (a) State land classified for uses and purposes involving retention in public ownership may be included in the following management systems:

(1) State Public Reserve System: areas of public land to be managed for a wide variety of compatible uses and purposes in accordance with the principles of multiple use and sustained yield; land designated to this system may include, but need not be limited to, state forest reserves and state wildlife reserves as well as land classified for public purposes within settlement impact areas;

(2) State Park System: areas with special recreational, scenic, cultural, historical, wilderness, or similar values, to be managed primarily for the public use and enjoyment of these values;

(3) State Trail System: a system of public historic or recreational trails;

(4) Wild and Scenic River Systems: a system of rivers with special natural, scenic, and recreational values designated by the state to be managed as part of the national system of wild and scenic rivers in accordance with the federal Wild and Scenic Rivers Act (82 Stat. 906; 16 U.S.C. 1271 et seq.);

(5) State Public Domain: land within areas designated on regional plans as settlement and settlement impact which are not part of the management systems listed in (1) -- (4) of this subsection; through classification, this land may be made available for private use, settlement, and development as well as for public uses associated

with settlement and development.

(b) State land classified in accordance with sec. 65 of this chapter may be included in the State Public Reserve System by proclamation of the governor.

(c) State land classified in accordance with sec. 65 of this chapter may be included in the State Park System, State Trail System or the Wild and Scenic River System by proclamation of the governor. However, no state land, water, or combination of land and water may, except by Act of the state legislature, be closed to multiple purpose use, if the area involved contains more than 640 acres.

ARTICLE 4. GENERAL PROVISIONS.

Sec. 38.04.900. REGULATIONS. The commissioner may adopt under the Administrative Procedure Act (AS 44.62) regulations he believes are necessary to carry out the purposes of this chapter. Within 120 days after the effective date of this Act, the director shall submit to the commissioner draft regulations implementing this chapter and revising regulations in effect on the effective date of this Act pertaining to planning, classification, management, and disposal of the state's surface estate in land. New and revised regulations must be integrated in a single comprehensive draft compatible with the structure of the Alaska Administrative Code. In preparing this draft, the director shall seek to simplify and clarify regulations governing land planning, classification, management, and disposal.

Sec. 38.04.910. DEFINITIONS. In this chapter, unless the context otherwise requires,

(1) "commissioner" means the commissioner of the Department of Natural Resources;

(2) "director" means the director of the division of lands of the Department of Natural Resources;

(3) "fair market value" means the price at which a willing seller and a willing buyer will trade;

(4) "multiple use" means the management of state land and its various resource values so that it is used in the combination that will best meet the present and future needs of the people of Alaska, making the most judicious use of the land for some or all of these resources or related services over areas large enough to provide sufficient latitude for periodic adjustments in use to conform to changing needs and conditions; it includes (A) the use of some land for less than all of the resources, and (B) a combination of balanced and diverse resource uses that takes into account the short-term and long-term needs of present and future generations for renewable and nonrenewable resources, including, but not limited to, recreation, range, timber, minerals, watershed, wildlife and fish, and natural scenic, scientific, and historic values;

(5) "official cadastral survey" means a United States public land survey or a survey executed under survey instructions issued by the division for the purpose of preparing a cadastral survey plat, and approved and accepted by the division for the state's official records;

(6) "official control survey" means a position marked on the ground by triangulation or traverse stations established in conformity with standards adopted by United States Coastal and Geodetic Survey for first, second and third order work, whose geodetic positions have been rigidly adjusted on the North American datum of 1927 and approved by the division;

(7) "short-term lease" means a lease for a term of five years or less;

(8) "state park" means an area of state land designated by

proclamation of the governor or by statute to be managed for public use and enjoyment of recreational, scenic, cultural, historical, wilderness, and similar values, including but not limited to areas designated under (A) AS 41.20.050 - 41.20.060, roadside rests and recreational beaches; (B) AS 41.20.130 - 41.20.160, 41.20.330 - 41.20.345, ch. 61 SLA 1966, and ch. 26 SLA 1967, state recreation areas, (C) AS 41.20.170 - 41.20.320, state parks; and (D) AS 41.35.030, state monuments and historic sites;

(9) "state trail" means an area designated by proclamation of the governor or by statute to be managed as a public historic or recreational trail including but not limited to (A) trails designated under AS 41.20.070 - 41.20.120, wilderness trails and campsites; and (B) trails and footpaths designated under AS 41.20.355 - 41.20.375;

(10) "state wild and scenic river" means any free-flowing river or stream so designated by the state in accordance with the criteria set forth in the Federal Wild and Scenic Rivers Act (82 Stat. 906; 16 U.S.C, 1271-1287);

(11) "sustained yield" means the achievement and maintenance in perpetuity of a high level annual or regular periodic output of the various renewable resources of the state lands consistent with multiple use.

* Sec. 3. AS 38.05.300 is repealed.

* Sec. 4. This Act takes effect immediately in accordance with AS 01.-10.070(c).

Alaska State Legislature

Senate

Committee on Resources

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

MARCH 21, 1978

THE HONORABLE JOHN RADER
PRESIDENT OF THE SENATE
ALASKA STATE LEGISLATURE
JUNEAU, ALASKA 99811

DEAR MR. PRESIDENT:

THE PURPOSE FOR INTRODUCTION BY THE RESOURCES COMMITTEE OF "AN ACT RELATING TO ALASKA LAND POLICY" IS TO IMPLEMENT BROAD CONSTITUTIONAL GOALS FOR THE USE OF STATE LANDS FOR BOTH PRIVATE AND PUBLIC PURPOSES. THE APPROACH SUGGESTED IS THE ESTABLISHMENT OF LAND POLICIES SUFFICIENTLY DETAILED TO GUIDE ADMINISTRATIVE DECISION MAKING AND THROUGH ANNUAL LEGISLATIVE APPROVAL OF A STATE LAND DISPOSAL PROGRAM. CURRENTLY, IN SPITE OF IMPENDING LAND TRANSFERS TO THE STATE, A COMPREHENSIVE POLICY FOR THE USE OF STATE LANDS DOES NOT EXIST.

THE ACT IS BASED UPON RECOMMENDATIONS DEVELOPED AFTER LONG TERM STUDY BY THE FEDERAL-STATE LAND USE PLANNING COMMISSION AND REFINED THROUGH DISCUSSIONS WITH THE ADMINISTRATION. IT IS A JOINT EFFORT TO SET FORTH A RATIONAL PLAN FOR LAND DISPOSAL AND RETENTION, IN WHICH A NEED OF ALASKA'S RESIDENTS MAY BE SATISFIED IN A RESPONSIBLE MANNER.

THE BILL CONTAINS THREE MAJOR ELEMENTS:

(1) POLICY FOR USE AND CLASSIFICATION OF STATE LAND SURFACE. THIS INSURES THAT THE STATE'S LAND POLICY AS CONSTITUTIONALY MANDATED IN ARTICLE VIII IS TO PROVIDE FOR A BALANCED COMBINATION OF PRIVATE AND PUBLIC LAND USE AND TO ALLOCATE SUITABLE LAND FOR SUCH USE.

AS BALANCED LAND USE IS ESPECIALLY IMPORTANT IN LANDS ADJACENT TO COMMUNITIES, SPECIAL EMPHASIS IS PROVIDED INCLUDING A REQUIREMENT FOR LOCAL INVOLVEMENT IN LAND CLASSIFICATION PRIOR TO DISPOSAL.

(2) LAND AVAILABILITY FOR PRIVATE USE. THIS SECTION MANDATES THAT STATE LAND BE MADE AVAILABLE TO INDIVIDUALS ON AN ANNUAL BASIS IN LOCATIONS AND PARCEL SIZES THAT BEST MEET DIFFERING NEEDS IN DIFFERENT PARTS OF THE STATE. A MINIMUM OF 50,000 ACRES SHALL BE MADE AVAILABLE DURING THE FIRST YEAR AFTER ENACTMENT, NO MORE THAN 10% OF WHICH SHALL BE FOR LEASES. THEREAFTER, THE ADMINISTRATION SHALL PRESENT TO THE LEGISLATURE ANNUALLY FOR ITS APPROVAL, THREE OPTIONS FOR LAND DISPOSAL PROGRAMS.

THE OPTIONS MAY INCLUDE FEE SIMPLE TRANSFER, CONVEYANCE OF AGRICULTURAL RIGHTS, LEASING, OPEN-TO-ENTRY; HOMESITING, HOMESTEADING, AND REMOTE CABIN PERMITS.

FURTHER PROVISIONS ESTABLISH GUIDELINES FOR SURVEY AND SUBDIVISION, PUBLIC ACCESS, AND EASEMENTS.

(3) INVENTORY, PLANNING, AND CLASSIFICATION. THE BILL REQUIRES THE TIMELY COMPLETION OF AN INVENTORY OF THE RESOURCE VALUES OF ALL STATE LANDS. THROUGH USE OF THE INVENTORY, LAND NEEDS MAY BE MET WITH THE BEST POSSIBLE LANDS DESIGNATED FOR THE PURPOSE INTENDED. THE DESIGNATION OF LAND USE SHALL BE ACCOMPLISHED IN COOPERATION WITH LOCAL GOVERNMENTS AND THE PUBLIC.

IN ADDITION TO EXISTING STATE LAND MANAGEMENT SYSTEMS, A NEW CLASSIFICATION CALLED THE STATE PUBLIC RESERVE SYSTEM IS ESTABLISHED FOR LANDS TO BE DESIGNATED FOR MULTIPLE USES. THE LEGISLATURE WOULD RETAIN ITS EXISTING AUTHORITY TO APPROVE ANY DESIGNATION OF MORE THAN 640 ACRES WHICH WOULD CLOSE LAND TO MULTIPLE USE.

IT IS NOT THE INTENT OF THIS LEGISLATION TO OFFER A SIMILAR LAND DISPOSAL PROGRAM AS PROPOSED BY THE HOMESTEAD INITIATIVE. IT IS NOT A FREE LAND PROGRAM; IT WOULD NOT DISPOSE OF LAND IN SUCH VAST QUANTITY AS PROPOSED BY THE INITIATIVE; AND IT IS NOT INTENDED TO ENCOURAGE SPECULATION.

IT IS, HOWEVER, A RESPONSIBLE LAND DISPOSAL METHOD WHICH SHOULD BE CONSIDERED IRRESPECTIVE OF THE HOMESTEAD INITIATIVE.

SINCERELY,

Kay Poland

KAY POLAND, CHAIRMAN
SENATE RESOURCES COMMITTEE

KP:SS

The Honorable Hugh Malone
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of Article III, Section 18 of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting two bills related to the disposal of land. This legislation, in conjunction with existing law, will constitute a comprehensive long-term state land management policy and will mandate a rational process to make state land available for private ownership and use.

The first bill, called the Alaska Land Credit Act, will establish a new program by which state land would be made available at a minimal cost. The second measure, the Alaska Land Plicy Act, clarifies and supplements the broad multiple land use mandates set out in Article VIII of the Alaska Constitution.

We who live in this state should be able to secure land for private use. Twenty-two thousand people have underscored that desire for land by signing the Beirne/Kerttula initiative. But that initiative has real problems. It would require that up to thirty million acres be made available on a first-come, first-served basis. Each three-year resident would be entitled to stake 40 acres of public land wherever vacant state land exists. Land would be issued, free, to the first claimant without regard to their needs or public needs. No improvement or residence on the land would be required to gain title.

This is no plan to give people needed sites for cabins or other use. It is, plainly and simply, a vast land give-away which could create an Oklahoma land rush in Alaska.

Although many Alaskans recognize the problems of this approach, they support it because there is no permanent

policy established in the law to get even needed public lands into private ownership. An alternative method must be provided which creates a land policy that is reasonable, consistent, useable and stable.

I am introducing two bills into the Legislature today to provide that alternative. The bills accomplish the following:

Land Credit Bill - SB 568

1. Make a minimum 50,000 acres of land available to the public in the first year, in addition to that already being conveyed. Thereafter the amount made available each year is determined by the Legislature, but more land might be opened each year.

2. Establish a Land Credit of $1,000 for each year of residency. These credits may be used for up to 90% of the purchase or rental price of public land.

3. Land credits may be applied to all means of land disposal: Open to Entry, direct sales, lease sale of agricultural rights, and homesite programs.

Land Policy Bill SB 562

1. Establish a land and resource inventory program for analyzing the value and use potential of state land.

2. Establish a clear legislative statement of land disposal policy.

3. Establish a means for balancing private and public land uses and allocating lands for each purpose.

4. Establish a logical system to ensure useable and safe land is conveyed to the public.

These bills, I believe, meet the legitimate needs of the people of Alaska for land, but do so in a responsible manner. The bills accept the basic concept of the land disposal from the Beirne/Kerttula initiative but take it several logical steps further. I feel these bills are wider in application and more far-sighted in that they

provide for a continuation of desirable public uses on public lands while making land available to the citizens of Alaska for their needs.

Sincerely,

Jay S. Hammond
Governor

		HAMMOND	BIERNE[redacted]
ACREAGE AVAILABLE		Set annually by Legislature new lands must be made available each year.	30 million up to 160 acres per applicant. Best land claimed in first program year.
LIKELY LOCATION OF LAND		Determined by need and availability. A mixture of remote, community and commercial.	Generally remote.
PURPOSE FOR WHICH LAND CAN BE USED		According to owner's desires.	Due to remoteness, most likely is homesteading.
ACQUISITION METHOD		Use of land credits to purchase or lease or through normal methods. No land rush.	On-the-ground staking and filing of claim.
ELIGIBILITY		All over 18 years. Credits accrue according to length of residency.	All over 18 years and who have lived in Alaska more than 3 years.
COST	To applicant:	Determined by length of residency and location and size of parcel.	Free to first qualified applicant.
	To State:	Cost of government administration minimal.	Large additional administrative costs and personnel.

02-0018 (Rev. 10/76)

STATE
of ALASKA

MEMORANDUM

DEPARTMENT OF NATURAL RESOURCES
OFFICE OF THE COMMISSIONER

TO: Ben Harding
Administrative Assistant
Senate Community and
Regional Affairs Committee

DATE: April 6, 1978

FILE NO:

TELEPHONE NO:

FROM: Patrick Conheady
Department of Natural Resources

SUBJECT: Land Disposals

Pursuant to your recent request, the following is a breakdown of disposals of land since statehood:

YEAR	SALES		LEASES		Cumulative
	# of parcels	acreage	# of parcels	acreage	Total
1959			23	76.10	76.1
1960	84	465.95	13	105.54	647.59
1961	57	24011.28	17	69.37	24728.24
1962	481	8565.59	65	1385.0	34681.83
1963	611	5888.03	257	27454.08	68023.08
1964	674	24954.8	104	4316.09	97294.83
1965	406	5594.81	56	8623.91	111513.55
1966	103	2888.33	134	4710.84	119112.72
1967	173	1105.82	246	1328.09	121546.63
1968	356	1096.3	100	982.46	123625.39
1969	195	2534.7	256	5481.25	131641.34
1970	197	7617.91	407	25895.33	165154.58
1971	62	965.13	998	40201.76	206321.47
1972	410	5327.51	910	25312.28	236961.26
1973	143	3421.81	974	5613.35	245996.42
1974	122	3097.95	751	4765.03	253859.40
1975	78	1593.4	21	616.37	256069.17
1976			17	108.82	256177.99
1977	34	50.76	2	10.0	256238.75
1978	270	64259.0	67	700.0	321197.75

NOTE: Lease total includes 18,663.02 acres in 3920 parcels disposed of after 1967 in the Open-to-entry program.

I trust this information will be of value .

F: SB 562

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL / POUCH K – STATE CAPITOL
JUNEAU 99811

April 7, 1978

The Honorable Joseph L. Orsini
Chairman, Senate Community and
Regional Affairs Committee
Alaska State Legislature
Pouch V, State Capital
Juneau, Alaska 99811

Re: Public Notice and Review
under SB 562 (Land Policy)

Dear Joe:

I am writing to clarify any confusion I may have created by a misstatement I made before your committee at yesterday's hearing on SB 562 (relating to land policy).

In response to your question about public notice and review in the land planning and classification process established by the bill, Pat Conheady mentioned that AS 38.05.345 requiring notice of land disposals would still apply. I added that, likewise, AS 38.05.300 requiring notice of land disposals and classifications to, and consultation with, municipalities and regional corporations would also still apply. It was then pointed out that AS 38.05.300 would be repealed by SB 562. My mistake was that the statutory provision I had in mind is AS 38.05.305. This provision would not be repealed by the bill and would therefore, of course, still be applicable.

In addition, SB 562 requires local governmental and public involvement in the state land use planning and classification process. (See sec. 38.04.065(a) and (d) on pp. 8 and 9 of the bill).

I hope this explanation eliminates any confusion my misstatement of the citation to AS 38.05.305 might have caused. If I can provide any further assistance to your consideration of this bill, please let me know.

Sincerely,

AVRUM M. GROSS
ATTORNEY GENERAL

By: Peter Frohelich
Peter B. Frohelich
Assistant Attorney General

PBF:bvd

cc: Art Peterson
Pat Conheady

F: CSSB 241

CITY OF SKAGWAY

GATEWAY TO THE GOLD RUSH OF "98"
P. O. BOX 415 SKAGWAY, ALASKA 99840

April 4, 1978

Senator Kay Poland, Chairman
Senate Resource Committee
Pouch V Mail Stop 3100
Juneau, Alaska 99811

Dear Senator Poland:

The subjects here are proposed legislation concerning selection and transfer of State land to municipalities - S.B. No. 241 and C.S. for H.B. No. 133 - and H.B. No. 886 - State Aid for Municipal Capitol Improvements. The Common Council of the City of Skagway submits for consideration the following comments and recommendations on these pieces of legislation:

S.B. No. 241, Sec. 29.18.202 states " ---For purposes of determination of entitlement, the boundaries of each municipality are those which existed on the initial date of eligibility under former Secs. 190 - 220."

The boundaries of the City of Skagway on the "initial date of eligibility" were established early in the century and do not encompass any significant amount of vacant, unappropriated, unreserved general grant land, 10% of which might be transferred to the City. Although the City has recently extended its boundaries through annexation, the new municipal limits include very little land that is suitable for development by the City. Even if transfer were permitted, there is a dearth of developable land in the Skagway area. There are some State and Federal lands, tentatively allocated for State selection, adjacent to the City which, subject to future annexation, could be selected by and transferred to the City and, subsequently, developed by the City or sold or leased to private enterprise. It is the City's view that this course of action offers the most practicable means of resolving the land shortage problem yet it appears that S.B. 241 will preclude this approach.

The C.S. for H.B. 133 contains much of the same material and, more specifically, limits the land entitlements or payments in lieu thereof to several boroughs and the Municipality of Anchorage. Is the omission of consideration of the land needs of other municipalities, such as Skagway for example, an oversight or is it the intent of the legislation?

H.B. No. 886: The City Council supports this legislation.

It is suggested that, as presently drafted, S.B. 241 and C.S. for H.B. 133 do not fulfill their Statements of Purpose and it is recommended that these two pieces of legislation be reviewed and revised so as to include equitable consideration of the needs for land or in lieu payments for all of the municipalities in Alaska.

Sincerely,

G.D. Acker
City Manager

cc: Senator Bill Ray
Representative Mike Miller
Representative Jim Duncan
DCRA - Pritchard
City Attorney - Ruddy
Senate DCRA Committee- J. Orsini

GDAcp

F: Coastal Mining Resp.

Salamatoff Native Association, Inc.

P.O. Box 2682
Kenai, Alaska 99611
Phone 283-4681

April 7, 1978

Joe Orsini, Chairman
Senate Committee on Community
and Regional Affairs
ALASKA STATE LEGISLATURE
Pouch V
State Capitol
Juneau, Alaska 99811

Dear Joe:

I am writing you as President of the Salamatoff Native Association, Inc., relative to the Alaska Coastal Zone Management Act, and we might just as well include the Act that relates to Wet-Lands, since it is doing the same thing.

First, there is no way you can discuss, intelligently, coastal zone until you define the zone. It is absolutely inconceivable to us that the coastal zone extends thirty or more miles inland. A zone 1,000 feet wide above higher high tide is more than adequate.

Second, the C.Z.M.A., should regulate those things that are detrimental to marine life or navigation, not the kind of structure or business placed on shore. We already have organizations that protect the public from the environment, watch out for their health and safety, and in general, take care of us from the cradle to the grave.

Third, C.Z.M.A., unless it repeals already existing regulations, only adds another layer of bureaucracy to a system that already over-regulates the public.

Fourth, the staff that will be required to police the proposed regulations staggers the imagination. How many people will be required to see that everyone who builds a two-holer, thirty miles inland from the coast, gets a permit? Who is going to diaper the moose and caribou that roam the area like the loggers had to do with their horses and mules in Oregon?

Rikia Murphy, Honorary Chief — *Wm Segura, President* — *Emery Shawalter, Sr., Vice President* — *Marjorie Jordan, Secretary & Treasurer* — *Toni Lindgren, Executive Sec.& Bkkper.*

Harry Mann, Director — *R. Andy Johnson, Director* — *Dan Johnson, Director* — *Mattie Bartos, Director*

Fifth, and probably most important, the State of Alaska, under the home rule concept, should never allow itself to be blackmailed by the Federal government into making bad laws under threat of having other Federal monies withheld. Alaska has enough resources and qualified people to survive without having to be told what to do by someone who has no conception of what our country or people are like.

Anything you can do to limit coastal zone to the coast -- Having all laws and government documents written in English without fine print so that anyone with a high school education can understand them will be appreciated.

Sincerely yours,

R. Andy Johnson
President

RAJ:cp

The system also provides for credit for service outside of Alaska, for disability, medical and death benefits, for survivors' allowances, and for the refund of member contributions and interest when a teacher leaves membership service.

The Teachers Retirement Fund is a specifically invested fund. All cash and securities are held in the name of that fund. Surplus cash may be invested in the same kinds of securities as authorized for the Public Employees' Retirement Fund.

Revenues consist of teachers' contributions, employer contributions, state contributions and investment income. Expenditures consist of benefits paid to members, refunds of contributions on withdrawal from membership service and the costs of administering the system.

An actuarial valuation of the fund is required at intervals of not more than five years. The valuation includes an expression of opinion as to the adequacy of contributions to provide benefits to which teachers are entitled.

AS 14.25.020 provides that administrative expenditures for operation of the system must be included in the Governor's budget for each fiscal year and are subject to appropriation by the legislature. There is no comparable requirement for benefits paid to members and refunds of contributions. These amounts are not included in the Governor's budget and are not appropriated at annual sessions of the legislature. Sections of the Act that authorize these expenditures -- Sections 120, 140, 150, 160 and 162 -- constitute continuing appropriations of the fund for these purposes.

The Public School Permanent Fund was established in 1931. Section 2 of Chapter 55, Session Laws of Alaska 1931 provides that, "All monies received for any school property of any kind under the provisions of this Act shall be covered into the Treasury of the Territory for the credit of the permanent school fund". The fund receives revenues produced by sections 16 and 36 of each township within the State. These monies are invested and the interest earned is used for the public schools of the State.

Additions to the fund consist of cash received from: land lease rentals, mineral lease rentals, sale of state land, sale of state resources, bonus mineral leases, and royalties on minerals. Fund cash is invested in U.S. Treasury Bonds and notes and the interest received is credited to the General Fund. It is appropriated from the General Fund for the exclusive use and benefit of the public schools of Alaska.

The University of Alaska Permanent Fund is the University equivalent of the Public School Permanent Fund. AS 14.40.400 provides that: "The Department of Revenue shall establish a separate fund in which all money derived from the sale or lease of the lands granted under the Act of Congress approved January 21, 1929 shall be held in trust. The trust fund shall be invested in

interest bearing securities as approved by the Governor. The income from the trust fund shall be used exclusively for the Agricultural College and School of Mines. . .The Department of Administration shall disburse the income from the trust fund upon vouchers approved by the president and treasurer of the university specifying the purpose for which the money is to be used and showing it is to be used in conformity with this section". The principal of this fund is a non-expendable trust.

Receipts of the fund include: land lease rentals, mineral lease rentals, sale of state lands, sale of state resources, bonus mineral leases, and royalties on minerals. Disbursements are made for the purchase of investments and accrued interest on investments.

It is noted in a footnote to AS 14.40.400 that a standard of trust investment has not been established in Alaska case law. The sole limitation on investment of the permanent fund is contained in the Federal Act, which states: "The Territorial Treasurer shall keep all such money invested in safe interest-bearing securities, which securities, shall be approved by the Governor and the Secretary of State of the Territory". The fund is invested in U.S. Treasury obligations.

This fund is also an interim holding fund for income realized on investments. All income is used exclusively for the University of Alaska.

The Mortgage Insurance Fund is a trust fund that is used to self insure mortgages financed by bonds issued by the Alaska Housing Finance Corporation. Fund resources are provided by a state appropriation and by a matching fee charged for mortgage committments. The amount required for each mortgage varies from 2% to 6% of the principal amount depending on the loan-to-value ratio at the time of the application.

The Unemployment Compensation Fund derives its revenue from a payroll tax on employers and employees, interest and penalties assessed against delinquent employers, interest earned on funds on deposit with the federal government and federal grants for certain benefit payments. Revenues are deposited in a federal trust fund from which amounts required to pay benefits are requisitioned as needed. This fund is used exclusively for benefit payments according to law, to the eligible unemployed. Administrative expenses of the State Employment Service and the Unemployment Insurance Program of the Alaska Department of Labor are financed from federal grants for that purpose.

On November 2, 1976, the voters of Alaska approved a Constitutional amendment providing for the establishment of the Alaska Permanent Fund. The amendment provides, in part, that: "At least 25% of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments and bonuses received by the State shall be placed in a Permanent Fund, the principal of which shall be used only for those income-producing investments specifically designated by law as eligible for Permanent Fund investments.

F; SB 562

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RESULTS OF A KSRM RADIO POLL

CONDUCTED ON SOUND OFF....AN HOUR LONG PUBLIC AFFAIRS PROGRAM ON MARCH 29, 1978. KENAI PENINSULA RESIDENTS WERE ASKED TO CALL THE SHOW AND ON THE AIR VOTE FOR THE TWO ISSUES. THE RESULTS ARE TABULATED BELOW.

#1 DO YOU FAVOR THE PANAMA CANAL TREATY THAT WILL FACE THE SENATE OF THE UNITED STATES IN APRIL?

YES 3 NO 79 ABSTAIN 1 (NOT ENOUGH INFO)

#2 DO YOU FAVOR THE MIKE DIERNE HOMESTEAD INITIATIVE?

YES 66 NO 16 ABSTAIN 1 (NOT ENOUGH INFO)

JOHN C. DAVIS, MODERATOR

02-0018 (Rev. 10/76)

STATE of ALASKA

MEMORANDUM

DEPARTMENT OF NATURAL RESOURCES
OFFICE OF THE COMMISSIONER

TO: Ben Harding
Administrative Assistant
Senate Community and
Regional Affairs Committee

DATE: April 6, 1978

FILE NO:

TELEPHONE NO:

FROM: Patrick Conheady
Department of Natural Resources

SUBJECT: Land Disposals

Pursuant to your recent request, the following is a breakdown of disposals of land since statehood:

YEAR	SALES		LEASES		Cumulative
	# of parcels	acreage	# of parcels	acreage	Total
1959			23	76.10	76.1
1960	84	465.95	13	105.54	647.59
1961	57	24011.28	17	69.37	24728.24
1962	481	8565.59	65	1385.0	34681.83
1963	611	5888.03	257	27454.08	68023.08
1964	674	24954.8	104	4316.09	97294.83
1965	406	5594.81	56	8623.91	111513.55
1966	103	2888.33	134	4710.84	119112.72
1967	173	1105.82	246	1328.09	121546.63
1968	356	1096.3	100	982.46	123625.39
1969	195	2534.7	256	5481.25	131641.34
1970	197	7617.91	407	25895.33	165154.58
1971	62	965.13	998	40201.76	206321.47
1972	410	5327.51	910	25312.28	236961.26
1973	143	3421.81	974	5613.35	245996.42
1974	122	3097.95	751	4765.03	253859.40
1975	78	1593.4	21	616.37	256069.17
1976			17	108.82	256177.99
1977	34	50.76	2	10.0	256238.75
1978	270	64259.0	67	700.0	321197.75

NOTE: Lease total includes 18,663.02 acres in 3920 parcels disposed of after 1967 in the Open-to-entry program.

I trust this information will be of value .

F 1.62 S62
1963 #1

_____ Sponsor duly authorized to circulate Petition No. _____

INITIATIVE PETITION

The undersigned qualified voters of the State of Alaska petition that Proposition #10, Entitled: "The Alaska Homestead Act."

Impartial Summary of the Proposed Bill to be Initiated

Proposition #10

This proposal would make all vacant, unappropriated, and unreserved State general grant land (except trust land and 500,000 acres selected by the State for public purposes) available for homesteading until 30% of the land or 30,000,000 acres, whichever comes first, has passed into private ownership. A three-year resident would be eligible for one grant of 40 acres (20 acres in Southeast Alaska); a five-year resident would be eligible for two grants; a ten-year resident would be eligible for four grants. However, only one grant could be received per year.

(See inside of this page for text of bill)

WARNING

A person who signs a name other than his own on the petition or who knowingly signs his name more than once for the same proposition at one election or who signs the petition knowing he is not a qualified voter, upon conviction is punishable by a fine of not more than $1,000 or by imprisonment for not more than one year, or by both. (AS 15.45.100)

AN INITIATIVE

For An Act Entitled: "The Alaska Homestead Act."

BE IT ENACTED BY THE PEOPLE OF THE STATE OF ALASKA:

* Section 1. The people find that only approximately one million acres of the 363 million total land acreage of Alaska is in private ownership on the effective date of this Act. The people further find that individual land ownership is integral to the material well-being of the people and encourages more citizen awareness and involvement in the affairs of the state. Further, the people are cognizant that all land was privately owned at the time of the nation's founding and believes that private land ownership is integral to the American system. In addition, the people are aware that the Constitution of the State of Alaska declares that it is the policy of the state to encourage the settlement of its land and the development of its resources by making them available for maximum use consistent with the public interest (art. VIII, sec. 1), and further that the constitution permits the people to implement this policy by providing for the grant of state land (art. VIII, sec. 9). The people find that of the approximately 104 million acres to which the state is entitled under the Statehood Act, less than 75,000 acres have been made available by the state to citizens for settlement and development purposes, and that the failure to make more land available is a failure to implement the policy of art. VIII, sec. 1 of the Alaska Constitution. The people declare their purpose to make available to its citizens at least 30 per cent or 30,000,000 acres of state land for settlement and development, and further declares that a policy of private land ownership is in the best interests of the people of the state.

* Section 2. AS 38.05 is amended by adding new sections to read:

ARTICLE 13. HOMESTEAD GRANTS OF STATE LAND.

Sec. 38.05.410. LAND AVAILABLE FOR HOMESTEAD ENTRY. (a) All vacant, unappropriated, and unreserved general grant land is classified

and available as homestead entry land except trust land. The land shall remain classified as homestead entry land until 30 per cent or 30,000,000 acres, whichever comes first, of the state general grant land has passed into private ownership through the homestead program established in secs. 410 - 540 of this chapter. The director may reclassify for public purposes up to 500,000 acres of land classified as homestead entry land under this section.

(b) The director or his designee, within 30 days after the effective date of this Act and annually thereafter, shall publish notice in at least three newspapers of general circulation in the state and shall make available to the public information relating to the general availability of land for homestead entry under this section.

Sec. 38.05.420. ELIGIBILITY AND APPLICATION. (a) A person who has been a resident of the state, as defined in sec. 530 of this chapter, continuously for the three years preceding application, shall receive a homestead grant upon

(1) recording a written application in the form prescribed by AS 34.15.045 in the recording district in which the homestead entry land is located; and

(2) filing with the director the following materials:

(A) a copy of the recorded application,

(B) proof of residency,

(C) a $100 filing fee, unless the applicant submits a a title search as provided in (b) of this section, in which case the filing fee is $75.

(b) An applicant for a homestead grant may submit to the director a title search conducted by a title insurance company authorized to do business in the state under AS 21.66.100.

(c) A person who has been a resident of the state for at least three years is eligible to receive, subject to (d) of this section, one grant of not more than 40 acres. A person who has been a resident of the state for at least five years is eligible to receive, subject to (d) of this section, two grants not to exceed a combined total of 80 acres. A person who has been a resident of the state for at least 10 years is eligible to receive, subject to (d) of this section, four grants not to exceed a combined total of 160 acres.

(d) No homestead grant may be issued for an area of homestead entry land less than 40 acres in area except (1) when a loss of acreage is caused by inclusion of waters in the applicant's parcel; or (2) when the parcel is located in Southeast Alaska entirely east of the 141st meridian extrapolated to the sea. No person may receive more than one grant per year regardless of size, and in no event may any person accumulate more than 160 acres under secs. 410 - 540 of this chapter or more than 20 acres in Southeast Alaska east of the 141st meridian extrapolated to the sea.

(e) Within any 90-day period established in sec. 440 of this chapter, a person who is eligible for a homestead grant may file one application for a grant. If within a 90-day period more than one person applies and qualifies for the same homestead entry land, priority shall be established by the earliest date of recording. If more than one person applies for the same land at the same time, priority shall be established by lot.

(f) It is the responsibility of the applicant to publish notice once a week for three consecutive weeks in at least one newspaper of general circulation in the vicinity of the land to which he seeks a homestead grant. Where there is no newspaper in the general vicinity, notices shall be posted in three public places near the land. The notice shall contain a description of the land and shall state that the application for the homestead grant was made in accordance with the Alaska Homestead Act (AS 38.05.410 - 38.05.540). Title to the homestead entry land may not pass to the applicant unless preceded by notice as required in this section. The provisions of secs. 305 - 345 of this chapter are not applicable to secs. 410 - 540 of this chapter.

(g) Parcel boundaries shall conform to the township and section aliquot parts system according to the Manual of Instructions for the Survey of the Public Lands of the United States, 1973 edition, Bureau of Land Management, Technical Bulletin 6, and boundaries shall be described by reference to either surveyed or protracted sections and portions of sections.

Sec. 38.05.430. NOTIFICATION OF RIGHT TO POSSESSION. (a) Ninety days after the effective date of this Act and every 90 days thereafter, the director or his designee shall notify successful applicants for

homestead grants during the previous 90-day period of their right to enter on the land. The applicant is entitled to take possession of the land 90 days after the close of the 90-day period in which he submitted his application if the director fails to inform him of his right to enter unless the director has notified the applicant by registered mail that the applicant is ineligible for the grant and includes the basis for that finding.

(b) Notwithstanding the provisions of (a) of this section, a person who has submitted a copy of a title search to the director with his application as provided in sec. 420 (b) of this chapter is entitled to possession of the homestead entry for which he has applied 30 days after his application if the title search shows no prior claims on the land.

Sec. 38.05.440. SURVEY. It is the responsibility of the applicant to provide for a survey by a land surveyor registered in the state under AS 08.01 of the land for which he seeks a homestead grant. Surveys shall conform to regulations adopted by the division of lands, and in force on the effective date of this Act. The survey shall be performed within five years after the right to possession provided in sec. 430 of this chapter, with extensions granted at the discretion of the director. Failure to have a survey done shall result in forfeiture of the homestead grant. Subject to secs. 125 and 127 of this chapter, title to the land passes in fee simple to the grantee upon completion and recording of the survey in the recording district in which the homestead entry land is located. A copy of the survey shall be sent to the director.

Sec. 38.05.450. IMPROVEMENTS AND RESTRICTIONS. (a) Subject to (b) of this section, no improvements may be required or restrictions imposed on homestead entry land, except as required by general law or home rule municipalities.

(b) No grantee of homestead entry land may extract timber or materials on a commercial basis, sell, subdivide, or otherwise dispose of the land until one year after a grant of patent under secs. 410 - 540 of this chapter.

Sec. 38.05.460. TAXES. Land aquired under the homestead grant program is exempt from municipal property tax for a period of one year

from the date of the grant of patent.

Sec. 38.05.470. BOROUGH AND CITY SELECTIONS. Notwithstanding any other provisions of law, land subject to borough and city selection under AS 29.18.190 which is classified as homestead entry land under sec. 420 of this chapter is available for homestead entry as well as borough and city selection.

Sec. 38.05.480. DEDICATION OF LAND FOR ACCESS TO PUBLIC AND NAVIGABLE WATER. A tract of 100 feet wide between each section of land aquired from the state under secs. 410 - 540 of this chapter is dedicated for public access to public and navigable water. The section line is the center of the dedicated access route.

Sec. 38.05.490. STATE SERVICES. Nothing in secs. 410 - 540 of this chapter obligates the state to provide services to land which is the subject of homestead entry for 15 years after it is open to entry.

Sec. 38.05.500. EXECUTION FOR SATISFACTION OF DEBTS. Homestead entry land under secs. 410 - 540 of this chapter is exempt from execution upon a judgment to enforce a judicial lien, process, or proceeding to collect an unsecured debt.

Sec. 38.05.520. FALSE INFORMATION. (a) Intentionally filing false information for the purpose of obtaining a homestead grant under secs. 410 - 540 of this chapter is a felony punishable as prescribed in AS. 11.05.145 and upon conviction shall result in loss of all right, title, and interest to any land obtained under the provisions of secs. 410 - 540 of this chapter.

(b) The filing of false information in connection with an application, survey, proof of residency, or title search under secs. 410 - 540 of this chapter may result in forfeiture of the homestead grant or grant of patent at the discretion of the director but does not affect the right, title, or interest of a bona fide purchaser for value from the applicant or assignees of the applicant.

Sec. 38.05.530. DEFINITIONS. In secs. 410 - 540 of this chapter,

(1) "director" means the director of the division of lands;

(2) "general grant land" means land patented or tentatively approved to the state from the United States under sec. 6 (a) or (b) of the Alaska Statehood Act (72 Stat. 339, et seq.);

(3) "homestead grant" means the right of an applicant for homestead entry land to enter upon the land for which he has applied;

(4) "resident" means a person who is a least 18 years of age and

(A) except for brief intervals, military service, attendance at an educational or training institution, or for absences for good cause, is physically present in the state for the required period;

(B) maintains a place of residence in the state;

(C) has established residency for voting purposes in the state and is a registered voter;

(D) has not, within the period of required residency, claimed residency in another state; and

(E) shows by all attending circumstances that his intent is to make Alaska his permanent residence;

(5) "trust land" includes all the land received by grant of the federal government for the purposes of supporting schools, the University of Alaska, and the state's mental health program;

(6) "vacant, unappropriated, and unreserved land" means the surface estate of general grant land as defined in (2) of this section, exclusive of tideland and submerged land, which

(A) has not been set aside by statute for one or more particular uses or purposes;

(B) is unclassified or, if classified under sec. 300 of this chapter, is classified for agricultural, grazing, commercial, industrial, private recreation, residential, utility, or open-to-entry purposes; or

(C) has not been disposed of through lease, sale or other administrative action.

Sec. 38.05.540. SHORT TITLE. Sections 410 - 540 of this chapter may be cited as the Alaska Homestead Act.

*Sec. 3. AS 34.15 is amended by adding a new section to read:

Sec. 34.15.045. FORM OF HOMESTEAD APPLICATION. (a) A homestead application may be substantially in the following form:

"The applicant (here insert the name and place of residence) has been a resident of Alaska, as defined in AS 38.05.530, for _____ years and hereby applies for a homestead grant for the following described

real estate (here insert description), located in the State of Alaska.

Dated this _____ day of _____, 19_____."

(b) The application shall be signed and sealed by the applicant and shall be recorded as directed in this chapter.

*Sec. 4. AS 34.15.340(a) is amended by adding a new paragraph to read:

(7) applications for homestead grants.

*Sec. 5. This Act take effect ninety (90) days after its passage.

Joe
FI SB 562

SENATE BILL 562 "An Act relating to Alaska land policy"

Background

SB 562 was introduced by the Senate Resources Committee, chaired by Senator Poland. The bill's counterpart in the House is HB 904, introduced by the Governor. According to Reed Stoops, Sen. Poland's AA, the basic data for SB 562 was prepared by the Land Use Planning Commission. Senator Poland, who had been interested in this subject, used the LUPC material and, in conjunction with the Governor, got the two bills introduced, one in the House and the other in the Senate. There is, however, no counterpart in the Senate to HB 905, the companion bill to HB 904. HB 905 provides for a resident of Alaska to have $1,000 reduced from the price of the land he obtains for each year's residence in the state. Senator Poland apparently did not like this provision and is reportedly looking into a means whereby a purchaser could obtain "sweat equity" in the land.

Purpose

In FY 79, the director of lands would make available to the public not less than 50,000 acres. Not more than ten percent of this figure could be used for leasing. For each year thereafter, the director will present three options to the Legislature: 1) an increased-level land disposal program, 2) a current-level program, and 3) a reduced-level program. One of these options must include at least 50,000 acres.

Criteria

1) To cover costs to public, the land must be conveyed to private ownership at fair market value.
2) Land readily accessible to community centers or where it has a high commercial value should be either leased or sold to private owners.
3) Lease programs should be used:
   a) for special public needs to control specific land use
   b) when intended use is temporary
   c) in commercial or industrial uses where leases would generate high cash flow
   d) unique location with special public values
   e) where public demand use is high, such as waterfront recreation

4) Limited or conditional title to the land where the state determines this to be in the public interest (e.g. agriculture).

Policy

1) Choice of lands to be conveyed shall be determined through the inventory, planning, and classification processes of the bill.
2) The director of lands shall make adequate provision for public open spaces accessible to communities for public recreation.
3) The requirement for future generations must be considered and adequate state land retained for their needs.
4) Involvement of municipalities and local residents is essential in determining conveyance of state land to private ownership.

Other

In addition to the disposal of land, the bill also calls for the director of lands to develop, maintain, and revise land use plans for state-owned land, according to a set of criteria.

The bill also sets up (Sec.38.04.070) a series of Management Systems for state lands retained in public ownership. They include: State Public Reserve System, State Park System, State Trails System, Wild and Scenic River Systems, and State Public Domain.

bfh
4-3-78

Alaska State Legislature

Senate

Committee on
Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

March 27, 1978

Dear Mayor:

Attached is a copy of Senate Bill 562 ("An Act relating to Alaska land policy") recently introduced by the Senate Resources Committee and now before the Senate Community and Regional Affairs Committee for consideration.

Since the disposition of state land to both municipalities and private citizens in Alaska is one of the most fundamental issues facing government and the public at this time, I would appreciate your careful review of the legislation proposed in SB 562 and your assessment on the effects the enactment into law of such a measure would affect your municipality's financial, social and land use planning.

It is the Committee's intention to schedule hearings on SB 562 as quickly as possible. I would therefore appreciate receiving your comments as soon as you are able to review the legislation. I hope you will also feel free to contact me directly if you have additional questions on this issue.

Sincerely,

Joe Orsini

JOE ORSINI
Chairman, Senate
Community and Regional
Affairs Committee

JO:gd

Enclosure: SB 562

SEND TO ALL BOROUGHS, ALL FIRST CLASS CITIES, BETHEL, KOTZEBUE, DELTA, JUNCTION, FORT YUKON, AND WASILLA

√Joe
F: SB 562

S/RESOURCES COMMENTS ON SB 562 3-27-78

Reed Stoops this morning confirmed that SB 562 was the Governor's land policy bill which had been introduced in the House as HB 904. However, a further House Bill (905) which provides for land equity by length of residence was not introduced on the Senate side, since Poland apparently has some problems with it. (The newspapers have indicated that she is considering some form of "sweat-equity".)

Stoops also said that SB 562 had been based on material and proposals prepared by the Land Use Planning Commission which had dove-tailed with Poland's own interest. This in turn supposedly sparked the Governor's interest.

According to Stoops, Land Use Planning Commission members will be inJuneau April 5 and 7 to discuss land use policies and land disposition proposals with Senate Resources.

Ben Harding

April 4, 1978

House
~~SENATE~~ BILL NO 795, SB562

Carla-Gov. Office	✓
~~4765 LINDA LAW~~	
3850 CINDY BRYSON	✓
3701 SENATE SEC.	✓
3766 FERGUSON	✓
3787 HACKNEY	✓
3771 SUMNER	✓
3895 WILLIS	✓
SPONSOR	
~~6 3300 LEE SHARP~~	✓
~~6 1325 DON BERRY~~	
Bruce Aronson ~~4707 PALMER~~	✓
~~3837 CHENOWETH~~	✓
~~3878 AL OSE~~	
~~SAM COXON~~	
~~264 4443 TED BERNS~~	
AML-1325	✓
Beirne	✓

Official Business

Alaska State Legislature

Senate

Committee on Resources

Pouch V
State Capitol
Juneau, Alaska 99811

MARCH 21, 1978

THE HONORABLE JOHN RADER
PRESIDENT OF THE SENATE
ALASKA STATE LEGISLATURE
JUNEAU, ALASKA 99811

DEAR MR. PRESIDENT:

THE PURPOSE FOR INTRODUCTION BY THE RESOURCES COMMITTEE OF "AN ACT RELATING TO ALASKA LAND POLICY" IS TO IMPLEMENT BROAD CONSTITUTIONAL GOALS FOR THE USE OF STATE LANDS FOR BOTH PRIVATE AND PUBLIC PURPOSES. THE APPROACH SUGGESTED IS THE ESTABLISHMENT OF LAND POLICIES SUFFICIENTLY DETAILED TO GUIDE ADMINISTRATIVE DECISION MAKING AND THROUGH ANNUAL LEGISLATIVE APPROVAL OF A STATE LAND DISPOSAL PROGRAM. CURRENTLY, IN SPITE OF IMPENDING LAND TRANSFERS TO THE STATE, A COMPREHENSIVE POLICY FOR THE USE OF STATE LANDS DOES NOT EXIST.

THE ACT IS BASED UPON RECOMMENDATIONS DEVELOPED AFTER LONG TERM STUDY BY THE FEDERAL-STATE LAND USE PLANNING COMMISSION AND REFINED THROUGH DISCUSSIONS WITH THE ADMINISTRATION. IT IS A JOINT EFFORT TO SET FORTH A RATIONAL PLAN FOR LAND DISPOSAL AND RETENTION, IN WHICH A NEED OF ALASKA'S RESIDENTS MAY BE SATISFIED IN A RESPONSIBLE MANNER.

THE BILL CONTAINS THREE MAJOR ELEMENTS:

(1) POLICY FOR USE AND CLASSIFICATION OF STATE LAND SURFACE. THIS INSURES THAT THE STATE'S LAND POLICY AS CONSTITUTIONALY MANDATED IN ARTICLE VIII IS TO PROVIDE FOR A BALANCED COMBINATION OF PRIVATE AND PUBLIC LAND USE AND TO ALLOCATE SUITABLE LAND FOR SUCH USE.

AS BALANCED LAND USE IS ESPECIALLY IMPORTANT IN LANDS ADJACENT TO COMMUNITIES, SPECIAL EMPHASIS IS PROVIDED INCLUDING A REQUIREMENT FOR LOCAL INVOLVEMENT IN LAND CLASSIFICATION PRIOR TO DISPOSAL.

(2) LAND AVAILABILITY FOR PRIVATE USE. THIS SECTION MANDATES THAT STATE LAND BE MADE AVAILABLE TO INDIVIDUALS ON AN ANNUAL BASIS IN LOCATIONS AND PARCEL SIZES THAT BEST MEET DIFFERING NEEDS IN DIFFERENT PARTS OF THE STATE. A MINIMUM OF 50,000 ACRES SHALL BE MADE AVAILABLE DURING THE FIRST YEAR AFTER ENACTMENT, NO MORE THAN 10% OF WHICH SHALL BE FOR LEASES. THEREAFTER, THE ADMINISTRATION SHALL PRESENT TO THE LEGISLATURE ANNUALLY FOR ITS APPROVAL, THREE OPTIONS FOR LAND DISPOSAL PROGRAMS.

THE OPTIONS MAY INCLUDE FEE SIMPLE TRANSFER, CONVEYANCE OF AGRICULTURAL RIGHTS, LEASING, OPEN-TO-ENTRY; HOMESITING, HOMESTEADING, AND REMOTE CABIN PERMITS.

FURTHER PROVISIONS ESTABLISH GUIDELINES FOR SURVEY AND SUBDIVISION, PUBLIC ACCESS, AND EASEMENTS.

(3) INVENTORY, PLANNING, AND CLASSIFICATION. THE BILL REQUIRES THE TIMELY COMPLETION OF AN INVENTORY OF THE RESOURCE VALUES OF ALL STATE LANDS. THROUGH USE OF THE INVENTORY, LAND NEEDS MAY BE MET WITH THE BEST POSSIBLE LANDS DESIGNATED FOR THE PURPOSE INTENDED. THE DESIGNATION OF LAND USE SHALL BE ACCOMPLISHED IN COOPERATION WITH LOCAL GOVERNMENTS AND THE PUBLIC.

IN ADDITION TO EXISTING STATE LAND MANAGEMENT SYSTEMS, A NEW CLASSIFICATION CALLED THE STATE PUBLIC RESERVE SYSTEM IS ESTABLISHED FOR LANDS TO BE DESIGNATED FOR MULTIPLE USES. THE LEGISLATURE WOULD RETAIN ITS EXISTING AUTHORITY TO APPROVE ANY DESIGNATION OF MORE THAN 640 ACRES WHICH WOULD CLOSE LAND TO MULTIPLE USE.

IT IS NOT THE INTENT OF THIS LEGISLATION TO OFFER A SIMILAR LAND DISPOSAL PROGRAM AS PROPOSED BY THE HOMESTEAD INITIATIVE. IT IS NOT A FREE LAND PROGRAM; IT WOULD NOT DISPOSE OF LAND IN SUCH VAST QUANTITY AS PROPOSED BY THE INITIATIVE; AND IT IS NOT INTENDED TO ENCOURAGE SPECULATION.

IT IS, HOWEVER, A RESPONSIBLE LAND DISPOSAL METHOD WHICH SHOULD BE CONSIDERED IRRESPECTIVE OF THE HOMESTEAD INITIATIVE.

SINCERELY,

Kay Poland

KAY POLAND, CHAIRMAN
SENATE RESOURCES COMMITTEE

KP:SS

		HAMMOND	BIERNE[redacted]
ACREAGE AVAILABLE		Set annually by Legislature new lands must be made available each year.	30 million up to 160 acres per applicant. Best land claimed in first program year.
LIKELY LOCATION OF LAND		Determined by need and availability. A mixture of remote, community and commercial.	Generally remote.
PURPOSE FOR WHICH LAND CAN BE USED		According to owner's desires.	Due to remoteness, most likely is homesteading.
ACQUISITION METHOD		Use of land credits to purchase or lease or through normal methods. No land rush.	On-the-ground staking and filing of claim.
ELIGIBILITY		All over 18 years. Credits accrue according to length of residency.	All over 18 years and who have lived in Alaska more than 3 years.
COST	To applicant:	Determined by length of residency and location and size of parcel.	Free to first qualified applicant.
	To State:	Cost of government administration minimal.	Large additional administrative costs and personnel.

The Honorable Hugh Malone
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of Article III, Section 18 of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting two bills related to the disposal of land. This legislation, in conjunction with existing law, will constitute a comprehensive long-term state land management policy and will mandate a rational process to make state land available for private ownership and use.

The first bill, called the Alaska Land Credit Act, will establish a new program by which state land would be made available at a minimal cost. The second measure, the Alaska Land Plicy Act, clarifies and supplements the broad multiple land use mandates set out in Article VIII of the Alaska Constitution.

We who live in this state should be able to secure land for private use. Twenty-two thousand people have underscored that desire for land by signing the Beirne/Kerttula initiative. But that initiative has real problems. It would require that up to thirty million acres be made available on a first-come, first-served basis. Each three-year resident would be entitled to stake 40 acres of public land wherever vacant state land exists. Land would be issued, free, to the first claimant without regard to their needs or public needs. No improvement or residence on the land would be required to gain title.

This is no plan to give people needed sites for cabins or other use. It is, plainly and simply, a vast land give-away which could create an Oklahoma land rush in Alaska.

Although many Alaskans recognize the problems of this approach, they support it because there is no permanent

policy established in the law to get even needed public lands into private ownership. An alternative method must be provided which creates a land policy that is reasonable, consistent, useable and stable.

I am introducing two bills into the Legislature today to provide that alternative. The bills accomplish the following:

Land Credit Bill - SB 568

1. Make a minimum 50,000 acres of land available to the public in the first year, in addition to that already being conveyed. Thereafter the amount made available each year is determined by the Legislature, but more land might be opened each year.

2. Establish a Land Credit of $1,000 for each year of residency. These credits may be used for up to 90% of the purchase or rental price of public land.

3. Land credits may be applied to all means of land disposal: Open to Entry, direct sales, lease sale of agricultural rights, and homesite programs.

Land Policy Bill SB 562

1. Establish a land and resource inventory program for analyzing the value and use potential of state land.

2. Establish a clear legislative statement of land disposal policy.

3. Establish a means for balancing private and public land uses and allocating lands for each purpose.

4. Establish a logical system to ensure useable and safe land is conveyed to the public.

These bills, I believe, meet the legitimate needs of the people of Alaska for land, but do so in a responsible manner. The bills accept the basic concept of the land disposal from the Beirne/Kerttula initiative but take it several logical steps further. I feel these bills are wider in application and more far-sighted in that they

provide for a continuation of desirable public uses on public lands while making land available to the citizens of Alaska for their needs.

Sincerely,

Jay S. Hammond
Governor

SENATE BILL 562 "An Act relating to Alaska land policy"

Background

SB 562 was introduced by the Senate Resources Committee, chaired by Senator Poland. The bill's counterpart in the House is HB 904, introduced by the Governor. According to Senator Poland's AA, the basic data for SB 562 was prepared by the Land Use Planning Commission. Senator Poland, who had been interested in this subject, used the LUPC material and, in conjunction with the Governor, got the two bills introduced, one in the House and the other in the Senate. (SB 568, introduced by Senate Rulles at the Governor's request, allows a state resident a land credit of $1,000 for each year's continuous residence in Alaska. SB 568 has not been referred to Senate Community and Regional Affairs)

Purpose (Sec. 38.04.020)

In FY 79, the director of lands would make available to the public not less than 50,000 acres. Not more than ten percent of this figure could be used for leasing. For each year thereafter, the director will present three options to the Legislature: 1) an increased-level land dispoal program, 2) a current-level program and 3) a reduced-level program. One of these options must include at least 50,000 acres.

Criteria (Sec. 38.04.035)

1) To cover costs to public, the land must be conveyed to private ownership at fair market value.

2) Land readily accessible to community centers or where it has a high commercial value should be either leased or sold to private owners.

3) Lease programs should be used:

   a) for special public needs to control specific land use
   b) when intended use is temporary
   c) in commercial or industrial uses where leases would generate high cash flow
   d) unique location with special public values
   e) where public demand use is high, such as waterfront recreation

4) Limited or conditional title to the land where the state determines this to be in the public interest (e.g. agriculture).

Policy (Sec. 38.04.005)

1) Choice of lands to be conveyed shall be determined through the inventory, planning and classification process of the bill.

2) The director of lands shall make adequate provision for public open spaces accessible to communities for public recreation.

3) The requirement for future generations must be considered and adequate state land retained for their needs.

4) Involvement of municipalities and local residents is essential in determining conveyance of state land to private ownership.

Other

In addition to the disposal of land, the bill also calls for the director of lands to develop, maintain and revise land use plans for state-owned land, according to a set of criteria. (Sec. 38.04.065)

The bill also sets up (Sec. 38.04.070) a series of Management Systems for state lands retained in public ownership. They include: State Public Reserve System, State Park System, State Trails System, Wild and Scenic River Systems and State Public Domain.

In addition it outlines criteria for the retention of state land (Sec. 38.04.015)

Senate Community and Regional
Affairs Committee Staff

April 4, 1978

Fiscal Note: HB 904
3/23/78

50,000 ACRE DISPOSAL (DNR)

	LINE ITEM					
Function	100	200	300	400	500	Total
Site Identification and Evaluation	307	23	74	7	6	417
Subdivision and Layout	932	34	614	11	31	1,622
Survey	441	32	2,054	42	40	2,609
Administration	157	4	192	2	35	390
Total	1,837	93	2,934	62	112	5,038

INVENTORY/ASSESSMENT REQUIREMENT (DNR)

Inventory/Assessment	242	21	138	8	11	420
GRAND TOTALS HB 904	2,079	114	3,072	70	123	5,458

SB
580

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE MEETING

May 23, 1978

Present: Senators Orsini, Hackney, Willis and Ferguson; Tom Singer, House Permanent Fund; Pat Conheady, DNR; Annette Smith, House C&RA; Jack Chenoweth, Legislative Affairs Agency, Royce Weller, Hugh Malone's Staff; Representative Dick Eliason, Richard Engen, Division of State Libraries and Museums.

Absent: Senator Sumner

The bills before the Committee were CSHB 133, HB 766 and SB 580. The meeting was called to order at 3:08.

SENATE BILL 580

Richard Engen, Division of State Libraries and Museums, stated that this bill would increase the present grant and aid program for assistance to the Public Libraries Association throughout the state from $250 a year on a reimbursable basis to a $500 grant for purchase of library materials.

He stated that it eliminates much of the paper work now required by statute. He explained that his office has to submit invoices on a reimbursable basis and this would be eliminated through the grant provision of the bill. He also stated that the bill removes the restriction from purchasing religious materials which is in the original statutes.

Senator Hackney moved to increase the $500 grant amount to $1,000. There were no objections. Senator Hackney then moved to pass the bill out with a "DO PASS" recommendation.

HOUSE BILL 766

Chairman Orsini went through the proposed recommendations for the bill. He stated that there was a CS for increasing the $250,000 to $400,000 and adding certain conditions to the increase.

Representative Eliason stated that the bill was introduced at the request of the borough Administrator of Sitka. He stated that small contractors in rural areas and smaller communities of the state who have ample equipment and the experience to handle a number of municipal jobs are falling short of other contractors from out of the community and even out of te state because of the difficulty in establishing a bond.

Senator Ferguson moved that the Committee adopt a CS for HB 766 including the recommendations by Chairman Orsini and pass it out with "INDIVIDUAL RECOMMENDATIONS".

CS FOR HOUSE BILL 133

Jack Chenoweth, Legislative Affairs Agency, went over the proposed committee substitute for CSHB 133 and explained section by section

changes in the bill and new language that had been put into it. As a result of committee discussion, a revised work draft of the proposed committee substitute was requested.

Chairman Orsini stated that CSHB 133 would be scheduled for Committee action Thursday.

The meeting was adjourned at 4:00.

5/23/78

SB 580

open to numis ; takes things off use of funds

removes restriction on religious matls - libraries deal w/religion as a subject matter

b 250 was enacted in 1965

book price

'65 - 7.50

'78 - 16.50

SB
599

To Ben

Date 5/2 Time 3:20

WHILE YOU WERE OUT

M Jim Rollo

of

Phone

TELEPHONED		PLEASE CALL	
CALLED TO SEE YOU		WILL CALL AGAIN	
WANTS TO SEE YOU		RUSH	

RETURNED YOUR CALL

Message They have no problem w/ committee pulbst for 599

Cindy

Operator

02-097 (Rev. 5/75)

F: SB 559

LA21 2101 16.08 JA01 0024 16.08 05/01/78

TO: CINDY, INU
FROM: APRIL, BOX

PLEASE DELIVER THE FOLLOWING MESSAGES:

TO: SENATOR O'ROA
FROM: BEVERLY BUCHANAN, FAIRBANKS NORTH STAR BOROUGH, BOX 1267.
PH 45-4761

AT THE REGULAR MEETING ON APRIL 27, 1978 THE FAIRBANKS NORTH STAR BOROUGH ASSEMBLY VOTED TO SUPPORT IN CONCEPT SENATE BILL 599. BOR

Call Nome City Mgr. - see if SB 599 may be of any help.
FI: SB 599

Nome May Compromise On Liquor Ban

NOME (AP) — More than enough signatures have been gathered on that petition to shut down the bars in this historic Bering Sea goldmining town. But townspeople say a compromise may be in the works.

Supporters of a petition that would make it illegal to sell liquor in Nome met with businessmen Thursday to discuss the situation.

The liquor business employs 99 persons on a full-or parttime basis in Nome, a city with 2,500 residents. The industry also provides a healthy chunk of city revenues.

All those attending the meeting agreed that there is a problem with excessive alcohol abuse in the community. But they also seemed to agree that elimination of liquor was unacceptable for economic reasons.

Members of the newly formed Nome Business Owners Association plan to work on the problem with bar owners, law enforcement officers, judges and members of the Nome Ministerial Association.

The citizens plan to form a nine-member committee, the Nome Alcohol Control Board, to help resolve the problem.

Under a draft proposal, the Nome City Council would empower the board to effectively enforce liquor regulations, such as those making it illegal to serve inebriated persons. Shorter bar hours also are contemplated. And those in the liquor business would be called upon to police their own activities and help limit alcohol abuse.

Another meeting was planned later this month to firm up the proposal and to select members of the board.

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE MINUTES

May 2, 1978

Present: Senators Hackney, Willis Sumner and Orsini; Pat Conheady, Department of Natural Resources; Jack Chenoweth, Legislative Affairs Agency; Ben Marsh, Cook Inlet Air Resources; Janet Pursley, Cook Inlet Air Resources; Karla Pursley, Cook Inlet Air Resources.

Absent: Senator Ferguson

Senate Bill 599, SCR 103 and CSHB 133 were before the Committee.

SENATE BILL 599

Jack Chenoweth, Legislative Affairs Agency, stated that since the coastal management regulations are prepared by the Coastal Policy Council and are not defined by the Coastal Management Act as part of the program, they need not be presented to the Legislature for approval. He also stated that, if the Legislature were not required to approve them, they are no more or less than any other set of regulations that are adopted by any other state agency and are therefore subject to any resolution put in by a member or by the Administrative Regulation Review Board.

Chairman Orsini stated that his interpretation of a conversation with Jack Chenoweth earlier lead him to believe that there were possible legal ramifications to adopting the resolution that formally approves the regualtions, and thereby not being able to disapprove them in the future.

Mr. Chenoweth stated that he could not say that there were no legal ramifications but the regulations are not obligated to come before the legislature for approval.

The Committee concluded that either with or without Legislative endorsement the regulations would take effect. The Committee agreed to see the Federal Coastal Zone Officials at Tursday's C&RA meeting if they were available.

CS FOR HOUSE BILL 133

Chairman Orsini stated that since other committees have insufficiently addressed the Anchorage land situation involving this bill that this Committee would have to go more deeply into it. He also stated that this version of the bill is roughly comparable to the version that came out of House C&RA with the exception of monetary possibilities and slightly changed acreages. Pat Conheady, Department of Natural Resources stated that some additions added from the House Finance Committee were still in the bill and that the most important of those was the availability of trust lands for selection. He also stated that the Department thinks this is a good provision. Mr. Conheady, stated that trust lands would enable the state in those communities which do not have suitable land to obtain their entitlement. Senator

Sumner stated that Anchorage had selected 20,000 acres of land on the basis that trust lands were not available for selection, and it wound up, in terms of usable land, with around 14,000. He expressed concern as to whether Anchorage was facing a situation similar to Kodiak's. He stated that he felt Mr. Hartig who has represented Kodiak, should come and talk to the Committee. Chairman Orsini asked Mr. Conheady if it would make any difference if the state had a law like this if the Beirne Initiative passes. Mr. Conheady replied that it would be good to have one to protect the municipalities' rights to selection land first before the Beirne Initiative.

Mr. Conheady stated that the fiscal note would be different from that of the House version of this bill because DNR is involved in the selection process in the Senate version and is not in the House version.

He also stated that the Department probably would not have the lands transferred by November but would have identified what lands they were looking at.

Chairman Orsini asked Mr. Conheady if the letter sent to Senator Tillion on April 19 outlining certain acreages available was still valid. Mr. Conheady replied that it was. Chairman Orsini stated to Mr. Conheady that if the Committee finds reasons to believe that those figures are not valid that his credibility with this Committee will have suffered. Mr. Conheady replied that he believed the letter to be valid to the extent of his knowledge.

The meeting was adjourned at 4:00.

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE MINUTES

April 25, 1978

Present: Senators Orsini, Sumner, Willis and Ferguson; Roger Allington, Co-Chairman of the Alaska Coastal Management Council; Murray Walsh, Office of Coastal Management; Bruce Aronson, Department of C&RA; Pat Sharrock, ABC Board; Jim Rolle, Alaska Municipal League.

Absent: Senator Hackney came latter part of meeting.

The meeting was called to order at 3:10.

SB 533, SB 208, SB 599 and SCR 103 were the bills before the Committee.

SENATE BILL 533

Senator Sumner moved and asked unanimous consent that the Committee pass out CSSB 533 with individual recommendations.

SENATE BILL 208

Bruce Aronson, Dept. of C&RA, testified that the Department supports SB 208. Senator Sumner moved and asked unanimous consent that the Committee pass out SB 208 with individual recommendations.

SENATE BILL 599

Chairman Orsini stated that SB 599 is an outgrowth from discussions on SB 183, which is part of the Governor's Alcohol package. The bill does essentially two things -- first, it allows a municipality to adopt ordinances by which either new, renewel or transferred liquor licenses could be rejected by a municipality. If a municipality does not act to reject the license request within 30 days the application is automatically placed before the ABC Board.

Senator Sumner questioned the need to transfer a state level function, such as liquor licensing, to the local government level.

Chairman Orsini stated that Section 1 and 2 both deal with municipalities but were separate from each other. Section 2 gives an intermediate means of municipal alcoholic control if the municipality votes to do this. It would limit sales to nondistilled alcoholic beverages, such as beer and wine.

Chairman Orsini stated that he had spoken with CHAR Lobbyist, Dorothea MacDonald, and she initially had no objection to the bill but stated that the CHAR executive committee later decided to oppose it.

Pat Sharrock, Director of the Alcohol Beverage Control Board, stated that one provision of the bill that he does like is the requirement for a municipality to place a license application on its agenda for a public hearing. He stated that one are of the bill seemed to be a conflict or a duplication, which is where the applicant and the ABC

Board both would be required to send a copy of the application to the governing body involved. In regards to the 30 day waiting period provided for a municipality to disapprove an application he asked that it be specified when the 30 day count-down would begin.

Mr. Sharrock had no comments on Section 2 of the bill.

Jim Rolle, Alaska Municipal League, in response to the concern that the municipalities may be given too much power by being able to reject applications, stated that now the only protest to the ABC Board is generally in the area of health and zoning. He stated that this bill would give municipalities an option. Then if they chose not to adopt appropriate ordinances the ABC Board would continue to make the decisions. He stated that the municipal officials are, in his opinion, as effective as the ABC Board in judging what is good for their community and what isn't.

He also stated that he agreed with Mr. Sharrock that the 30 day period is confusing. He also had no comment on Section 2.

COASTAL MANAGEMENT GUIDELINES AND STANDARDS

Chairman Orsini stated that the Committee now has SCR 103 before the Committee approving the regulations.

Roger Allington, Co-Chairman of the Alaska Coastal Policy Council, stated that the Coastal Management regulations are slightly different from other regulations. For one, he pointed out that they are being promulgated by a specially-organized body, the Alaska Coastal Policy Council, composed of government and public members. He also noted that the intent of the regulations was to establish broad policy principles and allow local municipalities and district to draw up their own management programs essentially on a zoning basis. Furthermore, the areas themselves would draw their own boundaries for coastal management jurisdiction, providing certain criteria were met.

Although the Council extensively revised the final version of the regulations, Allingtion stated that on the last part of Section 85, concerning council review, was new. He also stated that there was a major change in the Timber Harvest Section of the regulations which was requested by the timber industry. There was also work done on the subsistence section. The question was raised of what would happen if local or state agency regulations conflicted with the Coastal Regulations. Mr. Allington replied that the agencies or local governments must bring their regulations into conformity with the coastal management program.

Murray Walsh, Coastal Zone Management Office, stated that the critical time would be the next six or seven months which would bring out the flaws and problems of the regulations. He also stated that the Legislature should consider an increase in state funding of this program just to give the coastal management more flexibility and eliminate some of that federal dependence.

The meeting was adjourned at 4:35.

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

May 3, 1978

Mayor George M. Sullivan
Municipality of Anchorage
Pouch 6-650
Anchorage, Alaska 99502

Dear Mayor Sullivan:

The Senate Community and Regional Affairs Committee passed out of Committee CSSB 599 ("An Act relating to regulation of the sale of alcoholic beverages by municipalities") on May 2. This bill would allow a municipality, if it chose to exercise the option, to disapprove liquor license applications before the applications could be considered by the Alcoholic Beverage Control Board.

If a municipality did not wish to become involved in the regulation of liquor licensing, the present situation of direct licensing by the Alcoholic Beverage Control Board would continue.

A second section of CSSB 599 provides for communities, if they desire, to exercise a third option regarding the sale of alcohol in their areas. CSSB 599's provision would allow residents of a community to vote on an intermediate option of prohibiting the sale of distilled (i.e. "hard") liquor but allowing the sale of low alcoholic, non-distilled beverages (i.e. beer and wine).

CSSB 599 has no further committees of referral, except for review by the Rules Committee, before it goes to the Senate floor for a full vote.

Members of the Senate welcome at all times your comments on this legislation and your views on how these options could strengthen the effectiveness of local government. I would like to draw your attention to the fact, however, that CSSB 599 is likely to be scheduled for Senate floor action shortly and that your comments will be most useful if they can be submitted as soon as possible to the Legislature.

Sincerely,

Joe Orsini

JOE ORSINI
Chairman, Senate
Community and Regional
Affairs Committee

JO:gd

Enclosure: CSSB 599

LETTER TO: CITY OF KETCHIKAN, KETCHIKAN GATEWAY BOROUGH, CITY AND BOROUGH OF SITKA, MUNICIPALITY OF ANCHORAGE, NORTH SLOPE BOROUGH, CITY OF KOTZEBUE, BRISTOL BAY BOROUGH, CITY OF DILLINGHAM, KENAI PENINSULA BOROUGH, CITY OF KENAI, MATANUSKA-SUSITNA BOROUGH, CITY OF PALMER, CITY OF NOME, CITY OF BETHEL, FAIRBANKS NORTH STAR BOROUGH, CITY OF FAIRBANKS, KODIAK ISLAND BOROUGH, CITY OF VALDEZ

F: 565'99

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M

May 4, 1978

SUBJECT: Judicial "review" of decisions of municipalities with respect to liquor license applications reviewed and disapproved under CSSB 599

TO: Senator Joseph L. Orsini

FROM: John B. Chenoweth
Legislative Counsel

As drafted, CSSB 599 makes no specific provision for appeal of a decision by the governing body of a municipality disapproving a new license or a license renewal or transfer application under AS 04.10.265 added by the bill. The absence of specific language does not preclude judicial review of the decision of a city council or borough assembly. The general jurisdiction of the superior court encompasses civil actions, including actions based upon constitutional requirements of due process. Section 1 of the referenced bill, adding AS 04.10.265, would require, first, a general municipal ordinance describing standards for review of liquor license applications in the community and, second, review and disapproval of licenses based upon the standards. Protection against arbitrary interference with rights in a liquor license by a municipality making a decision under the section cited could be reached by an action commenced in superior court contesting the validity of the underlying municipal ordinance, challenging the compliance by the municipality with its own requirements respecting notice, opportunity for hearing and presentation of evidence, and manner of making a decision, and consistency of decision by the governing body of the municipality with the provisions of its own ordinance. The scope of "review" based upon the constitutional requirements of due process may be somewhat narrower than the general review afforded under the state's Administrative Procedure Act (AS 44.62.570), but the opportunity for an aggrieved license applicant to "test" the decision of the municipal council or assembly is not lost by the failure to provide a specific appellate procedure.

JBC:jpd

SB 599

CHAR - opposes

Skarnick - ABC Board

likes putting license on assembly agenda
redundancy + question of 30 days

question of hearings by muni if not adopted stds

should be able to appeal a muni decision

Sec 2 OK

Rolfe - Muni League

Anch - could benefit by retail specific hours guidelines
Other - have no authority
health + zoning are only criteria

redun. assume applic will go to both

muni officials to judge what is good for their community

Brock Hanford - no objection re: Hackney

FAIRBANKS DAILY NEWS MINER

Wareham picked to fill Weldon's vacant seat

4-28-78

Lee Wareham, general manager for RCA Alascom in Fairbanks, was appointed to the Borough Assembly at the group's meeting Thursday night.

Wareham was one of 11 candidates applying for the seat, which became vacant when Assemblyman Don Weldon left Fairbanks at the beginning of April. After reviewing candidates at an informal session last Saturday, the assembly conducted a vote.

On the first ballot, Geraldine Benshoof, Leslye Korvola, Steve Van Sant, and Wareham were top vote-getters. Wareham was chosen on the second ballot.

His term will expire in October.

In other business Thursday, Assemblyman Dave Brennen said the ad hoc sales tax committee had recommended that the assembly continue to exempt the sales tax on food and drug items for at least a year, when adequate information on results can be obtained.

Brennen said the committee had been asked to consider re-establishing the tax, but there has not been time to gather data on the effect of the exemption.

He also said the committee soon will present the assembly with an ordinance to halt the expeditor's exemption, which allows expeditors to avoid sales taxes on items bought for use outside Fairbanks.

Brennen said there are few expeditors in town who use the exemption, but it is subject to abuse by many other people. The only requirement for obtaining an exemption card is proof of residence outside the borough.

The assembly unanimously approved a resolution requesting the state Department of Transportation to declare rural access roads closed to truck traffic, and to establish and mark truck routes through Fairbanks.

A request to consider rezoning Small Tracts subdivision from Rural Residential to General Residential will be placed on the next assembly agenda if the borough attorney says it is legal, the assembly agreed. Bill Sexton applied to rezone his lots in the subdivision, and was turned down. The request now before the assembly would request the same rezoning for 15 lots, including Sexton's.

In another move, the assembly established the Fairbanks Metropolitan Air Quality Planning Organization, which would allow the borough, Fairbanks and North Pole governments to form a plan to bring Fairbanks under federal air quality standards.

The assembly also:

- Unanimously voted to support Senate Bill 599, which allows local control in approving or disapproving alcholic beverage licenses;
- Denied a rezoning sought by College Utilities to build a residential office building over a proposed water storage reservoir and fire pumping station on University Avenue;
- Approved a rezoning to allow construction of a University of Alaska microwave reflector for radio waves on Ester Dome;
- Approved Hamilton Acres Park and the Jaycees Park near the state building;
- And requested a proposal from Tanana Valley Community College to contract for instructional and recreational operations at the borough swimming pools.

F: SB 599

Jack T. Matthews 4864

F: SB 549

Compliments of
DOROTHEA

BERNIE'S BAR

(907) 688-9996

Star Route - Mile 22½ - Box 1122 - Chugiak, Alaska

DEAR SENATOR HACKNEY

I HAVE JUST LEARNED THAT YOU WERE BESIEGED BY TELEGRAMS WITH REGARD TO SB 548 - (NOT YOUR COMMITTEE) + SB 549.

INDEED, I AM VERY SORRY ABOUT SUCH CRUDE TACTICS.

PLEASE UNDERSTAND, THAT CHAR + MYSELF HAVE NOTHING WHATSOEVER TO DO WITH THAT, APPARENTLY THE CULINARY WORKERS UNION, DUE TO AN ARTICLE IN THE ANCH. TIMES HAVE DECIDED TO INSTIGATE

Compliments of
DOROTHEA

BERNIE'S BAR

(907) 688-9996

Star Route · Mile 22½ · Box 1122 · Chugiak, Alaska

11

THESE PROCEDURES,
ON BEHALF OF CHAR + MYSELF I HOPE THIS WILL NOT REFLECT ON US AS AN ORGANIZATION. WE ARE NON-PARTISAN AS A GROUP, AND I FOR ONE DO NOT CONDONE SUCH PROCEDURES

VERY SINCERELY

Dr. Dho. MacDonald
DOROTHEA McDONALD

P.S. I HAVE A TERRIBLE HANDWRITING

F: 56 599

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

M E M O R A N D U M April 26, 1978

SUBJECT: Proposed CSSB 599, relating to liquor licenses

TO: Senator Joseph L. Orsini

FROM: John B. Chenoweth, Legislative Counsel

One additional amendment should be considered by the Committee before this bill is reported out. That would be a change to conform provisions of AS 04.10.350(a), relating to automatic renewal of outstanding licenses.

In this regard, I would suggest the following:

* Sec. 3. AS 04.10.350(a) is repealed and reenacted to read:

(a) A license issued under this chapter is renewable automatically if the fee is paid in accordance with secs. 40 - 140 of this chapter. A license is not automatically renewable under this section if

(1) the license application is disapproved by the governing body of the municipality under sec. 265 of this chapter;

(2) the license application is protested in the manner provided in sec. 300 of this chapter;

(3) the licensee has been convicted under AS 04.15.100 and the board or a court of competent jurisdiction is considering suspension or revocation of the license; or

(4) the license has been lawfully revoked.

JBC:hjd

SB
604

F: SB 604

ESTIMATED COSTS

Capital Recovery Costs

Capital recovery costs for the proposed offshore barge terminal facilities are based on:

- The sale of municipal bonds by the City of Nome to provide the funds, not available from the State of Alaska, for the construction of the proposed barge terminal facilities plus the purchase of the portable hydraulic dredge and support equipment.

- Repayment of the municipal bonds will be extended over a 25 year period using a 7-1/2 percent interest rate.

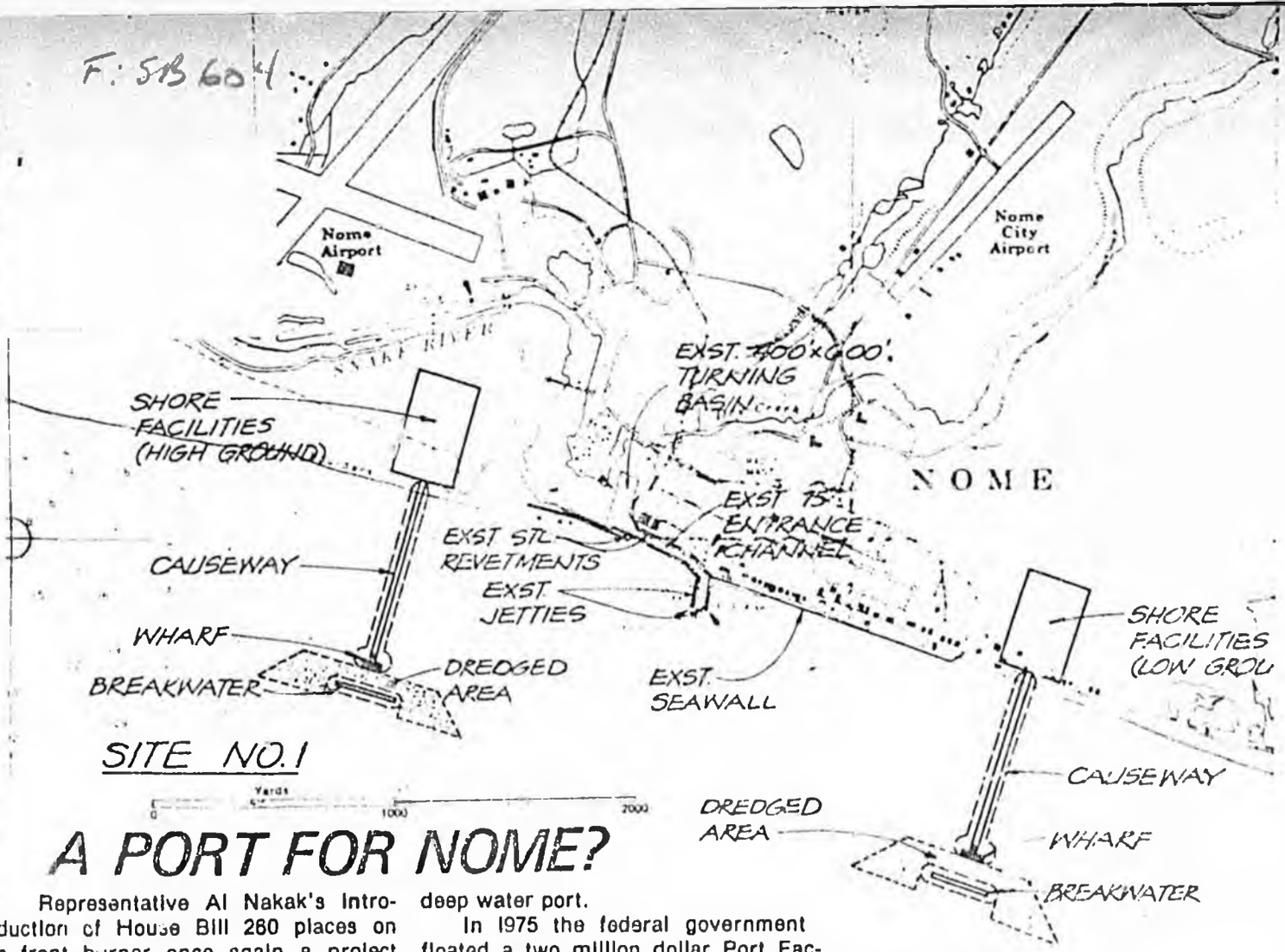
Capital costs requirements to cover development of the proposed barge facilities are shown in Table 6.

Table 6
CAPITAL COSTS
PROPOSED OFFSHORE BARGE FACILITIES
NOME, ALASKA
(Estimated 1976 Costs)

Item	Amount
Total Project Cost (Table 2)	$8,540,000
Portable Hydraulic Dredge and Floating Breakwater	750,000
Total Project Capital Cost	$9,290,000
1974 Port Facilities Development Fund, State of Alaska	(-)2,000,000
Total Project Capital Costs To Be Funded By The City Of Nome	$7,290,000

Nome Barge Facility Study
CH2M Hill July 1976

F: SB 604



A PORT FOR NOME?

Representative Al Nakak's introduction of House Bill 260 places on a front burner once again a project that has long intrigued Nomites - a deep water port.

In 1975 the federal government floated a two million dollar Port Facilities Development Fund for the construction of a port, but it required a ten per cent matching grant from Nome. With city coffers then as now empty, and no local monies in sight, Nakak is asking the state of Alaska to cough up Nome's share of $200,000.

If Nome's deep water port never leaves the drawing table, it won't be through lack of doodling. Most recent study for a deep water port was done by CH2M Hill in 1975, at the request of the City Council. It follows three earlier studies done by the U.S. Corps of Engineers, the State of Alaska, and an engineering team from Oregon.

Army Engineers came up with six options, costing in 1975 from six to twelve million, and the State compared sites at Nome proper and Cape Nome. Clark and Graff Engineers site possibilities included Port Clarence and Teller.

CH2M Hill's imaginative effort in 1975 discussed helicopter literage, the use of balloons, tramways and air-cushion vehicles to offload ships - all the latest wrinkles. But the report settled on an "ocean-going barge facility," that extended from the city's breakwater 2200 feet offshore, out to a minimum water depth of sixteen feet. At the end of the causeway stood a T - shaped wharf, to which Seattle-based barges could tie wharf. A twenty foot wide roadway the length of the causeway would connect the wharf with the shore.

All rock for the project would come from Cape Nome thirteen miles to the east. Construction would be in three phases, and the entire project would take a minimum of four years to build; this includes the search for funds, city council action, and additional studies and surveys. CH2M Hill projected in 1976 a cost of $8,540,000. The engineers also called for dredging, to take care of littoral drift accumulation on the west side of the causeway.

It is an expensive undertaking. The dredge alone would cost $750,000. And CH2M Hill's report does raise the preliminary question - can Nome afford to pay for such a port?

A major consideration was whether oil suppliers would use more shallow-draft barges to offload liquid petroleum products directly to the new facility, or whether they would continue to use tankers and literage oil in small barges AS HAPPENS TODAY. According to the report's figures, nearly 73 per cent of total shippingdelivered at Nome in the last five years was oil products or its derivatives.

Nearly 30,000 tons of sea-going freight are delivered annually here, and CH2M Hill claimed that literage costs would be considerably reduced and simplified,

The Bering Straights News
Nome, Alaska March 31, 1978

PORT FROM PAGE 3

would be less cargo damage due to direct offloading.

Offsetting this would be the cost of the facility itself, dredging and maintenance costs and trucked cargo handling.

The report argues but not convincingly that Nome could spend ten million dollars in hopes of reducing its shipping costs. But more intriguing than this dubious prospect are theprospects that a deep water port might unlock for the future.

Following their own dynamics, oil companies will surely take a close look at Norton Sound offshore prospects. But if they do decide to drill in earnest, will they necessarily build a port here for us in Nome? Or might they pick a site of their own choosing, and develop their own staging areas perhaps far from Nome, with the result that Nome might miss the revenues that could accrue from oil development here.

Concerning mineral development, there are known and marketable minerals in the Seward Peninsula that presently lack only a means of getting them stateside for their commercial development. What effect would a deep water port have on mineral development, in future years?

And with the marketing problems faced by the Norton Sound King Crab Fisherman's Association fresh in mind, how can Nome ever really develop a fishing industry here for bottomfish, herring, crabs, and even salmon witholut a deep water port, without a base wherefishermen can tie up their boats and weather storms, and witho ut the canning and procesing facilities that must precede and accompany the development of a commercial fishery here.

With House Bill 260 up for consideration in Juneau, and the prospects for the future as glimmering as ever, it is time for another look at a deep water port for Nome. WHETHOR OR NOT HB 260 prevails in Juneau relates to a question that Nome must ask itself and answer affirmatively, "Do we want a deep water port for Nome?"

The BERING STRAIGHTSrecommends a definitive YES and we should make it felt in Juneau. RR

SCR

12

March 18, 1977

LETTER OF INTENT TO SCR 12

The intent of the Senate Community and Regional Affairs Committee, in the approval of SCR 12, is that the language of 19 AAC 38.020 is repugnant to the concerns of Alaskans, and should be annulled.

However, the Committee felt that the implementation of the regulations was inoffensive and reasonable, and well served the intent of the statutes. Therefore, while the Committee believes the regulation itself should be annulled, it could see no reason to change the existing procedures, and recommends the adoption of a new regulation which more closely describes these procedures.

_____

Senator Joe Orsini
Chairman
Senate Community and
Regional Affairs
Committee

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1. SCR 12

2. 19 AAC 38.020 Supplementary Information supporting Application for the Assessment and Tax Deferment

3. AS 29.53.035

4. Farm Use Assessment Application Form

5. Authorization for Income Verification Form

6. Farm Use Land Assessment Program Summary

(4)

FARM USE ASSESSMENT APPLICATION

AS 29.53.035

Application must be filed on or before February 1, of the assessment year.
Complete one form for each parcel of property within the farm unit.

MUNICIPALITY_____ ACCOUNT NUMBER_____

NAME OF APPLICANT_____

MAILING ADDRESS_____

CITY_____ STATE_____ ZIP_____

TELEPHONE_____ SOC. SEC. NO._____

PROPERTY LOCATION AND DESCRIPTION

CITY OR SERVICE AREA_____

PARCEL NUMBER_____

SUBDIVISION/USS_____ BLOCK_____ LOT_____

SECTION_____ TOWNSHIP_____ RANGE_____

LAND USE		ACRES
CROPS:	_____ / _____ (Row Crops / Grains)	
OTHER FARM USE:	_____ / _____ (Pasture / Hay-Silage)	
BUILDING SITE:	_____ / _____ (Farm Use / Residential)	
COMPATIBLE USES:	_____ / _____ / _____ (Uncleared/Windbreak/Graze)	
TOTAL:		

PROPERTY OWNERSHIP

☐ OWNER OF RECORD

☐ LEASED LAND
Copy of lease attached

RECORDING DISTRICT_____

DATE OF INSTRUMENT_____

TYPE_____ VOL._____ PAGE_____

Ownership Verified By:_____
Assessor or Clerk

INCOME

I hereby apply for Farm Use Property Tax Assessment on the property described above as provided in AS 29.53.035 for the 197_____ assessment year. I am actively engaged in farming the land for profit and declare that my gross income attributed to the farm use land for the year(s) indicated below is 10% or more of my yearly gross income:

☐ For last year ☐ Averaged for two years

☐ Estimated for this year ☐ Averaged for three years

☐ I will provide income verification documents for inspection of the clerk or assessor on or before May 15 of the assessment year or,

☐ Attached is a notarized authorization granting to the state assessor the right of inspecting my state income tax return, which will be available at the Department of Revenue prior to December 31 of the assessment year.

CERTIFICATION

I the undersigned hereby certify that I have read this application and the answers given are true and correct to the best of my knowledge. I understand that willful misstatement is subject to punishment by fine or imprisonment under AS 11.30.270. My signature, hereon, authorizes the assessor to review municipal records with those of the local Soil Conservation Subdistrict.

DATE_____ SIGNATURE OF APPLICANT_____

This space for local assessors use only ☐ Approved ☐ Denied_____

PROPERTY	FULL VALUE	FARM VALUE	DEFERRED
Land			
Buildings			
Total			
Mill Rate			
Amount of Tax			$

"Does the gross income attributed to the farm use land for which application is made equal or exceed 10% of the applicant's annual gross income?"

☐ YES ☐ NO DATE:

Verified By:_____
Assessor or Clerk

Department of Community & Regional Affairs

☐ YES ☐ NO DATE:

Verified By:

Form 21-410 Local Assessor's copy-white Department of Community & Regional Affairs' copy-yellow Taxpayer's copy-pink

NAME_____ DATE REC'D_____ BY:_____

(5)

AUTHORIZATION
FOR
INCOME VERIFICATION

Farm Use Land Assessment AS 29.53.035

I hereby request and authorize the Department of Revenue to release to the State Assessor information taken from my Alaska Income tax return for _____, _____, _____, calendar year(s). Accordingly, I waive my right to privacy regarding the information as stated below.

_____	_____	_____
DATE	SIGNATURE OF APPLICANT	SOCIAL SECURITY NUMBER

SUBSCRIBED AND SWORN to before me, this_____ day of_____, 19_____.

_____
Notary Public in and for Alaska
My commission expires:_____

This space for Department of Revenue use only

"Does the gross income attributed to farm use land equal or exceed 10% of the applicants adjusted gross income?"

☐ No record available _____
Date

☐ YES ☐ NO

_____
Signature - Department of Revenue

Department of Community & Regional Affairs
Form 21-411

FARM USE LAND ASSESSMENT
AS 29.53.035

*1976 PROGRAM SUMMARY

MUNICIPALITY	Number of Applications	Number of Acres	Full and True Land Value	Total Deferred Value	Total Deferred Tax
Anchorage	4	40.950	849,475.00	835,150.00	$13,050.63
Fairbanks	11	1,900.500	1,105,117.00	866,867.00	5,527.58
Kenai	9	727.808	305,650.00	178,900.00	1,127.83
Matanuska-Susitna	64	13,420.628	12,615,420.00	9,681,540.00	79,473.00
STATEWIDE TOTAL	88	16,149.886	14,875,662.00	11,562,457.00	$99,179.04
AVERAGE PER APPLICATION:		183.520	169,041.61	131,391.56	$ 1,127.03
AVERAGE PER ACRE:			921.10	715.95	$ 6.14

* *Estimated pending final approval of accounts*

FIVE-YEAR SUMMARY OF PROGRAM PERFORMANCE

YEAR	Number of Applications	Number of Acres	Total Deferred Value	Total Deferred Tax
1972	55	*NA	2,299,265	$25,290
1973	66	*NA	3,332,290	34,945
1974	71	11,250	4,737,290	57,735
1975	91	18,759	6,140,300	77,805
1976	88	16,150	11,562,457	99,179

* *Data not available*

SCR 12

Chris Pomeroy - Assessor

Changed from 25% → 10%; lien provision (for state)

also never enacted.

most regs passed in 1975

Have made recommen for some changes - but are also included in other reg changes & reg renumbering - maybe by Fall

Gary Jenkins Revenue - audit

Revenue will not release actual forms

Capid. Form supercedes regs

SENATE FINANCE

SACKETT	415	Hohman	645
Croft	106	Meland	205
Butrovich	525	~~Orsini~~	101A
Tillion	109		

LAII 1843 12.20 JA01 0021 12.20 04/27/77

TO CINDY JNU
FROM CHARITY ANCH

THIS MESSAGE IS FROM THE ANCH ASSEMBLY TO THE SEN FINANCE COMMITTEE. THIS RESOLUTION WAS ADOPTED 4/26.

"A RESOLUTION OPPOSING SCR 13 AND SCR 14 RELATING TO REVENUE SHARING FOR HOSPITAL CONSTRUCTION"

THE ANCHORAGE ASSEMBLY RESOLVES:

WHEREAS, SCR 13 WOULD PREVENT THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS FROM LIMITING TOTAL HOSPITAL CONSTRUCTION COSTS TO THOSE ALLOWED UNDER FEDERAL LAW, FOR THE PURPOSE OF COMPUTING REVENUE SHARING FOR LOCAL HOSPITAL CONSTRUCTION,; AND

WHEREAS, PASSAGE FOR SCR 13 WOULD PROHIBIT THE STATE FROM ADMINISTERING GRANTS-IN-AID PROGRAMS HARMONIOUSLY WITH FEDERAL REGULATIONS AND WOULD CREATE INCONSISTENCIES THROUGHOUT THE ENTIRE MEDICAL REIMBURSEMENT SYSTEM INCLUDING MEDICARE, MEDICAID, AND GENERAL RELIEF MEDICAL ASSISTANCE; AND

CONT'D / EOM

LAII 1902 12.23 JA01 0022 12.23 04/27/77

TO CINDY JNU
FR CHARITY ANCH

CONTUATION.....

WHEREAS, SCR 14 WOULD REPEAL AN ADMINISTRATIVE REGULATION OF THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS THAT PRESENTLY REQUIRES NON-GOVERNMENTAL SPONSORS OF HOSPITAL CONSTRUCTION PROGRAMS TO APPLY THROUGH THEIR LOCAL GOVERNMENT; AND

WHEREAS, PASSAGE OF SCR 14 WOULD PROHIBIT THE STATE FROM ADMINISTERING REGULATIONS DESIGNED TO GIVE LOCAL COMMUNITIES MEANINGFUL SELF DETERMINATION IN THE ALLOCATION OF HEALTH CARE RESOURCES AND FACILITIES;

NOW, THEREFORE, BE IT RESOLVED THAT THE ANCHORAGE ASSEMBLY OPPOSES PASSAGE OF SCR 13 AND SCR 14 NOW BEFORE THE TENTH LEGISLATURE.

PASSED AND APPROVED BY THE ANCHORAGE ASSEMBLY THIS 26TH DAY OF APRIL, 1977

ERNIE BRANNON, CHAIRMAN

SCR

13

March 24, 1977

The Municipal Health Commission, at their regular meeting of March 23, 1977, emphatically endorses the DEFEAT of SCR 13, SCR 14 for the following reasons:

1. The removal of such regulations would create inconsistencies through out the entire reimbursement system, particularly with regard to Medicare, Medicaid and General Relief Medical Assistance.
2. The mandate of the people for cost-consciousness and cost-containment in the provision of health services would be directly violated if these resolutions were to be adopted.
3. Existing regulations clearly define allowable and non-allowable construction costs under Hill-Burton on the basis of their legitimate and direct relationship to facility construction costs. Adding to the list of allowable costs adds to the dollar amount that the taxpayer will pay TWICE: first in general taxes to support construction under revenue sharing, and secondly as a part of the amortized costs built into the daily bed rate thru depreciation (NOTE: the daily bed rate is paid a THIRD time under Medicare, Medicaid and General Relief Assistance by the taxpayers.)
4. Local determination of applicable beds and properly certified construction efforts is necessary if planning is to have any effect on cost containment.

Position paper to follow.

Signed:

Adrian Barber, Chiropractor
Ben Barrerra, Vice President National Bank of Alaska
Joseph O'Gorman, University of Alaska, Anchorage
Jim Lawis, Associated General Contractors
Julie Kitka, Alaska Federation of Natives
Dalia Wolverton, Housewife
Edna Adrian, Senior Citizen
Rose Anderson, Counselor, McLaughlin Youth Center
Keith Brownsberger, M.D. , Internist Providence Hospital
Bonnie McGee, Chairman Municipal Health Commission, Housewife
Betty Payes, School Nur
Lois Kiehl, Nutritionist
Cynthia Meinke,Housing Referral Counselor
Sharon Schmidt, Teacher
Liz Jacks, Administrative Office C.E.T.A., Municipality of Anchorage
Kent Autor, Management Counsultant
Christie Hoke, Nurse
Diddy Hitchins, Professor University of Alaska, Anchorage
Patricia Yenney, Medical Librarian
Marv Janzen, Ex. Director Professional Standards Review Organization/Alaska
Charles Rigden, Associate Administrator Alaska Hospital and Medical Center

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1. SCR 13
2. SCR 14
3. AS 43.18.010(h)
4. AS 43.18.010(j)
5. 19 AAC 30.020(9)(C)(D)
6. 19 AAC 30.140(3)
7. AG's letter to Dept of HESS, 8/28/72, approving HESS's use of Hill-Burton Regs. as a guideline in determining "total project costs" re: AS43.18.010(j)
8. AS 43.18.100
9. AS 43.18.300
10. AS 46.03.030
11. Hill-Burton Regulations
12. Memo to Chairman, Senate C&RA from AA, Senate C&RA plus attachments 1-14

ATTACHMENTS

1 SB 42
2 CSSB 42 (Local Government)
3 CSSB 42 (HEW)
4 CSSB 42 (Finance)
5 HCS CSSB 42
6 CSSB 42 (Finance) am H
7 HCSSB 383 am H, p.10, line 26, Ch 71, SLA 72
8 HB 42, p.2, line 14
9 CSHB 42, p.2, line 11
#10 CSHB 42 (HESS) p.2, line 13
#11 CSHB 42 (Finance) p.2, line 8
#12 CSHB 42 (Finance) am S, p.2, line 11, Ch 87, SLA 73
#13 Ch 127, SLA 1974
#14 Ch 265, SLA 1976

(1) A.G. G.C

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K — STATE CAPITOL
JUNEAU 99801

WILLIAM A. EGAN, GOVERNOR

DATE	ROUTE TO:	✓
	JF	✓
	FILE	

August 28, 1972

Office of the Commissioner
SEP 11 1972
RECEIVED

The Honorable Frederick McGinnis
Commissioner
Department of Health and Social
Services
Juneau, Alaska 99801

Dear Commissioner McGinnis:

You have asked our opinion of whether your present method of determining "total project costs" of eligible medical construction by relying on promulgations of the Department of Health, Education and Welfare pursuant to Title VI of the Public Health Services Act as amended, meets the requirements of AS 43.18.010(j). It is our opinion that the use of these promulgations is within the scope of your discretion in the administration of this program.

AS 43.18.010(j) states as follows:

> If construction of a facility began after January 1, 1968 and state matching aid for construction approved for payment to the local government or other facility sponsor constitutes less than 25 per cent of the total project cost, the state shall pay to the local goverment or other facility sponsor each fiscal year a sum equal to $2,500 a bed for the maximum number of beds provided for in the construction design of the facility. State aid provided for in this subsection shall continue until the local government or other facility sponsor has received an amount which, combined with state matching money for construction of the facility, equals 25 per cent of the total project cost. No funds received for construction shall be used for any other purpose. (Emphasis added)

RECEIVED
SEP 1 - 1972
Comprehensive Health Planning Office

As AS 43.18.010(j) is the state counterpart of Title VI of the Public Health Services Act, 42 USCA 201 et seq., it is appropriate that you may follow standards promulgated in interpretation of that Act. To read the term "total project costs"

as used in AS 43.18.010(j) literally would mean allowing all costs even if lavish, wasteful or illegal. Since clearly that could not have been what was intended when the legislature enacted this section, your department has the implied duty to allow only those costs which are in line with the statutory purpose of this section. In this case, since no statutory guidelines are set out, you have broad discretion to define the meaning of such terms in accordance with the statutory purpose. Naturally then, these rules of the Department of Health, Education and Welfare, interpreting 42 USCA 201 et seq., may be used to assist you in defining the meaning of these statutory terms. In this case, however even more evidence of the legislature's intention in passing AS 43.18.010(j) can be seen by looking at similar state grants for other purposes.

AS 43.18.100 granting aid for school construction goes into great detail to specifically provide for the meaning of "costs of school construction." AS 43.18.100(f)(2). Since no mention of these items is made in AS 43.18.010(j) it is reasonable to assume that they were not intended to be included in the computation of "total cost" under that section and this is the general effect of following the Federal regulations.

Similarly in AS 43.18.300 providing grants for the construction of Community Facilities, express allowance is made for the cost of "feasibility studies". This term is unnecessary if "cost of construction" were to be read literally. Again, since no similar language is included in AS 43.18.010(j) it can be assumed that these costs were also not to be included.

Finally, in AS 46.03.030(b) providing funds for the cost of water systems, it is provided that the amount received is computed on the basis of those costs "not borne by the federal government". In this case, the regulations you are relying on in effect specifies those costs which will not be borne by the federal government. If it were the legislature's intention in passing AS 43.18.010(j) to pick up those costs not borne by the federal government, it would have added a similar phrase to that in AS 46.03.030(b), particularly as these two sections were before the legislature during the same session and were passed within a few days of one another.

In conclusion, it is within the scope of your administrative discretion to utilize the guidelines promulgated by the Department of Health, Education and Welfare in defining the term "total project cost" of eligible medical facilities under the provisions of AS 43.18.010(j).

Very truly yours,

JOHN E. HAVELOCK
ATTORNEY GENERAL

By: Peter A. Michalski
Peter A. Michalski
Assistant Attorney General

PAM:ss

(17)

TO: Senator Orsini
Chairman
Senate C&RA

DATE: March 9, 1977

FROM: Paul Conger
A.A.
Senate C&RA

RE: SCR 13, SCR 14
19AAC 30.020(9)(C)
19AAC 30.020(9)(D)
19AAC 30.140(3)

The concept to provide revenue sharing money to those constructing hospital facilities formally emanated in SB42, 1971. The following is a history of that bill and subsequent amendments to it.

SB 42 (See Attachment 1)
The Bill was originally intended to create a loan/grant fund to be established and administered in the Department of Health. It would create a revolving loan (5% interest) and grant funds to make payments to local governments, non profit corporations and non profit sponsors for the acquisition, construction, modernization, and other capital improvements of hospitals and related health facilities. A grant would be provided if it had been determined by the commissioner of health that a local government, non profit corporation, or non profit sponsor would have difficulty in paying back a loan.

CSSB 42 (See Attachment 2)
Local Government Committee dropped the original bill's suggestion of establishing a loan/grant fund to be administered by the Dept. of Health and transferred the issue of providing state assistance for hospital construction cost to Community and Regional Affairs. In their version of this bill, they adopted language that reflects section (j) which is currently at issue here.

At this stage, the provision dealing with revenue sharing for construction of hospitals was an "in addition" clause to section (h) which treats revenue sharing dollars for hospitals already in operation.

In this initial stage of the bill, only local governments were to be recipients of this revenue sharing money pertaining to construction cost assistance as indicated by the following:

AS 43.18.010(h) During each fiscal year the state shall pay to an organized borough or a city outside an organized borough, in which a health facility is operated.....

In addition, if construction of a facility was begun by a local government after January 1, 1968 and state matching aid for construction approved for payment to the local government constitutes less than 25 per cent of the total project cost, the state shall pay to the local government during each fiscal year a sum equal to $5,000 per bed for the maximum number of beds provided for in the construction design of the facility, until the local government has received from this aid an amount which, combined with state matching money for construction of the facility, equals 25 per cent of the total project cost. Sums received by a local government under this subsection shall be used for expenses of operation, maintenance or health services or facilities, as the local government determines.

As the language indicates, the key component thus far is local government. (Note that the next version of this bill (CSSB 42 HEW) which creates a section (j) which address the issue of revenue sharing for hospital construction, extends potential recipients of section (j) beyond local government to include "other sponsor facility". So we start moving away from the notion that this money is to be available only for local governments early in the makeup of this bill.

Attention should also be directed towards the term "total project cost". This phrase sustained itself through all the stages of revision and the word "total" was not substituted with any language that would suggest less than total project cost in computing the revenue sharing allowance to be provided. The only restraining language in this bill regarding construction cost states: "No funds received for construction shall be used for any other purpose."

CSSB 42 (HEW) 1971 (See Attachment 3)
HEW, recognizing that they were dealing with two separate issues, viz. hospitals in operation and hospitals under construction, amended this bill creating section (j) as a subsequent section to section (h). Section (h) continues to deal with providing revenue sharing money to an organized borough or a city outside an organized borough that has hospitals in operation. Then section (j) treats the issue of rendering revenue sharing money to offset cost relative to the construction of hospitals. The salient disparity between section (h) and section (j) (for our purposes) is that the committee did not rely on the same language that was used in sec (h) i.e. "during each fiscal year the state shall pay to an organized borough or a city outside an organized borough in which a health facility is operated"; or they did not limit the recipient of this money solely to a local government as was proposed in CSSB 42, but broadened the language in section (j) to state "If construction of a

facility began after Jan 1, 1968, and state matching aid for construction approved for payment to the local government or other facility sponsor ... of the total project cost ... the state shall pay to the local government or other facility sponsor ... State aid provided for in this subsection shall continue until the local government or other facility sponsor has received an amount which ... equals 25% of the total project cost.

It would appear that if the committee wanted the petitioner for construction money to be limited to an organized borough or a city outside an organized borough, they would have adopted this language and made it applicable to sec (j) as well as sec (h). However, the committee did not limit sec (j) (dealing with hospital construction) to these recipients but broadened it to include "local government or other facility sponsor." It was this language that remained through the life of the bill and became law.

Also section (j) retains the language "total project cost" and does not qualify this term by inserting any limitations on what "total project cost" entails. The only restrictive language in this section is "no funds received for construction shall be used for any other purpose".

The remainder of this bill amends section (i) (defining a health facility) to include sections(h) and (j) indicating that this meant a hospital (or facility) owned or operated or both by a local government or by a nonprofit corporation or other nonprofit sponsor.

CSSB 42 (Finance) (See Attachment 4)
Finance drops section (h) from this bill and just concentrates on section (j). The salient feature in this version of the bill is that the Senate Finance Committee approved the language that expanded those permitted to reap the benefits of the bill beyond local government to include other facility sponsor. (Remember in the first CSSB 42 only local governments were included to receive assistance with hospital construction cost, then in HEW's version, they included "other facility sponsor" in contrast to "an organized borough or a city outside an organized borough "that was used in sec (h). The Senate Finance Committee retained "other facility sponsor".)

In addition, the "total project cost" term is still retained in the bill. This has existed throughout the tenure of this bill and has not been diluted or pared at all.

The Senate Finance Committee dropped sec (i) dealing with the definition of a hospital facility but it is picked up again in HCS CSSB 42 discussed below:

HCS CSSB 42 (See Attachment 5)
No change was adopted in this revision that applies to "other facility sponsor" or "total project cost".

In the House HEW and Local Government Committees deliberations, sec (2) is brought back into this bill as sec (i) to include both secs (h) and (j).

CSSB 42 (Finance) amH (CH 127 SLA 1971)
This final version of the bill does not change the language referring to "other facility sponsor" or "total project costs" and is enclosed herewith as Attachment 6.

Subsequent amendments were made to this section, however, subsection (j) was untouched.

Nevertheless, section (h) and (i) became subjects of revision, and pertinent modifications in subsequent years regarding section (j) are listed below:

HCSSB 383 am H (Ch 71, SLA 72) (See Attachment 7)
Inserted the following language into sec (i) which became law: "(1) In (h) and (j) of this section "health facility" or "facility" includes hospitals ... which are licensed, when required by the state under AS 18.20.010 - 18.20.130 (Department of Health and Social Services dealing with hospital regulations) and are owned or operated or both by a local government or by a nonprofit corporation or other non profit sponsor; the term excludes facilities operated or wholly supported by the state or the federal government, and excludes nonprofit facilities leased from private profit-making groups or corporations". This became law in 1972 but was extracted in 1973 by CSHB 42 (Finance) am S discussed next:

HB 42 (Introduced 1973), (Attachment 8, p.2, line 14)
A bill designed to repeal and re-enact sec (h) and (i) of AS 43.18.010. In its original form, the bill omitted the language that became law in 1972 viz. "and excludes non-profit facilities leased from private profit-making groups or corporations". However, in the Local Government Committee's version of CSHB 42, (see Attachment 9, p.2, line 11), reinserts the above mentioned language. Subsequently, in CSHB 42 (HESS) affixed as Attachment 10, on p.2., line 13, they revised this section to read:

(B) excludes nonprofit facilities leased from private profit-making groups or corporations only as to use of shared revenue for capital improvements under (j) of this section, but not as to use of shared revenue for operating expenses under (h) of this section;

The Finance Committee (CSHB 42-Finance), (affixed as Attachment 11, p.2, line 8) in their version eliminated the above mentioned language and other language regarding "excludes nonprofit facilities leased from private, profit-making groups or corporations."

The bill was in this form, deleting the above language, when it passed the Senate as CSHB 42 (Finance) am S,(affixed hereto as Attachment 12, p.2, line 11) and became law, Ch 87, SLA 73.

Other provisions of Ch 87, SLA 73 of significance:

AS 43.18 is amended by adding new sections to read:

Sec. 43.18.040 REGULATIONS. The Department of Community and Regional Affairs shall adopt regulations necessary to carry out the purposes of this chapter.

Sec. 43.18.050 SPECIFIC EXPENDITURES. A municipality shall expend funds received for the operation and maintenance of hospitals and health facilities and services.

Subsequent changes to this bill are listed below. However none of the revisions pertain to AS 43.18.010(j).

Ch 127, SLA 1974 (Attachment 13)
Sec 44. AS 43.18.010(h)(4) is amended to read:

(4) funds received by a local government under (1), (2) or (3) of this subsection shall be used for expenses of operation maintenance, or health services or facilities, as the local government or hospital outside a municipality determines;

*Sec. 45. AS 43.18.040 is amended to read:

Sec. 43.18.040 REGULATIONS. The Department of Community and Regional Affairs shall adopt regulations necessary to carry out the purposes of secs. 10 - 99 of this chapter.

*Sec. 46 AS 43.18.050 SPECIFIC EXPENDITURES. A municipality shall expend funds received for the operation and maintenance of hospitals and health facilities and services under secs. 10 - 99 of this chapter only for those specific facilities and services.

Ch 265 SLA 1976 (See Attachment 14)
*Sec. 2 AS 43.18.010(h)(1), (2) and (4) are repealed and reenacted to read:

(1) $2 per capita to a municipality which has the power to provide health facilities and services and in which a hospital is located;

(2) in addition to the payment made under (1) of this subsection

(A) The state shall make payments to a municipality which has the power to provide hospital facilities and services and which exercises the power on the basis of $1,000 per bed for each bed actually used for patient care limited to the number of beds provided for in the construction design of the hospital, or $75,000 for those hospitals with 10 or more beds, or $25,000 a hospital for those hospitals with less than 10 beds, as the municipality may elect; funds received under this subparagraph may be used only for hospitals and shall be apportioned among qualifying hospitals as the muncipality determines;

(B) the state shall make payments on the basis set out in (A) of this paragraph to a municipality for non profit hospitals not operated by a municipality if the municipality first certifies to the department that the hospital is in compliance with all standards for hospitals which have been adopted by the municipality; in the absence of this certification the funds which would have gone to the hospital lapse into the state general fund; payments to the municipality shall be transferred to the hospital in accor with the basis by which the entitlement was generated by the hospital and shall be applied to the annual cost of operation and maintenance of the hospital or for the provision of health care service at the hospital as the directors of the hospital determine;

(C) a hospital may not receive payment under both (A) and (B) of this paragraph;

(4) funds received by a municipality under (1) or (3) of this subsection shall be used for expenses of health services or operation and maintenance of facilities as the municipality determines;

*Sec. 3 AS 43.18.050 is repealed

*Sec 4 This act takes effect July 1, 1976.

ALASKA STATE LEGISLATURE - HOUSE OF REPRESENTATIVES

IN SESSION:

POUCH V
JUNEAU, ALASKA 99811
TELEPHONE: (907) 465-4948

SUITE 203
207 EAST NORTHERN LIGHTS BLVD.
ANCHORAGE, ALASKA 99503
TELEPHONE: (907) 277-6219

REP. M. F. "MIKE" BEIRNE
DISTRICT 7, ANCHORAGE

MEMBER OF:
FIFTH STATE LEGISLATURE
NINTH STATE LEGISLATURE
TENTH STATE LEGISLATURE

COMMITTEES:
HEALTH
EDUCATION AND
SOCIAL SERVICES
FINANCE SUB-COMMITTEE
ON TRANSPORTATION

February 22, 1977

The Honorable Joseph Orsini
Senator, Alaska State Senate
Pouch V
Juneau, AK 99811

Dear Senator Orsini:

You have in your possession Senate Concurrent Resolutions 13 and 14 which void sections of certain regulations promulgated last year by the Department of Community and Regional Affairs.

For your information, Mr. Jack Chenoweth of Legislative Affairs has reviewed these resolutions as well as regulations and I think would be a substantial witness when the committee takes up these resolutions.

Also, and perhaps equally as important a witness, Mike Bradner of Fairbanks advised me that he was the prime sponsor of this original hospital grant revenue sharing program back in 1969, and the intent of the law is as the law states: "Total project costs". He volunteered to be a witness and recommended that the financial records of revenue sharing by the Fairbanks Community Hospital be procured to demonstrate that, in fact, everything from the kitchen sink to the grass in the front yard was included in the total project costs, and that was the intent of the law.

As you know, my position with the State has been that I want the same treatment for my hospital that the other hospital sponsors received for their hospitals -- nothing more, nothing less.

Also, Mr. Chenoweth suggests that perhaps the definition of "cost of school

construction" might be a reasonable substitute for the definition of "cost of hospital construction". He refers to Alaska Statute 43.18.100(g)(2) for a definition.

Sincerely,

Dr. Mike Beirne

MB:js

MILES S. SCHLOSBERG, INC.
ATTORNEYS AT LAW
425 G STREET, SUITE 500, ANCHORAGE, ALASKA 99501
(907) 276-3125

MARK A. ERTISCHEK
MILES S. SCHLOSBERG

March 14, 1977

Honorable Joseph Orsini, Senator
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

Representative Beirne has asked us to provide you with an analysis of the legality of Senate concurrent resolutions Nos. 13 and 14 which have been introduced in the legislature of the State of Alaska. In our opinion, it would be both legal and proper for the legislature of the State of Alaska to annul administrative regulation 19 AAC 30.020(9)(C) and (D). 19 AAC 30.020(9)(C) is intended to import the criteria used in the administration of the federal Hilburton Construction Program into A.S. 43.18.010(j).

A.S. 43.18.010(j) provides:

> "If construction of the facility began after January 1, 1968 and state matching aid for construction approved for payment to the local government or other facility sponsor constitutes less than 25% of the total project cost, the state shall pay to the local government or other facility sponsor each fiscal year a sum equal to $2,500 a bed for the maximum number of beds provided for in the construction design of the facility. State aid provided for in this subsection shall continue till the local government or other facility sponsor has received an amount which combined with the state matching money for construction of the facility equals 25% of the total project cost. No funds received for construction shall be used for any other purpose."

The Lake Otis Clinic, a non profit corporation, applied for funds under the provisions of this section. Its appli-

cation was approved after January 1, 1968. Some of the funds which are required to be transmitted to the Lake Otis Clinic pursuant to the provisions of this section were transmitted to the clinic. The majority of the funds have not yet been transmitted to the clinic. In addition, the creators of the Lake Otis Clinic have in reliance upon the provisions of this statute and the approval of their application for funds expended considerable amounts of their own funds in an effort to acquire and pay the financing costs for the property necessary to complete the proposed medical facility. The Department of Community and Regional Affairs has, after the fact, promulgated regulations which prohibit the state from expending money under this section for site acquisition costs. The exclusion of site acquisition costs is explicitly noted in the regulation 19 AAC 30.020(9)(C) as being based on a similar requirement of the federal Hilburton Construction Program. A brief review of the federal statutes in question shows that it would be totally inappropriate to take these federal criteria and apply them to the state statute.

The federal criteria are set out in the definition of the tern "construction" in 42 U.S.C. 291(o)(i). In this section the term "construction" is defined to specifically exclude the cost of the acquisition of land. Alaska law is quite different, however. A.S. 43.18.010(j) refers not to construction costs, but to "total project cost". The tern "total project cost" is not defined further in the statute nor does the Department of Community and Regional Affairs make any attempt to define it in the regulations. Nevertheless, a review of the way in which the term "construction cost" has been used in related sections of the statute is instructive. A.S. 43.18.100 and A.S. 43.18.460 provide for reimbursement to municipalities within the state of Alaska for school construction costs and sports facilities construction costs. In both cases statutory definitions are provided for the term "cost of construction". In both cases, this term is defined specifically to include the cost of site acquisition. Even though the term "total project cost" in A.S. 43.18.010(j) is not defined, it would be very strange if these words which appear a few short pages from the other terms previously defined could be read to embody a legislative intent to narrow the broad definition of construction costs used in the other sections.

In 19 AAC 30.020(9)(D) the Department has attempted to limit the eligibility of the "other facility sponsors" to those situations in which the facility lies outside the boundaries of a municipality. The statute is equally bare of any basis for this interpretation.

A.S. 43.18.010(j) uses the clause "local government or other facility sponsor" three times to refer to the eligible recipient of the funds. The use of the word "or" indicates that both local governments and "other facility sponsors" would be proper recipients of the funds. The statute does not define "other facility sponsors" further or mention any special condition which other facility sponsors have to meet. It certainly does not contain any words which even imply that an "other facility sponsor" within the boundaries of a municipality would not be eligible for aid under this section. In this regard it is significant that sections A.S. 43.18.010(i)(1) and (2) which define the terms "hospital" and "health facility" also make absolutely no mention of the distinction which the Department has imported into its regulations. As the Attorney General's office noted in a legal opinion issued on December 20, 1974, one of the problems contained in the statute was the fact that "it fails to distinguish between the governmental sponsors and the non-governmental sponsors". The opinion was ended with the suggestion that the Department seek legislative amendment. The Department has failed to do so and instead has attempted to amend the statute through the regulations process.

The purpose of permitting administrative agencies to adopt regulations is quite simple. The legislature recognizes that it cannot deal explicitly in every statute with every problem that may occur some time in the future and that it is necessary to explain the general provisions of legislative enactments, to provide procedures for implementing those enactments, and to make more specific the sometimes general language included in the statutes. This statute certainly cannot be broadened to allow the regulation making process to be used for the purpose of changing the scope or intent of a statute to accord with the desires of the executive branch of the government. The administrative regulation in question goes beyond the scope allowed to regulations and represents an attempt to amend a clear requirement of the statute. If the Department of Community

and Regional Affairs believes it desirable to remove the term "total project cost" from A.S. 43.18.010(j), or differentiate between government and non-government sponsors, it should follow the suggestion of the Attorney General's office and request the legislature to amend the statute to eliminate this provision and include the definition of cost used in the federal act. It cannot proceed to do this through the regulations process on its own.

The propriety of the legislature's acting to annul administration regulations which are not in compliance with the intent of the legislature cannot be doubted at this state. As Congressman Elliot Levitas of Georgia noted in remarks to the section of administrative law of the American Bar Association during their 1976 Bicentennial Institute on the Oversight in Review of Agency Decision-Making, "We have identified in my office approximately one hundred thirty different acts of the congress, almost two hundred separate provisions of this type which have been cast heretofore mandating or authorizing some type of congressional review of contemplated or pending executive actions." The Congressman also noted that provisions requiring or permitting the legislative review of administrative regulations are found in the laws of the states of Connecticut, Nebraska, Alaska, Kansas, Virginia, Michigan, and Oregon, as well as such foreign nations as Great Britain, Australia, and New Zealand. Speaking in regard to proposed legislation providing for congressional review of certain administrative regulations, he said, "It seems to me that the basic proposition is the one I started off with. Who has the ultimate responsibility for the laws of this nation, whether they are acts of congress or laws which masquerade as administrative rules. I think the answer under our Constitution is it is the elected congress of the United States." Here, it is the elected representatives of the State of Alaska who have the responsibility to annul regulations which do not conform to the requirements of the statutes on which they are based. As Justice White noted in the case of Buckley vs. Valeo, 424 U.S. 1, "In the light of history and modern reality, the provision of congressional disapproval of agency regulation does not appear to transgress the constitutional design ... "

We would conclude in line with this that it would be both legal and proper to annul 19 AAC 30.020(9)(C) and (D). This regulation is by its own terms contrary to the specific provisions included in the statute upon which it is based.

It is, therefore, invalid and should be annuled by the legislature. Finally, we would like to note that the terms of the statute seem mandatory in requiring that the full amount of the entitlement be paid to the Lake Otis Clinic. This seems not only clear but equitable considering the fact that the sponsors of the project, whether governmental or non-governmental, put up a substantial amount of the financing. Certainly, hospitals would never be built if the sponsors had to operate subject to the possibility that shifts in administration policies subsequent to the commencement of a project could endanger a portion of the financing needed for completing the project. The Lake Otis Clinic project was scrutinized by the administration at the time of its initiation. Substantial amounts of money and effort have been expended in reliance upon the state's obligation to fulfill the terms set out in the statute. The administration should certainly not be able to back out of the project at this late date.

Very truly yours,

MILES S. SCHLOSBERG, INC.

Mark A Ertischek

By Mark A. Ertischek

MAE:bmc

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER / POUCH H-01 – JUNEAU 99811

March 17, 1977

Document# Senate CRA #1

The Honorable Joseph L. Orsini
Chairman, Community & Regional
Affairs Committee
Pouch V
Assembly Building - Room 101
Juneau, Alaska 99811

Dear Senator Orsini:

I am writing this letter to clarify for the Community and Regional Affairs Committee the Department of Health and Social Services involvement in hospital and health facilities construction.

The Office of Planning and Research, within the Department, is responsible for administering Alaska Statutes, Sec. 18.20.080. This statute (attachment #1) is implemented through 7AAC 12.020 Regulations for Hospital Construction and Equipment (attachment #2). These regulations contain the same requirements as for Federal Hill-Burton construction. These regulations are updated as Hill-Burton requirements change. A current revision to conform to new Hill-Burton requirements is presently in the Attorney General's office. Thus, all hospitals built in the State of Alaska must meet Hill-Burton standards.

The Office of Planning and Research also administers Chapter 25, Assistance to Hospitals and Health Facilities (attachment #3) Hospitals, in most instances, are built utilizing local, state, and federal funds. The same criteria of allowable and non-allowable costs are applied to state funds as are applied to federal funds in hospital construction. Hence, state funds would not be expended for such items as site acquisition (except for public health centers), interest costs, off-site improvements, etc.

I hope the above information is helpful.

Sincerely,

Lois M. Judd

Lois M. Judd
Acting Commissioner

Enclosures

ALASKA STATE LEGISLATURE - HOUSE OF REPRESENTATIVES

IN SESSION:

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REP. M. F. "MIKE" BEIRNE
DISTRICT 7, ANCHORAGE

MEMBER OF:
FIFTH STATE LEGISLATURE
NINTH STATE LEGISLATURE
TENTH STATE LEGISLATURE

COMMITTEES:
HEALTH
EDUCATION AND
SOCIAL SERVICES
FINANCE SUB-COMMITTEE
ON TRANSPORTATION

March 21, 1977

Senator Joseph Orsini, Chairman
Senate Community & Regional Affairs Committee
Room 101, Assembly Building
Juneau, Alaska

Re: Senate Concurrent Resolutions 13 and 14

Dear Senator Orsini:

The purpose of this brief letter is to clarify some issues raised at the committee meeting on Tuesday, March 15. There was much discussion regarding related matters, but the question before the committee only concerns the legality of the regulations. I believe it is obvious that the regulations do change the law. If the Department wishes to change the intent of the law, it should come to the Legislature for that.

1. The Department of Community and Regional Affairs expressed confusion as to whether or not the 1975 application for grant funds was made through the Municipality or directly to the Department. This was the application that resulted in the payment of grant funds in the amount of $312,000.00.

CLARIFICATION:

A. This application was made directly to the Department under the law and the funds were paid by the Department directly to the Hospital Corporation.

B. At that time, the Borough Mayor was Jack Roderick, and he advised me in his office that if the Department sent the grant funds through the Borough,

that he would not cooperate, and that he would not transfer the funds to the Hospital. Therefore, the application was made directly.

C. This is a good example of local political interference with the orderly process of law, and is precisely why the legislature, in its wisdom, gave the local health facility the right to apply directly. Borough Mayor Jack Roderick acted improperly and contrary to the law.

D. The Department researched the project at that time and determined that by law the Hospital Corporation was indeed entitled to apply and receive grant funds directly from the State. Therefore, their new regulation attempts to frustrate the intent of the law.

2. Mr. McCarter, Departmental Division Director of Revenue Sharing, volunteered the information that there were no funds now being held for the hospital.

There is a letter of encumbrance in the Department files showing that in December of 1976, $200,000 was encumbered by the Department pending review of the question. To the best of my knowledge, these funds are still encumbered. They rightfully belong to the Hospital Corporation.

3. Mr. McCarter also noted that the audit showed no checks for some expenses claimed. That is only a nasty half-truth and I resent it.

Some expenses claimed include telephone, rent, secretarial services, etc., all routine and ordinary expenses which were paid out of other accounts since the Hospital had very limited funds of its own.

But all the major expenses, much more than sufficient to satisfy the matching fund requirements, were paid from the Hospital checking account, and they were double signature checks with one signature being that of an officer of the California company which was assisting us on the project at that time.

Further, the books and records of the corporation are perfectly clean and clear. The accountants from Peat, Marwick, Mitchell & Co. have always been the accountants and auditors of record for the hospital corporation, since inception, and I am sure under oath would testify to the records.

4. The Department expressed lack of knowledge as regards the Fairbanks and Soldotna hospital projects and their cost accounting records. This is ridiculous.

The administrator of the Soldotna hospital, at the time of receipt of State grant funds in 1972, told me personally of that project history and application. All costs were included and were accepted by the Department. No questions

were asked. The Department knows this, but it is just being coy. If they don't, or won't, produce the records, I think it speaks for itself.

5. Testimony clearly showed, I believe, that the regulations were developed by the Department solely to apply to this hospital project. I believe that they are not only unfair and improper but that they are illegal as well. The Department's efforts to make these regulations apply two years retroactively are further evidence of the personalized character of the attack against me.

Prompt action on the part of the committee would indeed be appreciated.

Very truly yours,

Dr. Mike Beirne
State Representative

MB:js

STATE
of ALASKA

MEMORANDUM

TO: Palmer McCarter
Director
Div. of Local Government Assistance
Dept. of Community & Regional Affairs

DATE: April 6, 1977

FILE NO:

TELEPHONE NO:

FROM: Lowell W. Swartz
Coordinator
Health Facilities Development
Office of Planning and Research
Dept. of Health & Social Services

SUBJECT: Construction Revenue Sharing

Construction funds authorized by AS43.18.010(j) were disbursed to the Fairbanks Memorial Hospital and the Central Peninsula Hospital at Soldotna in accordance with the Hill-Burton construction program allowable and non-allowable cost regulations. Use of the Hill-Burton regulations was authorized by the Attorney General in his opinion of August 29, 1972.

LWS:sy

STATE of ALASKA

MEMORANDUM

TO: Palmer McCarter, Director
Division of Local Government Assistance
Department of Community & Regional Affairs

DATE : April 8, 1977

FROM: Richard A. Smith RA
State Internal Auditor
Department of Administration

SUBJECT: Comments to Senator Joseph Orsini, Chairman Senate Community & Regional Affairs Committee. Dated March 21, 1977, From Representative M. F. "Mike" Beirne

(Point 3, Paragraph 1)

"Mr. McCarter also noted that the audit showed no checks for some expenses claimed. That is only a nasty half-truth and I resent it."

Reply

Mr. McCarter's statement is completely factual. In numerous instances, as indicated in our report of 7/26/76, the documentation to support reported expenditures was non-existent. This includes checks, invoices or other supportive evidence.

(Point 3, Paragraph 2)

"Some expenses claimed include telephone, rent, secretarial services, etc., all routine and ordinary expense which were paid out of other accounts since the hospital had very limited funds of its own."

Reply

These costs were excluded due to the lack of supporting documentation. Costs were reportedly paid by companies controlled by M. F. Beirne. However, the financial records of LOC did not reflect these expenditures nor did they recognize a liability to the companies which reportedly paid these expenditures on LOC's behalf.

As An Example:

The total support for telephone expenses consisted of one invoice, for one months time, paid by Raypath, Inc.. There was no break down of the billing which would indicate that part of the bill related to the construction of the Lake Otis Hospital..

(Point 3, Paragraph 3)

"But all major expenses, much more than sufficient to satisfy the matching fund requirements, were paid from the hospital checking account, and they were double signature checks with one signature being that of an officer of the California company which was assisting us on the project at that time."

Reply

We examined all checks written from the hospital checking account presented to us by representatives of LOC. The total being $930,215.49 of which $861,843.87 reasonably appeared to be related to the construction of the hospital. Eligible construction costs are to be reimbursed at a rate of 25%. That amount determined by us as allowable for reimbursement was $215,460.97. LOC has received $312,500 making an over-payment to LOC of $97,039.03. However, our examination of 2/14/77 recommends that LOC pay back the entire $312,500.

(Point 4, Paragraph 4)

"Further, the books and records of the corporation are perfectly clean and clear. The accountants from Peat, Marwick, Mitchell & Co. have always been the accountants and auditors of record for the hospital corporation since inception, and I am sure under oath would testify to the records."

Reply

Supported by review of reports and direct discussion with staff of Peat, Marwick, Mitchell & Co., that firm has not performed any services for Lake Otis Clinic, Inc. since December 31, 1974 when they released an unaudited financial report for Lake Otis Clinic, Inc.

The accountant for LOC is Don Taylor, a private CPA who has worked with our Department on this examination for some time and as recently as March, 1977 telephoned and informed us that he is still trying to assemble LOC's records.

Taylor's address is:

Don Taylor
Room 104, Suite 201
3201 C Street
Anchorage, AK 99502
Phone Number 277-7700

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE

POUCH B – JUNEAU 99811

April 11, 1977

The Honorable Joseph Orsini
Chairman
Senate Community and Regional
Affairs Committee
Assembly Building, Room 101
Juneau, Alaska 99801

Dear Senator Orsini:

RE: Senate Concurrent Resolutions 13 and 14

Although the Senate Community and Regional Affairs Committee has already taken action on the subject resolutions, I feel it necessary to respond to a letter dated March 21, 1977, from Dr. Michael Beirne, concerning the Lake Otis Clinic application and its relationship to the subject resolutions.

Prior to discussion on the statements made in Dr. Beirne's letter, I will apologize in advance for not being more fully prepared to answer the specific questions raised by Senator Bill Sumner and other committee members regarding the LOC project. It was my understanding that the committee was to discuss the resolutions before it and I hope that I did adequately testify to the satisfaction of committee members regarding the historical background and the current application of the hospital construction regulations which are proposed to be anulled by the two resolutions.

Since Dr. Beirne did, in his March 21 letter, attempt to "clarify" several points brought out in testimony before the committee and at one point accused me personally of having stated "nasty half-truths", I feel it incumbent upon me to respond to certain parts of that letter.

Since his point number one primarily deals with former Borough Mayor Jack Roderick and the position that the Greater Anchorage Area Borough took with respect to the LOC application, I will not attempt to provide other statements concerning the issue.

Regarding his second clarification, I did indicate that there were no funds being held for Lake Otis Hospital. Dr. Byrne is correct that an amount of $200,000 was encumbered , and is currently encumbered; however, this amount was encumbered only if

the internal audit of the State should indicate that the State owed additional funds to Lake Otis Clinic. As you are aware, the results of that audit by the State Internal Auditor indicated that not only were no additional funds due to LOC but, in fact, the report recommended that the State attempt to retrieve funds formerly paid to the Lake Otis Clinic project. Certainly we take the position that the $200,000 does not "rightfully belong to the Hospital Corporation".

Rather than respond directly to the concerns raised in Dr. Beirne's point number three, I have attached a letter from the State Internal Auditor which more adequately responds than I could ever hope to. I would hope that when and if the subject resolution should come before the Senate Finance Committee that the committee accept Dr. Beirne's suggestion that Peat, Marwick, Mitchell and Company be called upon to testify, under oath, as to the records of LOC.

With respect to the concerns raised in item number four of Dr. Beirne's memo, I again refer you to the attached statement from Lowell Swartz of the Department of Health and Social Services who, since the inception of the Municipal Revenue Sharing Program, has been the person who has reviewed all applications for construction aid under the program. I feel his statements, although brief, answer to the contradiction of Dr. Beirne's statements, as to what actually took place with respect to the Fairbanks and Soldotna hospital projects.

Finally, the regulations which are currently being considered by SCR 13 and 14 were the result of a mandate from the Legislature last year for the Department to adopt "minimum standards" concerning all aspects of the Municipal Revenue Sharing. The regulations do just that and as earlier stated in testimony, with the exception of Dr. Michael Beirne, were not the subject of criticism by any other hospital or municipality.

Sincerely,

LEE McANERNEY
COMMISSIONER

By:
Palmer McCarter
Director
Local Government Assistance

Attachments

cc w/attachments: Senator John Sackett
Chairman
Senate Finance Committee

PMcC: gh

DAILY NEWS 2/17/77 SCR 13/14

Daily News photo by Rob Stapleton

Doc's No. 1

Dr. Roland Lombard, the Massachusetts veterinarian and veteran musher, shows his starting number for the World Championship Sled Dog Race, to be held Friday, Saturday and Sunday. Twenty mushers drew for positions Wednesday night at the Anchorage Westward Hotel, with last year's winner, George Attla, drawing the number 10 slot. Details in Sports, Page 15.

Beirne says he won't return funds to state

By PAUL NUSSBAUM
Our Juneau Bureau Chief

JUNEAU — Rep. Mike Beirne, R-Anchorage, will not return $312,000 in state revenue sharing funds, he said Wednesday. He was given the funds for a hospital he plans to build, but state auditors say the clinic may never be completed.

Legislative leaders said Wednesday they are concerned about a possible conflict of interest as a result of two resolutions introduced in the Senate which would remove legal barriers that are blocking Beirne's efforts to collect more state revenue sharing money for the Lake Otis Clinic. The resolutions were introduced in the Senate at Beirne's request.

THE STATE'S internal auditor Wednesday formally recommended that the state recover all $312,000 given Beirne "and that no subsequent payments be made until such time as LOC (Lake Otis Clinic Inc.) provides an accurate accounting of construction costs, obtains permanent financing and has title to the land for the hospital site dedicated irrevocably to a public purpose."

None of those conditions are met now, auditors say.

Beirne was asked last year to return about $97,000 of the $312,000 he was given in 1975 for hospital construction. The Anchorage pathologist is battling to retain that money.

"I'M NOT GOING to consider giving any of those funds back," Beirne said of the revenue sharing money Wednesday. "The Hammond administration is picking on small businesses in Alaska, and this is just another example."

Two resolutions introduced in the Senate at Beirne's request through the Administrative Regulations Review Committee would allow Beirne — or any other hospital

EARTHQUAKE

13 years later, federal report still haunts rebuilding in quake areas

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persuade federal officials to approve an all-Alaska natural gas line.

THE OMAR delegation came to Juneau to try to convince the legislators to speed their review of both houses. Gruening has expressed reservations about the weight the state action may carry with the Federal Power Commission or the Congress.

•Beirne won't repay

(Continued from Page 1)

costs involved in hospital construction. Under current regulations, only allowable costs are subject to state revenue sharing grants.

If Beirne collected 25 per cent of the projected $10 million cost of the 125-bed hospital, he would collect $2.5 million from the state.

THE AUDIT released Wednesday by the internal auditor says the state "may find that its revenue sharing money has gone to pay a past debt and no hospital will ever be fully constructed and in use by the people of Alaska. There must be good faith on the part of (Beirne) to fulfill his stated goals. (Beirne) in this case has voluntarily jeopardized the interest of the state . . ."

Lake Otis Clinic, at the intersection of Lake Otis Drive and 42nd Avenue, was started in 1973, but only foundation work has been completed so far. Beirne says construction will resume this spring and that the clinic will take about 18 months to complete.

The state attorney general's office says it has reached no decision on whether it should examine possible conflict of interest involved in the resolutions introduced at Beirne's request.

HOUSE Speaker Hugh Malone said that "probably the best course" would be to hold hearings with Beirne, the Dept. of Law and the Dept. of Community and Regional Affairs. But the House will take no action, as the bills were not introduced on that side.

The resolutions were referred first to the Senate Community and Regional Affairs Committee, chaired by Sen. Joe Orsini, R-Anchorage. Orsini said Wednesday he is "trying to get information about the resolutions," but has not scheduled any action on the resolutions in the near future.

"I'm not all that concerned with his individual case," Orsini said. "If they are bad regulations, they ought to be repealed, regardless of who is hurt or benefitted. I don't even plan to look at his individual situation unless maybe as an example of how the laws are unjust."

THE DEPT. of Law will sue if necessary to collect the $312,000 Asst. Atty. Gen. Rodger Pegues said Wednesday. But Beirne is immune from a suit until the legislative session is over.

Beirne says the efforts to block more revenue sharing money for the Lake Otis Clinic are spawned by the Hammond administration and the two hospitals already operating in Anchorage, Providence Hospital and Alaska Hospital and Medical Center.

"Those hospitals make millions of dollars a year . . . they know they'd lose several million a year if we open, and that would come right off the top — that would be part of their profits.

"The state has never audited those hospitals — they're just picking on the little guy."

Beirne said he asked Sen. Jalmar Kerttula, D-Palmer, to introduce the resolutions in the Senate rather than introducing them himself in the House because "I didn't want to put pressure on my fellow members . . . I got it as far away from myself as possible."

ANCHORAGE DAILY NEWS

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15th Avenue and I Street.

There, officers arrested a 17-year-old juvenile, who was later charged with armed robbery and released to his parents, and Phyllis Rae Gray, 25, of 3723 Thompson, who was taken to state jail annex. Her bail was set at $2,000.

The third suspect is still at large.

•Stevens

(Continued from Page 1)

of . . . the import duties on fisheries projects and all the fees, fines and penalties paid under the extended fisheries jurisdiction. Regional fisheries councils would be able to use these funds and award loans for research, development, and construction of fishing vessels or onshore facilities."

— The state's permanent fund. Stevens urged the state legislature not to use the permanent fund as a loan source of last resort.

— The capital move. Stevens said federal money used for the capital move will take the money that might otherwise have gone for other projects in the state.

"You can't view federal funds for a new capital in the same light as for, say, a new hospital in Bethel . . . The federal funding will just come out of existing federal expenditures."

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AG Aware Of Beirne

By The Associated Press

Atty. Gen. Avrum Gross said Tuesday that a conflict of interest allegation against state Rep. Mike Beirne, R-Anchorage, has been "brought to our attention," but no decisions has been made on whether to conduct an investigation.

"There has been an allegation of conflict of interest," Gross said. "I don't know what we're going to do. We've made no decision of what, if any, action we plan to take."

Gross made the statement in the wake of a disclosure by the Anchorage Daily News that doctor-lawmaker Beirne is pushing legislative proposals which could earn him as much as $2.5 million in taxpayers' money.

Alaska's conflict of interest law provides that "no public official may use his official position or office for the primary purpose of obtaining financial gain for himself, or his spouse, child, mother, or father, or business with which he is associated or owns stock."

At issue are two Senate resolutions introduced at Beirne's request to change Department of Community and Regional Affairs' regulations which are thwarting Beirne's efforts to collect state revenue sharing money for a $10 million, 125-bed hospital he is trying to build in Anchorage.

One resolution would allow Beirne to collect state revenue sharing funds for 25 per cent of total costs of the project as opposed to the currently-allowable reimbursement for "allowable costs."

Based on Beirne's estimate that the hospital will cost $10 million, a 25 per cent state grant would earn him $2.5 million.

Another resolution would eliminate existing requirements that applicants for state revenue sharing money submit applictions through a local municipality.

Beirne already has collected $312,000 for the project from the state, but the payment was made under protest of then-mayor of the Greater Anchorage Area Borough, Jack Roderick, who said delays in the start of construction on the hospital "has given us cause for conern about the appropriateness of revenue sharing funds for this purpose."

Beirne said he was pushing for the legislation because the Department of Community and Regional Affairs "is violating the intent of the law" which established revenue sharing by limiting costs which are eligible in calculating the awards.

Beirne acknowledged that conflict of interest questions "did bother me at first." But he added that "my speciality is health...I was very familiar with the law and spotted the inconsistencies immediately."

"I don't have anyy reservations about it..," he said. "It was my duty to respond."

In a dispatch from its capitol bureau, the Daily News also reported that a soon-to-be-released state audit on the hospital project will recommend that Beirne be forced to pay back the entire $312,000 he received on 1975.

According to auditors, the newspaper said, Beirne no longer even holds title to the land on which he hopes to build the Lake Otis Clinic.

The audit also charges that Beirne did not act in good faith in charing unreasonable costs to the project, the Daily News said.

Based on another audit conducted last year, state officials disallowed $2.3 million of the $3 million in costs claimed by Beirne in his revenue sharing calculations, and ordered him to repay $97,000 of the $312,000 total.

Beirne said he has contested the repayment order and will sue the state if it tires to take back the entire $312,000.

In the forthcoming audit, the Daily News said, auditors claim that the title to land for the hospital site is held by General Health Services of Culver City,

Charges

Calif., a profit-making company which owns a string of clinics.

Beirne, however, disputed the claim. He said General Health Services holds a lien against the property, but he still holds the title.

But state officials, the Daily News added, say they are concerned that the involvement of General Health Services could be in violation of requirements that revenue sharing money be used in the public interest.

Beirne originally borrowed about $1 million from People's Bank and Trust in Anchorage for the hospital project. However, time delays and climbing interest charges increased his debt to more than $1.5 million, and Beirne was forced to borrow $150,000 from the National Bank of Alaska last November to stave off default.

The loan was made one day before Beirne was re-elected to the seat to which he originally was appointed by Gov Hammond

SCR 13

Memo Says Beirne 'Covered'

JUNEAU (AP) — A state lawmaker cannot be prosecuted under Alaska's conflict of interest law for sponsoring self-serving legislation, the attorney general's office says.

In a memorandum released yesterday, Attorney General Avrum Gross said the Alaska Constitution insulates lawmakers from prosecution in connection with legislative actions despite provisions of the state's conflict of interest law.

The decision ruled out any prospect for charges being brought against Rep. Mike Beirne, R-Anchorage, in connection with two resolutions he is sponsoring to repeal regulations which are causing him financial problems.

But in concluding that Beirne couldn't be prosecuted, the attorney general's office emphasized it wasn't ruling on whether Beirne was involved in a conflict of interest and threw the simmering issue into the lap of the House leadership.

"If the legislature itself were to determine that a member was involved in improper conduct of any nature, it is free to take such action as it deems proper, including the possibility of censure," the memo said.

The 11-page memorandum was prepared by Assistant Attorney General Pat Gullufsen at the request of Dan Hickey, chief of the Department of Law's criminal division.

Hickey said he wanted an "assessment of the actions of Representative M. F. Beirne in sponsoring Senate Concurrent Resolutions 13 and 14 as they relate to possible criminal prosecution under" the state's conflict of interest law.

The resolutions in question would repeal Department of Community and Regional Affairs (CRA) regulations under which the state has challenged $312,000 in revenue sharing paid to Beirne for a financially troubled project, the Lake Otis Clinic, he is trying to build in Anchorage.

The memorandum said it was clear that the resolutions both originated with Beirne and would benefit him directly.

It said Berne has "publicly acknowledged that the resolutions are his," and concluded that they "would go a long way, if not all the way, towards resolving the dispute between CRA and Lake Otis Clinic — Beirne in favor of Beirne — and as a consequence entitle Lake Otis Clinic to just about all it wants..."

But in researching the case, Gullufsen wrote that the state conflict of interest law, which would appear to prohibit such acts, was in conflict with the state Constitution.

The conflict of interest law provides that "no public official may use his official position or office for the primary purpose of obtaining financial gain for himself...or business whith which he is associated or owns stock."

But the memorandum added that "the statute, if applied to acts by legislators including the introduction of bills or resolutions, creates immediate and difficult problems of proof."

"The key phrase in the act is 'primary purpose,'" the memorandum said, noting many lawmakers rightly introduce legislation in connection with their own fields of business.

The memorandum said it is assumed that the term primary purpose was used in the act in "an effort to distinguish the slutation where the real purpose of a legislator is purely to benefit himself as opposed to the situation where he will only incidentally benefit from an official action."

Concluding that the issue boiled down to the-always-difficult-to-prove question of motive, the memorandum said application of the conflict of interest law to the sponsorship of legislation would create "a vast grey area in which legislators are going to be afraid to tread."

"The result will be that, whether prosecution is intiated or not, legislators will be very loath to get involved in areas which may affect them, which is going to mean that out of fear of prosecution the public may lose the benefit of those most knowledgeable in particular legislative fields," the memorandum said.

Probably because of such fears, the memorandum added, the constitution was drafted to include language that "legislators may not be held to answer before any other tribunal for any statement made in the exercise of their duties while the legislature is in session..."

The memorandum acknowledged that "arguably, a resolution (like Beirne is sponsoring) would not be a protected statement," and also conceded that the state Supreme Court never has not ruled on the question.

However, the memorandum said a similarly worded provision in the U.S. Constitution has been interpreted by the courts to mean that "Beirne would be immune from questioning, indictment or prosecution under the circumstances of this case."

"This is not an easy question," the memorandum concluded "There are two competing public policies at work, the first avoiding conflicts by legislators and the second insuring that legislators feel free to act in what they believe to be the public interest, free of the fear of criminal prosecutions for their actions.

"We believe the Alaska Constitution has clearly struck the balance in favor of the second value, at least when the action takes place in the legislature itself through the means of debate or legislative action."

SCR

14

JOE

TO: Joe Orsini DATE: March 14, 1977

FROM: Paul Conger RE: SCR 13 & SCR 14

In an effort to gather information that was requested by the Committee at the last hearing regarding SCR 13 and SCR 14, I have completed the following:

1) I have contacted CRA and Lee McAnerney and Palmer will be here to testify. Palmer also mentioned that Rod Peques, Assistant A.G. will probably accompany them to make sure no sensitive information is released since this issue will no doubt reach litigation after the session has adjourned.

2) I contacted Lois Jund, Deputy Commissioner for Program Management, Dept. of HESS, and she said she will attend the hearing tomorrow to testify in behalf of HESS.

3) I have secured a copy of the earlier CRA Regulations, dated Oct. '74, per Senator Sumner's request. Subsequent revisions to the regulations have certainly expanded the portion pertaining to eligibility (19AAC 30.020) because in the earlier regulations, it reads as follows:

> 1^ AAC 30.020 ELIGIBILITY Eligibility for receipt of state aid to local governments provided by AS 43.18.010 shall be predicated upon the possession and exercise of a power set out in those statutory provisions by a unit of local government or volunteer fire department located in the unorganized borough. (Eff. 7/8/73, Register 47)

4) In response to the request to acquire a copy of the minutes regarding public input at the time these reguations ~~regarding public input at the time these regulations~~ were adopted, CRA says that the only public input regarding section (j) "construction" was a letter forwarded to the Dept. by Dr. Beirne. Palmer said that a copy of this letter should be in the A.G.'s office. I checked with Rod Peques and he doesn't have it in the "Lake Otis file" but he said he would secure it by hearing time.

5) I got Berrier's opinion regarding section (j). I had requested that he comment regarding the Asst. A.G.'s letter giving the go ahead to the Dept. of HESS to use Hill-Burton Regulations. He skirted this particular issue but addressed the question of the propriety of CRA adopting Hill-Burton Regulations as a standard for determining total project cost. Regarding the regulation he stated:

"Since discretion was left to the department and the department exercised that discretion in a reasonable manner apparently consistent with legislative intent, in my opinion the regulation is legally proper."

6) Additionally, I'm having copies of the audits that were conducted on the Anchorage and Fairbanks hospitals for the past two years forwarded to the Committee.

PC/js

(12)

TO: Senator Orsini
Chairman
Senate C&RA

DATE: March 9, 1977

FROM: Paul Conger
A.A.
Senate C&RA

RE: SCR 13, SCR 14
19AAC 30.020(9)(C)
19AAC 30.020(9)(D)
19AAC 30.140(3)

The concept to provide revenue sharing money to those constructing hospital facilities formally emanated in SB42, 1971. The following is a history of that bill and subsequent amendments to it.

SB 42 (See Attachment 1)
The Bill was originally intended to create a loan/grant fund to be established and administered in the Department of Health. It would create a revolving loan (5% interest) and grant funds to make payments to local governments, non profit corporations and non profit sponsors for the acquisition, construction, modernization, and other capital improvements of hospitals and related health facilities. A grant would be provided if it had been determined by the commissioner of health that a local government, non profit corporation, or non profit sponsor would have difficulty in paying back a loan.

CSSB 42 (See Attachment 2)
Local Government Committee dropped the original bill's suggestion of establishing a loan/grant fund to be administered by the Dept. of Health and transferred the issue of providing state assistance for hospital construction cost to Community and Regional Affairs. In their version of this bill, they adopted language that reflects section (j) which is currently at issue here.

At this stage, the provision dealing with revenue sharing for construction of hospitals was an "in addition" clause to section (h) which treats revenue sharing dollars for hospitals already in operation.

In this initial stage of the bill, only local governments were to be recipients of this revenue sharing money pertaining to construction cost assistance as indicated by the following:

AS 43.18.010(h) During each fiscal year the state shall pay to an organized borough or a city outside an organized borough, in which a health facility is operated.....

In addition, if construction of a facility was begun by a local government after January 1, 1968 and state matching aid for construction approved for payment to the local government constitutes less than 25 per cent of the total project cost, the state shall pay to the local government during each fiscal year a sum equal to $5,000 per bed for the maximum number of beds provided for in the construction design of the facility, until the local government has received from this aid an amount which, combined with state matching money for construction of the facility, equals 25 per cent of the total project cost. Sums received by a local government under this subsection shall be used for expenses of operation, maintenance or health services or facilities, as the local government determines.

As the language indicates, the key component thus far is local government. (Note that the next version of this bill (CSSB 42 HEW) which creates a section (j) which address the issue of revenue sharing for hospital construction, extends potential recipients of section (j) beyond local government to include "other sponsor facility". So we start moving away from the notion that this money is to be available only for local governments early in the makeup of this bill.

Attention should also be directed towards the term "total project cost". This phrase sustained itself through all the stages of revision and the word "total" was not substituted with any language that would suggest less than total project cost in computing the revenue sharing allowance to be provided. The only restraining language in this bill regarding construction cost states: "No funds received for construction shall be used for any other purpose."

CSSB 42 (HEW) 1971 (See Attachment 3)
HEW, recognizing that they were dealing with two separate issues, viz. hospitals in operation and hospitals under construction, amended this bill creating section (j) as a subsequent section to section (h). Section (h) continues to deal with providing revenue sharing money to an organized borough or a city outside an organized borough that has hospitals in operation. Then section (j) treats the issue of rendering revenue sharing money to offset cost relative to the construction of hospitals. The salient disparity between section (h) and section (j) (for our purposes) is that the committee did not rely on the same language that was used in sec (h) i.e. "during each fiscal year the state shall pay to an organized borough or a city outside an organized borough in which a health facility is operated"; or they did not limit the recipient of this money solely to a local government as was proposed in CSSB 42, but broadened the language in section (j) to state "If construction of a

facility began after Jan 1, 1968, and state matching aid for construction approved for payment to the local government or other facility sponsor ... of the total project cost ... the state shall pay to the local government or other facility sponsor ... State aid provided for in this subsection shall continue until the local government or other facility sponsor has received an amount which ... equals 25% of the total project cost.

It would appear that if the committee wanted the petitioner for construction money to be limited to an organized borough or a city outside an organized borough, they would have adopted this language and made it applicable to sec (j) as well as sec (h). However, the committee did not limit sec (j) (dealing with hospital construction) to these recipients but broadened it to include "local government or other facility sponsor." It was this language that remained through the life of the bill and became law.

Also section (j) retains the language "total project cost" and does not qualify this term by inserting any limitations on what "total project cost" entails. The only restrictive language in this section is "no funds received for construction shall be used for any other purpose".

The remainder of this bill amends section (i) (defining a health facility) to include sections(h) and (j) indicating that this meant a hospital (or facility) owned or operated or both by a local government or by a nonprofit corporation or other nonprofit sponsor.

CSSB 42 (Finance) (See Attachment 4)
Finance drops section (h) from this bill and just concentrates on section (j). The salient feature in this version of the bill is that the Senate Finance Committee approved the language that expanded those permitted to reap the benefits of the bill beyond local government to include other facility sponsor. (Remember in the first CSSB 42 only local governments were included to receive assistance with hospital construction cost, then in HEW's version, they included "other facility sponsor" in contrast to "an organized borough or a city outside an organized borough "that was used in sec (h). The Senate Finance Committee retained "other facility sponsor".)

In addition, the "total project cost" term is still retained in the bill. This has existed throughout the tenure of this bill and has not been diluted or pared at all.

The Senate Finance Committee dropped sec (i) dealing with the definition of a hospital facility but it is picked up again in HCS CSSB 42 discussed below:

HCS CSSB 42 (See Attachment 5)
No change was adopted in this revision that applies to "other facility sponsor" or "total project cost".

In the House HEW and Local Government Committees deliberations, sec (2) is brought back into this bill as sec (i) to include both secs (h) and (j).

CSSB 42 (Finance) amH (CH 127 SLA 1971)
This final version of the bill does not change the language referring to "other facility sponsor" or "total project costs" and is enclosed herewith as Attachment 6.

Subsequent amendments were made to this section, however, subsection (j) was untouched.

Nevertheless, section (h) and (i) became subjects of revision, and pertinent modifications in subsequent years regarding section (j) are listed below:

HCSSB 383 am H (Ch 71, SLA 72) (See Attachment 7)
Inserted the following language into sec (i) which became law: "(1) In (h) and (j) of this section "health facility" or "facility" includes hospitals ... which are licensed, when required by the state under AS 18.20.010 - 18.20.130 (Department of Health and Social Services dealing with hospital regulations) and are owned or operated or both by a local government or by a nonprofit corporation or other non profit sponsor; the term excludes facilities operated or wholly supported by the state or the federal government, and excludes nonprofit facilities leased from private profit-making groups or corporations". This became law in 1972 but was extracted in 1973 by CSHB 42 (Finance) am S discussed next:

HB 42 (Introduced 1973), (Attachment 8, p.2, line 14)
A bill designed to repeal and re-enact sec (h) and (i) of AS 43.18.010. In its original form, the bill omitted the language that became law in 1972 viz. "and excludes non-profit facilities leased from private profit-making groups or corporations". However, in the Local Government Committee's version of CSHB 42, (see Attachment 9, p.2, line 11), reinserts the above mentioned language. Subsequently, in CSHB 42 (HESS) affixed as Attachment 10, on p.2., line 13, they revised this section to read:

(B) excludes nonprofit facilities leased from private profit-making groups or corporations only as to use of shared revenue for capital improvements under (j) of this section, but not as to use of shared revenue for operating expenses under (h) of this section;

The Finance Committee (CSHB 42-Finance), (affixed as Attachment 11, p.2, line 8) in their version eliminated the above mentioned language and other language regarding "excludes nonprofit facilities leased from private, profit-making groups or corporations."

The bill was in this form, deleting the above language, when it passed the Senate as CSHB 42 (Finance) am S,(affixed hereto as Attachment 12, p.2, line 11) and became law, Ch 87, SLA 73.

Other provisions of Ch 87, SLA 73 of significance:

AS 43.18 is amended by adding new sections to read:

Sec. 43.18.040 REGULATIONS. The Department of Community and Regional Affairs shall adopt regulations necessary to carry out the purposes of this chapter.

Sec. 43.18.050 SPECIFIC EXPENDITURES. A municipality shall expend funds received for the operation and maintenance of hospitals and health facilities and services.

Subsequent changes to this bill are listed below. However none of the revisions pertain to AS 43.18.010(j).

Ch 127, SLA 1974 (Attachment 13)
Sec 44. AS 43.18.010(h)(4) is amended to read:

(4) funds received by a local government under (1), (2) or (3) of this subsection shall be used for expenses of operation maintenance, or health services or facilities, as the local government or hospital outside a municipality determines;

*Sec. 45. AS 43.18.040 is amended to read:

Sec. 43.18.040 REGULATIONS. The Department of Community and Regional Affairs shall adopt regulations necessary to carry out the purposes of secs. 10 - 99 of this chapter.

*Sec. 46 AS 43.18.050 SPECIFIC EXPENDITURES. A municipality shall expend funds received for the operation and maintenance of hospitals and health facilities and services under secs. 10 - 99 of this chapter only for those specific facilities and services.

Ch 265 SLA 1976 (See Attachment 14)
*Sec. 2 AS 43.18.010(h)(1), (2) and (4) are repealed and re-enacted to read:

(1) $2 per capita to a municipality which has the power to provide health facilities and services and in which a hospital is located;

(2) in addition to the payment made under (1) of this subsection

(A) The state shall make payments to a municipality which has the power to provide hospital facilities and services and which exercises the power on the basis of $1,000 per bed for each bed actually used for patient care limited to the number of beds provided for in the construction design of the hospital, or $75,000 for those hospitals with 10 or more beds, or $25,000 a hospital for those hospitals with less than 10 beds, as the municipality may elect; funds received under this subparagraph may be used only for hospitals and shall be apportioned among qualifying hospitals as the muncipality determines;

(B) the state shall make payments on the basis set out in (A) of this paragraph to a municipality for non profit hospitals not operated by a municipality if the municipality first certifies to the department that the hospital is in compliance with all standards for hospitals which have been adopted by the municipality; in the absence of this certification the funds which would have gone to the hospital lapse into the state general fund; payments to the municipality shall be transferred to the hospital in accord with the basis by which the entitlement was generated by the hospital and shall be applied to the annual cost of operation and maintenance of the hospital or for the provision of health care service at the hospital as the directors of the hospital determine;

(C) a hospital may not receive payment under both (A) and (B) of this paragraph;

(4) funds received by a municipality under (1) or (3) of this subsection shall be used for expenses of health services or operation and maintenance of facilities as the municipality determines;

*Sec. 3 AS 43.18.050 is repealed

*Sec 4 This act takes effect July 1, 1976.

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MARK A. ERTISCHEK
MILES S. SCHLOSBERG

March 14, 1977

Honorable Joseph Orsini, Senator
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

Representative Beirne has asked us to provide you with an analysis of the legality of Senate concurrent resolutions Nos. 13 and 14 which have been introduced in the legislature of the State of Alaska. In our opinion, it would be both legal and proper for the legislature of the State of Alaska to annul administrative regulation 19 AAC 30.020(9)(C) and (D). 19 AAC 30.020(9)(C) is intended to import the criteria used in the administration of the federal Hilburton Construction Program into A.S. 43.18.010(j).

A.S. 43.18.010(j) provides:

> "If construction of the facility began after January 1, 1968 and state matching aid for construction approved for payment to the local government or other facility sponsor constitutes less than 25% of the total project cost, the state shall pay to the local government or other facility sponsor each fiscal year a sum equal to $2,500 a bed for the maximum number of beds provided for in the construction design of the facility. State aid provided for in this subsection shall continue till the local government or other facility sponsor has received an amount which combined with the state matching money for construction of the facility equals 25% of the total project cost. No funds received for construction shall be used for any other purpose."

The Lake Otis Clinic, a non profit corporation, applied for funds under the provisions of this section. Its appli-

cation was approved after January 1, 1968. Some of the funds which are required to be transmitted to the Lake Otis Clinic pursuant to the provisions of this section were transmitted to the clinic. The majority of the funds have not yet been transmitted to the clinic. In addition, the creators of the Lake Otis Clinic have in reliance upon the provisions of this statute and the approval of their application for funds expended considerable amounts of their own funds in an effort to acquire and pay the financing costs for the property necessary to complete the proposed medical facility. The Department of Community and Regional Affairs has, after the fact, promulgated regulations which prohibit the state from expending money under this section for site acquisition costs. The exclusion of site acquisition costs is explicitly noted in the regulation 19 AAC 30.020(9)(C) as being based on a similar requirement of the federal Hilburton Construction Program. A brief review of the federal statutes in question shows that it would be totally inappropriate to take these federal criteria and apply them to the state statute.

The federal criteria are set out in the definition of the term "construction" in 42 U.S.C. 291(o)(i). In this section the term "construction" is defined to specifically exclude the cost of the acquisition of land. Alaska law is quite different, however. A.S. 43.18.010(j) refers not to construction costs, but to "total project cost". The term "total project cost" is not defined further in the statute nor does the Department of Community and Regional Affairs make any attempt to define it in the regulations. Nevertheless, a review of the way in which the term "construction cost" has been used in related sections of the statute is instructive. A.S. 43.18.100 and A.S. 43.18.460 provide for reimbursement to municipalities within the state of Alaska for school construction costs and sports facilities construction costs. In both cases statutory definitions are provided for the term "cost of construction". In both cases, this term is defined specifically to include the cost of site acquisition. Even though the term "total project cost" in A.S. 43.18.010(j) is not defined, it would be very strange if these words which appear a few short pages from the other terms previously defined could be read to embody a legislative intent to narrow the broad definition of construction costs used in the other sections.

In 19 AAC 30.020(9)(D) the Department has attempted to limit the eligibility of the "other facility sponsors" to those situations in which the facility lies outside the boundaries of a municipality. The statute is equally bare of any basis for this interpretation.

A.S. 43.18.010(j) uses the clause "local government or other facility sponsor" three times to refer to the eligible recipient of the funds. The use of the word "or" indicates that both local governments and "other facility sponsors" would be proper recipients of the funds. The statute does not define "other facility sponsors" further or mention any special condition which other facility sponsors have to meet. It certainly does not contain any words which even imply that an "other facility sponsor" within the boundaries of a municipality would not be eligible for aid under this section. In this regard it is significant that sections A.S. 43.18.010(i)(1) and (2) which define the terms "hospital" and "health facility" also make absolutely no mention of the distinction which the Department has imported into its regulations. As the Attorney General's office noted in a legal opinion issued on December 20, 1974, one of the problems contained in the statute was the fact that "it fails to distinguish between the governmental sponsors and the non-governmental sponsors". The opinion was ended with the suggestion that the Department seek legislative amendment. The Department has failed to do so and instead has attempted to amend the statute through the regulations process.

The purpose of permitting administrative agencies to adopt regulations is quite simple. The legislature recognizes that it cannot deal explicitly in every statute with every problem that may occur some time in the future and that it is necessary to explain the general provisions of legislative enactments, to provide procedures for implementing those enactments, and to make more specific the sometimes general language included in the statutes. This statute certainly cannot be broadened to allow the regulation making process to be used for the purpose of changing the scope or intent of a statute to accord with the desires of the executive branch of the government. The administrative regulation in question goes beyond the scope allowed to regulations and represents an attempt to amend a clear requirement of the statute. If the Department of Community

and Regional Affairs believes it desirable to remove the term "total project cost" from A.S. 43.18.010(j), or differentiate between government and non-government sponsors, it should follow the suggestion of the Attorney General's office and request the legislature to amend the statute to eliminate this provision and include the definition of cost used in the federal act. It cannot proceed to do this through the regulations process on its own.

The propriety of the legislature's acting to annul administration regulations which are not in compliance with the intent of the legislature cannot be doubted at this state. As Congressman Elliot Levitas of Georgia noted in remarks to the section of administrative law of the American Bar Association during their 1976 Bicentennial Institute on the Oversight in Review of Agency Decision-Making, "We have identified in my office approximately one hundred thirty different acts of the congress, almost two hundred separate provisions of this type which have been cast heretofore mandating or authorizing some type of congressional review of contemplated or pending executive actions." The Congressman also noted that provisions requiring or permitting the legislative review of administrative regulations are found in the laws of the states of Connecticut, Nebraska, Alaska, Kansas, Virginia, Michigan, and Oregon, as well as such foreign nations as Great Britain, Australia, and New Zealand. Speaking in regard to proposed legislation providing for congressional review of certain administrative regulations, he said, "It seems to me that the basic proposition is the one I started off with. Who has the ultimate responsibility for the laws of this nation, whether they are acts of congress or laws which masquerade as administrative rules. I think the answer under our Constitution is it is the elected congress of the United States." Here, it is the elected representatives of the State of Alaska who have the responsibility to annul regulations which do not conform to the requirements of the statutes on which they are based. As Justice White noted in the case of Buckley vs. Valeo, 424 U.S. 1, "In the light of history and modern reality, the provision of congressional disapproval of agency regulation does not appear to transgress the constitutional design ... "

We would conclude in line with this that it would be both legal and proper to annul 19 AAC 30.020(9)(C) and (D). This regulation is by its own terms contrary to the specific provisions included in the statute upon which it is based.

It is, therefore, invalid and should be annuled by the legislature. Finally, we would like to note that the terms of the statute seem mandatory in requiring that the full amount of the entitlement be paid to the Lake Otis Clinic. This seems not only clear but equitable considering the fact that the sponsors of the project, whether governmental or non-governmental, put up a substantial amount of the financing. Certainly, hospitals would never be built if the sponsors had to operate subject to the possibility that shifts in administration policies subsequent to the commencement of a project could endanger a portion of the financing needed for completing the project. The Lake Otis Clinic project was scrutinized by the administration at the time of its initiation. Substantial amounts of money and effort have been expended in reliance upon the state's obligation to fulfill the terms set out in the statute. The administration should certainly not be able to back out of the project at this late date.

Very truly yours,

MILES S. SCHLOSBERG, INC.

Mark A Ertischek

By Mark A. Ertischek

MAE:bmc

Sen Orsini (4)

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

JAY S. HAMMOND, GOVERNOR

OFFICE OF THE COMMISSIONER | POUCH B – JUNEAU 99811

March 10, 1977

Honorable Joseph L. Orsini
Chairman, Senate Community & Regional
Affairs Committee
Pouch V
Juneau, Alaska 99811

Re: State Aid to Local Government Municipal
Revenue Sharing for Hospital Construction
Matching Funds

Dear Senator Orsini:

Attached are copies of each annual report since 1972 with a summary sheet showing the hospital construction matching funds paid to applicants. Our records show that Lake Otis Clinic, Inc. is the only nonmunicipal sponsor to ever receive hospital construction matching funds since the enactment of the legislation in 1972.

Also attached is the correspondence pertaining to the denial of FY '75 redirected Revenue Sharing grant in the amount $100,000 for Lake Otis Hospital. You may be interested in reading the Attorney General's opinion dated January 27, 1976 which could relate the question whether the legislative intent written in the FY '75 Free Conference Committee Budget Report after adjournment could be construed to be legally binding.

Sincerely,

Lee McAnerney

Lee McAnerney
Commissioner

Attachments

LMcA:ES/pc

MEMORANDUM State of Alaska

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

TO: Lee McA rney
Commissioner

DATE: July 8, 1975

FILE NO:

TELEPHONE NO:

FROM: Jack Chenowe th
Director

SUBJECT:

Yesterday, in your absence, I took a call from Dr. Michael Beirne concerning the denial of $100,000 of redirected FY 75 shared revenue for the Lake Otis Hospital. Dr. Beirne is seeking to reverse the decision, as expeditiously as possible. He contends that the language of the statement of intent is sufficient to override the statute and Department-adopted regulations, the question of eligibility being eliminated by the legislative finding. He also thinks AS 37.25 inapplicable to the Lake Otis Hospital for the Legislature only determined that the amount "shall be considered applicable" to FY 74.

I explained that the matter had been reviewed with you and with Kent Dawson of Budget and Management.

Beirne will probably be in Juneau today and will likely contact you and officials of the Department of Administration to solicit review by the Attorney General.

JBC:ds
cc: Andy Warwick, Dept. of Administration
Avrum Gross, Dept. of Law

June 30, 1975

Dr. Michael Beirne
P.O. Box 4-1539
Anchorage, Alaska 99509

Dear Dr. Beirne:

The First Session of the Ninth Alaska Legislature adopted a statement of intent applicable to construction of the Lake Otis Hospital. The statement reads:

> It is the intent of the Legislature that an amount not to exceed $100,000 (the amount to be determined by eligibility standards established in law/regulations for payment of construction grants to hospitals) be paid as a grant to the Lake Otis Hospital facility from the FY-75 Municipal Service Revenue sharing account. This grant shall be considered applicable to the FY-74 entitlement for Municipal Service Revenue sharing.

The quoted statement was added to the FY-76 appropriation Free Conference Committee Report on the motion of Representative Keith Specking, a member of the second Free Conference Committee on that act, following my letter to you of June 5 and an explanation offered by Jay Hogan, Director of Legislative Finance, during the Committee's deliberations.

Subsequent review has led to a determination that no portion of the amount intended by the legislative statement for the Lake Otis Hospital facilities for FY-74 from the balance of the appropriation for the FY-75 Municipal Service Revenue Sharing program shall be paid.

The legislative statement sets an upper limit of $100,000 on the amount to be allocated adding, parenthetically, that the actual amount payable is "to be determined by eligibility standards established in law/regulations for payment of construction grants to hospital." You will well recall our discussions during the spring of 1974 when, in March, you transmitted a letter application requesting payment for the FY-74 appropriation for the Lake Otis Hospital. At that time, I advised that your application could not be honored for payment because (1) it was filed after the date established in Department-adopted regulations for timely filing of applications and (2) at the time your application was submitted, the FY-74 appropriation had been expended or encumbered to meet valid claims. At that time

(early spring of 1974), if memory serves, you indicated that construction of the facility had not been initiated by July 1, 1973, the first day of FY-74 and the index or benchmark date for all FY-74 applications. Because the legislative statement directs that the Department determine the amount payable, to the maximum limit of $100,000, with reference to applicable law and regulations, I find that the amount properly payable, applying 19 AAC 30.030, "Date for Determination," is $0.

A provision of state law relating to public finance appears to preclude payment of an FY-74 entitlement from the balance of the FY-75 appropriation. By AS 37.25.010(b)

> An indebtedness arising from a prior year for which the appropriation has lapsed shall be paid from the current year's appropriations, if (1) the expenditure does not exceed the balance lapsed and (2) the original obligation date is not more than two years from the regular date of disbursement.

Regrettably, the amount projected to be paid--a maximum of $100,000--exceeds the amount lapsed in FY-74--$3,700. The quoted statutory provision takes precedent over the statement of intent and no entitlement is, therefore, payable.

Though the construction project is to be denied the grant intended by the Legislature, please understand that, assuming no change of the current statute, AS 43.18.010(j) and continued construction of the facility over the anticipated time frame, the Lake Otis Hospital may reasonably expect to receive its share of funds appropriated for construction to the limit established in the general law provision. Our decision to override the statement of legislative assistant in the payment of FY-74 payment of construction support is, in one sense, not so much a denial of payment as it is a postponent.

Please advise if further information concerning disposition of the matter by the Department is required.

Sincerely,

Lee McAnerney
Commissioner

by: _____
John B. Chenoweth, Director

LMcA:JBC:ds

bcc: Bill Gordon
Andrew Warwick
Kent Dawson
Jay Hogan
David Freer

Free Conference Committee on the Budget
Intent, Municipal Services Revenue Sharing

It is the intent of the Legislature that an amount not to exceed $300,000 (the amount to be determined by eligibility standards established in law/regulations for payment of construction grants to hospitals) be paid as a grant to the Anchorage Community Hospital from the FY 75 Municipal Services Revenue Sharing Account. It is the intent of the Legislature that an amount not to exceed $100,000 (the amount to be determined by eligibility standards established in law/regulations for payment of construction grants to hospitals) be paid as a grant to the Lake Otis Hospital facility from the FY 75 Municipal Services Revenue Sharing account. This grant shall be considered applicable to the FY 1974 entitlement for Municipal Services Revenue Sharing.

Senator Sackett moved to add intent to General Relief Medical that hospitals will absorb 20% of unpaid services as charity care. No objection, so ordered. Leg. Inten

Referring to a May 28, 1975 memo to Rep. Haughton from Jay Hogan, Representative Specking called attention to the fact that there is $400,000 in hospital construction revenue sharing money that will lapse unless otherwise appropriated. He explained that $300,000 of the FY 75 Municipal Services Revenue Sharing account was earmarked for the Anchorage Community Hospital; however, Anchorage failed to file an application for their share since they thought the grant would automatically be paid. Representative Specking moved to adopt legislative intent that an amount not to exceed $300.0 be paid as a grant to the Anchorage Community Hospital, and the remaining $100.0 be appropriated to the Lake Otis Hospital facility. Leg. Inte

Representative Bowman objected.. He asked if there are other hospitals that are available to receive these funds. Senator Kerttula remarked that he knows that GAAP has two facilities; however, they are fully funded. Jay Hogan explained that in the past it was the intent of the Legislature to include a sum of money for Lake Otis for reimbursement for construction costs, but this never took place; and last year it was the same thing for the community hospital in Anchorage--it never took place. This is an attempt to take money that will lapse and pay off these two past legislative intents.

Representative Bowman then removed his objection to the motion, and it was adopted.

Referring to the General Government category, Department of Law, Natural Gas FPC Representation, Senator Croft proposed that the following legislative intent be added to the existing intent which appears on page 122 of the computer run (The department shall not retain any legal firm where there appears to exist a conflict-of-interest situation. Information developed by the contract firm shall be made readily available to the legislative pipeline impact committee).

Legislative Intent: The department shall coordinate its activities in this regard with and cooperate with the legislative committee created by HB 258. Leg. Intent

No objection, this intent was adopted.

Referring to University of Alaska, Statewide Administration, Senator Croft stated that $300.0 was added by the previous FCC for management systems development. Senator Croft moved that prior to entering into a contract with the University, the firm that will be doing the work be approved by the Legislative Budget & Audit Committee.

6/6/75

PROGRAM CATEGORY: DEVELOPMENT PROGRAM: REVENUE SHARING

AGENCY: DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS SUB-PROGRAM:

REQUESTS FOR NEW POSITIONS

FOOT-NOTE	POSITION TITLE	NO.	PRIORITY	LOCATION	SAL & BENEF COST	TOTAL POSN COST	GENRL FUNDS	FED & OTHER FUNDS	GOV BUDGET	HOUSE BUDGET	SENATE BUDGET	F.C.C. BUDGET
(1)	LOCAL GOVT SPECIALIST IV	01	001	JUNEAU	22.8	27.0	27.0					
				TOTALS:	22.8	27.0	27.0					

(1) GOVERNOR RECOMMENDS TRANSFER LOCAL GOV'T SPEC IV FROM PLI DISCRETIONARY GRANT BRU. SAL & BEN 23.2; TOTAL COST 28.1

ANALYSIS OF GOVERNORS BUDGET

OBJECT GROUP	OBJECT GROUP DESCRIPTION	GOV - FY75 AUTH $ DIFFERENCE	GOV - FY75 AUTH % DIFFERENCE	DESCRIPTION OF DIFFERENCES
100	PERSONAL SERVICES	34.8		TRANSFER IN CLERK IV 11.6; GOV'S TRANSFER IN LGSIV, 23.2
200	TRAVEL	3.0		GOV NEW POSITION 3.0
300	CONTRACTUAL SERVICES	9.0		GOV NEW POSITION 1.7; OTHER 7.3
400	COMMODITIES	0.5		GOV NEW POSITIONS .5
700	GRANTS,CLAIMS,SHARED REVENUE	1,110.3	8.5	INCREASED COST OF GRANTS 1,110.3

ANALYSIS OF FREE CONFERENCE COMMITTEE BUDGET

DENY REQUESTED NEW POSITION; ALLOW TRANSFER-IN LOCAL GOVERNMENT SPECIALIST IV FROM PLI DISCRETIONARY GRANTS BRU; ALLOW INCREASE IN CODE 700.

LEGISLATIVE INTENT: IT IS THE INTENT OF THE LEGISLATURE THAT AN AMOUNT NOT TO EXCEED $300,000 (THE AMOUNT TO BE DETERMINED BY ELIGIBILITY STANDARDS ESTABLISHED IN LAW/REGULATIONS FOR PAYMENT OF CONSTRUCTION GRANTS TO HOSPITALS) BE PAID AS A GRANT TO THE ANCHORAGE COMMUNITY HOSPITAL FROM THE FY75 MUNICIPAL SERVICES REVENUE SHARING ACCOUNT.

IT IS THE INTENT OF THE LEGISLATURE THAT AN AMOUNT NOT TO EXCEED $100,000 (THE AMOUNT TO BE DETERMINED BY ELIGIBILITY STANDARDS ESTABLISHED IN LAW/REGULATIONS FOR PAYMENT OF CONSTRUCTION GRANTS TO HOSPITALS) BE PAID AS A GRANT TO THE LAKE OTIS HOSPITAL FACILITY FROM THE FY75 MUNICIPAL SERVICES REVENUE SHARING ACCOUNT. THIS GRANT SHALL BE CONSIDERED APPLICABLE TO THE FY74 ENTITLEMENT FOR MUNICIPAL SERVICES REVENUE SHARING.

Due to a revised request to increase the grants to provide funds for additional beds at Anchorage Community Hospital, the Free Conference Committee increased Line Item 700 by $163,100.

See Appendix for Municipal Services Revenue Sharing Table.

Hill-Burton Allowable and Non-Allowable Cost

Acquisition of Site	Non-Allowable *
Site Clearance	Allowable
Relocation of Utilities	Non-Allowable
Sidewalks	Allowable
Driveways	Allowable
Parking Areas	Allowable
Landscaping	Allowable
Underground Sprinkler System	Allowable
Connection to Utilities	Allowable
Off-Site Improvements	Non-Allowable
Advertising	Allowable
Insurance Coverage	Allowable
Architects' Fees	Allowable
Consultant Fees	Allowable *
Inspection	Allowable
Equipment	Allowable *
Surplus Property	Allowable
Donated Land, Equipment, Services	Non-Allowable *
Bonus Payments to Contractor	Non-Allowable

*(exceptions)

Hill-Burton Allowable and Non-Allowable Cost (2)

Damage Judgments Against Sponsor	Non-Allowable
Maintenance of Records	Allowable
Sales Tax	Allowable
Space for the Private Practice of Medicine	Non-Allowable
Space to be Leased to Radiologist or Pathologist	Allowable
Space for Revenue Purposes	Non-Allowable
Space and Equipment for Religious Activities	Allowable
Fund Raising Expenses--- Memorial Plaques	Non-Allowable
Public Health Facilities in Private Nonprofit Hospitals	Non-Allowable
Legal Council's Fees	Non-Allowable
Gift Shops Flower Shops Snack Bars	Allowable
Unfinished Space	Non-Allowable

*(exceptions)

Hill-Burton Allowable and Non-Allowable Cost (3)

Books	Allowable *
Television	Allowable
Short-term Care Facilities	May Be Allowed
Long-term Care Facilities	May Be Allowed
Nurses' Dormitory	May Be Allowed
Fallout Protection	Allowable
Housing Staff for Nursing Home	Non-Allowable *
Pictures and Murals	Non-Allowable *
Floor Finish Materials	Allowable *
Quarters for Residents and Interns	Allowable *
Costs Allowable and Not Allowable in Guaranteed Loan and Direct Loan Projects	Non-Allowable *

*(exceptions)

INDEX

1. Letter from South Center Health, Planning & Development, Inc.

2. Letter from Bill Berrier, LAA, RE: SCR 13

3. CRA Regulacions (October 1974)

4. Letter to Senator Orsini from CRA RE: Denial of FY 75 Redirecced Revenue Sharing gcant in the amount of $110,000 for Lake Otis Hospital.

5. Letter from Department of Law discussing the legal force of a statement of "legislative intent" and the gravity of this "intent" on the Departments.

(3)

REGULATIONS

GOVERNING
STATE AID TO LOCAL GOVERNMENTS
MUNICIPAL SERVICES REVENUE SHARING PROGRAM

COMMUNITY AND REGIONAL AFFAIRS

PART 2. MUNICIPAL SERVICES REVENUE SHARING PROGRAM

CHAPTER 30. STATE AID TO LOCAL GOVERNMENTS

Section

10. Scope of regulations
20. Eligibility
30. Date for determination
40. Application
50. Appeal
60. Population data
70. Audit or statement of income and expenditures
80. Failure to comply with requirements
90. Prepayments
100. Boundary adjustments
110. Incorporation or dissolution of units of local government
120. Overpayment and adjustment
130. Violation of statute governing employment preference
140. Unified municipalities
150. Definition of terms in AS 43.18.010
160. Definitions

19 AAC 30.010. SCOPE OF REGULATIONS. The regulations in this chapter are prescribed for implementing, interpreting, and making specific the act providing state aid to local governments, AS 43.18.010 - 43.18.050. (Eff. 7/8/73, Register 47)

Authority: AS 43.18.040
44.47.050(14)
44.47.160

19 AAC 30.020. ELIGIBILITY. Eligibility for receipt of state aid to local governments provided by AS 43.18.010 - 43.18.050 shall be predicated upon the possession and exercise of a power set out in those statutory provisions by a unit of local government or volunteer fire department located in the unorganized borough. (Eff. 7/8/73, Register 47)

Authority: AS 43.18.040
44.47.050(14)
44.47.160

19 AAC 30.030. DATE FOR DETERMINATION. For the first entitlement period, determination of eligibility for receipt of state aid to local governments provided by AS 43.18.010 - 43.18.050 is July 1, 1973.

In subsequent entitlement periods, the annual date for determination of eligibility is July 1. (Eff. 7/8/73, Register 47)

Authority: AS 43.18.040
44.47.050(14)
44.47.160

19 AAC 30.040. APPLICATION. (a) Application for state aid to local governments under AS 43.18.010 - 43.18.050 shall be made on forms prescribed by the commissioner.

(b) Not later than July 10 of the entitlement period the department will forward application forms to each unit of local government and volunteer fire department located in the unorganized borough that received state aid to local governments in the previous entitlement period and to every other unit of local government incorporated before July 1 of the entitlement period.

(c) As a condition to participation in the program of state aid to local governments, applications for state aid to local governments under AS 43.18.010 - 43.18.050 shall be returned to the department postmarked not later than October 15 of the entitlement period. Based on information contained in the application submitted, the commissioner will prepare a determination of entitlements not later than the following November 30 and will mail notice of the amount of entitlement to each unit of local government and volunteer fire department located in the unorganized borough. (Eff. 7/8/73, Register 47; am 8/7/74, Register 51)

Authority: AS 43.18.040
44.47.050(14)
44.47.160

19 AAC 30.050. APPEAL. (a) Within 20 days of the date of mailing of notice of entitlement by the department, a unit of local government or volunteer fire department located in the unorganized borough may appeal a determination of final entitlement to the commissioner. The appeal shall be in writing and shall identify the particular category or categories for which application for state aid to local governments has been submitted, the determination of entitlement to which the unit of local government takes exception, and the reasons for its exception. The appeal shall include all relevant supporting evidence.

(b) The commissioner will review the record of appeal and enter the final determination of entitlement. The commissioner may affirm or modify the determination of entitlement previously entered, and will notify the unit of local government or volunteer fire department located in the unorganized borough of his decision.

(c) If the unit of local government or volunteer fire department located in the unorganized borough fails to file an exception within the

time set forth in subsection (a) of this section, the determination of entitlement entered pursuant to section 040(c) constitutes the final determination of the department.

(d) The manner of computation of population may not be made the subject of an appeal. (Eff. 7/8/73, Register 47)

Authority: AS 43.18.040
44.47.050(14)
44.47.160

19 AAC 30.060. POPULATION DATA. (a) The population data used in determination of allocations of state aid to local governments and adjustments to those allocations will be the official report of the United States Bureau of the Census. However, a unit of local government may substitute for the official report of the United States Bureau of the Census:

(1) an enumeration, certified as true and correct by the governing body of the unit of local government or chief administrative officer of a volunteer fire department located in the unorganized borough, specifying the names of residents of the unit of local government, service area, or area served by a fire department, prepared according to criteria established by the department;

(2) an estimate of population based upon other reliable data such as public school enrollment figures, public utility connection, registered voters, and certified employment payrolls; or

(3) the latest available population estimate prepared by the division of employment security, Alaska Department of Labor.

(b) The commissioner may require each unit of local government or volunteer fire department located in the unorganized borough which offers an estimate of its population to submit such evidence as may be necessary to review computation of the population estimate. He may notify the unit of local government or volunteer fire department located in the unorganized borough that if it fails to take action in response to the request within 30 days of the date of receipt of his notification, the estimate may be rejected and allocations will be made on the best data available to the department.

(c) Repealed, August 7, 1974. (Eff. 7/8/73, Register 47; am 8/7/74, Register 51)

Authority: AS 43.18.010(c)
43.18.040
44.47.050(14)
44.47.160

19 AAC 30.070. AUDIT OR STATEMENT OF INCOME AND

EXPENDITURES. (a) Each unified municipality, organized borough, home rule city, or city of the first class shall submit one copy of its annual audit prepared pursuant to AS 29.48.220 for the fiscal year preceding the entitlement period. Preparation of the audit shall be by a public accountant licensed under the provisions of AS 08.04.270 - 08.04.320.

(b) Each city of the second class shall submit an audit or statement of income and expenditures of the accounts and financial transactions of the second class city for the fiscal year of the second class city preceding the entitlement period on a form approved by the commissioner.

(c) Payment of the final entitlement of a unit of local government will not be made until an audit or statement of income and expenditures is filed with the department. (Eff. 7/8/73, Register 47; am 8/7/74, Register 51)

Authority: AS 43.18.010(c)
43.18.040
44.47.050(14)
44.47.160

19 AAC 30.080. FAILURE TO COMPLY WITH REQUIREMENTS. If the commissioner determines that a unit of local government or volunteer fire department located in the unorganized borough has failed to comply substantially with a provision of this chapter, after giving reasonable notice to the chief executive officer or chief administrative officer of the unit of local government or volunteer fire department located in the unorganized borough, he will notify the unit of local government or volunteer fire department located in the unorganized borough that if it fails to take action in response to the request within 30 days of the date of receipt of notification, further payments will be withheld for the entitlement period until the request for further information is fully complied with. (Eff. 7/8/73, Register 47)

Authority: AS 43.18.040
44.47.050(14)
44.47.160

19 AAC 30.090. PREPAYMENTS. (a) The commissioner may provide for prepayment to a unit of local government or volunteer fire department located in the unorganized borough of a sum not to exceed 50 percent of the entitlement computed without regard to any proration for the previous entitlement period.

(b) Prepayments will be allowed to a unit of local government or volunteer fire department located in the unorganized borough upon receipt by the department of a completed application.

(c) Repealed, August 7, 1974.

(d) Prepayments shall be deducted from the entitlement prior to transmittal of the balance of the entitlement due to a unit of local government or vol-

unteer fire department located in the unorganized borough determined to be eligible for receipt of state aid to local governments. (Eff. 7/8/73, Register 47; am 8/7/74, Register 51)

Authority: AS 43.18.040
44.47.050(14)
44.47.160

19 AAC 30.100. BOUNDARY ADJUSTMENTS. A unit of local government effecting a boundary change under AS 44.19.260 or through the local action process provided by 19 AAC 15 during the preceding entitlement period shall return with its application the following information:

(1) one copy of an ordinance or resolution effecting the boundary change;

(2) a map clearly showing areas annexed to or detached from the unit of local government submitting the application; and,

(3) an estimate of the population residing within the area annexed or detached and a detailed statement indicating the method used in determining the estimate. (Eff. 7/8/73, Register 47)

Authority: AS 43.18.040
44.47.050(14)
44.47.160

19 AAC 30.110. INCORPORATION OR DISSOLUTION OF UNITS OF LOCAL GOVERNMENT. (a) A unit of local government which is incorporated pursuant to AS 29.18.010 - 29.18.120 during the entitlement period is not eligible to receive state aid to local governments for the entitlement period during which it was incorporated.

(b) The department will pay to a unit of local government established by unification pursuant to AS 29.68.390 an entitlement prorated over the number of days in the entitlement period following the date of unification.

(c) The department will pay to a unit of local government established by consolidation pursuant to AS 29.68.090 an entitlement prorated over the number of days in the entitlement period following the date of consolidation.

(d) The department will pay to a unit of local government into which a city or borough is merged pursuant to AS 29.68.090 an entitlement prorated over the number of days in the entitlement period following the date of the merger.

(e) A unit of local government which is to be dissolved pursuant to AS 29.68.500 during the entitlement period will receive an entitlement payment prorated over the number of days in the entitlement period during which it has been in existence if that unit of local government has authority to expend

revenues. (Eff. 7/8/73, Register 47)

Authority: AS 43.18.040
44.47.050(14)
44.47.160

19 AAC 30.120. OVERPAYMENT AND ADJUSTMENT. (a) After mailing of prepayments, if the commissioner determines that the prepayment mailed to a unit of local government or volunteer fire department located in the unorganized borough exceeds the entitlement payable to a unit of local government or volunteer fire department located in the unorganized borough during the entitlement period, he may

(1) demand that the difference between the amount of prepayment and the proper entitlement be repaid to the department; or

(2) reduce, in the next entitlement period, the entitlement to the unit of local government or volunteer fire department located in the unorganized borough by the difference between the amount of prepayment and the proper entitlement.

(b) After mailing of the balance of the entitlement due to a unit of local government or a volunteer fire department located in the unorganized borough, if the commissioner determines that the sum of the prepayment and final payment exceeds the entitlement payable to the unit of local government or volunteer fire department located in the unorganized borough during an entitlement period, he may

(1) demand that the difference between the sum of the payments and the proper entitlement be repaid to the department; or

(2) reduce, in the next entitlement period, the entitlement to the unit of local government or volunteer fire department located in the unorganized borough by the difference between the sum of the payments and the proper entitlement. (Eff. 7/8/73, Register 47)

Authority: AS 43.18.040
44.47.050(14)
44.47.160

19 AAC 30.130. VIOLATION OF STATUTE GOVERNING EMPLOYMENT PREFERENCE. (a) Notwithstanding other provisions of this chapter, when there has been a finding of a violation by a unit of local government of the provisions of AS 36.10, the unit of local government may be denied state aid to local governments for a period not to exceed one year following the date of the final determination.

(b) Where denial of state aid to local governments under subsection (a) of this section is for less than one entitlement period, the entitlement will be prorated for the period during which the unit of local government is other-

wise qualified. (Eff. 7/8/73, Register 47)

Authority: AS 36.10.090(b)
43.18.040
44.47.050(14)
44.47.160

19 AAC 30.140. UNIFIED MUNICIPALITIES. For purposes of administration of the act providing state aid to local governments, a unified municipality shall be treated as an organized borough. (Eff. 7/8/73, Register 47)

Authority: AS 43.18.040
44.47.050(14)
44.47.160

19 AAC 30.150. DEFINITIONS OF TERMS IN AS 43.18.010. Unless the context indicates otherwise, in AS 43.18.010

(1) "airport" means a facility operated by a unit of local government at which aircraft arrive and depart on a regular basis; airports maintained exclusively by an agency of the state or federal government or by a private party, airports maintained by a unit of local government under agreement or contract with the Alaska Division of Aviation, airports maintained on a seasonal basis, heliports, sea dromes, and beach landing strips are excluded;

(2) "financial support" means

(A) a transfer of funds from a city, borough or unified municipality to a fire department;

(B) providing in-kind services, including but not necessarily limited to providing a building or other facility for the use of the fire department; utilities, including electricity, heat, water; labor to construct or maintain facilities or other equipment used by the fire department; or other services provided by the unit of local government for the fire department at no cost or at a reduced rate; and,

(C) the full faith and credit pledge of the unit of local government for bonded indebtedness incurred for the purpose of providing funds for the fire department;

(3) "parks and recreation" means a park or recreational facility owned and maintained by a unit of local government or recreation program operated and financially supported by a unit of local government; facilities and programs must be available to the general public;

(4) "port" means a permanent facility operated by a unit of local government which has the capability of receiving cargo from and discharging cargo to commercial vessels;

(5) "road" means a right-of-way across the land dedicated to public use and constructed and maintained for the use of automotive equipment; specifically excluded are

(A) roads maintained within a unit of local government by an agency of the federal or state governments or maintained by the unit of local government pursuant to an agreement with a federal or state agency;

(B) public ways on the surface of a river, lake or other body of water; and,

(C) trails;

(6) "small boat harbor" means a permanent facility operated by a unit of local government which provides deep water shelter, either natural or artificial, on the coast of a sea, lake or other body of water;

(7) "staff planner" means a full-time employee of a unit of local government whose primary responsibility is land use planning and plan implementation;

(8) "transit system" means the transportation of people over regular routes at specified times in accordance with fixed tariffs; the term is limited to transportation by rail and monorail or buses, specifically designed and constructed to accommodate the general public; and,

(9) "work program outline" shall include but is not necessarily limited to

(A) the name and address of the planning firm with which the unit of local government has an annual contract;

(B) a copy of the annual contract; and,

(C) an explanation of the planning tasks presently being undertaken.

(10) "police protection" means provision of police protection services made available by a unit of local government during the previous entitlement year with one or more police officers on duty or on call daily. (Eff. 7/8/73, Register 47; am 8/7/74, Register 51)

Authority: AS 43.18.040
44.47.050(14)
44.47.160

19 AAC 30.160. DEFINITIONS. Unless the context indicates otherwise, in this chapter

(1) "chief administrative officer or chief executive officer" means the official who has primary responsibility for the conduct of the governmental or financial affairs of the unit of local government or volunteer fire department;

(2) "commissioner" means the Commissioner of the Department of Community and Regional Affairs;

(3) "department" means the Department of Community and Regional Affairs;

(4) "entitlement" means the amount of payment of state aid to local governments to which a unit of local government is entitled as determined by the commissioner pursuant to the allocation specified in AS 43.18.010 - 43.18.050 providing state aid to local governments or established by these regulations;

(5) "entitlement period" means the calendar period beginning July 1 and ending June 30 of the following year;

(6) "facility" means a permanent improvement constructed, operated or maintained for the convenience of the public;

(7) "unit of local government" means a city, organized borough, or unified municipality incorporated under the laws of the State of Alaska.
(Eff. 7/8/73, Register 47)

Authority: AS 43.18.040
44.47.050(14)
44.47.160

(2)

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

M E M O R A N D U M

March 14, 1977

SUBJECT: SCR 13

TO: Senate Community and Regional Affairs Committee

FROM: Billy G. Berrier BGB
Director
Division of Legal Services

You have asked whether the regulation adopted by the Department of Community and Regional Affairs as 19 AAC 30.020(9)(c) to determine project cost for hospital construction aid under AS 43.18.010(j) is a legally proper exercise of the power granted to the department to adopt regulations necessary to carry out the purposes of the program. In my opinion the regulation is legally proper.

AS 43.18.010(j) provides:

> "(j) If construction of a facility began after January 1968 and state matching aid for construction approved for payment to the local government or other facility sponsor constitutes less than 25 per cent of the total project cost, the state shall pay to the local government or other facility sponsor each fiscal year a sum equal to $2,500 a bed for the maximum number of beds provided for in the construction design of the facility. State aid provided for in this subsection shall continue until the local government or other facility sponsor has received an amount which, combined with state matching money for construction of the facility, equals 25 per cent of the total project cost. No funds received for construction shall be used for any other purpose."

The regulation under consideration, 19 AAC 30.020(a)(c) provides:

> "(C) project or construction costs shall be those contracted costs that are eligible for financial participation under the Hill-Burton Construction Program for construction of new buildings, including, but not limited

> to, the expansion, replacement and modernization of existing buildings and initial equipment of any such buildings; including architect and consultant fees, but not including the cost of land acquisition and off-site improvements;"

In this statute the term "total project cost" is very significant. A determination of the total project cost is necessary to initially determine eligibility for aid and to determine the total amount of aid to be given. The term is not free from ambiguity. Implementing regulations are therefore proper. Of course the regulations must in themselves be reasonable and must be in accord with the legislative intent since the power to adopt regulations confers only an authority or discretion as to execution of a law to be exercised under and in pursuance of the law. (Cinncinnati v. Clinton Co. 10 Ohio 77 at 88, 1852, which has been followed with approval in numerous cases).

The Hill-Burton program, (Title VI of the Public Health Service Act as amended, 42 USC 291 et seq.) is the program providing federal aid for hospital construction. This program has been used in Alaska and the state agency required under that program has been established under AS 18.25. It is reasonable to assume that in 1971 when the legislature enacted CSSB 42 am H which as Ch. 127 SLA 1971 became the law under consideration here, both the legislature and the executive branch were aware of the Hill-Burton Act and the fact that state matching aid for hospital construction was being granted as a partial match for Hill-Burton funds.

The Hill-Burton program had been functioning for many years and had dealt extensively with the question of what project costs were allowable. With no specific direction in the statute as to how the term "project cost" was to be defined, it was not unreasonable for the department to use a well-recognized definition in a directly parallel program

There is no evidence of legislative intent to use either this or another definition. The use of the term "total" as a modifier of project cost may evidence an intent that the term project cost be used broadly but a somewhat more persuasive case can be made that the intent of the modifier "total" was to establish that the project cost referred to was not to be construed as referring only to the non-federal share of the costs. It would not appear reasonable to assume the intent of the phrase "total project cost" was to allow any cost attributed to the project by the sponsor regardless of the remoteness of the connection or the propriety of the cost.

Since discretion was left to the department and the department exercised that discretion in a reasonable manner apparently consistent with legislative intent, in my opinion the regulation is legally proper.

Unlike a court, the legislature in its determination of whether to annul a regulation may consider the wisdom as well as the legality of the regulation. The question of whether a regulation is desirable or wise is not a legal question and is not addressed in this memorandum.

BGB:hjd

(1)

South Central Health Planning and Development, Inc.

1135 West Eighth Avenue Suite 1 Anchorage, Alaska 99501

(907) 278-3631

March 14, 1977

Joseph L. Orsini, Chairman
Community and Regional Affairs
Pouch V
Juneau, Alaska 99811
Mail Stop 3100

Dear Mr. Orsini:

The Executive Committee of South Central Health Planning and Development Inc reviewed SCR 13 and SCR 14 at their regular meeting on March 11, 1977. It was their position that the regulations requiring application through municipalities and restricting matching are appropriate. They therefore wish to inform the committee that they reaffirm their position supporting such regulations and therefore recommend against annullment.

Sincerely,

Ron Hammett

Ron Hammett
Administrator

RH/ls

(5)

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K – STATE CAPITOL
JUNEAU 99811

January 27, 1976

Catherine M. Lloyd
Deputy Commissioner
Department of Health &
Social Services

Dear Ms. Lloyd:

You have requested an opinion from the Department of Law concerning the following fact situation:

1. By Chapter 209, SLA 1975, the legislature appropriated from the general fund the sum of $3,210,400 to the General Relief Medical Program (GR-Med) administered by the Department of Health and Social Services (DHSS).

2. Section 16(a) of the above appropriation bill states in part:

> . . . The expenditure of funds appropriated/ allocated by this Act shall be in accordance with the conditions and intent set out in the "Free Conference Committee Report, FY 76, Operating and Capitol Budget" as published by the legislative finance division.

3. At page 114 of the "Free Conference Committee Report, FY '76, Health Operating Budget," the following statement is found:

> Legislative Intent: Hospitals will absorb 20% of unpaid services as charity care.

With respect to the facts presented above, the question you have asked may be stated as follows:

1. Does the language quoted above of the Free Conference Committee Report have the effect of legally limiting the manner by which reimbursement can be made by DHSS to hospitals

providing medical assistance covered by the GR-Med program?

2. If a limitation has not been established, how can DHSS implement the quoted legislative intent statement?

The short answers to these questions are: (1) the statement of legislative intent in the Free Conference Committee Report does not have the force of law in limiting payments to hospitals; (2) DHSS must adopt regulations pursuant to the Administrative Procedure Act in order to give legal effect to the statement of legislative intent in question.

I. FACTUAL BACKGROUND

The statutory authority for the GR-Med program is found in AS 47.25.120 et seq.

The mechanics of the program are quite simple. A person seeking GR-Med assistance completes an application provided by DHSS. If the applicant is found eligible for GR-Med assistance, the applicant is issued a coupon card. If that person should thereafter require hospital care, he/she need only present this card upon admission. The hospital then completes a medical invoice showing the services provided to the patient and sends the invoice and a copy of the person's GR-Med card to DHSS for payment.

To finance the GR-Med program in FY '76, DHSS, Division of Medical Assistance, initially submitted to the Department of Administration, Division of Budget and Management (DBM), a budget request for FY '76 in the amount of $3,533,200. Indications at the time were that this amount would be necessary to maintain the 1975 level of GR-Med care in 1976. DBM then suggested that DHSS reconsider its budget request. After doing so, DHSS raised its request to $3.6 million and resubmitted it to DBM. In the interim, DBM had reduced the original budget request to $3,210,400.

In response to that reduction, the Division of Medical Assistance sent a memorandum to DBM explaining and documenting the necessity for funding GR-Med at the $3.6 million figure. DBM concurred with the contents of the memorandum and agreed to the $3.6 million figure. However, prior to the receipt and consideration of these memoranda, the Governor's official budget document was printed and sent to the legislature, showing the $3,210,400 figure.

By letter of April 8, 1975 to Representative Malone, Chairman of the House Finance Committee, Commissioner Andrew Warwick, Chairman of the Governor's Budget Review Committee, requested, inter alia, that the proposed GR-Med budget figure be changed to read $3,640,400.

On May 22, 1975, Governor Hammond sent a letter to both Senator Ray, Chairman of the Senate Finance Committee, and Representative Malone, Chairman of the House Finance Committee. Attached to this letter was another request by DHSS that the $3.6 million budget figure requested for the GR-Med program be substituted for the $3,210,400 figure.

Following the adoption by the Senate and House of their respective finance committee reports, each containing the $3,210,400 figure, a free conference committee was appointed. At its meeting of May 25, 1975, the first Free Conference Committee (FCC) on the budget adopted the House and Senate figure of $3,210,400 for the GR-Med program. (Page 38, First Free Conference Committee Minutes, 1975). At the same time, on the motion of Representative Malone, the statement of legislative intent in question was also adopted. (Page 38, First Free Conference Committee Minutes, 1975).

When the first FCC was unable to resolve differences between the Senate and House versions of the budget bill, the committee disbanded and a second FCC was appointed. This committee, upon the explanation and motion of Senator Sackett, chose to adopt the same statement of legislative intent. (Pages 143-144, Second Free Conference Committee Minutes, 1975). In addition, in "an attempt to formalize the legislative intent that the FCC adopts," the second FCC adopted what is now section 16(a) of the general budget bill for 1975. (Page 140, Second Free Conference Committee Minutes, 1975). This section reads in part:

> . . . [T]he expenditure of funds appropriated/ allocated by this Act shall be in accordance with the conditions and intent set out in the "Free Conference Committee Report, FY '76, Operating and Capitol Budget" as published by the legislative finance division. (Chapter 209, SLA 1975, sec. 16(a)).

Shortly after the second FCC completed its business Lawrence Sullivan, Director of the Division of Medical Assistance,

DHSS, verbally requested of the Legislative Finance Division a clarification of the meaning of the intent statement incorporated by reference into the appropriation for the GR-Med program.

The answer to Mr. Sullivan's inquiry stated that the "legislative intent" statement in question "means that the Division's reimbursement to hospitals is to be reduced 20% from the level that would otherwise prevail." (Letter of 6/16/75 from Milton Barker, Fiscal Analyst, to Larry Sullivan). This answer further stated that "the Intent (sic) was stated to signal a change in [the legislature's] policy."

Upon receipt of this clarification, DHSS proceeded to carry out the stated intent of the second FCC. Hospitals were notified by DHSS that, henceforth, reimbursement or GR-Med services would be at the rate of 80%. The response of the hospitals was predictable. Objections were voiced, discussions ensued and finally litigation against DHSS was threatened. In response to this threat, DHSS requested this opinion from the Department of Law.

II. LEGAL ANALYSIS

A. "Legislative Intent"

The statement which has given rise to this opinion is labeled "Legislative Intent" in the second FCC's report on the budget. In fact, this statement is not one of "legislative intent", but rather a statement of a condition attached to the GR-Med appropriation.

"Legislative intent" is a term of art in law. It refers to the meaning of a statute as intended by the legislature and is discerned by an examination of the statute's terms and the context within which it was enacted, i.e., committee reports, studies, and debates, collectively referred to as the legislative history, involving the questioned legislation. The examination of the context becomes a factor, however, only when the meaning of a statute cannot be discovered by an examination of the statute's terms and the application of intrinsic interpretation aids. The general rule is that when a statute is found to be clear and unambiguous by an examination of its contents, resort will not be had to extrinsic evidence of the legislature's intent. United States v. Donruss Co., 393 U.S. 297 (1969). Though the circumstances of a case may lead to a different result, United States v. Kelley, 328 F.2d 227 (CA 6th, 1964); Willmeth v. Harris, 195 Kan. 322, 403 P.2d 973 (1965), it is the general rule that when the terms of a statute are clear,

its meaning must be derived therefrom, notwithstanding that the meaning therein conflicts with the purpose of the statute as set forth in committee reports. Helvering v. City Bank Farmers Trust Co., 296 U.S. 85 (1935).

With regard to the Health-Operating budget (Ch 209, SLA 1975), the specificity of its terms makes it inconceivable that an ambiguity in its provisions could be argued to exist. The provision of that budget to which the statement at issue applies reads:

General Relief Medical	3,210,400	3,210,400

The first figure refers to the amount appropriated to the GR-Med program, and the second figure refers to the amount of the appropriation which is to be taken from the General Fund. It would be quite difficult to conjure up a more unambiguous provision. Therefore, if the free conference committee report was wholly separate from the budget bill, the absence of any ambiguity in the GR-Med provision of the bill would probably preclude giving any legal effect to the "legislative intent" statement in question. 1/

In the present case, however, we are not actually faced with a "legislative intent" problem, as that phrase is used in law. The reason we are not is that in section 16(a) of the budget bill, the legislature made the free conference committee report "intent" statements a part of the law by incorporating them by reference into the budget bill. As a result, these statements are not "legislative intent" at all, but would, if valid, be conditions on or additional terms of, the particular appropriations to which they apply. The question then is may the legislature attach these conditions or terms to appropriations by incorporating them by reference into the budget bill.

1/ Were an ambiguity to be found in the GR-Med provision of the budget bill, the "legislative intent" statements in the final second FCC report prepared by the Legislative Finance Division would still be of no legal effect.

The documents to which a court may refer for legal legislative intent are those which can reasonably be presumed to contain or indicate the legislature's understanding of a particular provision of a statute at the time the vote on its passage was taken. Statements clarified, edited, and even added, by non-legislators and contained in a document prepared subsequent to the passage of an ambiguous statute do not conform to this requirement. They therefore would not be a part of the legal legislative history to which a court would turn for interpretive assistance.

B. Ambiguous Conditions

An initial difficulty with the "legislative intent" statement in question is its inherent ambiguity. It is phrased in terms of a directive to hospitals to absorb 20% of unpaid services rather than as a limitation on DHSS's rate of reimbursement to hospitals under GR-Med. Clearly, the legislature cannot mandate action on the part of hospitals in a bill appropriating funds for the operation of state government. Alaska Const., art II, §13.

In defense of the "intent" statement, one might argue that its meaning is that DHSS is to reimburse hospitals for GR-Med assistance at the rate of 80% of costs incurred. This interpretation does not, however, logically follow from the language used. "Unpaid services" would include not only services rendered to GR-Med enrollees, but also services rendered to anyone unable or unwilling to pay. As a result, it is conceivable that hospitals could absorb 20% of "unpaid services" and yet leave 100% of GR-Med costs to be reimbursed by DHSS.

We view this problem of ambiguity as being of a serious and substantial nature. However, because of the existence of factors permitting a more conclusive answer to the question presented here, we assume for purposes of this opinion only that the statement in question means DHSS is to reimburse hospitals providing GR-Med assistance at the rate of 80% of costs incurred in providing such assistance. We turn now to the three factors we consider decisive of the question presented.

C. Incorporation by Reference

The statement of "legislative intent" in question did not appear in the budget bill passed by the legislature. Instead, the legislature chose to incorporate by reference the "intent" statement of the second FCC report into the budget bill. (Sec. 16(a), Ch. 209, SLA 1975, quoted supra.)

Research into the question of whether an incorporation by reference of non-statutory material into a budget bill is legally permissible indicates that it may be. Courts have held that state statutes may incorporate by reference federal law "now in effect," Alaska S.S. Co. v. Mullaney, 180 F.2d 805 (9th Cir. 1950); prior statutes of that jurisdiction, Young v. United States, 178 F.2d 78 (9th Cir. 1950); existing statutes, rules or regulations of another state, and publications of United States boards and commissions, People v. International Steel Corp. et al., 226 P.2d 587, 590 (Cal. App. 1951) and cases cited

therein; existing ordinances of that or another state and provisions of a treaty, Palermo v. Stockton Theaters, 172 P.2d 103 (Cal. 1946), subs opinion 195 P.2d 1, 32 Cal. 2d 55 (1948); existing federal rules or regulations, People v. Urban, 206 N.W.2d 511, 45 Mich. App. 255 (1973); and future statutes of the incorporating jurisdication, Robertson v. Langford, 273 P. 150 (Cal. App. 1928).

The paramount consideration in the area of incorporation by reference appears to be not so much what the document to be incorporated is, but rather whether it is in existence at the time the incorporating act is passed. In re Forsstrum et ux., 38 P.2d 878 (Ariz. 1934). As shown by the following facts, we are faced here with a situation in which the material to be incorporated by reference was not in existence at the time the incorporating act was passed.

Shortly after the start of the 1975 legislative session, a computer printout of the Governor's proposed budget for fiscal year 1976 was prepared. This document did not contain "legislative intent" statements and was used as a workbook by the finance committees and the legislature as a whole.

Upon the completion of its review of the Governor's proposed budget, the House Finance Committee prepared a second computer printout of the proposed budget, containing the "intent" statements of that committee. A limited number of copies of this report were placed in the offices of key members of the House for use by them and other interested members. Approximately two weeks after this "distribution", the House voted to adopt the finance committee's report and "intent" statements and the finance committee's substitute for House Bill No. 70 (budget bill). (1975 H. Jour., p. 1227)

During the time, or shortly thereafter, that the Governor's proposed budget was moving through the House, the same procedure was taking place in the Senate. When both the House and Senate had voted to adopt the report of their respective finance committees, a free conference committee was appointed to resolve the differences between them. A second free conference committee was appointed when the first FCC was unable to reach a compromise.

The report of the second FCC was adopted by the Senate on June 6, 1975, (1975 S. Jour., p. 1518). However, we have been informed by the Director of the Legislative Finance Division

that the second FCC met for the final time at noon on June 7, the last day of the 1975 legislative session. This meeting resulted in the addition of a number of statements of "legislative intent" which had not appeared in prior computer printouts. As a result of computer breakdowns and the normal exigencies that existed as the end of the session approached, these later statements of "intent", along with those inadvertently omitted from prior computer printouts, were typed onto the most recent printout then available. Apparently, one copy of this final report was then sent to each house sometime during the late afternoon of the final day of the session. (Neither the Department of Law nor the Legislative Finance Division have located either copy of this report.) A few hours after the arrival of this final report in the House, the House adopted the second FCC substitute for the Governor's original budget bill. (1975 H. Jour., p. 1688) It appears that the Senate never voted to adopt the statements of "intent" that were added during the last day of the session in as much as the Senate Journal indicates the Senate adopted the second FCC report on June 6, 1975, and the last meeting of the second FCC, at which "intent" statements were added to the report, occurred on June 7, 1975.

Following the adjournment of the legislature on June 7, the legislature's support staff began editing and clarifying the "intent" statements of the second FCC report. This process was completed in mid-June. During the week of June 23, a portion of the final version of the second FCC report was prepared by the Legislative Finance Division and sent to each legislator. This first portion contained the DHSS Health-Operating budget. On June 30, the remainder of the final report was sent. (Memo of 6/30/75 from Jay Hogan to Members of the Legislature) Some parts of this final report were the same as the report that emerged from the second FCC. Other portions did not appear in any version of the report but the final one. (See for example, "intent" statements at p. 169 of final FCC report, FY '76, Education-Operating Budget.)

It is these "intent" statements -- statements that were contained in some printouts and omitted from others, statements in documents containing hundreds of pages and available for perusal by legislators for but a matter of hours prior to voting thereon, statements that were subject to editing and clarification by staff members subsequent to the adjournment of the legislature, statements that apparently were not a part of the report passed by the Senate -- that are purported to have the force of law.

The document containing the intent statements which the legislature incorporated by reference into Chapter 209 is described in Section 16(a) of the law as ". . . the 'Free Conference Committee Report, FY '76, Operating and Capitol Budget' as published by the legislative finance division". Since there were a number of different FCC reports on the budget bill, the contents of which were not uniform, we must first ascertain to which report the quoted language refers.

The term "published" means to make known to people in general, to place in general circulation or to distribute or make available to the general public. Planned Parenthood Committee of Phoenix, Inc. v. Maricopa County, 375 P.2d 719, 722 (Ariz. 1962). It has been held to have the same significance as "circulate", State v. Elder, 143 P. 482 (N.M. 1914), and to possess connotations of wider distribution than that implied by words such as "communicate", "make known", or "divulge". U.S. v. Baltimore Post Co., 2 F.2d 761, 764 (D.C. Md. 1924).

It seems likely that the legislature did not have reference to the "final" report which was limited to a single copy for each house and furnished to them during the closing hours of the session. While this "final" report was prepared by the Legislative Finance Division, it was not, in fact, the final report which was subsequently published, after editing and clarification, and widely distributed. This latter report is what is generally known as and understood to be, the ". . . 'Free Conference Committee Report, FY '76, Operating and Capitol Budget' . . . ." This interpretation of the legislature's reference is consistent both with apparent legislative intent and also with common understanding. Whether this incorporation by reference of future non-statutory material is lawful is the subject of the next section of this opinion.

D. Delegation of Legislative Powers

The primary legal question concerning the incorporation by reference of future non-statutory materials into present law is whether such a procedure constitutes an unlawful delegation of a legislative power.

Because of the complexity of the issues a legislature must address, the delegation of legislative powers has become a common tool for the implementation of the legislature's will. Probably the most common type of delegation is that which occurs

when the legislature authorizes the promulgation of rules and regulations by an agency charged with the administration of a law. (See for example, AS 16.43.110, a section of Alaska's Limited Entry Act.) Courts have had little difficulty in upholding such delegations, so long as the legislature provides adequate standards for the agency's exercise of the delegated authority. See generally, Cooper, State Administration Law, vol. 1 ch. III, sec. 3.

A second common type of legislative delegation is a delegation of the authority to determine when a fact exists which is necessary to bring a law into effect. Some courts have approved such a delegation. Field v. Clark, 143 U.S. 649, 12 S. Ct. 495 (1891) (delegation by Congress to the President of power to determine when it is in the public interest to suspend provisions of law allowing free imports); Natural Milk Producer's Assn. v. City and County of San Francisco, 124 P.2d 25 (Cal. 1942) (standards for certified milk to be set by national and local dairy assoc's); Ex Parte Gerino, 77 P. 166 (Cal. 1904) (state medical school standards to be those set by an association of Medical colleges). Foeller v. Housing Authority of Portland, 256 P.2d 752 (Oregon, 1953) (authority to determine what areas are "blighted" given to housing authority). Other courts have not been so inclined. Agnew v. City of Culver, 304 P.2d 788 (Cal. App. 1957) (incorporation by reference of National Electrical Code held to be unlawful delegation); State v. Crawford, 177 P 360 (Kan. 1919) (to same effect). The only meaningful difference between the cases upholding this type of delegation and those in which the delegation was declared unlawful appears to be in the philosophy of the courts rendering the decisions.

A third type of lawful delegation by the legislature is a delegation of the authority to carry out activities ancillary to the legislative function, such as the ascertainment of facts and the making of recommendations to the legislature. Vita-Pharmacals, Inc. v. Board of Pharmacy, 243 P.2d 890 (Cal. App. 1952).

The drawing of a distinction between lawful and unlawful delegation of authority by the legislature is not always an easy task. The most-often-quoted statement of the distinction is found in Field v. Clark, supra, in which the United States Supreme Court, quoting the Supreme Court of Ohio, stated:

> The true distinction . . . is between the delegation of power to make the law, which necessarily involves a discretion as to what it shall be, and conferring authority or discretion as to its execution, to be exercised under and in pursuance of the law. The first cannot be done; to the latter no valid objection can be made. Id. at 693, 694.

Subsequent cases have reaffirmed the proposition that a legislature may not delegate its constitutional power to legislate i.e., the power to determine what the law shall be. Peters v. Frye, 223 P.2d 176 (Ariz. 1950); Tillotson v. Frohmiller, 271 P. 867 (Ariz. 1928); Dixon v. Zick, 500 P.2d 130 (Colo. 1972); Smithberger v. Banning, 262 N.W. 493 (Neb. 1935); State v. Davis, 296 P.2d 240 (Oregon, 1956); Foeller v. Housing Authority of Portland, 256 P.2d 752 (Oregon, 1953); State ex rel O'Connell v. Yelle, 320 P.2d 1086 (Wash. 1958).

In the present case, the legislature passed a bill which provides that all "intent" statements that may appear in the final second FCC report on the budget are to be a part of the law. (Ch. 209, sec. 16(a), SLA 1975). The legislature then adjourned, leaving to its support staff the task of preparing these statements with no subsequent review by the legislature. This procedure amounts to the legislature passing a law stating "contents to follow", and then turning over to its staff, without legislative review, the function of preparing the contents.

It is our opinion that this procedure for giving legal effect to "legislative intent" statements constitutes a delegation of the legislature's power to legislate in violation of Alaska Const., art. II, sec. 1.

As a further indication of the invalidity of the legislature's action here, the following very real possibility is presented. The final budget bill was sent to the Governor on June 12, 1975 (1975 H. Jour., p. 1690). The Governor then had 20 days within which to veto the bill or it would become law without his signature. (Alaska Const., art. II, §17) Yet, there was no assurance that the FCC report containing a part of that bill would be completed prior to the end of the 20 day period. The Governor's alternatives could well have been: (1) allow to become law or sign into law a bill, some of the contents of which were unknown to him; or (2) veto the entire appropriation for state government to avoid the risk.

In fact, the Legislative Finance Division's report was not sent out until June 30, the day the Governor chose to sign the bill and only two days before the bill would have become law without his signature. (1975 H. Jour., p. 1707) The Governor's constitutional powers are hollow indeed if he is to be expected to sign or veto laws before their contents are presented to him.

E. Amendment of Existing Law

To this point, this opinion has addressed the legality of the procedure by which the legislature attempted to give legal effect to statements of "legislative intent". Assuming, however, that the legislature had proceeded (or were to proceed) in the manner required to incorporate by reference, the result would still be the same, because whether or not there was a proper incorporation by reference, the legislature still may not use an appropriations bill to make or amend substantive law.

AS 47.25.130 and AS 47.25.170 provide that DHSS is to determine the amount of assistance to be granted eligible persons under the GR-Med program. This statutory authority necessarily requires that DHSS make the determination of reimbursement rates for hospitals providing GR-Med care.

The legislative intent statement in question is in conflict with the provisions of AS 47.25.130 and AS 47.25.170 insofar as it purports to affect the power to determine rates which it had delegated by statute to DHSS. By the standard cannons of statutory construction, this later expression of the will of the legislature, were it valid, would constitute an implied repeal of the above statutory provisions to the extent that they conflict with the "legislative intent" statement in question.

The question that arises is, can the legislature amend statutory law by incorporating into the general appropriations bill an as yet unpublished committee report containing the amending language?

There is no doubt that the legislature could amend the two statutory provisions cited above, either in accordance with the amending rules of the Uniform Rules of the Alaska State Legislature or by enacting legislation containing the terms of the intent statement and thereby amend by implication. The legislature cannot, however, amend substantive law by an appropriations bill.

Article II, section 13 of the Alaska Constitution provides that appropriation bills "shall be confined to appropriations". The Alaska Supreme Court has never addressed the question of what elements constitute "appropriations". Courts of other jurisdictions having similar constitutional provisions have held that certain conditions or limitations may properly be attached to appropriations in a budget bill. State ex rel. Sego v. Kirkpatrick, 524 P.2d 975 (N.M. 1974); State ex rel. Holmes v. State Board of Finance, 367 P.2d 925 (N.M. 1961); State ex rel. Lucero v. Marron, 128 P. 480 (N.M., 1912). The holding of each of these cases is that such conditions or limitations are acceptable so long as they are germane to the appropriation to which they are attached. There is, however, a limit to such conditions. Faced with an appropriation bill containing a condition fixing salaries, the Missouri Supreme Court stated:

> An appropriation bill is just what the terminology imports, and no more. Its sole purpose is to set aside moneys for specified purposes, and the lawmaker is not directed to expect or look for anything else in an appropriation bill except appropriations. As to these he is charged by the Constitution to look and watch for two things: (a) The various subjects of the bill; and (b) the account or accounts for which the payment of the State's moneys are being set apart . . . Here we have an appropriation act which not only appropriates money for the various subjects embraced therein, but which attempts to fix and regulate all salaries affected by the act which either have not been fixed by any statute, or not definitely fixed, which would include all salaries where the maximum alone was named. That the legislature has the right by general statute to fix salaries is beyond question, but has it the right to do so by means of an appropriation act? We think not. State ex rel. Hueller v. Thompson, 289 S.W. 338, 340-41 (Mo., 1926).

Article 4, section 25 of the Missouri Constitution is substantially the same as article II, section 13 of the Alaska Constitution, quoted supra, in that it limits appropriation bills to appropriations. The reason for such a provision was succinctly addressed by the Thompson court:

> As has been observed in well-reasoned cases, if the practice of incorporating legislation of general character in an appropriation bill should be allowed, then all sorts of ill conceived, questionable, if not viscious, legislation could be proposed with the threat, too, that, if not assented to and passed, the appropriations would be defeated. Id., at 341.

A second factor, present in the instant case but not in Thompson, lends additional support to the result reached by the Missouri Supreme Court. By incorporating the "intent" statement of the FCC report into the budget bill, the legislature has in effect amended AS 47.25.130 and AS 47.25.170, and changed DHSS policy of 100% reimbursement to hospitals, without any notice to the institutions which are affected by such a change. In the absence of such notice, required as to subject in the title to each bill, Alaska Const., art II, §13, hospitals were given no opportunity to express their position or to present to their representatives in the legislature their views as to the wisdom of such legislation. This notice, both to members and the affected public, is, of course, the very purpose of the requirement contained in article II, section 13, of the Alaska Constitution. United States v. Hardcastle, 10 Alaska 254 (1942); Industrial Development Authority of Pinal County v. Nelson, 509 P.2d 705 (Ariz. 1973); Bensakey Tp. School Dist. v. County Com'rs of Bucks County, 303 A.2d 258 (Pa. 1973).

F. Effect on Governor's Veto Powers

We believe that the above more than suffices to answer the question you have presented. Should any doubts remain, we raise an additional problem engendered by the legislature's action in this matter.

Article II, section 15 of the Alaska Constitution provides:

> The governor may veto bills passed by the legislature. He may, by veto, strike or reduce items in appropriation bills. He shall return any vetoed bill, with a statement of his objections, to the house of origin.

Prior case law has established that the Governor cannot veto conditions attached to an appropriation and leave only

the appropriation standing. Weldon et al. v. Ray et al., Op. No. 202-57321 (Iowa, May 12, 1975); State ex rel. Sego v. Kirkpatrick, supra at 981. In the normal situation, the Governor must decide whether the conditions attached to a particular appropriation are so onerous as to necessitate a veto of the entire appropriation. Given such a situation, the Governor is most apt to allow an appropriation to stand, notwithstanding attached conditions with which he disagrees, in order to assure the funding of the subject of the appropriation. The situation in the present case is somewhat different.

The Governor is here presented with two alternatives: (1) veto the appropriation and thereby jeopardize the existence of the GR-Med program; or (2) allow existing law to be amended by a provision which, were it in a separate bill, he would veto. This presents the very situation which the single-subject rule, Alaska Const. art. II, §13, was intended to prevent, that is, where a legislator or governor is compelled to accept a provision he does not favor in order to get one that he does favor. It is also, unquestionably, one of the reasons for the rule that an appropriations bill may include only appropriations. Alaska Const., art. II, §13. See, Suber v. Alaska State Bond Comm., 414 P.2d 548 (Alaska, 1966); Washington State School Director's Ass'n v. Department of Labor and Industries, 510 P.2d 818 (Wash. 1973).

We are, therefore, of the opinion that the "legislative intent" statement in question, as well as all other such statements of the second FCC report on the budget bill, do not possess any legal force or effect. The court's statement in State v. Culver, supra, involving the attempted incorporation by reference of the National Electrical Code, is equally applicable to the incorporation by reference of "legislative intent" statements.

> . . . If the Legislature desires to adopt a rule of the National Electrical Code as a law of this state, it should copy that rule, and give it a title and an enacting clause, and pass it through the Senate and the House of Representatives by a constitutional majority, and give the Governor a chance to approve or veto it, and then hand it over to the secretary of state for publication. Id. at 361.

The purpose of this opinion has been to examine the legal force of a statement of "legislative intent" and thereby

assist your department in assessing the strength of its position in the face of a threatened law suit. Though it is our opinion that the statement in question has no legal force, we do not mean to imply, nor should it be inferred, that your department should not comply with it. Because the "legislative intent" statement is not legally cognizable as an expression of the legislature's will, it does not mean that the statement is not in fact an expression of that will.

Should you choose to implement a policy of 80% reimbursement to hospitals providing GR-Med assistance, you must adopt a regulation to that effect pursuant to the Administrative Procedure Act. You may also wish to resolve the matter by asking the legislature to set the policy by amending the basic GR-Med statute. We will be pleased to have such legislation drafted and introduced if that is your wish.

Sincerely,

AVRUM M. GROSS
ATTORNEY GENERAL

By:
Richard M. Burnham
Assistant Attorney General

RMB:jf

LAKE OTIS CLINIC, INC.
POST OFFICE BOX 4-1539
ANCHORAGE, ALASKA 99509
907 - 277-6219

June 28, 1976

Mr. Palmer McCarter
Director
Department of Community & Regional Affairs
Division of Local Government Assistance
State of Alaska
Pouch B
Juneau, Alaska 99811

Re: Revenue Sharing Regulations

Dear Mr. McCarter:

The material you forwarded to me concerning the Revenue Sharing regulations proposed was received on June 24, and I thank you for it.

Comments concerning the regulations are as follows:

(9) HOSPITAL CONSTRUCTION AID:

(9) - (C) : The law calls for total project costs, but this regulation (C) would change that to some project costs. I don't think this is the legislative intent, nor would it appear from reading the statute that the Department was authorized to change the law. We would of course appreciate attention to this point.

(9) - (D) : On reading the statute , there certainly is no lack of clarity that the Revenue Sharing funds could flow directly to a facility sponsor whether in municipality or outside a municipality . The statute appears to very clearly permit a choice. The regulation proposed would eliminate that choice and require all revenue sharing funds to go to the municipality. That would not appear to be legislative intent.

It would please me a great deal if the Department would take these observations into consideration prior to adopting the regulations.

Sincerely,

mfb:bp

RECEIVED
JUL 2 1976
DEPT. OF COMMUNITY
& REGIONAL AFFAIRS

Michael F. Beirne, M.D.
President

ORSINI

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1. SCR 13
2. SCR 14
3. AS 43.18.010(h)
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6. 19 AAC 30.140(3)
7. AG's letter to Dept of HESS, 8/28/72, approving HESS's use of Hill-Burton Regs. as a guideline in determining "total project costs" re: AS43.18.010(j)
8. AS 43.18.100
9. AS 43.18.300
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ATTACHMENTS

1 SB 42
2 CSSB 42 (Local Government)
3 CSSB 42 (HEW)
4 CSSB 42 (Finance)
5 HCS CSSB 42
6 CSSB 42 (Finance) am H
7 HCSSB 383 am H, p.10, line 26, Ch 71, SLA 72
8 HB 42, p.2, line 14
9 CSHB 42, p.2, line 11
#10 CSHB 42 (HESS) p.2, line 13
#11 CSHB 42 (Finance) p.2, line 8
#12 CSHB 42 (Finance) am S, p.2, line 11, Ch 87, SLA 73
#13 Ch 127, SLA 1974
#14 Ch 265, SLA 1976

Hill-Burton Allowable and Non-Allowable Cost

Acquisition of Site	Non-Allowable *
Site Clearance	Allowable
Relocation of Utilities	Non-Allowable
Sidewalks	Allowable
Driveways	Allowable
Parking Areas	Allowable
Landscaping	Allowable
Underground Sprinkler System	Allowable
Connection to Utilities	Allowable
Off-Site Improvements	Non-Allowable
Advertising	Allowable
Insurance Coverage	Allowable
Architects' Fees	Allowable
Consultant Fees	Allowable *
Inspection	Allowable
Equipment	Allowable *
Surplus Property	Allowable
Donated Land, Equipment, Services	Non-Allowable *
Bonus Payments to Contractor	Non-Allowable

*(exceptions)

Hill-Burton Allowable and Non-Allowable Cost (2)

Damage Judgments Against Sponsor	Non-Allowable
Maintenance of Records	Allowable
Sales Tax	Allowable
Space for the Private Practice of Medicine	Non-Allowable
Space to be Leased to Radiologist or Pathologist	Allowable
Space for Revenue Purposes	Non-Allowable
Space and Equipment for Religious Activities	Allowable
Fund Raising Expenses--- Memorial Plaques	Non-Allowable
Public Health Facilities in Private Nonprofit Hospitals	Non-Allowable
Legal Council's Fees	Non-Allowable
Gift Shops Flower Shops Snack Bars	Allowable
Unfinished Space	Non-Allowable

*(exceptions)

Hill-Burton Allowable and Non-Allowable Cost (3)

Books	Allowable *
Television	Allowable
Short-term Care Facilities	May Be Allowed
Long-term Care Facilities	May Be Allowed
Nurses' Dormitory	May Be Allowed
Fallout Protection	Allowable
Housing Staff for Nursing Home	Non-Allowable *
Pictures and Murals	Non-Allowable *
Floor Finish Materials	Allowable *
Quarters for Residents and Interns	Allowable *
Costs Allowable and Not Allowable in Guaranteed Loan and Direct Loan Projects	Non-Allowable *

*(exceptions)

HOSPITAL CONSTRUCTION AID at $2500 per bed

Applicant Approved	Grant Entitlement	Cost of Services	Total Entitlement	Prorated Entitlement
Fiscal Year 1977				
Municipality of Anchorage	810,000	-0-	810,000	775,477
City of Fairbanks	70,000	10,500	80,500	77,069
Fiscal Year 1976				
Greater Anchorage Area Borough before unification	194,685	-0-	194,685	194,685
Municipality of Anchorage after unification	740,315	-0-	740,315	740,315
Petersburg	4,116	-0-	4,116	4,116
Fiscal Year 1975				
Greater Anchorage Area Borough	319,596	-0-	319,596	319.596
Lake Otis Clinic	312,500	-0-	312,500	312,500
Kenai Peninsula Borough	29,243	3,071	32,314	32,314
City & Borough of Juneau	545	41	586	586
Fairbanks North Star Borough	12,328	925	13,253	13,253
Fiscal Year 1974				
City & Borough of Juneau	6,751	-0-	6,751	6,206
Fairbanks North Star Borough	152,708	-0-	152,708	142,380
Greater Anchorage Area Borough	343,446	-0-	343,446	315,719
Kenai Peninsula Borough	52,921	-0-	52,921	48,649

HOSPITAL CONSTRUCTION AID at $2500 per bed

Applicants Approved	Grant Entitlement	Cost of Services	Total Entitlement	Prorated Entitlement
Fiscal Year 1973				
City & Borough of Juneau	86,994	-0-	86,994	80,243
Fairbanks North Star Borough	290,000	-0-	290,000	267,496
Greater Anchorage Area Borough	100,000	-0-	100,000	92,240
Kenai Peninsula Borough	75,000	-0-	75,000	69,180
Fiscal Year 1972				
Fairbanks North Star Borough	290,000	-0-	290,000	289,796
Kenai Peninsula Borough	79,175	-0-	79,175	79,119
City & Borough of Juneau	167,500	-0-	167,500	167,382

(1) A.G. G.C

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

WILLIAM A. EGAN, GOVERNOR

POUCH K — STATE CAPITOL
JUNEAU 99801

DATE	ROUTE TO:	✓
	JF	✓
	FILE	

August 28, 1972

The Honorable Frederick McGinnis
Commissioner
Department of Health and Social
Services
Juneau, Alaska 99801

Office of the Commissioner
SEP 11 1972
RECEIVED

Dear Commissioner McGinnis:

You have asked our opinion of whether your present method of determining "total project costs" of eligible medical construction by relying on promulgations of the Department of Health, Education and Welfare pursuant to Title VI of the Public Health Services Act as amended, meets the requirements of AS 43.18.010(j). It is our opinion that the use of these promulgations is within the scope of your discretion in the administration of this program.

AS 43.18.010(j) states as follows:

> If construction of a facility began after January 1, 1968 and state matching aid for construction approved for payment to the local government or other facility sponsor constitutes less than 25 per cent of the total project cost, the state shall pay to the local goverment or other facility sponsor each fiscal year a sum equal to $2,500 a bed for the maximum number of beds provided for in the construction design of the facility. State aid provided for in this subsection shall continue until the local government or other facility sponsor has received an amount which, combined with state matching money for construction of the facility, equals 25 per cent of the total project cost. No funds received for construction shall be used for any other purpose. (Emphasis added)

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SEP 1 1 1972
Comprehensive Health Planning Office

As AS 43.18.010(j) is the state counterpart of Title VI of the Public Health Services Act, 42 USCA 201 et seq., it is appropriate that you may follow standards promulgated in interpretation of that Act. To read the term "total project costs"

as used in AS 43.18.010(j) literally would mean allowing all costs even if lavish, wasteful or illegal. Since clearly that could not have been what was intended when the legislature enacted this section, your department has the implied duty to allow only those costs which are in line with the statutory purpose of this section. In this case, since no statutory guidelines are set out, you have broad discretion to define the meaning of such terms in accordance with the statutory purpose. Naturally then, these rules of the Department of Health, Education and Welfare, interpreting 42 USCA 201 et seq., may be used to assist you in defining the meaning of these statutory terms. In this case, however even more evidence of the legislature's intention in passing AS 43.18.010(j) can be seen by looking at similar state grants for other purposes.

AS 43.18.100 granting aid for school construction goes into great detail to specifically provide for the meaning of "costs of school construction." AS 43.18.100(f)(2). Since no mention of these items is made in AS 43.18.010(j) it is reasonable to assume that they were not intended to be included in the computation of "total cost" under that section and this is the general effect of following the Federal regulations.

Similarly in AS 43.18.300 providing grants for the construction of Community Facilities, express allowance is made for the cost of "feasibility studies". This term is unnecessary if "cost of construction" were to be read literally. Again, since no similar language is included in AS 43.18.010(j) it can be assumed that these costs were also not to be included.

Finally, in AS 46.03.030(b) providing funds for the cost of water systems, it is provided that the amount received is computed on the basis of those costs "not borne by the federal government". In this case, the regulations you are relying on in effect specifies those costs which will not be borne by the federal government. If it were the legislature's intention in passing AS 43.18.010(j) to pick up those costs not borne by the federal government, it would have added a similar phrase to that in AS 46.03.030(b), particularly as these two sections were before the legislature during the same session and were passed within a few days of one another.

In conclusion, it is within the scope of your administrative discretion to utilize the guidelines promulgated by the Department of Health, Education and Welfare in defining the term "total project cost" of eligible medical facilities under the provisions of AS 43.18.010(j).

Very truly yours,

JOHN E. HAVELOCK
ATTORNEY GENERAL

By: Peter A. Michalski
Peter A. Michalski
Assistant Attorney General

PAM:ss

(11)

DEPARTMENT OF
HEALTH, EDUCATION, AND WELFARE
Public Health Service
Rockville, Maryland 20852

August 12, 1971

HEALTH GRANTS MANUAL NOTICE
S-110 FOR TITLE 2, CONSTRUCTION AND MODERNIZATION
OF HOSPITALS AND MEDICAL FACILITIES

To: Department of Health, Education, and Welfare Regional Offices and State Agencies Concerned with the Administration of Title VI of the Public Health Service Act, as amended

Subject: Transmittal of Part 24-2, Project Costs in Which the Federal Government Can and Cannot Participate

Attached is Part 24-2 of the Health Grants Manual. This revision supersedes Part 24-2 dated April 11, 1967.

Filing Suggestion

Remove Part 24-2 dated April 11, 1967 and replace it with the attached Part 24-2 dated August 12, 1971.

Harold M. Graning, M.D.
Assistant Surgeon General
Director, Health Care
Facilities Service

24-2.1 Purpose
24-2.2 Definitions
24-2.3 Costs Allowable and Nonallowable for Federal Participation
24-2.4 Costs Allowable and Nonallowable in Guaranteed Loan and Direct Loan Projects

24-2.1
Purpose

The purpose of this Part is to define necessary costs and establish principles for determining costs which are and are not allowable for Federal participation or which may or may not be included in guaranteed loans or direct loans in the construction and modernization of projects under Title VI of the Public Health Service Act, as amended. This Part does not treat other factors which affect the approvability of applications.

24-2.2
Definitions

Necessary Costs

A. Only costs which are determined to be necessary costs of construction or modernization can be approved for Federal participation. Costs resulting from construction or modernization which are excessive, elaborate, or not appropriate to the specific needs of the facility are not allowable.

Pick-up Projects

B. For pick-up projects, Federal participation is limited to the cost of completing the facility. (Phased construction does not connote a pick-up project). The uncompleted portion consists of the following:

1. Actual construction work to be completed which includes building materials and fixed equipment delivered to the site but not yet incorporated in the building;

24-2.2 Definitions (cont'd)

Pick-up Projects (cont'd)

2. Movable equipment to be delivered;

3. Services to be rendered in connection with the uncompleted construction and equipping of the project.

Incurrence of Costs

4. Project construction costs have been incurred when there is an unconditional obligation to pay for work which has been performed or services rendered. An unconditional obligation to pay arises when work has been performed or services have been rendered in accordance with the terms of the contract. In the case of equipment costs, fixed equipment costs are incurred when such equipment has been installed, and movable equipment costs are incurred when such equipment has been delivered to the possession and control of the applicant.

24-2.3
Costs Allowable and Not Allowable for Federal Participation

The following are project costs in which Federal participation may and may not be allowed. This list is not exhaustive but includes costs which will be most frequently encountered:

Definition of Site

A. Site is the tract or plot of land on which the facility is or will be located and which is required for the construction and operation of the facility and which is defined in the approved application.

24-2.3 Costs Allowable and Not Allowable for Federal Participation (cont'd)

Acquisition of Site

B. The cost of the site, including acquisition costs such as title search, title clearance and settlement fees, is not allowable, except that the portion of the site on which a public health center is located is allowable. (The cost of the site survey and soil investigation for a public health center or other project is allowable).

Site Clearance

C. It will not be necessary to clear the site of encumbrances, such as easements and rights-of-way, provided they do not interfere with the building or its appurtenances. If the site is to be cleared of existing buildings and improvements, such as overhead power transmission lines and underground water, gas or sewerage lines, the cost is allowable, provided an allowance for salvage is reflected in the bid of the contractor who performs the work.

Relocation of Utilities

D. The cost of relocating utilities and services including acquiring rights-of-way, easements or other interest in land at either the new or old location of the utilities is not allowable.

Sidewalks

E. The cost of sidewalks necessary for the use and operation of the facility and those necessary to connect sidewalks on the site with adjacent public facilities, such as roads and sidewalks, is allowable even though such connecting links extend beyond the site line.

Driveways

F. The cost of driveways located on the site and those necessary to connect with public roads which are contiguous to the site is allowable. (See "J" below)

24-2.3 Costs Allowable and Not Allowable for Federal Participation (cont'd)

Parking Areas

G. The cost of constructing parking areas on the site, including multistory and subterranean parking which is essential to the operation of the facility, is allowable. In the case of multistory and subterreanean parking, the sponsor must clearly indicate in the application (1) that the size and the nature of the area are necessary to serve the project under construction, and (2) that other suitable parking areas are not available or that the cost of acquiring such areas is prohibitive.

Landscaping

H. The cost of landscaping, including architectural service, seeding, sprigging or sodding of the site and the planting of trees and shrubs is allowable to the extent that the cost is reasonable. The cost of such service is to be reviewed on an individual basis.

Underground Sprinkler System

I. The cost of installing an underground lawn sprinkler system is allowable.

Connections to Utilities

J. The cost of connecting to utilities is allowable, provided such utilities are located in streets, roads, or alleys contiguous to the site. If the building site is distantly located with respect to public roads or streets so that excessively long utility and driveway connections are required between the building site and the public road, the cost of the excessive utility and driveway connections will not be allowable for Federal participation.

24-2.3 Costs Allowable and Not Allowable for Federal Participation (cont'd)

Off-Site Improvements

K. The cost of off-site improvements such as roads, sidewalks, and utilities including sewer lines extending beyond the public streets immediately adjacent to the project, is not allowable.

Advertising

L. Advertising costs incurred in obtaining competitive bids are allowable.

Insurance Coverage

M. The cost to the project sponsor of insurance coverage during construction is allowable.

Allowable insurance costs include the following:

1. The cost of the sponsor's liability insurance.

2. The cost of insurance covering construction in the event the insurance is carried by the sponsor rather than the contractor.

3. The cost of insurance carried by the sponsor to protect equipment purchased by the sponsor against loss or damage.

Architects' Fees

N. The cost of architectural services rendered in connection with the project as approved is allowable. This includes the cost of plans and specifications prepared by State or political subdivisions in cases where such agencies are the sponsors of approved projects.

The architect's fee may be based on a contract between the architect and the sponsor setting forth the services to be provided and the manner in

24-2.3 Costs Allowable and Not Allowable for Federal Participation (cont'd)

Architects' Fees (cont'd)

which the total fee will be determined. The architect may also be engaged on a payroll basis. In those cases where plans and specifications are prepared by a public agency, the cost may be established by fee or by computation of actual cost to the agency concerned.

Regardless of the manner in which the fee is determined, Federal participation is limited to an amount which is commensurate with accepted fees within the area.

Payments to the architect for work which is not a part of the approved project, abandoned work, or work not put under contract and any payment to the architect which is not provided for in the architectural contract are not allowable.

Consultant Fees

O. Consultant fees are allowable for financial feasibility studies and to the extent that they relate to the construction or equipping of the project. The cost of conducting feasibility studies to determine need for construction or modernization of a facility is not allowable.

Any portion of a consultant's fee which involves services performed in developing operational procedures, staffing the facility, or other functions not related to the construction and equipping of the facility is not allowable.

24-2.3 Costs Allowable and Not Allowable for Federal Participation (cont'd)

Inspection

P. The cost of supervision and inspection provided by the architect or an employee of the applicant at the site to insure that the completed work conforms with approved plans and specifications is allowable.

In those cases where the State or political subdivision is the approved applicant and supervision and inspection services are performed by such State or political subdivision, reasonable costs of such services are allowable.

Equipment

Q. The actual cost of all essential initial equipment, and equipment for the purpose of providing a service not previously provided in the community, purchased (delivered to the control of the applicant) for the approved project after the filing of the initial part of the application with the regional office is allowable. Such costs include the cost of transportation, storage and placement of equipment. The cost of reconditioning equipment which will be used in the project is allowable. The cost of donated equipment is not allowable.

24-2.3 Costs Allowable and Not Allowable for Federal Participation (cont'd)

Equipment (cont'd)

Essential initial equipment may include equipment made necessary by the expansion, remodeling, alteration, and modernization of an existing building, even though the equipment may not be located in expanded, remodeled, altered or modernized areas, except that equipment may not be located in areas that do not comply with the safety requirements of Appendix A of the Regulations.

The cost of equipment which is being purchased through a conditional sales contract is not allowable. If the hospital can demonstrate that the contract has been completed and title transferred to the applicant, the cost of the equipment is allowable. Purchases under other installment sales contracts where the applicant is owner of the equipment including those in which there is a chattel mortgage are allowable. The determining factor is whether the applicant owns the equipment or whether the vendor owns the equipment.

Surplus Property

R. Costs incurred by the sponsor in packing, handling, and transporting Federal surplus equipment are allowable.

24-2.3 Costs Allowable and Not Allowable for Federal Participation (cont'd)

Donated Land, Equipment, Services	S.	The value of donated land, material, equipment, or services including donated labor is not allowable. If a rebate or refund is received from a firm or individual from whom the material, equipment, land or service was purchased, only the net cost to the sponsor may be allowed. This does not mean that individuals, business firms, or other organizations from whom a sponsor makes purchases may not make a donation to the building fund. However, such a donation may not be related to the sale or rendering of a service if the sponsor claims such costs for Federal participation.
Bonus Payments to Contractor	T.	Bonus payments made by the sponsor to the contractor for completing work in advance of a specified time are not allowable.
Liquidated Damages	U.	Any amounts collected by sponsors on bid bonds of defaulting bidders or as liquidated damages for failure of a contractor to complete the work on time shall be disregarded in determining the cost of construction for the purpose of calculating the Federal share.
Damage Judgments Against Sponsor	V.	Expenses incurred as damages arising out of the construction or equipping of the project, whether established by judicial determination, arbitration, negotiation, or otherwise, are not allowable.

24-2.3 Costs Allowable and Not Allowable for Federal Participation (cont'd)

Maintenance of Records	W.	Costs incurred by the project sponsor in the preparation and maintenance of administrative, technical, fiscal and accounting records in connection with the approved project are allowable.
Sales Tax	X.	The nonrefundable sales tax and Federal excise tax which a project sponsor pays in connection with constructing and equipping an approved project are allowable.
Space for the Private Practice of Medicine	Y.	The cost of office space intended solely for the conduct of the private practice of medicine or dentistry is not allowable.
Space to be Leased to Radiologist or Pathologist	Z.	The cost of space to house the radiology and pathology services of the hospital and the equipment therein which is to be leased for operation to a radiologist or pathologist is allowable provided the hospital retains authority to control the purposes for which the space is utilized in order to insure that services to be provided in such space are consistent with the needs and requirements of the hospital and the community which it serves.
Space for Revenue Purposes	AA.	Costs for office and other space constructed solely for revenue purposes or for the convenience of the occupants as contrasted with the operation of the facility are not allowable.
Space and Equipment for Religious Activities	BB.	The cost of space and equipment for the provision of spiritual or religious services to patients and staff in eligible medical facilities is allowable where appropriate to the type of facility involved and reasonable in amount.

24-2.3 Costs Allowable and Not Allowable for Federal Participation (cont'd)

Space and Equipment for Religious Activities (cont'd)

Costs of any distinctly sectarian or denominational features of construction or the cost of equipment characteristic of, or peculiar to, any sect or denomination are not allowable.

Fund Raising Expenses -- Memorial Plaques

CC. Costs incurred by the sponsor in raising the non-Federal share of the cost of the project are not allowable. This includes memorial plaques inscribed with the names of persons, business firms or other organizations, or book of remembrances used to give recognition to contributors.

Public Health Facilities in Private Nonprofit Hospitals

DD. The cost of constructing and equipping facilities in a private nonprofit hospital which are intended for the provision of public health services by State or local health departments is not allowable. (Comptroller General's opinion).

Legal Counsel's Fees

EE. Costs of legal services are not allowable other than those incidental to the acquisition of sites for public health centers. (See 24-2.3B).

Gift Shops
Flower Shops
Snack Bars

FF. The cost of space and equipment providing gift shop, flower shop, and snack bar services is allowable. The need for and size of such space is to be reviewed in the light of patient needs and operation of the facility.

Unfinished Space

GG. The cost of any unfinished or partially finished space is not allowable. This does not include space in a basement, unfinished or partially finished, resulting from excavation work necessary for the construction of the building in conformance with the approved plans and specifications.

24-2.3 Costs Allowable and Not Allowable for Federal Participation (cont'd)

Books	HH.	The cost of reference books to be used by the professional and technical staff is allowable. Purchase of these books is restricted to those which are essential and necessary to the need and operation of the facility. The cost of other books, periodicals and subscriptions to journals and magazines for either patients or staff is not allowable.
Television	II	The cost of purchasing and installing television systems, including the antenna system, is allowable. A closed television system is allowable where the program of the facility justifies such a system.
Short-term Care Facilities		1. Federal participation may be allowed in the cost of television sets for day rooms and patient rooms.
Long-term Care Facilities		2. Federal participation may be allowed in the cost of television sets for day rooms and patient rooms.
Nurses' Dormitory		3. Federal participation may be allowed in the cost of a television set for the main lounge.
Fallout Protection	JJ.	Costs in providing reasonable radiation fallout protection including the cost of space necessary to the establishment of a radiation monitoring station are allowable.
Housing Staff for Nursing Home	KK.	The cost of quarters to house staff of a nursing home is not allowable. The cost of limited quarters for a nurse on 24-hour duty may be allowed in an approved project.

24-2.3 Costs Allowable and Not Allowable for Federal Participation (cont'd)

Pictures and Murals

LL. The cost of the painting of murals is not allowable. The cost of pictures is allowable to the extent that the number and cost are reasonable.

Floor Finish Materials

MM. The cost of only one type of floor finish material is allowable in any room or area. Thus the cost of carpeting installed on a bare concrete slab is allowable while the cost of carpeting installed on a resilient tile surface is not allowable. Decorative rugs of less than room size are exempted from this requirement. (Soft flooring material such as carpeting and resilient tile must have a flame spread rating as required by Public Health Service publication No. 930A-7).

Quarters for Residents and Interns

NN. The cost of quarters for residents and interns whether located in the hospital building or in a separate building is allowable. The cost of quarters to house families of residents and interns is not allowable. (Housing for the nursing staff of a hospital is also allowable. See Part 24-1).

24-2.4 Costs Allowable and Not Allowable in Guaranteed Loan and Direct Loan Projects

A. The guidelines set forth in 24-2.1 through 24-2.3 of this Part apply to projects involving guaranteed loans or direct loans.

B. Costs incident to the loan such as legal fees, financing fees, or interest during construction are not allowable.

C. Loans guaranteed by HEW or direct loans made by HEW cannot be used to refinance an existing indebtedness.

24-2.4 Costs Allowable and Not Allowable in Guaranteed Loan and Direct Loan Projects (cont'd)

NOTE:

Applicants who seek guaranteed loans or direct loans must arrange for financing during construction (short term financing including interest). While a commitment will be made by HEW upon initial approval of an application to guarantee a loan or to make a direct loan, as the case may be, the actual guarantee or purchase of bonds with payment of interest subsidy will not be effected until construction of the project is completed.

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DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Public Health Service

■

Grants, Loans, and Loan Guarantees for Construction and Modernization of Hospitals and Medical Facilities

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Office of the Commissioner
JAN 10 1972
Comprehensive Health Planning Office

Title 42—PUBLIC HEALTH

Chapter I—Public Health Service, Department of Health, Education, and Welfare

SUBCHAPTER D—GRANTS

PART 53—GRANTS, LOANS AND LOAN GUARANTEES FOR CONSTRUCTION AND MODERNIZATION OF HOSPITALS AND MEDICAL FACILITIES

On July 29, 1971, a notice of proposed rule making was published in the FEDERAL REGISTER (36 F.R. 14016) proposing a revision of 42 CFR Part 53, relating to grants, loans and loan guarantees for the construction and modernization of hospitals and medical facilities under Title VI of the Public Health Service Act (42 U.S.C. 291 et seq.).

Interested persons were invited to submit, within 30 days, written comments, suggestions or objections regarding the proposed regulations.

A number of responses were received. The substance of these comments, and the Department's response thereto, is summarized below.

Changes have been made in the final regulations as a result of the following comments on the proposal:

1. *Allotment of direct loan and loan guarantee funds.* It was pointed out that the proposed formula for allotment of loan and loan guarantee funds to States did not include the element "need for construction", which is required by statute (sec. 622(a), Public Health Service Act).

The omission of the element "need for construction" was inadvertent. It has now been included in the formula (§ 53.92).

2. *Size criteria for mental and tuberculosis hospitals.* It was suggested that the 3,000-bed maximum size for mental hospital projects is contrary to the Federal policy of encouraging a trend away from large State or municipal "warehouses" for the mentally ill; and that the 100-bed minimum size for tuberculosis hospitals is contrary to the policy of the program to include necessary TB beds as units of general hospitals, rather than as separate entities.

The size criteria for both mental health and TB hospitals (§§ 53.102 and 53.103 of the proposal) have been deleted.

3. *Review of State plans by areawide health planning agencies.* It was suggested that, in addition to the review of individual projects by areawide health planning agencies required by statute, the State plan itself should be submitted in draft form to such agencies for review and comment.

Although this suggested addition has been program policy since January 1971, it constitutes a step in the plan review process which should more logically be included in the regulations. Accordingly, a provision has been added (§ 53.121(b)) requiring that the State Hill-Burton agency submit the State plan and any modifications thereof in final draft, before submission to the Secretary, to each agency which has developed an areawide health plan pursuant to section 314(b) of the Public Health Service Act with respect to an area in the State and, with respect to any area in which there is no such agency, to the agency administering the State plan under section 314(a) of the Act.

4. *Assurance of reasonable volume of services to persons unable to pay therefor.* Several comments related to the assurance which has been authorized by statute (section 603(e)(2), PHS Act) and required by regulation since the program's inception, and which was restated in § 53.111(b) of the proposal, with respect to the provision of a reasonable volume of services for persons unable to pay therefor.

That assurance is currently the subject of litigation in a number of suits in which the Secretary has been named or joined as a defendant. A new regulation designed to define the scope of the assurance more clearly and to govern its enforcement is under preparation in the Department and will be published separately in the near future as a notice of proposed rule making with invitation for public comment. In the interim, the assurance of a reasonable volume of services for persons unable to pay therefor has been revised so as to restate the statutory language, and has been placed in a separate section (§ 53.111). In addition, the provisions relating to community service (§ 53.111(a) of the proposal), nondiscrimination on account of creed (§ 53.111(c)), Title VI of the Civil Rights Act of 1964 (§ 53.112), and nondiscrimination in construction contracts (§ 53.113) have been placed in a new § 53.112, as paragraphs (a)(1), (a)(2), (c), and (b), respectively.

5. *Use of 1960 data in determining poverty areas.* Objection was raised to the fact that "the latest available published data from the Bureau of the Census", which State agencies are required to use in determining rural and urban poverty areas under § 53.129 of the proposal, is currently the data from the 1960 census—1970 census data will not be available until at least February 1972.

To alleviate this problem, a paragraph has been added providing that if States can demonstrate to the satisfaction of the Secretary that the income levels of families in particular areas have changed sufficiently since the date of the latest available census data to justify changes in the ranking of such areas, they may qualify as rural or urban poverty areas.

In addition, the following comments were received:

6. *Fifty-year title requirement.* Objection was raised to the requirement that an applicant provide assurance that he has or will have a fee simple or other interest in the construction site sufficient to assure undisturbed use of the facility for a period of 50 years (§ 53.128(a) of the proposal).

The 50-year title requirement is statutory (see section 15(1), PHS Act).

7. *Services in outpatient facilities.* It was suggested that a more specific list of minimum services to be provided in outpatient facilities be developed (§ 53.1(j) of the proposal).

It is the Department's judgment that no inclusion of specific types of outpatient services is necessary, since the emphasis is on the comprehensiveness of such facilities. Policy guidelines specify that single purpose outpatient facilities such as alcoholic or narcotic addiction centers are eligible where they serve one or more general hospitals within the same service area under formal written agreements. This same arrangement has been made for other types of single purpose facilities eligible in the past, such as laboratory or laundry facilities to be used by a number of general hospitals. Maintaining this concept strengthens the emphasis on shared services and reduction of duplication of functions.

8. *"Comprehensive health care".* It was suggested that the term "comprehensive" as used in § 53.81(a) of the proposal is too general, and that a list of basic minimum services should be included by way of definition.

"Comprehensive health care" is deliberately left undefined, since it is to be construed in relation to the need of a community/service area. To spell out a list of services invites duplication of those services by applicants in order to qualify for assistance. Priority judgment will be applied in favor of the applicant who presents the best program to meet the largest share of the defined needs.

In addition to the changes described in paragraphs 1–5 above, a number of editorial and technical changes have been included.

After consideration of all the comments and suggestions received, the revision as proposed is hereby adopted, subject to the following changes:

1. The first sentence of § 53.42 is revised to read as set forth below.

2. Paragraph (c) of § 53.84 is changed by inserting ")" immediately after the word "section".

3. Subparagraph (2) of § 53.92(a) is revised to read as set forth below.

4. Paragraph (b) of § 53.94 is revised to read as set forth below.

5. Sections 53.102 and 53.103 are deleted, and § 53.104 is renumbered as § 53.102.

6. Subpart L is revised to read as set forth below.

7. Section 53.121 is revised to read as set forth below.

8. Subdivision (1) of § 53.128(1)(2) is revised to read as set forth below.

9. Paragraph (c) of § 53.129 is redesignated as paragraph (d) of such section, and a new paragraph (c) is inserted.

Effective date. These regulations shall be effective upon publication in the FEDERAL REGISTER (1-6-72).

Dated: December 6, 1971.

VERNON E. WILSON,
Administrator, Health Services and Mental Health Administration.

Approved: December 30, 1971.

ELLIOT L. RICHARDSON,
Secretary.

Subpart A—Definitions

Sec.
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Subpart B—Distribution of Beds for Acute and Long-Term Illness (Excluding Mental and Tuberculosis)

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53.31 Mental health services principally for persons residing in the community.
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53.121 General; review and comment by areawide health planning agencies.
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AUTHORITY: The provisions of this Part 53 issued under secs. 215, 603, 623(b), Public Health Service Act as amended, 58 Stat. 690, 78 Stat. 451, 84 Stat. 340; 42 U.S.C. 216, 291o, 291j-3(b).

Subpart A—Definitions

§ 53.1 Definitions.

All terms not defined herein shall have the same meanings as given them in the Act. As used in this part:

(a) "Act" means title VI of the Public Health Service Act, as amended (42 U.S.C. 291 et seq.).

(b) "Secretary" means the Secretary of Health, Education, and Welfare and any other officer or employee of the Department of Health, Education, and Welfare to whom the authority involved has been delegated.

(c) "State agency" means the agency designated by a State pursuant to section 604(a)(1) of the Act.

(d) "Service area" means the geographic territory from which patients come or are expected to come to existing or proposed hospitals or existing or proposed public health centers, or existing or proposed medical facilities (i.e., facilities for long-term care, outpatient facilities, rehabilitation facilities), the delineation of which is based on such factors as population distributon, natural geographic boundaries, and transportation and trade patterns, and all parts of which are reasonably accessible to existing or proposed hospitals, public health centers, or medical facilities. When appropriate, interstate areas may be formed with the mutual agreement of the States concerned.

(e) "Hospital" means general, tuberculosis, mental, and other types of hospitals, and related facilities such as laboratories, outpatient departments, nurses' home facilities, extended care facilities, facilities related to programs for home health services, self-care units, education or training facilities for health professions personnel operated as an integral part of a hospital, and central service facilities operated in connection with hospitals, but does not include any hospital providing primarily domiciliary care.

(f) "General hospital" means any hospital for short-term inpatient medical or surgical care of illness or injury, which may include obstetrical care.

(g) "Mental hospital" means a hospital (including long-term care, intensive care, or both) for the diagnosis and treatment of mental illness.

(h) "Tuberculosis hospital" means a hospital for the diagnosis and treatment of tuberculosis.

(i) "Facility for long-term care" means a facility (including an extended care facility) providing community service for inpatient care for convalescent or chronic disease patients who require skilled nursing care and related medical services

(1) Which is a hospital (other than a hospital primarily for the care and treatment of mentally ill or tuberculosis patients) or is operated in connection with a hospital, or

(2) In which such nursing care and medical services are prescribed by, or are performed under the general direction of, persons licensed to practice medicine or surgery in the State. Institutions furnishing primarily domiciliary care are not included.

"Chronic disease hospitals" and "nursing homes" as used in the document "General Standards of Construction and Equipment for Hospital and Medical Facilities," incorporated by reference in § 53.101(a), constitute "facilities for long-term care."

(j) "Outpatient facility" means a facility, located in or apart from a hospital, providing community service for the diagnosis or diagnosis and treatment of ambulatory patients (including ambulatory inpatients) in need of physical and/or mental care

(1) Which is operated in connection with a hospital; or

(2) In which patient care is under the professional supervision of persons licensed to practice medicine or surgery in the State or, in the case of dental diagnosis or treatment, under the professional supervision of persons licensed to practice dentistry in the State; or

(3) Which offers to patients not requiring hospitalization the services of licensed physicians in various medical specialities, and which makes provision for its patients to receive a reasonably full range of diagnostic and treatment services.

(k) "Rehabilitation facility" means a facility providing community service which is operated for the primary purpose of assisting in the rehabilitation of disabled persons through an integrated program under competent professional supervision of: Medical evaluation and services; and psychological, social, or vocational evaluation and services. The major portion of the required evaluation and services must be furnished within the facility; and the facility must be operated either in connection with a hospital or as a facility in which all medical and related health services are prescribed by, or are under the general direction of, persons licensed to practice medicine or surgery in the State. For purposes of this paragraph:

(1) An integrated program brings together as a team specialized personnel from the (i) medical, and (ii) psychological, social, or vocational areas for the purpose of pooling information, interpretations and opinions for the development of a rehabilitation plan of services in which the disabled individual is viewed as a whole. When members of the team contribute to the diagnosis and treatment of illness, their contributions must be coordinated under medical responsibility.

(2) A disabled person is an individual who has a physical or mental condition which, to a material degree, limits, contributes to limiting, or if not corrected, will probably result in limiting, the individual's performance or activities to the extent of constituting a substantial physical, mental, or vocational handicap.

(3) Medical service, in the case of a rehabilitation facility operated in connection with a hospital, means a service under the direct personal supervision of a medical director, varied and extensive availability of specialized consultants, physical and occupational therapy department and occupation therapy services, and medical evaluation.

(4) Medical service, in the case of a rehabilitation facility not operated in connection with a hospital, means medical supervision, availability by agreement of medical consultants, and evaluation and services suitable to the needs of the disabled persons to be served.

(5) Social service means evaluation and services by a qualified social worker in amounts and variety appropriate to the rehabilitation needs of the disabled persons to be served.

(6) Psychological service means evaluation and services by a qualified psychologist in amounts and variety appropriate to the rehabilitation needs of the disabled persons to be served.

(7) Vocational service, in the case of a rehabilitation facility operated in connection with a hospital, means evaluation and services by a qualified vocational rehabilitation counselor in amounts and variety appropriate to the rehabilitation needs of the disabled persons to be served.

(8) Vocational service, in the case of a rehabilitation facility not operated in connection with a hospital, means those vocational services required in hospitals, plus a variety of vocational services appropriate to the program and the persons to be served, such as prevocational exploration, work evaluation and vocational training.

(l) "Public health center" means a publicly owned facility utilized by a local health unit for the provision of public health services, including related publicly owned facilities such as laboratories, clinics, and administrative offices operated in connection with public health centers.

(m) "Local health unit" means a single county, city, county-city, or local district health unit, as well as a State health district unit where the primary function of the State district unit is the direct provision of public health services to the population under its jurisdiction.

(n) "Public health services" means services provided through organized community effort in the endeavor to prevent disease, prolong life, and maintain a high degree of physical and mental efficiency.

(o) "Hospital bed" means a bed for an adult or child patient. Bassinets for the newborn in a maternity unit nursery, beds in labor rooms, recovery rooms, and other beds used exclusively for emergency purposes are not included in this definition.

(p) "Population", with respect to any State or any area thereof, means the latest figures of civilian population certified by the U.S. Department of Commerce.

(q) "Projected population" means the projected State population estimates obtained from the U.S. Department of Commerce and provided to the State agency by the Secretary. The State agency shall distribute such population among the various areas, provided that the sum of the projected populations distributed among the various areas shall not exceed the figures provided by the Secretary.

(r) "Nonprofit hospital," "nonprofit outpatient facility," "nonprofit rehabilitation facility," and "nonprofit facility for long-term care" means any hospital, outpatient facility, rehabilitation facility, or facility for long-term care, as the case may be, owned and operated by one or more nonprofit corporations or associations, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

(s) "Community service", when applied to any facility, means that (1) the services furnished are available to the general public, or (2) admission is limited only on the basis of age, medical indigency, or type or kind of medical or mental disability, or (3) the facility constitutes a medical or nursing care unit of a home or other institution which home or other institution is available in accordance with subparagraph (1) or (2) of this paragraph.

(t) "Modernization" includes alteration, major repair, remodeling, replacement, and renovation of existing buildings (including initial equipment thereof), and replacement of obsolete, built-in equipment of existing buildings. It does not include the replacement of a facility or a portion of a facility to an inpatient capacity greater than the capacity of the existing facility.

(u) "Equipment" includes those items which are necessary for the functioning of the facility but does not include items of current operating expense such as food, fuel, drugs, dressings, paper, printed forms, and soap.

(v) "Built-in equipment" means that equipment which is affixed to the facility, and usually included in the construction contract.

(w) "Major repair" means those repairs to an existing building excluding routine maintenance which restore the building to a sound state, the cost of which is no less than $100,000.

(x) "State" means the 50 States, Puerto Rico, Guam, the Virgin Islands, American Samoa, the District of Columbia, and the Trust Territories of the Pacific Islands.

Subpart B—Distribution of Beds for Acute and Long-Term Illness (Excluding Mental and Tuberculosis)

§ 53.11 State need (standards of adequacy).

The total number of beds for acute and long-term illness required to provide adequate service to the people residing an any State shall be the total of such beds required for individual service areas within the State. The number of beds required for each service area shall be determined by the State agency as follows:

(a) For general hospitals,

(1) Step (i): Multiply the current area use rate (area patient days per 1,000 current area population per year) by the projected area population (in thousands) and divide by 365 to obtain a projected area average daily census; Step (ii): Divide the projected area average daily census by 0.85 (occupancy factor) and add 10 to obtain the number of beds needed in the area, or

(2) By a different method which shall (i) incorporate, as a minimum, area utilization experience, projected area population and a desirable occupancy factor, and (ii) be submitted to the Secretary for approval prior to its use in the State plan.

(3) State agencies may adjust the bed need, as determined by one of the above methods, for specific areas with unusual circumstances or conditions; any such adjustment must be fully explained and justified in the State plan.

(b) For facilities for long-term care,

(1) Step (i): Multiply the current area use rate (area patient days per 1,000 current area population per year) by the projected area population (in thousands) and divide by 365 to obtain a projected area average daily census; Step (ii) Divide the projected area average daily census by 0.90 (occupancy factor) and add 10 to obtain the number of beds needed in the area, or

(2) By a different method which shall (i) incorporate, as a minimum, area utilization experience, projected area population and a desirable occupancy factor, and (ii) be submitted to the Secretary for approval prior to its use in the State plan.

(3) State agencies shall take into consideration (i) adjustment of bed need, as determined by one of the above methods, for areas in which a change in use rate is anticipated, and (ii) the use of area population age 65 and over, where appropriate, in place of total area population in determining bed need for long-term care.

§ 53.12 Service areas.

(a) The same service areas shall be used for planning general hospital facilities and facilities for long-term care, except that State agencies may use different areas for planning facilities for long-term care when this is consistent with effective relationships between the location of facilities and the need for services.

(b) Each service area shall have sufficient population that it may have general hospital or long-term care services appropriately planned in one or more facilities.

(c) The State agency shall describe in the State plan the population characteristics of each service area and outline a program for the distribution of beds and facilities for general hospital and long-term care.

§ 53.13 Existing general hospital beds and long-term care beds.

(a) The count of existing general hospital beds shall include the beds in the hospitals of this category as defined in Subpart A, which are not included in the count of beds for any other category under this part, and beds in any mental hospital, tuberculosis hospital or facility for long-term care which are specifically assigned for general hospital care, provided the beds so assigned in any such facility number 10 or more.

(b) The count of existing beds in facilities for long-term care shall include the beds in the facilities of this category as defined in Subpart A, which are not included in the count of beds in any other category under this part, and beds in any general, mental or tuberculosis hospital which are specifically assigned to long-term care other than mental or tuberculosis, provided the beds so assigned to any such facility number 10 or more.

(c) The count of existing beds described in paragraphs (a) and (b) of this section shall: (1) Include beds in all nursing units, including those currently closed or assigned to easily convertible nonpatient use, and bed space under construction, and (2) exclude beds in labor rooms, recovery rooms, emergency rooms, beds used intermittently for diagnosis or treatment, beds set up for temporary use, bassinets in new-born nurseries in maternity units, and unfinished bed space not under construction.

(d) The number of existing facilities in each category referred to in this subpart shall be counted.

(e) Existing beds described in paragraphs (a) and (b) of this section shall be classified as conforming or nonconforming according to specific standards of plant evaluation. Such standards shall include:

(1) Fire-resistivity of each building;

(2) Fire and other safety factors of each building;

(3) Design and structural factors affecting the function of nursing units;

(4) Design and structural factors affecting the function of service departments.

Subpart C—Distribution of Tuberculosis Hospital Beds

§ 53.21 State need (standards of adequacy).

The number of beds required to provide adequate hospital services for tuberculosis patients in any State or service area shall be determined by the following method: Divide the current average daily census of each hospital by 0.90 (occupancy factor).

§ 53.22 Distribution.

Tuberculosis hospitals receiving grants under the Act shall be built in centers of population, in proximity to general hospitals, with a view to developing community based inpatient and outpatient programs rather than isolated inpatient programs.

§ 53.23 Existing tuberculosis hospital beds.

(a) The count of existing tuberculosis hospital beds shall include the beds in tuberculosis hospitals, which are not included in the count of beds for any other category, and also beds in any general hospital which are specifically assigned for the care of patients with tuberculosis, provided the beds so assigned in any such general hospital number 10 or more.

(b) Existing tuberculosis hospital beds shall be classified as conforming or nonconforming according to plant evaluation standards as set forth in Subpart B of this part.

Subpart D—Eligibility, Distribution and Priority of Beds for the Mentally Ill

§ 53.31 Mental health services principally for persons residing in the community.

(a) For the purpose of determining need and priority, the State plan approved or approvable under the Community Mental Health Centers Act (42 U.S.C. 2681 et seq.) shall constitute that portion of the plan under the Act for construction of facilities for providing services principally for persons residing in a particular community or communities in or near which the facility is situated for the prevention or diagnosis of mental illness, or care and treatment of mentally ill patients, or rehabilitation of such persons.

(b) Special consideration shall be given to those projects for which the applicant sets forth in his application a reasonable and feasible proposal for the development, within a reasonable period of time, of a program for the provision of those essential elements of comprehensive mental health services prescribed in § 54.212 of this chapter relating to community mental health centers.

(c) An application for the construction of facilities specified in paragraph (a) of this section may be approved under this part only if the Secretary determines that funds are not available under the Community Mental Health Centers construction grant program (Part 54, Subpart C, of this chapter).

§ 53.32 Mental health services not principally for persons residing in the community.

(a) With respect to facilities for the mentally ill which do not provide services principally for persons residing in a particular community in or near which the facility is situated, special consideration shall be given to those projects for remodeling or replacing services and facilities which do not increase bed capacity, or if services are being expanded, the applicant demonstrates that no alternative plan for provision of such expanded services is feasible.

(b) An application for construction of facilities specified in paragraph (a) of this section may be approved only if it conforms with the State plan approved under the Act.

§ 53.33 Distribution.

Mental hospitals receiving grants under the Act shall be built in centers of population, as a part of or in proximity to general hospitals, with a view to developing community based inpatient and outpatient programs rather than isolated inpatient programs.

§ 53.34 Existing mental hospital beds.

(a) The count of existing mental hospital beds shall include the beds in mental hospitals, which are not included in the count of beds in any other category, and also beds in any general hospital which are specifically assigned for the comprehensive inpatient care of patients with mental illness.

(b) Existing mental hospital beds shall be classified as conforming or nonconforming according to plant evaluation standards as set forth in Subpart B of this part.

Subpart E—Distribution of Public Health Centers

§ 53.41 State need (standards of adequacy).

(a) The number of public health centers to be planned in a State shall be adequate to meet the needs of the people of that State.

(b) The need shall be determined after consultation with the State health authority (where the State agency is not the State health authority) and with local health departments where such departments are independent operating units.

§ 53.42 Distribution.

The general method of distribution of public health centers throughout the State shall conform to the plan of organization of local health units within the State. In instances where the State agency is not the State health authority, the method of distribution shall be determined after consultation with the State health authority.

§ 53.43 Existing public health centers.

(a) Where the State agency is not the State health authority, the number of existing public health centers shall be determined after consultation with the State health authority.

(b) Existing public health centers shall be classified as conforming or nonconforming according to plant evaluation standards, which shall include:

(1) Fire-resistivity of each building;

(2) Fire and other safety factors of each building;

(3) Design and structural factors affecting the function of the center.

Subpart F—Distribution of Outpatient Facilities

§ 53.51 State need (standards of adequacy).

Outpatient facilities shall be planned in sufficient number to make at least the basic minimum services readily available to all persons in the State. Provision of the basic minimum services requires facilities for examination of patients by a physician or a dentist, and the provision of clinical laboratory and diagnostic X-ray services.

§ 53.52 Distribution (service areas).

In determining the need for additional outpatient facilities in an area as a basis for distribution of such facilities, special consideration shall be given to areas in which there is a shortage of services provided by private physicians and dentists. Outpatient facilities should be planned in the same service areas used for planning hospitals except that more than one outpatient facility service area may be planned in such hospital service area, resulting in a subdivision of the hospital service area into a number of outpatient facility service areas.

§ 53.53 Existing outpatient facilities.

(a) The count of existing outpatient facilities shall exclude:

(1) Offices of private physicians and dentists, whether for individual or group practice;

(2) Industrial clinics for employees only, first aid clinics, and similar facilities not furnishing a community service.

(b) Existing outpatient facilities shall be classified as conforming or nonconforming according to plant evaluation standards as set forth in Subpart E of this part.

Subpart G—Distribution of Rehabilitation Facilities

§ 53.61 State need (standards of adequacy).

Rehabilitation facilities shall be planned by each State so that all persons in the State shall have access to integrated rehabilitation services for all types of disabilities. The facility or facilities may be programmed in the State or by joint planning with one or more other States to serve the residents of such States. In determining the number of rehabilitation facilities and services needed, the State shall consider such factors as the particular needs of the population to be served and the scope and nature of service of the existing and proposed facilities.

§ 53.62 Distribution.

In determining the need for additional rehabilitation services as a basis for distribution of rehabilitation facilities, consideration shall be given to (a) rehabilitation services provided in existing facilities, avoiding duplication and overlapping of services; and (b) availability of rehabilitation services to people in all geographical areas.

§ 53.63 Existing rehabilitation facilities.

The count of existing rehabilitation facilities shall include existing beds in such facilities. Such beds shall be classified in accordance with the procedures set forth in Subpart B of this part.

Subpart H—Distribution of Modernization Projects for All Categories of Facilities

§ 53.71 Determination of need.

(a) The need for modernization shall be determined for each category of facilities by evaluation of existing facilities and with initial consideration being given to the most densely populated areas of the State. The evaluation shall be based on specific standards of plant evaluation, which shall include:

(1) Fire-resistivity of each building;

(2) Fire and other safety factors of each building;

(3) Design and structural factors affecting the function of the facility.

(b) Based on the evaluation, beds or facilities shall be classified as conforming or nonconforming. Those beds or facilities which are classified as nonconforming shall represent the beds and facilities in need of modernization.

(c) In the event that a service area has a total of existing conforming beds or facilities and existing nonconforming beds or facilities needing modernization which exceeds the total need for the service area, the number of beds or facilities to be modernized shall be reduced accordingly. At no time shall the beds or facilities to be modernized, when added to the existing conforming beds or facilities, be greater than the total beds or facilities needed in any one category.

§ 53.72 Distribution.

Modernization shall be planned for general hospitals, facilities for long-term care, and outpatient facilities in the service areas used for planning new construction. For other categories of facilities, modernization may be planned on a statewide basis.

Subpart I—Priority of Projects

§ 53.81 General.

The general manner in which the State agency shall determine the priority of projects included in the State construction program shall be based on the relative need of different service areas lacking adequate facilities and shall conform to the principles set out in this subpart. In addition to the specific considerations set forth in this subpart with respect to particular types of projects, special consideration shall be given.

(a) To facilities which, alone or in conjunction with other facilities, will provide comprehensive health care, including outpatient and preventive care as well as hospitalization;

(b) To facilities which will provide training in health or allied health professions; and

(c) To facilities which will provide to a significant extent for the treatment of alcoholism.

§ 53.82 Hospitals (new construction).

In determining the priority of projects for new construction of hospitals, special consideration shall be given to hospitals serving areas with relatively small financial resources and, at the option of each State, to hospitals serving rural communities. Relative need for new construction of hospitals shall be expressed in terms of the ratio of existing beds to total beds needed in the service area.

§ 53.83 Facilities for long-term care (new construction).

Priority shall be determined on the basis of the relative need for beds in facilities for long-term care in the area to be served by the project taking into account the utilization of existing beds and giving special consideration to projects operated by or affiliated with hospitals. Relative need for new construction shall be expressed in terms of the ratio of existing beds to total beds needed in each service area.

§ 53.84 Outpatient facilities (new construction and modernization).

(a) In determining the priority of projects for construction or modernization of outpatient facilities, special consideration shall be given to any outpatient facility that will be located in, and provide services for residents of, an area determined by the Secretary pursuant to § 53.120 to be a rural or urban poverty area.

(b) Subject to the provisions of paragraph (a) of this section priority of projects for new construction of outpatient facilities shall be determined on the basis of the relative need for additional outpatient facilities in the area to be served by the facility, taking into account existing services available and their utilization.

(c) In determining the priority of projects for modernization of outpatient facilities, special consideration shall be given (in addition to that specified in paragraph (a) of this section) to facilities serving areas of high population density.

§ 53.85 Rehabilitation facilities (new construction).

Priority shall be given to rehabilitation facility projects in the order of importance as given below, taking into consideration existing rehabilitation services in the community and the need for additional services in the community.

(a) Facilities operated in connection with a university teaching hospital which will provide an integrated program of medical, psychological, social, and vocational evaluation and services under competent supervision.

(b) Facilities offering rehabilitation services for multiple disabilities in hospitals and medical facilities capable of sustaining an organized department of physical medicine and rehabilitation.

(c) All other rehabilitation facilities.

§ 53.86 Public health centers (new construction).

Highest priority in this category shall be given to the provision of facilities for local health units serving rural communities and communities with relatively small financial resources. Where the State agency is not the State health authority, the State agency shall determine the relative priorities to be established after consultation with the State health authority.

§ 53.87 Modernization.

In determining the priority of projects for modernization, special consideration shall be given to facilities serving areas of high population density. With respect to each category, relative need shall be expressed

(a) For facilities for inpatient care, in terms of the ratio of existing conforming beds in each service area to (1) total existing beds in such area or (2) total beds needed in such area, whichever is less; and

(b) For facilities for outpatient care, in terms of the ratio of existing conforming facilities for outpatient care in each service area to (1) total existing facilities for outpatient care in such area or (2) total facilities for outpatient care needed in such area, whichever is less.

Subpart J—Allotments for Modernization Grants and for Loans and Loan Guarantees, and Transfer of State Allotments

§ 53.91 Allotments for modernization grants.

The allotments to the several States under section 602(a)(2) of the Act for grants for modernization shall be computed as follows:

(a) 33⅓ percent will be allotted to each State on the basis of population weighted by per capita income; and

(b) 66⅔ percent will be allotted to each State on the basis of the extent of the need for modernization of the facilities.

§ 53.92 Allotments for direct loans and loan guarantees.

(a) *Allotment formula.* The total of the amount of principal of loans to nonprofit private agencies which may be guaranteed and loans to public agencies which may be directly made under Part B of the Act with respect to any fiscal year shall be allotted among the several States as follows:

(1) A portion of such total which bears the same ratio to such total as the number of general hospital beds which the Secretary determines will be modernized in all States bears to the sum of the general hospital beds in all States which the Secretary determines will be modernized and added through new construction will be allotted to the States on the basis of the formula set forth in § 53.91 for allotments for modernization grants. The Secretary's determinations under this paragraph will be made on the basis of State plans for the latest year for which all States desiring to participate under Part B of the Act have submitted approved State plans.

(2) The remainder of such total will be allotted to the States on the basis of each State's relative population weighted by (i) the square of such State's allotment percentage, as determined in accordance with sec. 602(c) of the Act, and (ii) the relative need of such State for construction of general hospital beds.

(b) *Period of availability.* Subject to the provisions of § 53.93(b) (relating to transfers of allotments to another State), any amount allotted under paragraph (a) of this section to a State for a fiscal year ending before July 1, 1973, and remaining unobligated at the end of such fiscal year shall remain available to such State, for the purpose for which made, for the next 2 fiscal years, and any such amount shall be in addition to the amounts allotted to such State for such purpose for each of such next 2 fiscal years.

§ 53.93 Transfer of allotments to another State.

(a) With respect to allotments under Part A of the Act, a State may submit a request in writing to the Secretary that a specified portion of its allotment for the construction of hospitals and public health centers, facilities for long-term care, outpatient facilities, rehabilitation facilities, or for modernization, be added to the corresponding allotment of another State for the purpose of meeting a portion of the Federal share of the cost of a project for the construction or modernization of a facility of the type authorized under the allotments in such other State. In determining whether the facility with respect to which the request is made will meet the needs of the State making the request and that use of the specified portion of such State's allotment as requested by it will assist in carrying out the purposes of the Act, the Secretary shall consider the accessibility of the facility and the extent to which services will be made available to the residents of the State making the request for the transfer.

(b) With respect to allotments under Part B of the Act, any such allotment to a State for a fiscal year ending before July 1, 1973, and remaining unobligated at the end of such year may, with the consent of such State, be reallotted by the Secretary to other States which the Secretary determines have need therefor. Such reallotment shall be on such basis as the Secretary finds consistent with the purposes of Part B of the Act, and any amount so reallotted to another State shall be available for the purposes for which made until the close of the second fiscal year after the fiscal year for which such funds were initially allotted and shall be in addition to the amount allotted and available to such State for the same period.

§ 53.94 Transfer of grant allotments to another category within a State.

(a) For the purpose of transfer of allotments as authorized by section 602(e)(2) of the Act, the State agency shall, together with the certification required by that subsection, set forth the method by which a reasonable opportunity has been afforded applicants to submit applications for projects from the portion of the allotment to be transferred.

(b) A determination under section 602(e)(3) of the Act that the need for new public or other nonprofit hospitals and public health centers is substantially greater than the need for modernization projects shall be made only after completion of the determination of the State's need for modernization projects pursuant to Subpart H of this part and in accordance with the approved State plan.

Subpart K—General Standards of Construction and Equipment

§ 53.101 General.

(a) Plans and specifications for each project submitted to the Secretary for approval shall be prepared in accordance with "General Standards of Construction and Equipment for Hospital and Medical Facilities" (PHS No. 930-A-7), and any amendments or revisions thereof, which document is hereby incorporated by reference and deemed published herein. Said document will be provided to all applicants for assistance under this part, and is available to any interested person, whether or not affected by the provisions of this part, upon request to the Health Care Facilities Service,[1] Health Services and Mental Health Administration, Department of Health, Education, and Welfare, or to the Health Services and Mental Health Information Center or Regional Office Information Center as listed in 45 CFR 5.31. The Secretary may approve plans and specifications which contain deviations from the requirements prescribed if he is satisfied that the purposes of such requirements have been fulfilled.

(b) The design and construction covered by the plans and specifications must conform with the applicable State and local laws, codes, and ordinances and with the approved State plan. The plans

[1] The Health Care Facilities Service also maintains an official historic file of PHS No. 930-A-7.

and specifications must be complete and adequate for contract purposes and have the approval and recommendation of the State agency.

(c) Equipment shall be provided in the kind and to the extent necessary for the proper functioning of the facility as planned.

§ 53.102 Size of facilities for long-term care.

No application shall be approved for construction of a facility for long-term care, not an addition to a hospital, with a capacity of less than 10 beds.

Subpart L—Services for Persons Unable To Pay; Community Service; Nondiscrimination

§ 53.111 Services for persons unable to pay.

Before an application under this part is recommended by a State agency to the Secretary for approval, the State agency shall obtain an assurance from the applicant that there will be made available in the facility or portion thereof to be constructed or modernized a reasonable volume of services to persons unable to pay therefor. The requirement of an assurance from an applicant shall be waived if the applicant demonstrates to the satisfaction of the State agency, subject to subsequent approval by the Secretary, that such a requirement is not feasible from a financial viewpoint.

§ 53.112 Community service; nondiscrimination.

(a) Before an application under this part is recommended by a State agency to the Secretary for approval, the State agency shall obtain assurances from the applicant that:

(1) The facility will furnish a community service; and

(2) All portions and services of the entire facility for the construction or modernization of which, or in connection with which, aid under the Act is sought will be made available without discrimination on account of creed, and no professionally qualified person will be discriminated against on account of creed with respect to the privilege of professional practice in the facility.

(b) Each construction contract is subject to the condition that the applicant shall comply with the requirements of Executive Order 11246, September 24, 1965 (30 F.R. 12319), relating to nondiscrimination in construction contract employment, and the applicable rules, regulations, and procedures prescribed pursuant thereto.

(c) Attention is called to the requirements of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d; 78 Stat. 252) which provides that no person in the United States shall, on the ground of race, color, or national origin be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. A regulation implementing such title VI, applicable to assistance under this part for construction and modernization of hospitals and medical facilities, has been issued by the Secretary of Health, Education, and Welfare with the approval of the President (45 CFR Part 80).

§ 53.121 General; review and comment by areawide health planning agencies.

(a) The State plan shall provide for general methods of administration which are in accord with the principles set out in this subpart.

(b) Prior to submission of the State plan or any modifications thereof to the Secretary, the State agency shall submit such plan or modifications for review and comment to each agency or organization which has developed an areawide health plan pursuant to section 314(b) of the Public Health Service Act with respect to any area in such State for which there is no such agency or organization, to the State agency administering or supervising the administration of the State plan approved under section 314(a) of the Public Health Service Act. Comments from any such agency received by the State agency within 30 days after such submission shall be considered by the State agency prior to submission of the State plan to the Secretary.

Subpart M—Methods of Administration of the State Plan

§ 53.122 Construction program.

The State programs for hospitals, facilities for long-term care, outpatient facilities, rehabilitation facilities, public health centers, and modernization shall be developed in the following manner:

(a) The State agency shall determine the need for additional hospital facilities of all types, facilities for long-term care, outpatient facilities, rehabilitation facilities, public health centers, and for modernization of such facilities in accordance with the provisions of Subpart B through Subpart H.

(b) The State agency shall determine through field investigation, and otherwise, the approximate locations in each area in which the various types of health facilities identified in paragraph (a) of this section should most appropriately be built and the locations at which modernization projects are needed.

(c) After having determined the hospital, long-term care facilities, outpatient facility, rehabilitation facilities, public health center and modernization needs, the State agency shall establish an overall construction program. This program shall set forth all such needs in accordance with the standards specified in Subpart B through Subpart H and shall show the relative need for each project included, irrespective of the availability of funds for construction and for maintenance and operation of such project.

(d) The State agency shall from time to time as necessary, but not less often than annually, review the State plan, including the overall program for the construction of hospitals, long-term care facilities, outpatient facilities, rehabilitation facilities, public health centers and for modernization, and shall submit to the Secretary any modifications of the plan and the construction program as the State agency considers necessary to administer the plan and the annual allotment.

(e) At least 30 days prior to the submission of the State plan or any modification thereof to the Secretary, the State agency shall publish in newspapers having general circulation throughout the State a general description of the proposed plan or any such modification, and the State plan shall be available for examination and comment by interested persons prior to submission to the Secretary.

(f) The State agency shall establish a separate construction schedule on such forms and for such periods as the Secretary may prescribe. Insofar as funds are available for construction and for maintenance and operation, construction shall be scheduled in the order of relative need.

§ 53.123 Personnel administration.

(a) *Merit system.* The State plan shall provide for the establishment and maintenance of personnel standards on a merit basis for persons employed in the administration of the State plan. Conformity with the Standards for a Merit System of Personnel Administration, 45 CFR Part 70, including any amendments thereto, and any standards prescribed by the U.S. Civil Service Commission pursuant to section 208 of the Intergovernmental Personnel Act of 1970 (Public Law 91-648; 84 Stat. 1915) modifying or superseding such Standards, will be deemed to meet this requirement as determined by said Commission.

(b) *Conflict of interest.* No full-time officer or employee of the State agency, or any firm, organization, corporation, or partnership which such officer or employee owns, controls, or directs, shall receive funds from the applicant, directly or indirectly, in payment for services provided in connection with the planning, design, construction or equipping of the project.

§ 53.124 Fair hearings.

The State agency shall establish such rules and regulations as will provide an opportunity for an appeal to and a fair hearing before the State agency to every applicant for a construction project who is dissatisfied with any action of the State agency regarding its application.

§ 53.125 Construction standards.

The State agency shall adopt general standards of construction and equipment for the various types of hospitals, facilities for long-term care, outpatient facilities, rehabilitation facilities, and public health centers assisted under this program. The standards adopted shall not be less than the general standards prescribed by the Public Health Service and set forth in the document "General Standards of Construction and Equipment for Hospital and Medical Facilities", as incorporated by reference in § 53.101(a).

§ 53.126 Minimum standards of maintenance and operation.

The State plan shall provide for minimum standards of maintenance and operation of facilities providing inpatient care which receive aid under the Act, and shall provide for enforcement of such standards.

§ 53.127 Application; submittal; amendment; processing.

(a) *Submittal of application.* Applications for grants, loan guarantees, and direct loans under the Act, including both detailed narrative descriptions and detailed estimates of the cost of the respective projects, shall be submitted to the Secretary through the State agency in such form as the Secretary may prescribe.

(b) *Amendment to application.* An amendment to any application approved by the Secretary shall be processed in the same manner as an original application, except that the original application's conformity with the priority regulations shall suffice for an amendment which does not modify the factors on which the priority was granted.

(c) *Processing of application.* The State agency shall approve, recommend, and forward applications received in the order of priority, except that the State agency may approve, recommend, and forward to the Secretary applications out of the order of priority if:

(1) The State agency has afforded reasonable opportunity for development and presentation of projects in the order of priority; and

(2) The State agency certifies to the Secretary that financial resources for the construction, maintenance, and operation of projects of higher priority are not then available.

§ 53.128 Assurances from applicant.

In addition to any other requirements imposed by law, each construction grant, loan guarantee, and direct loan shall be subject to the condition that the applicant will furnish and comply with the following assurances. The Secretary may at any time approve exceptions to those conditions and assurances where he finds that such exceptions are not inconsistent with the Act and the purposes of the program:

(a) That the applicant (or other public or nonprofit agency which is to operate the facility) has or will have a fee simple or such other estate or interest in the site, including necessary easements and rights-of-way, sufficient to assure for a period of not less than 50 years undisturbed use and possession for the purpose of the construction and operation of the facility;

(b) That the Secretary's approval of the final working drawings and specifications, which conform to the general standards of construction and equipment, will be obtained before the project is advertised or placed on the market for bidding;

(c) That applicant will perform actual construction work by the lump sum (fixed price) contract method; employ adequate methods of obtaining competitive bidding prior to awarding the construction contract, either by public advertising or circularizing three or more bidders, and award the contract to the responsible bidder submitting the lowest acceptable bid; and will purchase all fixed equipment by adequate methods of competitive bidding (including such fixed equipment as is not purchased through the construction contract) and award the contract to the responsible bidder submitting the lowest acceptable bid, except that competitive bidding procedures need not be employed for the purchase of specific fixed equipment items which are not included in the construction contract where such action is found by the State agency and the Secretary, upon written justification by the applicant, to be required by the needs of the program;

(d) That applicant will enter into no construction contract or contracts for the project or a part thereof, the cost of which is in excess of the estimated cost approved in the application for that portion of the work covered by the plans and specifications, without the prior approval of the Secretary;

(e) That applicant will submit to the Secretary for prior approval changes that substantially alter the scope of work, function, utilities, or safety of the facility;

(f) That applicant will construct the project, or cause it to be constructed, to final completion in accordance with the application and approved plans and specifications;

(g) That applicant will maintain adequate and separate accounting and fiscal records and accounts for all funds provided from any source to pay the cost of the project, and permit audit of such records and accounts at any reasonable times. All records shall be retained for 3 years after the close of the fiscal year in which construction is completed. Such records may be destroyed at the end of such 3-year period if the applicant has been notified of the completion of the Federal audit by such time. If the applicant has not been so notified by the end of such 3-year period, such records shall be retained (1) for 5 years after the close of the fiscal year in which construction is completed or (2) until the grantee is notified of the completion of the Federal audit, whichever comes first. In all cases where audit questions have arisen before the expiration of such 5-year period, records shall be retained until resolution of all such questions;

(h) That applicant will furnish progress reports and such other information as the Secretary may require;

(i) That applicant will provide and maintain competent and adequate architectural or engineering supervision and inspection at the construction site to insure that the completed work conforms with the approved plans and specifications;

(j) That sufficient funds will be available to meet the non-Federal share of the cost constructing the facility;

(k) That sufficient funds will be available when construction is completed for effective use of the facility for the purposes for which it is being constructed;

(l) (1) That any laborer or mechanic employed by any contractor or subcontractor in the performance of work on the construction of the facility will be paid wages at rates not less than those prevailing on similar construction in the locality as determined under the Davis-Bacon Act (40 U.S.C. 276 et seq.) and will receive compensation at a rate not less than one and one-half times his basic rate of pay for all hours worked in any workweek in excess of 8 hours in any calendar day or 40 hours in the workweek (40 U.S.C. 327–332); and

(2) That the following conditions and provisions will be included in all construction contracts:

(i) The provisions set forth in "DHEW Requirements for Federally Assisted Construction Contracts Regarding Labor Standards and Equal Employment Opportunities," Form DHEW 514 (April 1969) (issued by the Office of Grants Administration Policy, U.S. Department of Health, Education, and Welfare) pertaining to the Davis-Bacon Act, the Contract Work Hours Standards Act, and the Copeland Act (Anti-Kickback) Regulations, except in the case of contracts in the amount of $2,000 or less; and pertaining to Executive Order 11246, September 24, 1965 (30 F.R. 12319), relating to nondiscrimination in construction contract employment, except in the case of contracts in the amount of $10,000 or less;

(ii) The contractor shall furnish performance and payment bonds, each of which shall be in the full amount of the contract price, and shall maintain, during the life of the contract, adequate fire, workmen's compensation, public liability and property damage insurance;

(iii) Representatives of the Secretary and State agency will have access at all reasonable times to work wherever it is in preparation or progress, and the contractor shall provide proper facilities for such access and inspection;

(m) That a facility providing inpatient care will be operated and maintained in accordance with minimum standards prescribed by the State agency for the maintenance and operation of such facilities;

(n) (1) That, in the case of any project for construction or modernization of a general hospital, there will be adequate provision for extended care services to patients of such hospital when such services are medically appropriate for them. Subject to the provisions of subparagraph (2) of this paragraph, such services must be provided in facilities which—

(i) Are structurally part of, physically connected with, or in immediate proximity to, such hospital; and

(ii) Either are under the supervision of the professional staff of such hospital or have organized medical staffs and have in effect written transfer agreements with such hospital which provide for:

(a) The transfer of patients between the hospital and the long-term care facility(s) whenever such transfer is determined to be medically appropriate;

(b) The exchange between the facilities of appropriate medical and other information relating to the care and treatment of patients;

(c) Prompt initiation of transfer of the patient to the hospital for acute care should there be a reversal in the patient's medical condition requiring more intensive medical and nursing care;

(d) The amount and types of services offered in the long-term care facility(s) which correspond to those specified for reimbursement eligibility for the skilled nursing home care category under titles XVIII and XIX of the Social Security Act, as amended; and

(e) The general availability of the medical, diagnostic, and rehabilitative services of the hospital to any patient of the long-term care facility(s) who requires them.

(2) The Secretary may, at the request of the State agency, waive compliance with the requirements of subparagraph (1)(i) or (ii), or both of this paragraph, in the case of any project if the State agency has determined that compliance with such subsection or subsections would be inadvisable;

(o) That, in the case of any project for construction or modernization of an outpatient facility, the services of a general hospital will be available to patients of such outpatient facility who are in need of hospital care. Such assurance may be provided by a written transfer agreement with one or more general hospitals which provides for

(1) The transfer of patients from the outpatient facility to the general hospital where such transfer is determined to be medically appropriate;

(2) The exchange of appropriate medical and other information relating to the care and treatment of patients between the facilities; and

(3) The amount and types of services offered in the general hospital which correspond to those specified for reimbursement eligibility under Titles XVIII and XIX of the Social Security Act, as amended;

(p) That, in the case of any project solely for the purpose of the acquisition of equipment, other than initial equipment for new buildings or for existing buildings which are expanded, remodeled or altered, such project will help to provide a service not previously provided in the community. For purposes of this paragraph, "community" shall mean a geographic area encompassing one or more neighborhoods having a population and geographic size sufficiently large as normally to be served by and support the particular service to be provided;

(q) That the applicant will file at least annually with the State agency a statement, in such form and containing such information as the Secretary may require to show (1) the financial operations of the facility, and (2) the costs to the facility of providing health services in the facility and the charges made by the facility for providing such services during the period with respect to which the statement is filed;

(r) That the applicant will conform to all the applicable requirements of the State plan and the regulations of this part.

§ 53.129 Determination of rural or urban poverty areas.

For purposes of determining the priority of projects for construction or modernization of outpatient facilities pursuant to section 603(a)(4) of the Act and of establishing a Federal share of any project (not to exceed 90 per centum of the cost of construction) pursuant to section 645(b)(4) of the Act, the State plan shall include a designation of areas in the State which are proposed by the State agency, in accordance with this section, to be rural or urban poverty areas. For purposes of this section, "area" means a service area (or the nearest approximation thereto for which current census data are available, based on geographic boundaries such as counties or census tracts) or a subservice area which is designated in the State plan as providing the basis for the provision of outpatient services.

(a) The Secretary will determine to be a rural or urban poverty area any area which has been found by the State agency, on the basis of the latest available published data from the Bureau of the Census, to be an area in which the median annual family income ranks in or below the 20th percentile of the median family incomes for all areas in the State.

(b) The Secretary may determine to be a rural or urban poverty area any area which

(1) has been found by the State agency to be an area in which the median family income ranks above the 20th percentile of the median family incomes for all areas in the State but in or below the 30th percentile of the median family incomes for all areas in the State;

(2) has been designated by the State agency as a rural or urban poverty area, and

(3) has been determined by the Secretary, on the basis of information set forth in the State plan, to have special characteristics related to poverty which are not adequately reflected in its median family income percentile rank, such as (i) subareas of extreme poverty or (ii) high costs of obtaining hospital services when compared to other areas in the State.

(c) The Secretary may also determine to be a rural or urban poverty area any area in which, on the basis of the latest available published data from the Bureau of the Census, the median family income ranks above the 30th percentile of median family incomes for all areas in the State but with respect to which the State agency demonstrates to the satisfaction of the Secretary that the income level of families in such area has changed sufficiently since the date of such latest available published data to justify classification of the area as a rural or urban poverty area under the criteria set forth in paragraph (a) or (b) of this section.

(d) The State agency shall reevaluate its designation of proposed rural or urban poverty areas every 2 years, and will make such revisions in such designation as it finds necessary in accordance with the provisions of this section.

§ 53.130 Certification to the Secretary.

After the State agency has approved an application for a construction grant, it shall recommend it to the Secretary for approval and shall certify:

(a) That the application contains reasonable assurance as to the availability of funds for the cost of construction and the entire cost of maintenance and operation when completed:

(1) Availability of funds for the non-Federal share of construction costs shall mean (i) funds immediately available, placed in escrow, or acceptably pledged, or (ii) funds or fund sources specifically earmarked in a sum sufficient for that purpose, or (iii) other assurances acceptable to the Secretary;

(2) To assure the availability of funds for maintenance and operation the application for the construction of a new project must include a proposed operating budget, on a form prescribed by the Secretary, for the 2-year period immediately following its completion. In the case of an addition to an existing facility, the application must include a statement showing that funds are or will be available to meet any excess of proposed expenditures over anticipated income from the operation of the constructed addition for the 2-year period immediately following its completion.

(b) That the application is in conformity with and contains the assurances required by the State plan and these regulations.

§ 53.131 Requests for construction payments for grants.

(a) *Certification by State agency.* The State agency shall certify to the Secretary the amount of payments due an applicant for a construction grant under Part A of the Act for the cost of work performed and materials and equipment furnished.

(b) *Inspection by State agency.* As a basis for certification by the State agency in accordance with paragraph (a) of this section that payment of an installment is due an applicant, the State agency shall make adequate inspections to determine that the work has been performed upon a project, or purchases

have been made, in accordance with the approved plans and specifications.

§ 53.132 Fiscal and accounting requirements.

(a) *Construction allotments.* (1) The State agency shall be responsible for establishing and maintaining accounts and fiscal controls of all Federal and State funds allotted for construction projects. Federal and State funds shall be separately identified by maintaining separate fund accounts for this purpose.

(2) The fiscal records shall be so designed as to show at any given time the Federal funds allotted, encumbered, and unencumbered balances. If State contributions are made for construction, separate accounts, reflecting similar information, shall be maintained for State funds.

(b) *Construction payments.* (1) Where the State may receive Federal funds for applicants for construction project grants, or the State itself is an applicant, adequate records of account and fiscal controls shall be established and maintained by the State to assure proper accounting of all funds received and disbursed. Similar suitable accounts shall be maintained to show the receipt and disbursement of State, local or other funds used for matching purposes.

(2) The State agency shall require that applicants receiving Federal funds establish and maintain adequate accounting and fiscal records to reflect the receipt and expenditure of funds allotted and paid for construction projects.

(3) The States which by law are authorized to make payments to applicants shall promptly pay such applicants funds certified for payment by the Secretary for approved construction projects.

§ 53.133 Access by Comptroller General.

The State plan shall provide that the Comptroller General of the United States or his duly authorized representatives will have access for purposes of audit and examination to such records of the State agency as are required to be maintained by the Secretary.

§ 53.134 Notice of change of status of facility.

The State agency shall promptly notify the Secretary in writing if, at any time within 20 years after completion of construction, any facility which received funds under the Act is transferred to any person, agency or organization, not qualified to file an application under the Federal Act or not approved as a transferee by the State agency; or ceases to be a public health center or a public or other nonprofit hospital, outpatient facility, facility for long-term care or rehabilitation facility, as defined in the Federal Act.

§ 53.135 Good cause for other use of facility.

If within 20 years after completion of any construction for which a construction grant has been made the facility shall cease to be a public health center or a public or other nonprofit hospital, outpatient facility, facility for long-term care, or rehabilitation facility the Secretary, in determining whether there is good cause for releasing the applicant or other owner of the facility from its obligation shall take into consideration the extent to which:

(a) The facility will be devoted by the applicant or other owner to use for another public or nonprofit purpose which will promote the purpose of the Act;

(b) There are reasonable assurances that for the remainder of the 20-year period other public or nonprofit facilities not previously utilized for the purpose for which the facility was constructed will be so utilized and are substantially equivalent in nature and extent for such purposes; or

(c) The facility has been acquired from an agency of the United States (e.g., the Federal Housing Administration under its mortgage insurance commitment program) which has made a reasonable effort to dispose of it for operation as a public or nonprofit facility.

Subpart N—Loan Guarantees and Direct Loans

§ 53.141 Applicability.

In addition to the other provisions of this part, the following provisions of this Subpart N are also applicable to loans to public agencies and loan guarantees to nonprofit private agencies under part B of the Act.

§ 53.142 Definitions.

(a) All terms used in this subpart and defined in the Act or in § 53.1 shall have the same meaning as there given them.

(b) When used in this subpart, the term "public agency" shall include any private organization the income from whose bonds or other obligations issued as security for a loan with respect to a project under part B of the Act is exempt from Federal income taxation.

§ 53.143 Eligibility for loan guarantees and direct loans.

(a) *Loan guarantees.* The Secretary may, in accordance with part B of the Act and these regulations, guarantee to non-Federal lenders payment of principal of and interest on loans made to nonprofit private agencies to carry out projects for the construction or modernization of nonprofit private hospitals, facilities for long-term care, outpatient facilities and rehabilitation facilities.

(b) *Direct loans.* The Secretary may, in accordance with Part B of the Act and these regulations, make direct loans to public agencies to carry out projects for the construction or modernization of public health centers and public hospitals, facilities for long-term care, outpatient facilities, and rehabilitation facilities.

§ 53.144 Approval of applications.

(a) *Applications for loan guarantees.* An application for a loan guarantee submitted through the State agency and in accordance with the requirements of § 53.127 may be approved by the Secretary only if he makes each of the findings required pursuant to section 623(b) of the Act, and determines:

(1) That the applicant will have sufficient financial resources to enable him to comply with the terms and conditions of the loan with respect to which the guarantee is sought;

(2) That the applicant has the necessary legal authority to finance, construct, and maintain the proposed project, to apply for and receive the loan with respect to which the guarantee is sought, and to pledge or mortgage any assets or revenues to be given as security for such loan or against other satisfactory security specified in § 53.147;

(3) That the loan with respect to which the guarantee is sought will be secured by a first lien against the facility to be constructed or against other security satisfactory to the Secretary specified in § 53.147.

(4) That the loan with respect to which the guarantee is sought will be made only with respect to the initial permanent financing of the project;

(5) That the rate of interest on the loan with respect to which a guarantee is sought does not exceed such per centum per annum as the Secretary determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risks assumed by the United States; and

(6) Such additional determinations as the Secretary finds necessary with respect to particular applications in order to protect the financial interests of the United States.

(b) *Applications for direct loans.* An application for a direct loan submitted through the State agency and in accordance with the requirements of § 53.127 may be approved by the Secretary only if he makes each of the applicable findings required pursuant to sections 623(b) and 627(a)(2) of the Act, and determines:

(1) That the applicant will have sufficient financial resources to enable him to comply with the terms and conditions of the direct loan;

(2) That the applicant has the necessary legal authority to finance, construct, and maintain the proposed project, to apply for and receive the direct loan, and to pledge or mortgage any assets or reserves to be given as security for such direct loan;

(3) That the direct loan will be secured by a first lien against the facility to be constructed or against other security satisfactory to the Secretary specified in § 53.147;

(4) That the direct loan will be made only with respect to the initial permanent financing of the project; and

(5) Such additional determinations as the Secretary finds necessary with respect to the particular application in order to protect the financial interests of the United States.

§ 53.145 Maximum amount of direct loan or guaranteed loan.

No direct loan or loan with respect to which a guarantee is made for any project under Part B of the Act may be in an amount which, when added to the amount of any grant or loan under Part A of the Act with respect to such project, exceeds 90 per centum of the cost of such project: *Provided*, That, in determining the actual cost of the construction of the project, there shall be excluded from such cost all fees, interest, and other charges relating or attributable to the financing of the project.

§ 53.146 Forms of evidence of indebtedness.

The evidence of indebtedness with respect to direct loans with respect to which a guarantee is made shall be in such form as may be acceptable to the Secretary.

§ 53.147 Security for loans.

All direct loans and loans with respect to which a guarantee is made shall be secured in a manner which the Secretary finds reasonably sufficient to insure repayment. The security may be one or a combination of the following:

(a) A first mortgage on the facility and site thereof.

(b) Negotiable stocks or bonds of a quality and value acceptable to the Secretary.

(c) A pledge of unrestricted and unencumbered income from an endowment or other trust funds acceptable to the Secretary.

(d) A pledge of a specified portion of annual general or special revenues of the applicant, acceptable to the Secretary.

(e) Full faith and credit (tax supported) obligations of a State or local public body.

(f) Such other security as the Secretary may find acceptable in specific instances.

§ 53.148 Opinion of legal counsel.

At appropriate stages in the application and approval procedure for direct loans and loan guarantees, the applicant shall furnish to the Secretary a memorandum or opinion of legal counsel with respect to the legality of any proposed bond or note issue, the legal authority of the applicant to offer the issue and secure it by the proposed collateral, and the legality of the issue upon delivery. "Legal counsel" means either a law firm or individual lawyer, thoroughly experienced in the long-term financing of construction projects, and whose approving opinions have previously been accepted by lenders or lending institutions. In addition, in the case of a direct loan to a public agency, the legal counsel shall be a recognized bond counsel in the municipal field. The legal memorandum or opinion to be provided by legal counsel in each case shall be as follows:

(a) A memorandum, submitted with the application for a direct loan or loan guarantee, stating that there is or will be authority to finance, construct and maintain the project, and to issue the proposed obligations and to pledge or mortgage the assets and/or revenues offered to secure the direct loan or the loan with respect to which a guarantee is sought, as the case may be, citing the basis for such authority; and

(b) A final approving opinion, delivered to the Secretary at the same time as the delivery of the bonds to the Secretary (in the case of a direct loan) or to the lender (in the case of a loan guarantee), stating that the indebtedness of the applicant is duly authorized, sold, and delivered, and that such indebtedness is valid, binding and payable in accordance with the terms on which the direct loan or loan guarantee was approved by the Secretary.

§ 53.149 Length and maturity of loans.

The repayment period for direct loans and loans with respect to which a guarantee is made shall be limited to 25 years: *Provided*, That—

(a) The Secretary may, in particular cases where he determines that a repayment period of less than 25 years is more appropriate to an applicant's total financial plan, approve such shorter repayment period; and

(b) In no case shall a loan repayment period exceed the estimated useful life of the facility to be constructed with the assistance of the loan.

§ 53.150 Interest on direct loans.

Each direct loan shall require the borrower to pay to the Secretary, or as directed by him, interest thereon at a rate determined by the Secretary to be comparable to the current rate of interest prevailing with respect to loans to nonprofit private agencies which are guaranteed under part B of the Act, for the modernization on construction of similar facilities in the same or similar areas, minus 3 per centum per annum.

§ 53.151 Repayment.

Unless otherwise specifically authorized by the Secretary, each direct loan and loan with respect to which a guarantee is made shall be repayable in substantially level total annual installments of principal and interest, sufficient to amortize the loan through the final year of the life of the loan.

§ 53.152 Loan Guarantee Agreement and Direct Loan Agreement.

(a) *Loan Guarantee Agreement.* (1) For each application for a loan guarantee which is approved by the Secretary, an offer of a loan guarantee will be sent to the applicant, setting forth the pertinent terms and conditions for the loan guarantee, and will be conditioned upon the fulfillment of those terms and conditions. The accepted loan guarantee offer will constitute the Loan Guarantee Agreement between the Secretary and the applicant.

(2) Each Loan Guarantee Agreement shall include the following provisions:

(i) That the loan guarantee evidenced by the Agreement shall be incontestable (a) in the hands of the applicant on whose behalf such loan guarantee is made except for fraud or misrepresentation on the part of such applicant, and (b) as to any person who makes or contracts to make a loan to such applicant in reliance on such loan guarantee, except for fraud or misrepresentation on the part of such other person.

(ii) That if the applicant shall default in making payment, when due, of the principal and interest on the loan with respect to which the guarantee is made, and such default is not cured within 90 days after the happening thereof, the holder of such loan shall have the right to make demand in writing upon the Secretary for the purchase by the Secretary of such loan.

(iii) That each holder of a loan to an applicant on whose behalf the loan guarantee evidenced by such Agreement is made shall have a contractual right to receive from the United States interest payments in an amount sufficient to reduce by 3 per centum per annum the net effective interest rate determined by the Secretary to be otherwise payable on the loan with respect to which such guarantee is made.

(iv) That payments of interest pursuant to subdivision (iii) of this subparagraph will be made by the Secretary, in accordance with the terms of the loan with respect to which the guarantee is made, directly to the holder of such loan or to a trustee or agent designated in writing to the Secretary by such holder until such time as the Secretary is notified in writing by the holder that such loan has been transferred. Pursuant to such written notification of transfer, the Secretary will make such interest payments directly to the new holder (transferee) of the loan.

(v) That the applicant shall be permitted to prepay up to 15 per centum of the original principal amount of such loan in any calendar year without additional charge.

(vi) Such other provisions as the Secretary finds necessary in order to protect the financial interests of the United States.

(b) *Direct Loan Agreement.* (1) For each application for a direct loan which is approved by the Secretary, an offer of a direct loan will be sent to the applicant, setting forth the pertinent terms and conditions for the direct loan, and will be conditioned upon the fulfillment of those terms and conditions. The accepted direct loan offer will constitute the Direct Loan Agreement between the Secretary and the applicant.

(2) Each Direct Loan Agreement shall include such provisions as the Secretary finds necessary in order to protect the financial interests of the United States.

§ 53.153 Loan closing.

(a) *Loan guarantees.* Closing for any loan with respect to which a guarantee is made shall be accomplished at such time

as may be agreed upon by the parties to such loan and found acceptable by the Secretary.

(b) *Direct loans.* Closing for any direct loan shall be accomplished at such time as may be determined by the Secretary.

§ 53.154 Waiver of right of recovery.

In determining whether there is good cause for waiver of any right of recovery which he may have against a nonprofit private agency by reason of any payments made pursuant to a loan guarantee, or against a public agency by reason of the failure of such agency to make payments of principal and interest on a direct loan to such agency, the Secretary shall take into consideration the extent to which:

(a) The facility with respect to which the loan guarantee or direct loan was made will continue to be devoted by the applicant or other owner to use for the purpose for which it was constructed or another public or nonprofit purpose which will promote the purposes of the Act;

(b) There are reasonable assurances that for the remainder of the repayment period of the loan other public or nonprofit facilities not previously utilized for the purpose for which the facility was constructed will be so utilized and are substantially equivalent in nature and extent for such purposes; and

(c) Such recovery would seriously curtail the provision of medical services to persons in need of such services in the area.

[FR Doc.72-134 Filed 1-5-72;8:45 am]

RE: SCP 13+14

The Pioneer 50¢

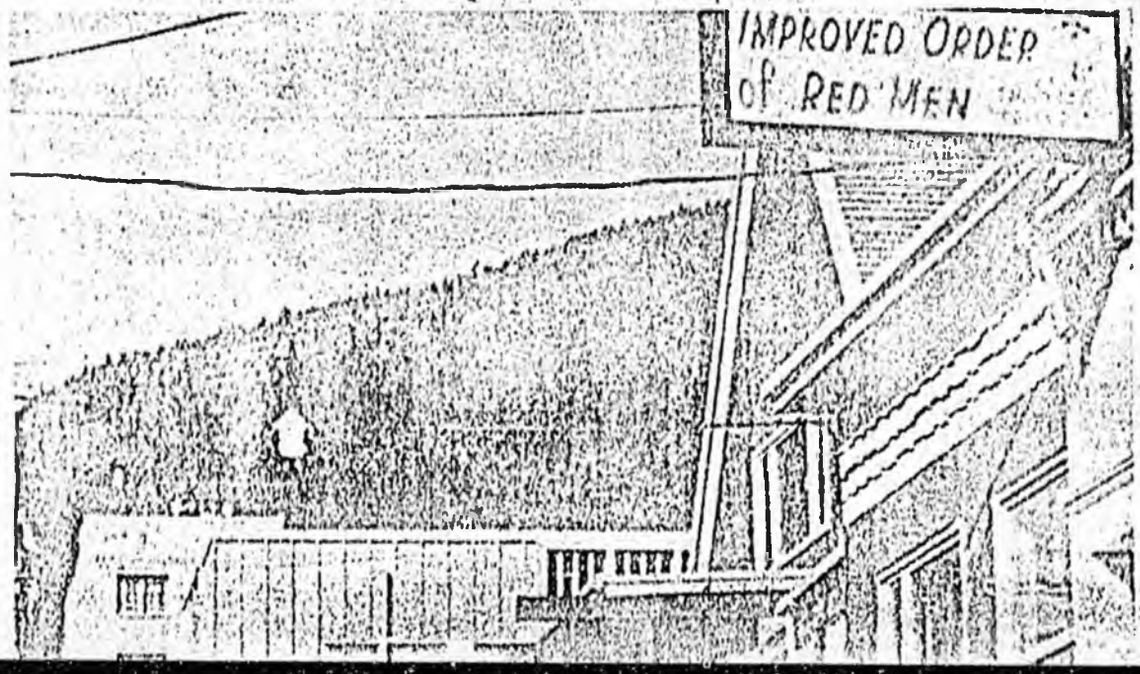
ALL-ALASKA WEEKLY

Vol. 8, No. 21 All-Alaska Weekly, November 19, 1976 Page 1

RECEIVED NOV 22 1976 Legislative Library

State May File Civil Suit Against Anchorage Legislator

$97,039 Overpaid Revenue-Sharing Funds Sought



Audit Focuses On Rep. Beirne, Lake Otis Clinic

By Brian Rogers

The State of Alaska may go to court against an Anchorage legislator to recover almost $100,000 in state revenue-sharing funds allegedly overpaid to the legislator's hospital corporation.

Assistant Attorney General Rodger Pegues said Friday that his office would go to court against Representative Michael F. Beirne (R-Anch.) and the Lake Otis Clinic, Inc. (LOC) unless Beirne repays $97,039 he was overpaid in 1975.

The funds in question are a part of $312,000 given by the state Department of Community and Regional Affairs (C&RA) to LOC in February 1975. LOC is a non-profit corporation, headed by Beirne, which is involved in the construction of an Anchorage acute-care hospital. Other directors of LOC are Corinne A. Beirne and Beverley L. Beirne.

In July of this year, a state audit of the funds was made

At the 60th Session Grand Igloo, Pioneers of Alaska, ladies are seen leaving the attractive Tlingit Tribe No. 4 Hall in Ketchikan bound for a business session. More photos on page 13.

—Alaska Linck Photo

Gov. Hammond Announces Sale of State Royalty Gas

By Joe LaRocca

Andy Warwick of Fairbanks, a newly-appointed member of the state's Royalty Oil and Gas Development Advisory Board told the All-Alaska Weekly Wednesday he hasn't had an opportunity to study the governor's recently announced proposal to sell the state's Prudhoe Bay royalty gas in depth yet, but said that at first blush it looks "very attractive."

Warwick said State Commissioner of Natural Resources Guy Martin, who negotiated the proposed agreements with three prospective purchasers, came to Fairbanks late Tuesday to brief him on their provisions.

Martin is also chairman of the five member Royalty Board which must approve the sale before it's submitted to the legislature for consideration.

Warwick said he'll want to take a closer look at the proposed agreements to determine what adverse effects, if any, the state might suffer if the agreements are finalized, and whether the advantages would outweigh them.

SUCCESSFUL BIDDERS

The governor's announcement of the agreements late last week climaxed months of negotiations with four major gas transmission companies, one of which — United Gas Transmission — was eliminated in the final stages.

The successful bidders are

—Continued on page 15

by State Internal Auditor George Elgee. The audit showed that of more than $3.1 million in costs claimed by LOC, almost $2.3 million were not allowable under applicable revenue-sharing standards, leaving only $861,843.89 in allowable costs. The state share, 25 per cent of the costs, came to only $. 15,460.97, leaving $97,039 unaccounted for.

The audit raised serious questions about several of the expenditures claimed by LOC. The report said "many costs were paid for by companies not directly related to the construction of the hospital. It would appear that at present these expenses are being claimed by both LOC and the facility that actually paid the expense."

"In every instance these other entities are tied closely to M.F. Beirne, Director of LOC," the report says. These corporations include:

—Kelly Supply Inc., Michael F. Beirne, Corinne Beirne and Beverley Beirne, directors.

—Raypath, Inc., Michael F. Beirne, Corinne Beirne and Beverley Beirne, directors.

—SPADA Feed and Seed Store, Inc., Michael F. Beirne, Corinne Beirne and Georgina Perritt, directors.

—Alaska Medical Laboratories, a professional corporation. Directors are Micheal F. Beirne and L.W. Mauman.

According to the audit report, "it appears that the expenses being claimed have been used for tax purposes by these corporations and are now being used to justify state revenue sharing funds."

'CAN'T WAIT FOREVER'

Pegues said Beirne was contesting the method of accounting done in the audit and was "trying to get more of the work accountable."

The audit was done using one of three currently acceptable standards of revenue sharing funds. Pegues said "there isn't any standard for those items to be accountable expenditures."

He said he had been expecting Beirne or Beirne's attorney, Miles Schlossberg, to contact

—Continued on page 3

NUGGETEER

ALL WEEK LONG OUR PHONES HAVE REALLY BEEN BUZZING — It appears that the local Borough Assembly has a heated controversy on its hands — over a new zoning ordinance that comes up for public hearing and final passage on Thursday evening shortly after our issue comes off the press.

Homesteaders and property owners outside the city in the borough are hopping mad about the ordinance which they say would have catastrophic consequences should it pass. They say the ordinance would impose such untenable restriction on the land they have worked and slaved and struggled so hard to hold onto, that they

—Continued on page 2

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State May File Suit . . . .

–Continued from page 1

him, since Schlossberg had asked him to delay filing the suit until they could meet on the case. He said Schlossberg was supposed to call him last Wednesday, but had not called as of Friday afternoon.

"You can't wait forever," Pegues noted, "we'll just start preparing the case." He added, "Beirne obviously won't leave the state."

According to Pegues, his office is planning a civil action only, since "you have to show criminal intent for a fraud conviction."

The audit disallowed $537,111 due to lack of supporting documentation and $1,752,432 in costs not allowable under federal guidelines for revenue sharing, but the auditor "accepted $251,951 of expenditures supported by incomplete data . . . which reasonably appeared valid."

COSTS DISALLOWED

Expenditures disallowed by the state included:

–$722,500 claimed for land and land taxes, which the auditor said were not allowable under the guidelines. Though these costs were claimed by LOC, the 1975 annual report of LOC showed no land owned by the corporation. A statement filed by Beirne in May, 1976 said "title to property has been transferred to facility sponsor", but no record of the transfer was found in state files.

–$693,788.90 claimed for "interest on collateralized property – plus – salary of coordinator," which the auditor said was not allowable under the guidelines. The salary for the project director was $30,000 per year for a half-time position, while the assistant project director received a salary of $20,000 per year for a half-time position. Beirne claims the costs were "paid in part by M.F. Beirne, et al, and LOC/FHC" for a six-year period.

–$270,173 claimed for financing and interest fees, which are not allowable under the guidelines.

–$354,000 claimed for salaries and wages disallowed due to "lack of supporting documentation." Elgee said Monday "the expenditures that he was claiming appeared to be SPADA payroll, for people working for SPADA." He said the SPADA books showed no accounts receivable from LOC, which would indicate an apparent double-billing. According to the State Department of Commerce, SPADA was not incorporated until June 22, 1976, just eight days before the end of the audit period.

–Continued on page 11

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REQUEST FOR PROPOSAL
PUBLIC TRANSIT SYSTEM

Notice is hereby given that the Fairbanks North Star Borough will receive bid proposals for a contractor to operate the Borough Public Transit System.

The proposed contract requires the contractor to provide all supervisory, clerical, operating, and maintenance personnel necessary for the proper and efficient operation of the public transit system.

The Borough intends to provide to the contractor all necessary properties and facilities of such a system, including (a) passenger and service vehicles, (b) gasoline, diesel, and other fuels, oils and lubricants, (c) tires and tubes, (d) repair and replacement parts and materials, (e) shop and repair facilities

State May File Suit . . .

–Continued from page 3

--$100,000 claimed for a 1976 design construction agreement, which was disallowed for lack of supporting documentation.

–$65,971.56 claimed for legal expenses, which are not allowable under the guidelines.

–$25,000 claimed for travel expenses, disallowed for lack of supporting documentation. According to Beirne's May 30 statement, the travel was during the period of 1969 through 1976, including $16,805 disallowed by HEW for years 1972-74, which he said was paid for by LOC/FIIC. Also included were trips by Beirne to Washington, D.C., Los Angeles, Seattle and San Francisco.

–$21,600 claimed for office rent, disallowed for lack of supporting documentation. Beirne claims that one of his other corporations, Raypath, provided $3600 per year in office and utility expense for six years of LOC.

–$14,400 claimed for telephone costs disallowed for lack of supporting documentation. Beirne claimed $200 per month in telephone costs for a period of six years.

–$10,000 in miscellaneous expenses disallowed for lack of supporting documentation. Beirne claimed that figure for "miscellaneous office supplies, entertainment, promotion, etc." for the years 1970-76.

NO FURTHER FUNDING

Community and Regional Affairs Commissioner Lee McAnerney, who originally approved the LOC revenue-sharing funds, said Beirne has twice approached her department for further spending. She said she would not approve any further funding for the project.

The Department of Revenue's field audit supervisor said he was "completely unaware" of the LOC audit. According to one source, who declined to be identified, a copy of the audit was given to a Department official late last month. The field audit supervisor appeared

–Continued on page 16

Organic Act . . .

–Continued from page 2

under certain guidelines. Previously, Congress had to expressly authorize the sale of mineral lands.

–Requires the owner of an unpatented lode or placer mining claim to file those claims with the BLM.

–Provides for loans to Alaska of 55 per cent of the mineral funds the state is entitled to receive, in advance of mineral development. Alaska gets 90 per cent of the mineral revenues derived by the federal government from sales, bonuses, royalties and rentals on public lands in the state. The loans made against these funds would be for the purpose of preparing for the impact of mineral development.

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–Continued from page 11

surprised that he had not yet seen the audit and said he would investigate the matter.

BACKGROUND OF LOC

The background of LOC and its hospital is a long and tangled web of paperwork in state files. LOC was formed in 1970. Beirne began construction on the hospital in mid-1973, as a private project.

In April of 1974, Frederick McGinnis, then Commissioner of Health and Social Services, wrote to Bryon Mallot, then Commissioner of C&RA that the clinic might not be qualified to receive state funds since statutory provisions "specify that a health facility must be permanent and in operation by July 1 of any entitlement year." He noted that "it is highly unlikely that the Lake Otis Hospital will meet these requirements any earlier than July 1, 1975."

In July, 1974, construction was halted when additional financing became impossible, Beirne told the Anchorage Times last week. In 1974, though he denied that construction had stopped permanently, saying construction would resume later that month. He said the completion date would be no later than September 1975.

In December 1974, McGinnis certified the project for revenue sharing, just before he left office, following an opinion from the Attorney General.

A month later, Anchorage Borough Mayor Jack Roderick wrote to McAnerney, who had just been appointed C&RA Commissioner, protesting the granting of any revenue sharing funds for LOC. He wrote, "the cessation of construction activity at the site . . . has given us cause for concern about the appropriateness of revenue sharing funds for this purpose."

Roderick noted that the Borough's Comprehensive Health Planning Council (CHP) had "opposed the project for some time" because their projections showed that another acute health care facility was not needed. He said CHP felt the increased cost to the general public to support the "surplus acute care hospital" would be about $3.5 million annually.

–Continued on page 19

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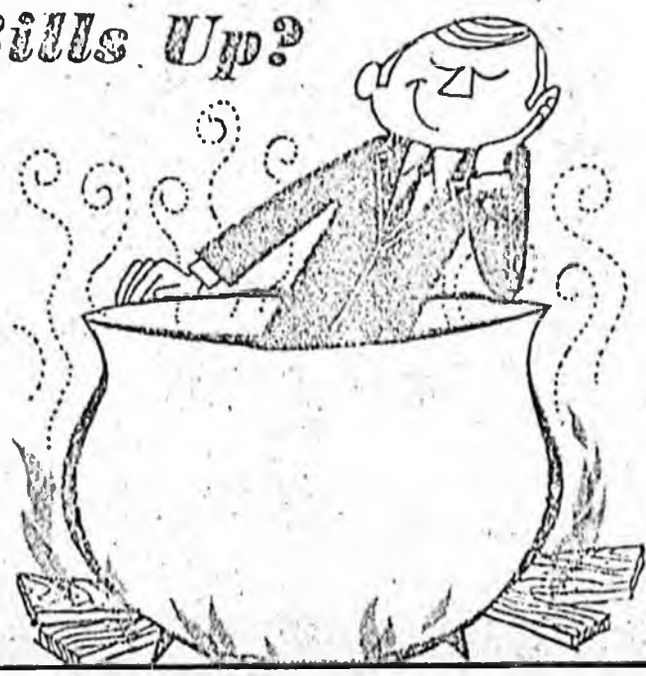

State May File Suit . . .

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PRONOUNCED RELUCTANCE

In her reply to Roderick on Jan. 31, 1975, McAnerney said that despite the objections of the Borough and the "pronounced reluctance" of the Department of Health and Social Services, she had determined that her department "cannot withhold payment . . . due the Lake Otis Hospital."

In a letter to Beirne the same say, McAnerney said the $312,500 revenue sharing grant had been issued. She noted the borough opposition, saying their objections were "beyond the scope of inquiry" of her department. She asked Beirne to provide C&RA with an accounting of the entitlement funds transmitted.

A 1974 financial statement for LOC, prepared by the CPA firm of Peat, Marwick, Mitchell and Co., showed liabilities on Dec. 31, 1974 of $1.2 million in excess of LOC's current assets, along with a $419,000 fund deficit. It noted the subsequent receipt of the revenue sharing grant, with the notation that "these funds were used to reduce the Company's current liabilities."

In April, 1975, Beirne was appointed to the State House of Representatives, replacing Tom Fink, who resigned at that time.

In June, 1975, Health and Social Services Commissioner Francis S.L. Williamson wrote a letter to D.D. Emmal, who was identified as vice president of LOC. He said LOC was not eligible to receive federal Hill-Burton funds, since the construction of LOC was disapproved by the Anchorage CHP in Feburary 1972 and since the Hill-Burton State Construction Plan showed a potential excess of hospital beds in Anchorage if Lake Otis Hospital were built.

"Until such time as the excess beds are utilized and a bed need exists," he wrote, "no Hill-Burton funds can be used for construction of additional beds in the Anchorage area.

Emmal's name has not appeared on any other paperwork connected with LOC. However, Emmal is a director of Lake Otis, Inc., a profit-making corporation. The other directors of Lake Otis, Inc. are Michael Beirne and Corinne Beirne. The All-Alaska Weekly has been unable to determine what relationship, if any, exists between Lake Otis, Inc. and Lake Otis Clinic, Inc.

AUDIT CONDUCTED

An October 1975 meeting between state officials concerning the Lake Otis project showed considerable discussion of the problems associated with its construction. The participants, including representatives from Health and Social Services, C&RA, the Department of Law and Anchorage CHP, agreed that an audit should be conducted.

Beirne told the Anchorage Times last week that he requested the July audit "to clear the record."

In February, 1976, Beirne testified before the House Community and Regional Affairs Committee when the committee was marking up a bill concerning revenue sharing for hospital. He asked for a change in dates in a section of the bill, which he said would save his corporation additional expenses associated with surety bonding. Beirne claimed his hospital was being "squeezed out by the big corporations."

In May, Beirne wrote to U.S. Sen. Ted Stevens that he "was able to prevail upon the (State Health) Department to revise its analysis of bed need in the Anchorage area." He said LOC would submit an application for federal funds under HEW, writing that "any assistance that

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Tunnel . . .

--Continued from page 12

observe permafrost phenomena in a natural, undisturbed state.

The older tunnel runs through silty soil, while

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RETAIL and ROADHOUSE LIQUOR LICENSES

Yukon Trading Post

Circle City, Alaska 99733

Pub.: Nov. 5, 12 and 19, 1976

ALASKA NORTHWEST PUBLISHING COMPANY

November 5, 1976

bridge railing; 360 linear feet of pre-stressed rock anchors and 65 linear feet of rock bolts; and miscellaneous items of work.

In accordance with requirements set forth by the "Federal Highway Administration", the following provisions are made a part of all advertisements for highway construction contracts:

"Bidders must submit certifications stating whether or not they intend to subcontract a portion of the work and, if so, that they have taken affirmative action to seek out and consider minority business enterprises as potential subcontractors. Each bidder intending to sublet part of the contract work shall make contact with potential minority business enterprise subcontractors to affirmatively solicit their interest, capability, and prices, and shall document the results of such contacts. A bidder's failure to submit this certification or submission of a false certification shall render his bid nonresponsive."

Certification form (14-60) and a Directory of Minority Business Enterprises will be included with the bidding documents.

Plans and specifications may be obtained by all who have a bona fide need for them for bidding purposes from the Chief Road Design Engineer, P.O. Box 1467, Juneau, Alaska 99802 at a charge of $10.00 (non-refundable) for each assembly. Checks or money orders should be made payable to: State of Alaska, Department of Highways. Plans may be examined at Department of Highway Offices in Anchorage, Fairbanks, Valdez.

H.D. Scougal
Commissioner of Highways

Pub: Nov. 12, 19 & 26, 1976

LEGAL NOTICE

INVITATION FOR BIDS
STATE OF ALASKA
DEPARTMENT OF HIGHWAYS

Sealed bids in single copy for furnishing all labor, materials and equipment, and performing all work on Project F-RF-031-1(13), Seward Highway, Mile Post 54.5 described herein, will be received until 2:00 p.m. prevailing time, December 9, 1976 in the Commissioner's Office, Department of Highways, Island Center Building, Douglas, Alaska.

This project will consist of grading, drainage and surfacing on 0.44 mile of roadway.

Principal items of work consist of the following: Maintenance and construction of traffic detour, lump sum, all required; clearing and grubbing, lump sum, all required; unclassified excavation, 1,000 cubic yards; selected material, 1,000 tons; aggregate base, grading "C", 1,000 tons; subbase, grading "A", 1,000 tons; hot asphalt pavement, 1,000 tons; asphalt cement, AC-5, 50 tons; beam type guard rail, 200 linear feet; seeding, lump sum, all required; reinforcing steel, lump sum, all required; pre-stressed concrete structural members, 24 each; cast-in-place concrete piles, 1,500 linear feet; metal bridge railing, 360 linear feet of pre-stressed rock anchors and 65 linear feet of rock bolts; and miscellaneous items of work.

In accordance with requirements set forth by the "Federal Highway Administration", the following provisions are made a part of all advertisements for highway construction contracts:

"Bidders must submit certifications stating whether or not they intend to subcontract a portion of the work and, if so, that they have taken affirmative action to seek out and consider minority business enterprises as potential subcontractors. Each bidder intending to sublet part of the contract work shall make contact with potential minority business enterprise subcontractors to affirmatively solicit their interest, capability, and prices, and shall document the results of such contacts. A bidder's failure to submit this certification or submission of a false certification shall render his bid nonresponsive."

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H.D. Scougal
Commissioner of Highways

Pub: Nov. 12, 19 & 26, 1976

LEGAL NOTICE

INVITATION FOR BIDS
STATE OF ALASKA
DEPARTMENT OF HIGHWAYS

Sealed bids in single copy for furnishing all labor, materials and equipment, and performing all work on Project RS-M-0625(1), Peger Road Bridge and Approaches described herein, will be received until 2:00 p.m. prevailing time, Dec. 16, 1976 in the Commissioner's Office, Department of Highways, Island Center Building, Douglas, Alaska.

This project will consist of the construction of a 257 foot pre-stressed concrete bridge, grading, drainage and hot asphalt surfacing on 0.34 miles of roadway, and construction of a sound barrier and a bicycle path.

Principal items of work consist of the following: Unclassified excavation, 15,500 cubic yards; selected material 47,000 tons; aggregate base, grading "C", 2,400 tons; subbase, grading "A", 3,500 tons; hot asphalt pavement, 1,400 tons; asphalt cement, AC-5, 84 tons; beam type guard rail, 712 linear feet; seeding, 113,000 square feet; sound barrier, 1,840 linear feet; class A concrete, lump sum, all required; reinforcing steel, lump sum, all required; pre-stressed concrete structural members, 24 each; cast-in-place concrete piles, 1,500 linear feet; metal bridge

Fairbanks, Alaska 99701, an answer to the complaint filed in the above-entitled action in this Court; if you fail to do so within twenty (20) days after personal service of this notice upon you, or within thirty (30) days after the last publication of this notice, if it be published, judgment by default may be rendered against you for the relief demanded by the plaintiff.

This is an action for divorce. The relief demanded by the plaintiff is:

(1) That he be granted an absolute decree of divorce from the defendant forever dissolving the bonds of matrimony heretofore existing between them.

(2) For such other and further relief as the Court may deem just and appropriate.

You have been made a party to this action because you are the wife of the plaintiff.

DATED at Fairbanks, Alaska this 10th day of November, 1976.

OLGA T. STEGER
Clerk of the Superior Court
BY Linda Yeager
Deputy Clerk

Pub: Nov. 12, 19, 26; Dec. 3

State May File Suit . . .

—Continued from page 22

Audit was released, which disallowed most of Beirne's claimed expenditures. In a cover letter, Commissioner of Administration Andy Warwick said the claimed expenditures had been measured in compliance with Hill-Burton regulations. He said he expected LOC would pursue the matter, both on the overpayment and C&RA's refusal to grant further funds.

"Our support of the Hill-Burton position is that it is consistent with like sharing,' Warwick wrote, adding it "is authorized and confirmed in a 1972 Attorney General's position, and recognizes reasonableness."

On Sept. 21, Beirne was told the overpayment would have to be returned if his accountant was unable to satisfy the auditor that sufficient expenses had been incurred.

On Sept. 30, Beirne wrote to Pegues, stating "my understanding is that at this particular moment the State auditor has indicated that the records submitted by our accountant do reflect that more than sufficient funds were expended to qualify for the entire state grant."

Beirne said the law provides for matching funds for "total costs of the project, not certain costs."

FUNDS NOT REPAID

Since that time, the funds have not been repaid, nor has a satisfactory accounting been made, according to Pegues. A memo from Pegues to Attorney General Avrum Gross states that "Beirne has financial problems and has not proceeded. He has already received $97,039 more than he should have, and he has incurred no new eligible costs to make up the difference, let alone qualify for more funds."

The memo continues, "C&RA says that the transaction as entered into was not technically authorized by the law and that it was not open-ended. Beirne was to perform within a given period of time and has not . . . While these issues have yet to be explored, there may be something to them."

The All-Alaska Weekly repeatedly attempted to contact Beirne for comment on the LOC controversy, but Beirne failed to return any calls.

OPEN SUNDAYS
Serving Breakfasts 7 a.m. to Noon
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Prime Rib Roast Turkey
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Anyone for

REPORT ON EXAMINATION

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

STATE REVENUE SHARING

LAKE OTIS HOSPITAL

Re: SCR 13+14

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

STATE INTERNAL AUDITOR

REPORT ON EXAMINATION OF

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

STATE REVENUE SHARING

LAKE OTIS HOSPITAL

We have examined the costs of land, interest and financing as reported by Lake Otis Clinic, Inc., (LOC), a nonprofit corporation presumably building a hospital in Anchorage, Alaska. By prior report, we previously examined costs as reported by LOC, using State imposed Hill-Burton Regulations. (Schedule A) Those regulations exclude expenditures for land, interest and financing, consequently, our initial report did not address those costs for validity or authenticity since they would have been disallowed by governing rules regardless of the findings. However, LOC expressed concern that those costs for land, interest and financing disallowed by Hill-Burton Regulations are reasonable and necessary costs of construction. This review was encouraged by the Department of Community and Regional Affairs and the Department of Law and applies to costs not reviewed earlier, and to events occurring subsequent to our prior examination, that measure the reasonableness of claimed expenditures and the probability of actual physical construction given current circumstances.

We remain firm in our belief that Hill-Burton Regulations are reasonable and that certain costs are disallowed for sound reasons.

We examined all supporting documentation presented by LOC as representing costs for land, interest and financing. In addition, we have consulted outside experts in certain areas of complexity.

INTEREST AND FINANCING

Interest and financing expenses charged to the hospital project as of June 30, 1976 amounted to $963,961.96. (Schedule B) These expenses were derived from two notes totaling $900,000. (Schedule D) The first note, for $750,000, was borrowed in installments over an eight month period from November 1, 1973 to June 17, 1974. (Schedule D) These funds were borrowed basically upon the strength of credit of a guarantor. LOC obtained the guarantor to the notes based upon the security of certain properties held by LOC and M. F. Beirne, the company's president.

The property used as security came from Raypath Inc., Kelly Supply Co., and Lake Otis Inc. These companies have the same corporate structure as LOC. The companies have the same board members and the president of each is M. F. Beirne.

LOC borrowed an additional $150,000 (Schedule D) on June 17, 1974, again based upon the credit strength of the guarantor. The first note became due on August 29, 1974 but LOC had no funds to make either the interest or principal payments and on September 16, 1974 the guarantor was forced to pay the interest to date on both the first and second notes. LOC received an extension at this time to correspond with the due date of the second note, November 28, 1974. But again LOC could not pay the notes and the guarantor was again forced to pay the interest to date. LOC received another extension to March 17, 1975 but again could not make payment and on that date the guarantor was forced to pay the full amount due on both the principal and interest.

LOC is currently trying to repay the $1,021,294.23 (See Schedule G) obligation to the guarantor of the notes by selling those properties which were used to secure the notes and turning over the net proceeds to the guarantor.

In addition to the obligation to the guarantor, LOC is also being charged by M. F. Beirne, 6% interest on the appraised value of the property used to secure the notes. The amount claimed for the use of this collateralized property, including interest, as of June 30, 1976 was $693,788.90. (See Schedule B)

The interest being charged to the costs of construction of the hospital all stem from the initial obligation of $900,000. (Schedule E) If the loans had been honored on the original due date there would have only been $61,617.19 (see Schedule E) in finance charges. Instead LOC has claimed as of June 30, 1976, $963,961.96 (Schedule B) in interest and financing expenses associated with these loans, and interest is still continuing to accummulate. (Schedule F)

INTEREST SUMMARY

LOC has claimed over $963,961.96 in financing expenses based upon loans of only $900,000. These costs claimed by LOC for interest and financing appear to us to be unreasonable. If LOC had paid those notes when originally due there would have been $61,617.19 in interest expenses. The State of Alaska is being asked to reimburse LOC's finance charges which were allowed to accumulate due to their own fiscal insolvency. In addition, the State has been asked to reimburse LOC for interest expenses due on the use of the collateralized property being used to secure the debt. These collateralized properties were supplied by M. F. Beirne, the president of

LOC. We believe Hill-Burton Regulations were created to specifically protect the government from situations of this type. We do not believe that the State should modify its position for the use of Hill-Burton Regulations, and we think it would be unwise for the State to set a precedent by reimbursing these expenses.

LAND

During our examination of the $710,500 claimed by LOC as the cost of land, a question of ownership arose. The Certified Public Accountant for LOC, produced a Statutory Warranty Deed and Quitclaim Deed dated September 28, 1973 showing the transfer of Tract 3 Medical Park Subdivision to Lake Otis Clinic, Inc. He also presented us with a document representing taxes paid on this property. The property description and legal owner of record was, however, omitted from the xerox copy.

Our inquiries to the borough assessor as to the legal owner of record, showed that GHS-Anchorage Hospital, Inc. is listed as the legal owner. In view of this apparent descrepancy regarding ownership of the property, we requested a title search from Transamerica Title Insurance Company. Their findings indicate that title is indeed vested in GHS-Anchorage Hospital, Inc., an Alaskan corporation. The corporation is wholly owned by General Health Services, Inc., (GHS), a Delaware registered corporation, with headquarters in Culver City, California.

GHS has been associated with LOC since early 1972, when an agreement was reached in which LOC would lease the hospital to GHS. GHS was to operate it on a 25 year lease and operating contract. The 25 year lease would provide for 100% amortization of the mortgage debt and all expenses associated with the construction and operation of the hospital. The land was to have been leased to LOC by M. F. Beirne.

Before construction began, GHS required an indemnification agreement from LOC which would protect GHS from any liability it might incurr in the construction of the hospital. Under this agreement construction was to begin immediately by using borrowed funds up to a maximum of $750,000. Further construction was to await permanent financing.

The $750,000 (Schedule D) was borrowed from Peoples Bank and Trust (PBT) and obtained basically on the strength of GHS credit. CHS was in turn, indeminified against any loss, by M. F. Beirne, should permanent financing not be available. Beirne secured the loan with various real estate properties including the hospital site and land adjacent thereto. PBT recorded Deeds of Trust on all properties used as security, as did GHS. During the same period, M. F. and

Corine A. Beirne, conveyed their ownership of Tract 3 Medical Park Subdivision to LOC. There was evidence to indicate that the land may have been given to LOC with an agreement to either Purchase or lease it from the Beirnes' at a later date. No sales price was established at the time of transfer. In May of 1975 the Board of LOC voted to pay $710,500 for the land. The Board, at that time, comprised of M. F. and Corine A. Beirne and Donald D. Emmal proceeded to draw up an 8% interest note to M. F. Beirne in the amount of $710,500. We found no indication of any payments being made by LOC on this note.

LOC expended the full $750,000 borrowed from PBT without obtaining permanent financing. Construction on the project was halted in Febraury of 1974. However, In June of 1974, LOC obtained another loan from PBT under the same conditions as the previous note, in the amount of $150,000. (Schedule D) This appears to have been to pay the costs prior to the halt of construction incurred over and above the $750,000. PBT recorded another deed of trust, as did GHS, in the amount of $150,000. LOC also obtained an extension of the due date on their first note. Permanent financing again was not obtained and consequently LOC asked for an extension on the due date of their notes. PBT granted the extension, but increased their interest rates on both notes.

During this time LOC applied for an in February of 1975, received $312,500, in hospital construction aid, from State revenue sharing funds. However, this did not remedy LOC's immediate financial situation. In March, 1975, PBT would no longer grant an extension on the notes. The guarantor, GHS, on March 17, 1975 paid off the notes obtaining from PBT through assignment their Deeds of Trust on the property. Shortly thereafter, GHS-Anchorage Hospital, Inc. obtained from LOC a Statuatory Warranty Deed, on Tract 3 Medical Park Subdivision, conveying title from LOC to GHS-Anchorage Hospital, Inc. LOC was initially given until May 31, 1975 to pay what then amounted to $900,000 payment on guarantee and $121,294.23 interest, payable to GHS, or GHS would foreclose on the secured property and sell it at public auction. It appears that LOC received an extension to the May 31, 1975 dead line, and on October 27, 1975 recorded a caveat on the secured property which claimed that the Warranty Deed was no more than a security arrangement and did not convey title.

On November 12, 1975, there was recorded a "Notice of Default and Sale" stating that the trustee of the Deed of Trust elects to sell the secured property." The property was to be sold on February 25, 1976. LOC obtained an extension of the foreclosure by giving additional collateral to GHS to secure LOC's promise to pay. It appears that M. F. Beirne, President of LOC, has been selling the collateralized properties and turning over the net proceeds to GHS. He has

tried repeatedly to sell the properties to interested parties and has incurred large expenses related to this activity. He is claiming these expenses as part of the construction costs, together with all interest accummulated on the original debt and subsequent financing arrangements. The amount owed as of December 31, 1976, was $675,815.37 comprised of $525,815.37 due GHS and $150,000 due National Bank of Alaska borrowed and paid by M. F. Beirne, to forestall foreclosure. (Schedule H and F)

LAND SUMMARY

The land was transferred to LOC by M. F. and Corine A. Beirne, both of whom sit on the Board of LOC, of which there are only three members. Two years after the transfer of the land to LOC, the Board voted to pay M. F. Beirne the current appraisal price for the land. M. F. Beirne, President of LOC drew up a note to himself for $710,500.

To date we have not been provided with any evidence that payments have been made by LOC for the land. Yet, LOC has claimed as eligible construction costs $710,500. (Schedule C) The dollar amount is arbritrary and questionable since M. F. Beirne is in a position to dictate corporate policy. The Certified Public Accountant for LOC asked reimbursement for only $400,000, the appraisal price at the time of transfer. The fact that both LOC's CPA and M. F. Beirne disagree upon the price to be reimbursed for the land, indicates that the price was not derived from an arms length transaction. The price for which LOC is claiming reimbursement could just have easily been lower, higher or somewhere in between.

LOC no longer has title to the land for which they claimed reimbursement, and on which the present construction rests. The State of Alaska gave money to LOC in the belief that a hospital would be built for public purpose. However, there now appears to be great doubt as to whether this will happen. The State of Alaska has paid $312,500 to LOC, supposedly for construction purposes. AS 43.18.010(j) is silent as to the legal protection to the State of Alaska to insure that construction will take place, or that in the event construction does not, or cannot take place, that the State will be returned those funds it has contributed toward the project.

CONCLUSION

LOC received State revenue sharing monies under AS 43.18.010. The intent of this statute is to provide funding support to local governments and other facility sponsors for the purpose of constructing facilities which will be utilized for a public purpose. This coincides with Article IX, Section 6 of the Alaska Constitution, which clearly states that no appropriation of public money shall be made except for a public purpose.

At the time Health and Social Services, (HSS) certified LOC to receive State revenue sharing monies, they did so under the premise that indeed a hospital would be built. However, at the time they certified LOC, construction had been halted for almost one year, LOC could not repay its notes from PBT, and there appeared to be no permanent financing available for the construction to continue. HSS was aware of the halt in construction but felt that it was bound by that part of AS 43.18.010(j) which states: If construction of a facility began after January 1, 1968....

Construction had begun in 1973, therefore this prerequisite of the statute had been met. The statute does not require that construction activity be continuing at the time of the application.

Construction of the facility has not continued since it stopped in early 1974. Financing for the project still appears to be unobtainable. The site of the construction has been conveyed to a party which at any time could foreclose on the notes due. The present wording of AS 43.18.010(j), when applied to a non-governmental facility sponsor does not address the protection to the State as far as getting a finished product for its revenue sharing dollars. As we have discussed, nothing assures the continued vitality of the construction project. The State may find that its revenue sharing money has gone to pay a past debt and no hospital will ever be fully constructed and in use by the people of Alaska. There must be good faith on the part of the grantee to fulfill his stated goals. The grantee in this case has voluntarily jeopardized the interest of the State as intended by AS 43.18.010(j).

We recommend that CRA ask for the return of those funds given to LOC, and that no subsequent payments be made until such time as LOC provides an accurate accounting of construction costs, obtains permanent financing, and has title to the land for the hospital site dedicated irrevocably to a public purpose.

21-05

George Elgee

SCHEDULE A

LOC

SCHEDULE OF REPORTED COSTS

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

STATE REVENUE SHARING PROGRAM

LAKE OTIS HOSPITAL PROJECT

STATEMENT OF TOTAL PROJECT COSTS AND AUDIT ADJUSTMENTS

AS OF 6/30/76

	Costs claimed by Lake Otis Clinic, Inc.	Costs disallowed from previous audit *
Construction Costs:	$575,175.00	$
Architectural Expenses:	206,392.74	
Legal Expenses:	65,971.56	(1) 65,971.56
Accounting & Feasibility Study:	44,770.63	
Engineering Expenses:	26,411.29	
Financing & Interest:	270,173.06	(2) 270,173.06
Land & Land Taxes:	722,500.00	(3) 722,500.00
Travel:	26,205.72	(4) 25,000.00
Telephone:	14,400.00	(5) 14,400.00
Salaries & Wages:	354,000.00	(6) 354,000.00
Office Rent:	21,600.00	(7) 21,600.00
1976 Design Construction Agreement:	100,000.00	(8) 100,000.00
Miscellaneous Expenses:	10,000.00	(9) 10,000.00
Expenses per Checking Account:	20,000.00	(10) 12,111.49
Interest on Collateralized Property - Plus - Salary of Coordinator:	693,788.90	(11) 693,788.90
	$3,151,388.90	$2,269,545.01

* See accompanying notes.

NOTES TO SCHEDULE A

Notes - Audit Adjustments

(1) Costs of legal services are not allowable other than those incidental to the acquisition of sites for public health centers - (* Health Grant Manual 24-2.3)

(2) Costs incident to the loan such as legal fees, financing fees, or interest during construction are not allowable - (Health Grant Manual 24-2.4B)

(3) The cost of the site, including acquisition costs such as title search, title clearance and settlement fees, is not allowable, . . .- (Health Grant Manual 24-2.3B)

(4) Disallowed due to lack of supporting documentation

(5) Disallowed due to lack of supporting documentation

(6) Disallowed due to lack of supporting documentation

(7) Disallowed due to lack of supporting documentation

(8) Disallowed due to lack of supporting documentation

(9) Disallowed due to lack of supporting documentation

(10) Disallowed due to lack of supporting documentation

(11) Costs incident to the loan such as legal fees, financing fees, or interest during construction are not allowable - (Health Grant Manual 24-2.4B)

* HEALTH GRANT MANUAL NOTICE 5-110 for TITLE 2, CONSTRUCTION AND MODERNIZATION OF HOSPITAL AND MEDICAL FACILITIES (August 12, 1971)

SCHEDULE OF

INTEREST AND FINANCING FEES

REPORTED BY LOC AS OF JUNE 30, 1976

DESCRIPTION[1&2]	LOC REPORTED COSTS	
FINANCING AND INTEREST:	$	$
Interest Expense Peoples Bank & Trust	44,009.35	
Estimated Interest & Financing	221,163.71	
Other Financing Costs Paid By Related Company	5,000.00	
		$270,173.06
Interest on Collateralized[2] Property - Plus - Salary of Coordinator	$	
Fee paid to Peters from Beirne Account 1975-76 TOTAL	17,538.90	
Commission Paid Through June 1, 1976 - Cook Inlet Sale Also To Be Paid Bonus on Completion	46,250.00	
Calculations of Project Costs- Lake Otis Hospital:		
Concerning the Use Rental of the specific collateralized properties identified in the corporate minutes of August 28, 1973. Based on appraised property values of $3,500,000. at 6% interest per annum.		
July 1, 1973 to July 1, 1974 $210,000.00		
July 1, 1974 to July 1, 1975 210,000.00		
July 1, 1975 to July 1, 1976 210,000.00		
	$630,000.00	
		$693,788.90
TOTAL INTEREST & FINANCE EXPENSE:		$963,961.96

1 Description comes from schedules of Reported Expenditures dated October 31, 1975.

2 Description of collateralized property come from Scheduled Expenditures dated June 23, 1976.

SCHEDULE C

SCHEDULE OF LAND COSTS CLAIMED BY LOC

DESCRIPTION [1]	COSTS CLAIMED BY LOC
Land for hospital site. (Title to property) has been transferred to facility sponsor, 203,000 sq. ft. at $3.50 sq. ft.	$ 710,500.00
Land taxes to GAAB paid by M. F. Beirne, 1969 to 1976	12,000.00
TOTAL LAND COSTS	$ 722,500.00

1) Description comes from schedule of reported costs, dated May 30, 1976, from LOC signed and sworn to by Michael F. Beirne.

SCHEDULE D

SCHEDULE OF NOTE(s)

FROM PEOPLES BANK & TRUST TO LOC

11/1/73 through 3/17/75

DATE	1ST NOTE AMOUNT BORROWED	(1) INTEREST PAID	DATE INTEREST PAID TO	1ST NOTE PRINCIPLE PAYMENTS	2ND NOTE AMOUNT BORROWED	(1) INTEREST PAID	DATE INTEREST PAID TO	(1) 2ND NOTE PRINCIPLE PAYMENTS	2ND NOTE INTEREST PAID TO ORIGINAL DUE DATE (8/29/74)	2ND NOTE INTEREST PAID TO ORIGINAL DUE DATE (11/28/74)
11/1/73	$207,381.5	$		$	$	$		$		
11/13/73	145,000.00									
12/6/73	225,000.00									
2/4/74	35,000.00									
2/14/74	10,000.00									
4/12/74	120,000.00									
6/17/74	7,618.50				150,000.00					
10/10/74		52,419.96	8/30/74			3,649.27	8/30/74		52,419.96	3,649.27
12/11/74		27,739.76	11/28/74			5,547.96	11/23/74			5,547.96
3/17/75		31,356.67	3/17/75	750,000.00		6,271.33	3/17/75	150,000.00		
	$750,000.00	$111,516.39		$(750,000.00)	$ 150,000.00	$15,468.56		$(150,000.00)	$52,419.96	$ 9,197.23

1) Note: Interest payments made by GHS See Schedule G Note (1)

SUMMARY OF SCHEDULE D

TOTAL BORROWED, TOTAL INTEREST PAID,

TOTAL INTEREST DUE & PAID AT NOTES ORIGINAL DUE DATE

	SCHEDULE (D)
Total Borrowed:	
Note 1	$ 750,000.00
Note 2	150,000.00
	$ 900,000.00
Total Interest Paid:	
Note 1	$ 111,516.39
Note 2	15,468.56
(Schedule G Breakdown)	$ 126,984.95
Total Interest Due and Paid At Notes Original Due Date	
(8/29/74) Note 1	$ 52,419.96
(11/28/74) Note 2	9,197.23
	$ 61,617.19

SCHEDULE F

GHS SCHEDULE OF GUARANTEE PAYMENTS AND RECEIPTS FROM DR. BEIRNE
GENERAL HEALTH SERVICES, INC. - ANCHORAGE
RECEIVABLE FROM DR. BEIRNE - PRINCIPAL AND INTEREST
AS OF DECEMBER 31, 1976

of ica e rate	Payment Terms	Number of Days	Amount of Payment (Receipt)	Application of Payments Principal	Application of Payments Interest	Interest	Accrued Interest	Principal Balance
	*10/04/74 to 12/09/74	66	$ 51,069.23 [2]			$ 1,200.48	$ 1,200.48	$ 51,069.23
	*12/09/74 to 01/01/75	22	33,287.72 [2]			660.99	1,861.47	84,356.95
	01/01/75 to 03/11/75	70				1,820.03	3,681.50	84,356.95
	*03/11/75 to 04/01/75	20	936,246.56 [2]			6,291.39	9,972.89	1,020,603.51
	04/01/75 to 05/07/75	37				8,793.97	18,766.86	1,020,603.51
	*05/07/75 to 07/01/75	54	690.72 [2]			12,843.12	31,609.98	1,021,294.23
	07/01/75 to 10/01/75	92				20,593.77	52,203.75	1,021,294.23
	10/01/75 to 01/01/76	92				23,167.99	75,371.74	1,021,294.23
	01/01/76 to 02/09/76	40				9,233.62	84,605.36	1,021,294.23
	02/09/76 to 02/18/76	9				2,077.56	86,682.92	1,021,294.23
	*02/18/76 to 04/01/76	43	(468,243.92)	$ 381,561.00	$ 86,682.92	6,217.68	6,217.68	639,733.23
	04/01/76 to 05/14/76	43				5,840.85	12,058.53	639,733.23
	*05/14/76 to 06/08/76	25	(12,463.80)	405.27	12,058.53	3,393.69	3,393.69	639,327.96
	*06/08/76 to 06/28/76	20	(15,563.52)	12,169.83	3,393.69	2,663.27	2,663.27	627,158.13
	*06/28/76 to 07/01/76	3	(327.72)		327.72	399.49	2,735.04	627,158.13
31/76	Sub-Total By GHS		$1,021,294.23					
	Total Payments from M. F. Beirne		(496,598.96)					
	Total Receipts		524,695.27	$ 394,136.10	$102,462.86	$105,197.90	$ 2,735.04	$ 627,158.13
	07/01/76 to 08/11/76	41				5,811.95	8,546.99	627,158.13
	*08/11/76 to 09/13/76	2	(13,745.58)	5,198.59	8,546.99	281.16	281.16	621,959.54
	08/13/76 to 09/14/76	32	(511.66)	230.50	281.16	4,496.89	4,496.89	621,729.04
	*09/14/76 to 10/01/76	17	(12,952.17)	8,455.28	4,496.89	2,356.48	2,356.48	613,273.76
	10/01/76 to 11/04/76	34				4,570.15	6,926.63	613,273.76
	*11/04/76 to 12/31/76	57	(150,000.00) [1]	143,073.37	6,926.63	5,874.28	5,874.28	470,200.39
		819	$ 347,485.86	$ 551,093.84	$122,714.53	$128,588.81	$ 5,874.28	$ 470,200.39
	Total Payments		$1,021,294.23					
	Total Receipts		(673,808.37)					
			$ 347,485.86					

* Date paid or received by General Health Services, Inc.
[1] New note from National Bank of Alaska
[2] Payment made by GHS on notes (Schedule D)

SCHEDULE G

SCHEDULE OF

GENERAL HEALTH SERVICES, INC. - ANCHORAGE

TOTAL AMOUNT RECEIVABLE DR. BEIRNE

AS OF JUNE 30, 1976

Payments on Guarantee:	$ 900,000.00
Interest Paid to Peoples Bank & Trust by Guarantee	$ 121,294.23[1]
Total Amount Paid by GHS on the Two Notes	$1,021,294.23
Interest Charged on Above Amount at 1% Over Prime as of 6/30/76	$ 105,197.90
Less Payments of Principal and Interest	$(496,598.96)
Principal and Interest 6/30/76 $627,158.13 and $2,735.04	$ 629,893.17

	Schedule E	
(1)	Total Interest	$ 126,984.95
	Total Paid by Guarantee	$ 121,294.23
	Paid by an LOC Related Company	5,690.72
		$ 126,984.95

SCHEDULE H

GENERAL HEALTH SERVICES, INC. - ANCHORAGE

TOTAL AMOUNT DUE FROM DR. BEIRNE

AS OF DECEMBER 31, 1976 (1)

Payment on Guarantee (2)	$ 900,000.00
Interest Paid to Peoples Bank & Trust (2)	121,294.23
	$1,021,294.23
Interest charged on the above at 1% over prime (3)	128,588.81
Less payments of principal and interest (3)	(673,808.37)
Principal and interest 12/31/76, $470,200.39 and $5,874.28 (3)	476,074.67
Legal Expense (Does not include all costs accrued or unbilled through 12/31/76)	43,344.70
Al Oaks - appraisal survey	2,748.00
Alaska Geological - paid to Chanen Construction Company	3,648.00
Total Receivable December 31, 1976	$ 525,815.37

(1) This Schedule was reproduced from GHS records.

(2) Schedule D

(3) Schedule F

SCR

2.1

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Senator Joe Orsini
Chairman

_____ Bill No. _____ Patrick Rodey
Prime Sponsor

Senate
Concurrent Resolution No. 21

This Bill is currently in the Senate Community and Regional Affairs Committee for consideration. Your response, as prime sponsor, to the following questions will serve to hasten Committee action on this Bill.

1. What is the need for your proposed legislation; what is the goal you are trying to accomplish?

retain local control of Zoning

2. Are there any other viable ways of accomplishing this same goal?

electing a new governor.

3. Persons or groups you know of who are supporting the legislation.

Rural Anchorage legislators

4. Persons or groups you know of who are opposing the legislation.

5. Can you foresee any new problems that might be caused as a result of enactment of your bill?

irritating the governor

6. What is the earliest time you would like the Senate Community and Regional Affairs Committee to consider your bill?

JAY S. [redacted]MMOND
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 23, 1977

The Honorable Pat Rodey
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Rodey:

I understand you objected on the floor of the Senate to my recent action providing temporary female detention facilities in Anchorage. I regret you did not have an opportunity to discuss this action with officials of my Administration prior to your floor action because I feel that if you had been apprised of the facts in this matter, I suspect you would have supported my action. Although I was hesitant to exercise my legal authority in this manner, it was necessary that I do so in order to relieve a serious condition occasioned by the unavailability of adequate correctional facilities in Anchorage. The situation has reached emergency proportions and public interest demanded that action be taken now.

Let me provide you with information which convinced me to act.

1. My Administration requested a zoning variance from the Anchorage Municipal Assembly in order to provide a female detention center. By a 7 - 2 favorable vote the assembly granted the zoning variance. However, municipal rules require a two-thirds majority to override zoning; since there are eleven assembly members, the municipal attorney ruled that a 7 - 2 favorable vote was not sufficient. This matter is now being taken up in litigation. However, attorneys on both sides feel the court will not rule for many months.

2. The Human Rights Commission and Alaska Legal Services has filed a suit against the State charging discrimination in regard to detention facilities for female prisoners.

3. I have been assured by the Division of Corrections and the Department of Health and Social Services that there are no alternative structures available which, at a reasonable price, could be modified to meet the requirements of local and federal regulations for detention facilities.

4. The department has assured me that the correctional situation in Anchorage is at emergency proportions and further requested in writing assurance that Ridgeview Manor would only be temporarily used as a facility. (Note the attached letter from Commissioner Williamson.)

Based on the above information, I decided to exercise the authority vested in me under the Alaska Statutes and have ordered that alternations immediately begin to provide for a temporary correctional facility for women prisoners. In arriving at this decision, members of my Administration contacted the legislators from the effected district, Anchorage municipal officials including the Mayor's Office, Municipal Assembly, and the Zoning Commission. All those we talked to apparently understood the need for my action and all apparently agreed that it was truly in the State's best interest to provide for these facilities. I think the key element in this decision was the fact that the municipal assembly voted 7 - 2 in favor of the zoning variance and that attorneys on both sides agree that the court is very apt to rule in favor of upholding this vote. The problem has been that we cannot expect court action on this low priority case in the near future. Therefore, I felt it imperative I take immediate action.

I hope this information has provided you with a better understanding of the Ridgeview situation and gives you an idea of what prompted me to take this action.

Sincerely,

Jay S. Hammond
Governor

Rose Anticipates No Jail Challenge

Gov. Jay Hammond's order to open Ridgeview Manor as a women's jail over an Anchorage zoning ruling probably won't be challenged by the municipality.

Assembly Chairman Dave Rose said yesterday he does not expect the municipality to seek a court test of Hammond's action because most assemblymen are in favor of the Ridgeview jail proposal anyway.

"I don't expect there will be a negative reaction" from the assembly, Rose said, "partly in light of the fact that a majority of the assembly approved the rezoning but mostly because the governor has assured us (Ridgeview) will be only a temporary facility and that the state will pursue long-range planning" for other correctional facilities.

Mayor George Sullivan, who returned to work yesterday after a two-week vacation, refused comment until he has had time to discuss the Ridgeview issue with municipal attorneys.

Meanwhile, Assemblyman Dave Walsh has prepared a resolution for assembly action tonight asking Hammond to delay moving the women's prison until municipal officials have been consulted.

Walsh said this morning he is uncertain whether he will introduce the resolution. "The original reason (for the resolution) was that it appeared there was no communication with local officials" before Hammond's action Friday, he said. Walsh said he has since learned that Hammond's aides were in contact with Rose and other top local officials prior to the order.

Hammond's Ridgeview declaration is based on a 1974 statute allowing the governor to override local zoning laws when the state can show a compelling need to do so. The Ridgeview case apparently marks the first time the statute has been used.

A request for a special exception to allow a jail at the Ridgeview site failed in September because the assembly could not muster the necessary eight votes. A protest petition filed by neighbors of the Ridgeview facility activated a municipal ordinance requiring the two thirds vote for approval of the exception.

Of the nine assemblymen present at that September meeting, seven supported the jail, with only Assemblyman Don Smith and former assemblymun George Dickson opposing.

Dickson and Smith, whose district includes the former nursing home, cited the overwhelming opposition to the proposal presented at the public hearing as one reason for their opposition. The two also criticized the Ridgeview proposal as a stop-gap measure, a contention readily admitted by corrections officials.

Smith yesterday refused to speculate on the possibility of a municipal court appeal of Hammond's action. "I know the legal office is looking into it, whether he (Hammond) can do that, but I really don't know yet whether there's a chance of appeal or not," Smith said.

Smith said he is disappointed in Hammond's order.

"I thought that (the Ridgeview proposal) was over with and the state would be forced to do more long-range planning," he said. "But there's apparently not a lot anybody can do except grin and bear it."

Smith, who is going to Juneau this week, said he planned to request meetings with corrections officials and Hammond's staff to discuss the Ridgeview jail.

Ultimatum Plays Part In Decision

An ultimatum from the state Human Rights Commission played at least some part in the timing of Gov. Jay Hammond's decision to override an Anchorage zoning ordinance to house a women's jail at Ridgeview Manor.

In a letter sent to Bill Huston, director of the state division of corrections, earlier this month, the commission announced its intent to reopen administrative hearings into the alleged discriminatory treatment received by women prisoners held in Anchorage's Sixth Avenue state jail annex unless the state came up with a solution to the problem by today.

The commission had suspended that action a year ago when the division originally announced the Ridgeview jail proposal. Commission Director Niel Thomas said yesterday the Ridgeview facility, which commissioners toured last year, is an adequate physical plant but that a judgement on whether corrections now will provide adequate rehabilitative programs for women inmates will have to wait until the Ridgeview jail actually opens.

Thomas confirmed that he sent a letter to Huston about Feb. 10. Huston said he didn't know whether Hammond was aware of the letter's contents when he made the declaration but the governor's executive assistant, Bill Gordon, said it "was at least part of" the timing of Hammond's order.

"But that (the letter) certainly wasn't the overriding factor," Gordon said, noting that Hammond and corrections officials have been concerned about inadequate facilities for women prisoners for some time.

"We've known that something would have to be done one way or another to alleviate the pressure," he said. "The attorney general's office did notify us that the Human Rights Commission was considering or had filed a suit."

Huston stressed that Ridgeview isn't a permanent solution to the division's problems. "All we're doing is relieving some of the pressure," he said. While Ridgeview may solve the problem of housing women prisoners it won't cure the overpopulation of male inmates.

SCR

103

SENATE COMMUNITY & REGIONAL AFFAIRS
COMMITTEE MEETING

June 9, 1978

Present: Senators Orsini, Ferguson, Sumner and Willis

Absent: Senator Hackney

The Senate Community and Regional Affairs Committee met directly after session this day and passed out CSHB 134 with "INDIVIDUAL RECOMMENDATIONS" and CSHCR 125 am (C&RA) with a 'Letter of Intent' that passed out with "INDIVIDUAL RECOMMENDATIONS".

Official Business

Alaska State Legislature

Senate

Committee on
Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

June 9, 1978

LETTER OF INTENT

Information received by the Senate Community and Regional Affairs Committee has identified six sections of the coastal zone regulations submitted by the Alaska Coastal Policy Council which, in the opinion of the Committee, warrants change. These appear in the standards for timber harvest (6AAC 80.100). Three of these sections, namely 6AAC 80.100 (a),(b)(3), and (d) were deleted entirely by the House of Representatives. We concur in this result.

There are three other sections which are also of concern. Section (b)(2) of the regulations, as submitted by the Policy Council, requires that timber harvest activities in the coastal area be conducted so as to "assure unrestricted fish movement in coastal waters". The word "unrestricted" as appears in this section is absolute in its requirement, therefore placing an unreasonable burden upon the timber industry. On the other hand, the Committee does desire that fish movement in coastal waters be assured. Since we cannot amend this section and therefore have a choice only between adopting it entirely or deleting it entirely, we wish to pass the section without change. However, we strongly urge the Alaska Coastal Policy Council to delete the word "unrestricted" as it appears in this section for the reason given.

For the same reason we also urge the Alaska Coastal Policy Council to delete the word "unrestricted" as it appears in Section (c)(4). Again, we will pass this section as written, but believe that the word "unrestricted" places an unreasonable burden upon the timber industry.

Finally, we urge the Alaska Coastal Policy Council to delete the words "potential for" in Section (b)(1) as submitted by the Council. As presently written, that section requires that timber harvest activities in coastal areas be conducted so that "the location of facilities and the layout of logging systems shall be managed so as to minimize potential for adverse environmental impacts". Industry should minimize adverse environmental impacts. However, the words "potential for" add an open-ended burden, the meaning of which we are uncertain; we therefore strongly urge that these words be deleted by the Alaska Coastal Policy Council.

It is the intent of the Committee with respect to the timber harvesting process section under review that, for the reasons stated above, the Alaska Coastal Policy Council review the sections discussed above and resubmit them with the recommended changes.

JOE ORSINI, Chairman

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

May 10, 1978

The Honorable Ted Stevens
United States Senate
260 Russell Building
Washington, D. C. 20510

Dear Senator Stevens: Ted

I have enclosed for your information and background use a copy of a letter recently submitted to this Committee by the U.S. Coast Guard regarding the implementation of the Alaska Coastal Management Act.

My reason for bringing this letter to your attention involves its implicit questioning of the concept underlining the Coastal Management Act passed by the Alaska Legislature in 1976. Specifically, Rear Admiral J.B. Hayes believes that when the Alaska Legislature authorized the creation of local management districts it violated the intent of the federal Coastal Zone Management Act:

> "b. Section 923.12(a) requires the State to 'develop policies and procedures by which uses determine to be subject to the management program will be permitted conditioned, modified and/or prohibited. These policies and procedures regarding management of uses and/or their impacts must be capable of effective implementation at the time of program approval'. Alaska's section 6 AAC 85.070 and 6 AAC 85.080 delegates these functions to the districts. This creates a situation where each district's uses and policies may differ and is therefore not authorized under the federal regulations."

I believe that Admiral Hayes' concerns overlook two underlying elements. First, local district programs must be consistent with the statewide Guidelines and Standards adopted by the Alaska Coastal Policy Council and these regulations, in turn, guarantee priority of action to matters of national concern. Secondly, regulations to be effective and equitable, must accurately reflect local circumstances. The differences in topography, climate, biota and human activity between such areas as southeast Alaska, upper Cook Inlet or the Bering Sea coast are more fundamental than those separating Washington State from Oregon, or New Jersey from North Carolina. Yet these states all have individual, essentially uncoordinated coastal programs for the Coast Guard to deal with.

These regional disparities were the basis for the Alaska Legislature's decision to authorize local management districts. I seriously doubt that a monolithic set of regulations would well serve coastal management in this state or treat equitably the diversity of Alaska's peoples and regions.

I hope that the concerns expressed by Admiral Hayes can be satisfactorily settled here in Alaska. While I can sympathize with the Coast Guard's irritation at being asked to comment on six separate drafts of the proposed regualtions within a six month period, these requests should also be seen as evidence of the State's good faith efforts to involve federal agencies in each step of the preparation of the regulations.

If, however, the differences with the Coast Guard escalate beyond the state level and the legality of Alaska's Coastal Management Act is challenged or jeopardized in Washington, D.C., I would hope that you would be able to explain to the federal government the compelling reasons for the structure of Alaska's Coastal Management Act, and to work towards preventing its dilution at the federal level. I have a great deal of personal apprehension that failure to have Alaska's Act adopted by the federal government would lead to an increase in Federal control in Alaska's coastal area. I hope this apprehension is not justified.

Sincerely,

Joe Orsini

JOE ORSINI
Chairman, Senate
Community and Regional
Affairs Committee

JO:gd

cc: Senator Poland
Senator Rader, President
Rep. Rudd
Rep. Cowper

DEPARTMENT OF TRANSPORTATION
UNITED STATES COAST GUARD

MAILING ADDRESS:
Commander (dpl)
17th Coast Guard District
P. O. Box 3-5000
Juneau, Ak 99802
(907) 586-7355

16000

1 MAY 1978

Honorable Joseph L. Orsini
State of Alaska Senate
Pouch V
Juneau, AK 99811

Dear Mr. Orsini:

The Coast Guard appreciates the opportunity to correspond with you. committee concerning the 13 April 1978 Standards and Guidelines for Alaska's Coastal Management Program (ACMP). These Standards and Guidelines represent a considerable departure from the previous drafts on which the Coast Guard was allowed to comment. The Coast Guard feels that this version of the Standards and Guidelines is severely deficient in the areas of participation, specificity, and priority of uses.

Participation. The Office of Coastal Zone Management in Alaska has attempted to provide federal agencies with the opportunity to participate in the development of Alaska's program. Section 923.51 of the federal regulations requires, however, that the State "provide for federal agency input on a timely basis." The Coast Guard feels that the State has been deficient in this regard due to the shortness of time allowed for agency comments between successive drafts of the Standards and Guidelines. This is the sixth occasion in the last six months that the Coast Guard has commented on a different draft of this document. This rapidity of drafts has not allowed sufficient time for coordination between the various agencies of the Department of Transportation, nor the opportunity to carefully evaluate the content of the Program. Furthermore, this "final" version of the Standards and Guidelines was approved by the Council and submitted to the legislature without an opportunity for federal review, even though it differed substantially from previous drafts. Written comments have yet to be received by the Coast Guard addressing our stated concerns. The Coast Guard feels therefore that this past history of short lead times for response combined with the lack of formal feedback from the State does not meet the federal requirements for participation.

Section 306(c)(1) of the Coastal Zone Management Act requires federal agency participation in the development of the Program at an early stage in the process. The Coast Guard recommends that a provision for this participation be included in section 6 AAC 80.020 of the Standards.

The Coast Guard has commented on several occasions that a mechanism is needed for government participation at the district level in the development of the local plans. The Coast Guard is concerned that each district may develop its own mechanism for government participation and then cite compliance or non-compliance with this mechanism as evidence of government participation. Because the actual decision concerning adequacy of participation will be made at the State level by the Council, the Coast Guard feels that it is very important that a well developed State mechanism for participation be defined as part of the ACMP. If this accomplished, the process will not vary from district to district and all parties will have a clear understanding of their responsibilities and opportunities. It is therefore recommended that Section 85.100 be expanded to detail exactly when, where, and how government agencies will be allowed to participate in the development process.

Priority of Uses.

Section 923.13 of the federal regulations requires that the State must: "(1) Identify what constitute uses of regional benefit; and (2) identify those methods that shall be used to assure that unreasonable restrictions or exclusions of such uses by local land and water use regulations shall not occur." The Coast Guard finds no mention of regional benefit, national interest, or defense considerations in the Guidelines and Standards. National Defense, including Coast Guard functions and responsibilities such as search and rescue and fisheries enforcement, should be identified in Chapter 80, Article 2 of the Standards as an important priority use of the Coastal Zone. This priority provides the basis for regulating future land and water use, provides a common reference point for resolving potential conflicts, and is important for future acquisition of areas not presently controlled by the Coast Guard.

Section 6 AAC 80.080 of the Standards addresses water based transportation routes. Under the Ports and Waterways Safety Act of 1972, the Coast Guard is authorized to establish vessel traffic services in ports, harbors, and other waters subject to congested vessel traffic. Any district plans dealing with the management and control of vessel traffic should be coordinated with the Coast Guard to insure such plans are compatible with Coast Guard traffic control responsibilities. There is also considerable regional and national interest connected with transportation and these considerations should be mentioned in this section.

Specificity. The present Standards and Guidelines are lacking in specificity and substance and, as a result, the plans developed and implemented by the Alaska Coastal Resource Districts may vary so widely that the Coast Guard may be compelled to operate under as many as 50 different

plans within Alaska rather than under one plan which is implemented by various local government units. This situation would present an unacceptable burden on the Coast Guard and other federal agencies and is therefore considered a serious defect which must be remedied.

The Coast Guard feels that the Standards and Guidelines are deficient in the following areas concerning specificity:

a. The standards and criteria upon which decisions pursuant to the program will be based are not sufficiently specific to provide "(i) a clear understanding of the content of the program, especially in identifying who will be affected by the program and how, and (ii) a clear sense of direction and predictability for decision makers who must take actions pursuant to or consistent with the management program." These provisions are required by section 923.3(a)(2) of the Federal Coastal Zone Management Approval Regulations.

b. Section 923.12(a) requires the States to "develop policies and procedures by which uses determined to be subject to the management program will be permitted, conditioned, modified, and/or prohibited. These policies and procedures regarding management of uses and/or their impacts must be capable of effective implementation at the time of program approval." Alaska's section 6 AAC 85.070 and 6 AAC 85.080 delegates these functions to the districts. This creates a situation where each district's uses and policies may differ and is therefore not authorized under the federal regulations.

The effective implementation required under this section can not occur under Alaska's present Standards and Guidelines. If the State delegates the responsibilities of establishing uses and policies to the individual districts (85.070 and 85.080), and the district policies and uses are not submitted to NOAA with the ACMP (district plans will be developed later), it is impossible to implement meaningful management procedures regarding unknown uses and policies. It is therefore not clear what status the Program will have before the district plans are in place.

c. Section 923.12(e) of the Federal regulations states that "to the extent a state's government program policies are generalized, performance standards that will be used to enforce these policies will need to be sufficiently explicit and specific that persons affected by the management program will have a reasonable understanding of what uses would be permitted in which locations of the Coastal Zone and under what condition." The Coast Guard feels that the Standards are neither explicit nor specific and do not provide the required clear understanding as to what uses are permitted in any location.

The Coast Guard is very interested in coastal zone management and desires to work closely with the State of Alaska in implementing the ACMP. However, the mere opportunity to comment on the various stages of combined plan development when with the lack of response received concerning these comments, can not be considered real participation. The continued failure of the State to react to the concerns expressed herein is viewed as a matter of concern and is considered a serious continuing deficiency under the federal regulations. I am hopeful that these defects can be corrected before the ACMP is sent to NOAA, and am looking forward to continuing interaction with the State in coastal zone matters.

Sincerely,

J. B. HAYES
Rear Admiral, U. S. Coast Guard
Commander Seventeenth Coast Guard District

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE MINUTES

April 25, 1978

Present: Senators Orsini, Sumner, Willis and Ferguson; Roger Allington, Co-Chairman of the Alaska Coastal Management Council; Murray Walsh, Office of Coastal Management; Bruce Aronson, Department of C&RA; Pat Sharrock, ABC Board; Jim Rolle, Alaska Municipal League.

Absent: Senator Hackney came latter part of meeting.

The meeting was called to order at 3:10.

SB 533, SB 208, SB 599 and SCR 103 were the bills before the Committee.

SENATE BILL 533

Senator Sumner moved and asked unanimous consent that the Committee pass out CSSB 533 with individual recommendations.

SENATE BILL 208

Bruce Aronson, Dept. of C&RA, testified that the Department supports SB 208. Senator Sumner moved and asked unanimous consent that the Committee pass out SB 208 with individual recommendations.

SENATE BILL 599

Chairman Orsini stated that SB 599 is an outgrowth from discussions on SB 183, which is part of the Governor's Alcohol package. The bill does essentially two things -- first, it allows a municipality to adopt ordinances by which either new, renewel or transferred liquor licenses could be rejected by a municipality. If a municipality does not act to reject the license request within 30 days the application is automatically placed before the ABC Board.

Senator Sumner questioned the need to transfer a state level function, such as liquor licensing, to the local government level.

Chairman Orsini stated that Section 1 and 2 both deal with municipalities but were separate from each other. Section 2 gives an intermediate means of municipal alcoholic control if the municipality votes to do this. It would limit sales to nondistilled alcoholic beverages, such as beer and wine.

Chairman Orsini stated that he had spoken with CHAR Lobbyist, Dorothea MacDonald, and she initially had no objection to the bill but stated that the CHAR executive committee later decided to oppose it.

Pat Sharrock, Director of the Alcohol Beverage Control Board, stated that one provision of the bill that he does like is the requirement for a municipality to place a license application on its agenda for a public hearing. He stated that one are of the bill seemed to be a conflict or a duplication, which is where the applicant and the ABC

Board both would be required to send a copy of the application to the governing body involved. In regards to the 30 day waiting period provided for a municipality to disapprove an application he asked that it be specified when the 30 day count-down would begin.

Mr. Sharrock had no comments on Section 2 of the bill.

Jim Rolle, Alaska Municipal League, in response to the concern that the municipalities may be given too much power by being able to reject applications, stated that now the only protest to the ABC Board is generally in the area of health and zoning. He stated that this bill would give municipalities an option. Then if they chose not to adopt appropriate ordinances the ABC Board would continue to make the decisions. He stated that the municipal officials are, in his opinion, as effective as the ABC Board in judging what is good for their community and what isn't.

He also stated that he agreed with Mr. Sharrock that the 30 day period is confusing. He also had no comment on Section 2.

COASTAL MANAGEMENT GUIDELINES AND STANDARDS

Chairman Orsini stated that the Committee now has SCR 103 before the Committee approving the regulations.

Roger Allington, Co-Chairman of the Alaska Coastal Policy Council, stated that the Coastal Management regulations are slightly different from other regulations. For one, he pointed out that they are being promulgated by a specially-organized body, the Alaska Coastal Policy Council, composed of government and public members. He also noted that the intent of the regulations was to establish broad policy principles and allow local municipalities and district to draw up their own management programs essentially on a zoning basis. Furthermore, the areas themselves would draw their own boundaries for coastal management jurisdiction, providing certain criteria were met.

Although the Council extensively revised the final version of the regulations, Allingtion stated that on the last part of Section 85, concerning council review, was new. He also stated that there was a major change in the Timber Harvest Section of the regulations which was requested by the timber industry. There was also work done on the subsistence section. The question was raised of what would happen if local or state agency regulations conflicted with the Coastal Regulations. Mr. Allington replied that the agencies or local governments must bring their regulations into conformity with the coastal management program.

Murray Walsh, Coastal Zone Management Office, stated that the critical time would be the next six or seven months which would bring out the flaws and problems of the regulations. He also stated that the Legislature should consider an increase in state funding of this program just to give the coastal management more flexibility and eliminate some of that federal dependence.

The meeting was adjourned at 4:35.

Coast Policy Regs

Roger Allington

munis use these regs to set up zoning

desire for max flexibility by local districts

~~nothing~~ Sec 80.010(b) — intent re st. regs the intent is that local dist plans override st regs, if dist plans in conformance w/ coast pol guide

funding - Fed CZM ($700K FY79)
CEIP funds may also be used

~~Boroughs~~ NSB - need boundaries of Beaufort Sea habitat (ocean to mountains) - i.e. use entire borough as "coastal zone"

possible for council to "cause planning to be done" if munis do not act

SJR

8

Alaska State Legislature

REPRESENTATIVE
AL OSE
DISTRICT 6
P.O. BOX 632
PALMER, ALASKA 99645

POUCH V
JUNEAU, ALASKA 99811

COMMITTEES

HEALTH, EDUCATION & SOCIAL SERVICES
V CHAIRMAN

COMMUNITY & REGIONAL AFFAIRS

House of Representatives

February 3, 1977

Senaotr Joseph Orsini
Chairman, Community and Regional Affrirs Committee

Mr Orsini:

The City of Palmer and the Matanuska-Susitna Borough favor the recommended annexation by the State of Alaska Local Boundary Commission.

Al Ose

If there is any negative reaction to the annexation. please contact me immediately at the HESS committee meeting at 3797.

SJR
9

WE, THE UNDERSIGNED

CITIZENS OF SEWARD ARE OPPOSED, AT THIS TIME, TO ANNEXATION BY THE CITY OF SEWARD OF ALL THE WATER AND LAND ENCOMPASSED IN THE TEN (10) SQUARE MILE STRIP KNOWN AS THE PROPOSED FOURTH OF JULY CREEK ANNEXATION AREA.

NAME	STREET ADDRESS	DATE
[illegible]	mile 4½ Nash Rd Seward	2-21-77
Stanley A Lowe	Apt 4 - Brown + Hawkins Apt Seward	2-21-77
[illegible]	328 Fifth Ave Seward	2/21/77
Vera Kyrsgard	328 Fifth Ave Seward	2/21/77
[illegible]	BOX 633 Seward	2/21/77
ANNA BANIC	Seward alaska	2/21/77
Chris Sorenson	Hemlock + Evergreen	2-21-77
Millie Sorenson	Hemlock + Evergreen Seward alaska	2-21-77

THOMAS TAGGART
BOX 1195
SEWARD, ALASKA 99664
20 FEBRUARY, 1977

SENATOR JOE ORSINI
POUCH V
JUNEAU, ALASKA 99811

RE: Senate Joint Resolution #9

Dear Mr. Orsini:

Your letter of 2-18-77 requesting additional information on the Seward annexation attempt has been heartily received. I believe the deadline for both houses to vote on this would be February 28th, so I hope you will act quickly upon the following information, if you think it prudent to do so.

My original petition apparently did confuse some people who signed, since the City's counter petition succeeded in removing about 1/3 of the names from it. When that petition was circulated (Nov.-Dec., 1976) there were two annexations still under consideration locally. The Boundary Commission hearing on the step 2 (Lowell Point) annexation was not cancelled until 1-6-77, three hours before it was scheduled to happen.

In late January, 1977, when it was abundantly clear that only the 4th of July Creek annexation was to be considered by this session of the legislature, another petition was circulated to support the one which I had done earlier. To insure that no one became confused about the scope of their petition, Mr. Willard Midby & Mr. Edward Zimmerman, longtime Sewardites, even took a map of the 4th of July Creek area with them as they gathered signatures. Within a few days they succeeded in gathering an additional 175 signatures in opposition to the 4th of July Creek annexation proposal. Mr. Zimmerman has informed me that his petition contained the signatures of eight (8) Seward school teachers, among others. Mr. Midby is at present circulating yet another petition among the Seward business community with the same objective.....to negate this annexation attempt. What I am attempting to impress upon you is the fact that widespread opposition to this annexation exists, from within as well as without the Seward City limits. Mr. Midby's

The reasons that approximately 250 Sewardites are now on record opposing this annexation are many and varied. I believe I speak for the majority of petitioners by saying that I do not want the City of Seward to exercise an undue influence over the growth patterns of any of the outlying areas surrounding this town. It is the quality of our lives which will be affected by the City Administration's plans, and we should be able to exert an influence over those plans. When the City went ahead and scheduled hearings on the step 2 annexation proposal after 69% of the electorate asked them not to last Nov. 2nd, many people here were outraged that the City Administration had so little regard for the voter's opinion.

Apparently the conclusion was drawn at the February 3rd hearing that the 4th of July Creek area is the most likely place for O.C.S. development to occur. I don't believe that is a very sound conclusion. The Seward city limits already encompass the entire northern end of Resurrection Bay where very little develpment has yet taken place. It is in this general area that future development will occur due to the ARR and Seward Highway access into the area. Exxon and Dresser have leased small tracts in this area north or town, rather than out on the Bay.

There are eight (8) permanent residents in the area to be annexed. I believe the McNutt's wrote a letter to you this past week, and Ms. Ernst of the other household sent a letter to Representative Smith for inclusion in the Feb. 3rd hearing record. All of these people have been there for approximately 2 years and are opposed to the annexation attempt. McNutt's address is Box 864, Seward, Ak. 99664. I am not sure of the mailing address for the Ernst-McKinnon household, but they are well known in Seward and could probably be reached through a general delivery address. All of the adults in the annexation area signed my original petition except John McKinnon who was out of state.

The McNutt's live on the property of E. W. Hundley, President of Continental Van Lines of Seattle, Anchorage and Fairbanks. I talked with Mr. Hundley on 2-15-77 and he indicated that he had only recently become aware of the annexation attempt, and that he did not think it to be a very good idea. He further indicated that he would contact you that very day via phone and telegram from his Seattle office. I understand that he did contact a business acquaintance of his in Anchorage, Mr. Ted Meining of Nikiski Marine Company, who subsequently phoned Rep. Rudd and the Senate CRA Committee about the issue. Mr. Meining expected the Senate CRA Committee to return his call, which apparently was not done. Mr. Hundley's Seattle number is 937-2261, and Mr. Meining's Anchorage number is 279-0227. You could also contact Mr. Edward Zimmerman of Seward at 224-3647 or 224-5720. Mr. Zimmerman is the elected leader of the Seward anti-annexation element and could probably give you more extensive information than I could.

If any development does occur within the annexation area, it will likely be on Mr. Hundley's property since it is much more accesible than property farther out at 4th of July Valley, and because Hundley's property has an existing pier. Conversely, not only is 4th of July Creek proper undeveloped, access is barred by one mile of sheer cliffs.

Mr. Paul Conger has informed me that the Senate CRA Committee did not actually obtain a copy of the 3rd petition until this past week, after I called him, and 2 full weeks after the Feb. 3rd hearing. As previously stated, that petition was expressly drawn up to negate the 4th of July Creek annexation, and I believe considerable emphasis shoud be given to the views of these petitioners. According to the minutes of the hearing, only passing mention was made of this petition, and it was certainly not understood that it was aimed at the 4th of July Creek annexation only.

At the public hearing on May 21st, 1976, nine people including three local government representatives gave testimony on this proposal. Five (5) persons were opposed. They were: Penny Hardy, Warren Huss, DDS, Mary Fackler, Ardene LaCaze, and myself. I have attempted to obtain a transcript of that hearing from Patrick Poland of the Department of Community & Regional Affairs for corraboration. Mr. Poland informed me that no such transcript was available and I would have to pay for it myself, although he did say I could get a copy of a tape. This all transpired 1-2 months ago and I have not heard anything further about the offer of a tape recording of that hearing, although I did indicate a desire to receive the tape.

I hope you can help us with this matter. Our own elected representatives, Specking, and to a lesser extent Kerttula, have been unresponsive to our petitions. At the very least, disapproval of this annexation would only delay it by one year, and that delay would not be injurious to the Seward area.

Sincerely,

Tom Taggart

PS: The following corrections should be made in the minutes of the Joint CRA hearing on 2-3-77:
1) The annexation area contains 6400 total acres, not 6400 private acres.
2) Reference is made to a Boundary Commission member called Sheila Gallagher; whose last name is purported to be "Jones" in State files.
3) The names of the Boundary Commission Chairman and myself are misspelled.
4) The statement attributed to the Seward City Manager on page 3, paragraph 6 is confusing, and if accurate, indicates that he himself is quite confused.
5) Mr. Schaefermeyer's contention on page 3 that the children had to climb a mountain to get to school is absurd. They do walk 1½ miles along the beach to catch a bus.

CC: Representative Lisa Rudd

WE, THE UNDERSIGNED

CITIZENS OF THE SEWARD AREA HEREBY PETITION THE 1977 SESSION OF THE ALASKA STATE LEGISLATURE TO REJECT ANY AND ALL RECOMMENDATIONS FROM THE LOCAL BOUNDARY COMMISSION FOR ANNEXATION OF THE LANDS WHICH SURROUND THE CITY OF SEWARD AS IT IS NOW CONSTITUTED.

NAME	STREET ADDRESS		DATE
Ben B. Suddath	500-5th Ave.	Seward, AK	2-15-1977
Martin L Gowen	1031 2nd Ave	Seward AK	2-15-1977
a.l. Culverson	Box 1077 1057 Van Buren	Seward Ak	2-15-77
Jesse I Williams	Box 574	Seward	2-15-77
Mr+ Mrs. Jim Singleton	Box 1023	SEWARD	2-15-77
Richard Hibbetts	Box 1081	Seward	2-15-77
Michael N Spiniski	Box 1132	Seward	2-15-77
Randal Spiniski	Box 1132	Seward	2-15-77
Shirley Freeman	Box 1132	Seward	2-15-77
Myra Turner	Box 114	Seward	2-15-77
Clarence A Coors	BOX 1591	Seward	2-15-77
Linda Graham	Box 361	Seward	2/15/77
Audrey D. Collins	Box 361	Seward	2-15-77
Cynda Chambers	PO Box 983	Seward	2/15/77
Carl T. Norman	Box 496	Seward	2/15/77
James E Hollingsworth	Box 1587	Seward	2/16/77
KEN SPALDING	Box 1587	Seward	2/16/77
Robert A. Richey	Box 724	Seward	2/16/77
Mary Faebler	Box 1192	SEWARD	2-16-77
Merrell Johansen	Box 184	Seward	2/16/77
Robert J. Bart	Box 1047	Seward	2/16/77
A L Rusk	P.O. Box 334	Seward	2/15/77

CITY OF SEWARD

P. O. BOX 337
SEWARD, ALASKA 99664

CITY MANAGER CA 4-5214
COMPTROLLER CA 4-5216
INFORMATION CA 4-5215
CITY POLICE CA 4-5201

February 10, 1977

Honorable Joseph Orsini
Chairman
Senate Committee on Community
and Regional Affairs
Pouch V
Juneau, Alaska 99811

Dear Mr. Chairman:

Following the hearing on February 3 regarding Seward's annexation petition for the Fourth of July Creek area, you requested that we provide you with additional information concerning the residents of the annexation area.

We have identified eight people who are residing at the present time within the boundaries of the proposed annexation. There is a family by the name of McNutt living in an old building owned by Mr. Eugene Hundley of Everett, Washington, one of the two private property owners in the annexation area. We were able to make contact with Mrs. McNutt and she advised that the family has verbal permission from Mr. Hundley to reside on his land. The McNutt's have four children, three of which attend Seward public schools. This was verified by the Assistant Principal of William H. Seward Elementary School. A check with the Kenai Peninsula Borough Assessor's Office revealed only Mr. Hundley's name on the property tax rolls. (He owns approximately ten acres in the annexation area). The Borough has not assessed any property tax on the building now resided in by the McNutt's because it was heretofore vacant and determined to be of no value for taxation purposes.

Two other residents of the proposed annexation area, a Fredricka Ann Ernst and a Jussi Mackinen, have taken over an old cabin built several years ago by a man who homesteaded the area. This man died and his family failed to obtain patent to his homestead. The land has since been nominated for state selection under provisions of the Alaska Statehood Act.

In addition to the eight people above, we have been informed of one other man living in the Fourth of July Creek area, however we have not been able to identify him other than by his first name, Peter.

We feel it is significant to note that none of the above residents own any real property in the area. None, it appears, can produce any documented proof of lawful entry on the property where they reside. Only the McNutt family claims a verbal agreement with the lawful owner of the property. This has not been substantiated by the City.

Finally, we can find no provision of the law regarding local annexation that has not been complied fully with by the City of Seward and Local Boundary Commission. Section 10.100 of Title 19 of the Alaska Administrative Code provides for the proper filing of an Answering Brief to a Petition for Annexation. To our knowledge, no such Brief's have been filed by an residents or property owners in the Fourth of July Creek annexation area. In fact, the largest private property owner, Mr. Dale Lindsey, has openly supported the annexation in the Local Boundary Commission hearing on May 21, 1976, and in a letter submitted to Chairman Rudd on February 3.

The majority of those residents who have signed petitions opposing the Fourth of July Creek annexation reside outside the present corporate boundaries of Seward and, with the exception of the individuals identified above, none reside in the annexation area.

We trust that this has provided further clarification concerning Seward's petition for annexation. If there is additional information you wish to have from the City, please don't hesitate to let me know.

Sincerely yours,

Clarence E. Johnson
City Manager

cc: Honorable Lisa Rudd, Chairman, House Committee on Community and Regional Affairs
Honorable Keith Specking
Honorable Jalmar Kerttula
Members of House & Senate Community and Regional Affairs Committees (listed below)

Ed Willis
Frank Ferguson
Glenn Hackney
William Sumner
Tim Kelly
Sara (Sally) Smith
Al Ose
Randy Phillips
Kris Lethin
Merle Snider

3

COPY

Tom Taggart
Box 1195
Seward, Ak. 99664

2 February, 1977

Representative Charlie Parr
Pouch V
Juneau, Alaska 99811

RE: Senate Joint Resolution 9

Dear Mr. Parr:

A vote on SJR9 will likely come before the Legislature soon.

In your recent correspondence to me concerning this matter, you indicated that you may rely heavily upon the Local Boundary Commission recommendation and the opinion of the Seward Legislators. I ask that you do not, for the following reasons....

1) The LBC recommendation was contrary to the public sentiment expressed at the hearing, and was rendered in haste.

2) Since I sent the petition to you a few weeks ago, yet another petition with an additional 175 signatures has been sent to the House Community & Regional Affairs Committee. Nearly half of Seward's electorate have now signed the two petitions opposing this annexation.

3) Unlike yourself and many of your colleagues, the Seward Legislators have thus far been totally unresponsive to this issue.

Please vote to disapprove the LBC recommendation.

Sincerely,

Thomas Taggart

CC: Representatives Miller, Malone, Smith, Rudd, Osterback, Guy, Hocking, Buchholdt, Duncan, McKinnon, Kelly, Snider, Bradley, Severnson, Phillips, Miles, Cotten, Gardiner, Akers, Haugen, Brown, Swanson, Nakek, Schaeffer; Senators Huber, Ferguson, Rader, Willis, Sackett, Meland, Orsini, Holman.

MS. SMITH: PLEASE EXCUSE THIS COPY, BUT TIME IS SHORT AND I HAD TO GET THIS OUT IN A HURRY.

TOM Taggart

copy of petition in file in Smith's office —

Seward, Alaska
Feb 1, 1977

Re: Petitions relative to legislative action on Fourth of July Creek

Representative Sally Smith

Dear Ms. Smith:

This envelope contains signature petitions from over 170 Seward citizens requesting that the recommendations of the Boundary Commission which convened here in May be completely annulled, rejected, and set aside.

It is only fair that you do this because the first boundary commission hearing held here, caught the Community off guard. I am told there was a very small attendance, and I know that I was not even aware it had taken place until I read of it in the local paper.

There has been a lot of agitation, in Seward, for and against annexation, during the past year, but the conflict seems to be primarily between City Hall and the people, rather than a real division among the people themselves.

If the city's failure to reach the people is due to their policy of Futuristics, or to stereotyped bureaucratic approach, ~~we will never~~ or to the sheer reality of a rather depressed economy we will never know, and it is of small import <u>now</u>. I emphasize the here and now because as of this present date Feb. 1, 1977 the people have spoken, and after all is said and done, democratic government still remains; essentially, a process, from, through, and for the common people.

Respectfully yours,

Willard Nidbr

WE, THE UNDERSIGNED 1 copy

CITIZENS OF THE SEWARD AREA HEREBY PETITION THE 1977 SESSION OF THE ALASKA STATE LEGISLATURE TO REJECT ANY AND ALL RECOMMENDATIONS FROM THE LOCAL BOUNDARY COMMISSION FOR ANNEXATION OF THE LANDS WHICH SURROUND THE CITY OF SEWARD AS IT IS NOW CONSTITUTED.

NAME	ADDRESS	DATE
Dr. Th. A. Kielgaussi	P.O. Box 1172 Old Nash. Road Seward	1/28/77
Ken Roe	Old Nash Rd.	1/28/77
Edna M. Roe	Old Nash Road	1/28/77
Bob Buck	Mile 5 Nash Road	1/28/77
W. H. HARRISON	Mile 5 Nash Road	1/28/77
William Hansen	Nash Road	1-28-77
Clifford Johnson	Nash Road	1-28-77
Esther A. Johnson	Nash Road	1-28-77
Carl Allison	Nash Road	1-28-77
David Allison	Nash Rd	1-28-77
Phillip Faulkner	Mile 3, Seward Hyw.	1-28-77
Frank Ulshart	Box 111 Seward, Ala.	1-28-77
Mrs. McDonald	Nash Rd	1-29-77
Wayne R. Heinbaugh	509 MADISON Seward	1-29-77
Esther Heinbaugh	509 Madison Seward Ave.	1-29-77
Enid Starr	601 5th Ave	1-29-77
Merle Starr	601 5TH AVE.	1-29-77
Robert McKean	Bear Creek	1-29-77
Hilert O Ulvstad	Seward Ak Box 1521	1-29-77
Raymond Tibbyaard	Seward, Ak. Box, 1114	1-29-77
M R Bra[illegible]	Box 967 Seward	1-29-77
E R Johnson	Box-1194 Seward	1-29-77

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NAME	ADDRESS	DATE
Lena Hayes	Box 552	1-29-77
Richard G. Johnson	Box 643	1-29-77
Eric S. BERG	BOX 1587	1-29-77
R.E. Olsen	Clearview Box 155	1-29-77
Steve D. Miller	Po 223 SEWARD	1-30 77
Mike A. Miller	po 81 Seward	1-30-77
Helen Nelson,	Res RD.	1-3077
Rocky Ross	Res. RD.	" " "
Jim Ross	NASh RD.	1-30-77
Edward Shy	Resurrection RD	1-30-77
Ellis Stone	Mile 3½ P.O. Box 13	1-30-77
Marshall McManus	Star Rte Seward	1-30-77
Alice Kakaviletes	P.O Box 374 Seward	1-30-77
Francis Wright	Box 883 Seward	1-30-77
Charles A Lewis	Box 883 Seward	1-30-77

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NAME	ADDRESS	DATE
Daniel A Hansen	Box 1094 - Seward	1/29/77
Edward K. Lincoln	Box 893	Seward AK 1/29/77
Oscar Brocon	Box 382	Seward AK 1/29 77
Chuto Thomas	Box 894	Seward, Alaska 1/29/77
Lilly M. Thomas	Box 894	Seward, Alaska 1/29/77
Lynn D Crouch	Box 1385	Seward, Alaska 1/29/77
Jerry T. Martin	Box 816	SEWARD, ALASKA 1/29/77
Sue ok Martin	Box 816	SEWARD, ALASKA 1/29/77
Mrs James Stavrinides	Box 1447	Seward, AK 1/29/77
Mamie M. Lynch	Star Rt. Mile 3½	Seward, Ak 1/29/77
Mr. and Mrs Michael Lynch	Star Rout Mile 3½	Seward Ak 1/29/77
Dale Schutte	Box 451	Seward Alasica 1,29,77
Robert F. Ashley	Box 1356	Seward AK. 1/29/77
Helen L. Ashley	Box 1356	Seward Ak - 1/29/77
Lois Earhardt	Box 1176	Seward ak 1/29/77
Ora Earhardt	Box 1176	Seward ak. 1/29/77
Laura Corbin	Mile 3½	Seward ak 1/29/77
Helen Jackson	Box 912	Seward ak 1/29/77
Carol McFadden	Star Rt	Seward Ak 1/29/77
Jay J Genovese	P O Box 1635	Seward Ak 1/29/77
Frances Bailey	Box 96 - Nash Rd.	Seward, AK. 1/29/77
Dale R Sorenson	Box 1156 NASH RD	Seward, AK 1/29/77

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NAME	ADDRESS	DATE
Forrest James	PO Box 1063	29JAN77 SEWARD, AK. 99664
Ernest V Finch	Box 1437	1/29/77 Seward, Alt. 99664
Lt Roy C. Hallman	Box 462	1/29/77 99664 Mile 3½ Seward Alaska
Irene S Hallman	Box 462	1/29/77 Mile 3½ Seward Alaska
Stanley T. Rogers	Star Route	1/29/77 Mile 3½ Seward, Alaska
James E. Rogers	Star Route	1/29/77 Mile 3½ Seward, Ak
Bette L. Rogers	Star Route	mile 3½ - Seward Ak. 1/29/77
Ludwig Everett	P.O. Box 936	SEWARD, AK, 99664 1-29-77
Karolina Everett	Box 936	1-29-77 Seward Alaska
Woodrow Lysdahl	Box 1185	1/29/77 Seward Alaska
M. A. Mathews	Box 313	Seward 1-29-77
James M. Lewis	Box 611	Seward 1-29-77
Patricia A. Bottari	Box 1347	Seward 1-29-77
Betsi B. Hugelen	Box 583	Seward 1-29-77
James Fabiniski	Box 1447	Seward 1-29-77
Paul Paquette	Box 211	Seward 1-29-77
Demi Paquette	Box 211	Seward 1-29-77
Helga A Hamilton	Box 421	MILE 3 1-29-77
Doris Granville	Box 421	MILE 3 1-29-77
Jean DuBeau	Box 1126	Sal Cr Rd 1-29-77
Emely Du Beau	Bx. 1126	Sal. Cr. Rd. 1-29-77
Ralph R Bailey	Box 96	Nash Rd 1-29-77

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NAME	ADDRESS	DATE
Mary Zimmerman	Star Rt. Seward	1-28-77
Edward J. Zimmerman	Star Rt. Seward	1-30-77
Katrina Zimmerman	Star Rt. Seward	1-30-77
George Zimmerman	Star Rt Seward	1-30-77
Irene Zimmerman	Star Rt Seward	1/30/77
Robert D Keyes	Star Rt Seward	1/30/77
Mack H Graham	P.O. Box 1092 SEWARD	1/30/77
Edna K Graham	Box 1092 Seward	1/30/77
Maria Olivas	Bear Creek Trailer Park, Seward,	1/30/77
Carl J Branson	Bear Creek Trailer Park Seward	833 1/30/77
Susana Branson	Bear Creek trailer park Seward	833-1-30-77
R D Mattson	Bear creek Trailer Park	Seward 1-30-7
C L Mattson	" " " "	" 1-30-77
Jean Daniel	Box 593 Seward	1/30/77
Dennis P. Mallerson	Star Route	Seward 1-30/77
Lorali Weathers	Bear Creek Trlr Pk	1-30-77
Harry Weathers	Bear creek Trl Pk	1-30-77
Robert P Estes	Bear Creek Rd.	1-30-77
Donna Estes	Bear Creek Rd.	1-30-77
Allen C. Stallings	Box 561 Mile 7½	1-30-77
Elaine B. Stallings	Box 561 - Mile 7½	1-30-77
Richard R. Ronne	Box 1087 MILE 8	1-30-77

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NAME	ADDRESS	DATE
Warren D. Crawford	Mile 5.4 Box 51, Seward AK	1-30-77
Stephen K. Rockwood	Mile 5.4 P.O. Box 1517, Seward, Alaska	1-30-77
Edward J Zimmerman	Seward, Ak	1/30/77
James P Dyon	Box 71 Seward Alaska	1-30-77
John M. Dunn	P.O 763 Seward Ak.	1-30-77
Lee D. Brewer	P.O. Box 1283 Seward ak	1-30-77
Pauline Brewer	Po Box 1283 Seward ak	1 30 77
Eric R. Thuber	Mile 6 Seward AK	1-30-77
Sharon J. Thuber	Mile 6 Seward, Ak.	1-30-77
Kyle Vanderburg	Mile 6 Seward AK	1-30 77
Cedric J. Marshall	Mile 6 Box 854 Seward, Ak.	1-30-77
Harvey J Marshall	Mile 6 Box 854 Seward Ak.	1-30-77
Dean M Rocliffe	Mile 7 Box 212	Seward Ak. 1-30-77
Deena J Rocliffe	Mile 7 Box 212	Seward Ak 1-30-77
Michael R. Van Deusen	Mile 7½	Seward, Ak 1-30-77
MRS. Michael Van Deusen	Mile 7	Seward, Ak 1-30-77
Marshall L Ronne Jr	Mile 7	Seward AK 1-3277
Edna L. Rumley	Mile 7	Seward, Alaska 1-30-77
Mrs. Rose M Jensen	Mile 7	Seward, Alaska 1-30-77
Sam Daniel	Mile 7	Seward, Alaska 1-30-77
Mapahel W Stringer	Bear Creek Jr. PA	Seward Alaska
Sabra Stringer	" " " "	" " 1-30-77

WE, THE UNDERSIGNED

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NAME	ADDRESS		DATE
Virginia E Ronne	Box 1087, Mile 7½	Seward, Ak	1/30/77
Marshall G. Ronne	Box 723 Mile 7	Seward	1-30-77
Esther K. Ronne	Box 723, Mile 7	Seward	1-30-77
Lois Munson	Box 1397 Mile 7	Seward	1-30-77
Jerry Munson	Box 1397 mile 7	Seward	1-30-77
Henry Munson	Box 1397 Mile 7	Seward	1-30-77
Sherel J Colburn	Box 1414 Mile 7	Seward	1-30-77
Lora Colburn	Box 1414 Mile 7	Seward	1-30-77
William F Frazier	Box 874	Seward	1-30-77
Patricia Frazier	Box 874 - Mile 7	Seward	1/30/77
Martha Frazier	Box 874 Mile 7	Seward	1/30/77
Olaf Saddeland	Box 1135 Mile 7	Seward	1/30/77
Margaret Saddeland	Box 1135 Mile 7	Seward	1/30/77
Virgil P Harris	Seward Ak		1-30-77
Louis R March Sr.	mile 5½		1-30-77
Elaine March	mile 5½		1-30-77
Louis March Jr.	Mile 5½		1-30-77
Mrs. Helen March	Mile 5½		1-30-77
Paula Baling	mile 5½		1-30-77
Wallace L. Baling	P.O. Box 713		1-30-77
Malene K. Berry	P.O. Box 713		1-30-77
Truman Baling	Box 232 mile 5½		1-30-77

WE, THE UNDERSIGNED

CITIZENS OF THE SEWARD AREA HEREBY PETITION THE 1977 SESSION OF THE ALASKA STATE LEGISLATURE TO REJECT ANY AND ALL RECOMMENDATIONS FROM THE LOCAL BOUNDARY COMMISSION FOR ANNEXATION OF THE LANDS WHICH SURROUND THE CITY OF SEWARD AS IT IS NOW CONSTITUTED.

NAME	ADDRESS	DATE
Brant A Stephens	SP# 10 Bear creek ct	1-30-77
Constance C. Stephens	" " " "	1-30-77
Gerald T. Swain	Bear Creek Park.	1-30-77
Sharon L. Swain	Bear Creek Trailer Park	1-30-77
Mary Saunders	mile 6 Hwy	1-30-77
Arbeta L Grabenick	Bear Creek Trl. Park #9	1-30-77
Martin C Grabenick	" " " " "	
John W Saunders	Mile 6 Seward Hwy	1-30-77
Jess E. Sweatt	538 6th ave Swd.	1-30-77
Clarence L Pollard	mile 3½ Seward Hwy	1/31/77
Betsy C Pollard	mile 3½ Seward Highway	1/30/77
John T. Haugh	Mile 5¼ Seward Alaska	1/30/77
Edith Haugh	Mile 5¼ Seward, Alaska	1/30/77
Mary A Brewer	Mile 6½ Seward, Alaska	1-30-77
Leland P Brewer	Mile 6½ Seward Alaska	1-30-77
Opal Bryan	mile 6½ Seward alaska	1-30-77
Walter Bryan	mile 6½ Seward alaska	1-30-77
Louis C Dick	Mile 6½ Seward alaska	1-30-77
Phyllis Dick	mile 6½ Seward Alaska	1-30-77
Victor C Witherup	Mile 6½ Seward Alaska	1-30-77
Lucile Witherup	Mile 6½ Seward Alaska	1-30-77
Grant Porter	Star Rt	Seward, Alaska 1-30-77

WE, THE UNDERSIGNED

CITIZENS OF THE SEWARD AREA HEREBY PETITION THE 1977 SESSION OF THE ALASKA STATE LEGISLATURE TO REJECT ANY AND ALL RECOMMENDATIONS FROM THE LOCAL BOUNDARY COMMISSION FOR ANNEXATION OF THE LANDS WHICH SURROUND THE CITY OF SEWARD AS IT IS NOW CONSTITUTED.

NAME	ADDRESS	DATE
Richard Funk	Box 861	1-28-77
Melody Jordan	Box 1162	1-29-77
Susan Triplett	Box 1162	1-29-77
Starkey Landon	Box 811 Mile 7	1-29-77
Leigh C Keyes	General Delivery	1-30-77
Tom Kellogg	BOX 1373	1-30-77
William Vincent Jr	Box 1564	1-30-77
Marsha Vincent	Box 1564	Jan 30 1977
Edith M. Richey	Box 724	1/30/77
Robert A Richey	Box 724	1/30/77

PETITION

The undersigned citizens of the Seward area who signed a petition circulated by one Thomas Taggart regarding annexation proposals for the City of Seward, hereby wish to state that they have no objection to the proposed Fourth of July Creek annexation and that the earlier stated objections pertained to annexation proposals involving the Lowell Point Area (South Portion) and Bear Creek, Salmon Creek Area (North Portion).

SIGNATURE	ADDRESS		DATE
Richard R. Ronne	P.O. Box 1087	MILE 8 Seward	01-27-77
Virginia L Ronne	P.O. Box 1087	MILE 8 Seward	01-27-77
Pete Pendergrass	Box 513	Seward	1-27-77
Henry Marshall	Box 854	Seward	1-27-77
Barbara J. Marshall	Box 854	Seward	1-27-77
L. A. Hasty	419 6th St.	Seward	1-26-77
Barene Hasty	419 6th	Seward	1-26-77
Earl R. Duncan	Nash Rd.	Seward	1-27-77
Theresa Duncan	Nash Rd	Seward	1-27-77
Jon L Andrews	Mile 7	Seward	1-28-77
Louis E Duff	Mile 6½	Seward Hwy	1-28-77
Sandra M. Andrews	Mile 7	Seward	1-28-77
Phyllis Nick	mile 6½	Seward	1-28-77
Douglas McFadden	mile 3½	Seward	2-1-77
Merle W. Starr	601 5TH AVE	SEWARD	2-1-77
Virginia H. Darling	209 4th ave	Seward	2-1-77

PETITION

The undersigned citizens of the Seward area who signed a petition circulated by one Thomas Taggart regarding annexation proposals for the City of Seward, hereby wish to state that they have no objection to the proposed Fourth of July Creek annexation and that the earlier stated objections pertained to annexation proposals involving the Lowell Point Area (South Portion) and Bear Creek, Salmon Creek Area (North Portion).

SIGNATURE	ADDRESS	DATE
Shirley G. Hurst	4th Ave. Seward	2-1-77
Tramen Boling	Box 232 mile 5½	2-1-77
Paula Boling	Box 232 mile 5½	2-1-77

PETITION

The undersigned citizens of the Seward area who signed a petition circulated by one Thomas Taggart regarding annexation proposals for the City of Seward, hereby wish to state that they have no objection to the proposed Fourth of July Creek annexation and that the earlier stated objections pertained to annexation proposals involving the Lowell Point Area (South Portion) and Bear Creek, Salmon Creek Area (North Portion).

SIGNATURE	ADDRESS	DATE
ROBERT N STORM		
[illegible]	215 [illegible] Seward	1-26-77
Loretta McConnell	P.O Box 757	1-26-77
Judy Dewitz	P.O Box 757	1-26-77
Oscar A Bailey	Star Route	1-28-77
Betty Jo Keller	P.O. Box 1025 Seward, Alaska	1-30-77 99664
Luther B Gulli	P.O Box 1025 Seward	A.K. 99664
Robert D. Nelson	Box 697	2/1/77 Seward

PETITION

The undersigned citizens of the Seward area who signed a petition circulated by one Thomas Taggart regarding annexation proposals for the City of Seward, hereby wish to state that they have no objection to the proposed Fourth of July Creek annexation and that the earlier stated objections pertained to annexation proposals involving the Lowell Point Area (South Portion) and Bear Creek, Salmon Creek Area (North Portion).

SIGNATURE	ADDRESS	DATE
Jim Henderson	MILE 6½	2-1-77

THOMAS TAGGART
BOX 1195
SEWARD, ALASKA 99664

13 JANUARY, 1977

Dear Alaska State Legislator:

The most volatile issue in the Seward area this past year has been the attempt at annexation of state lands by the City of Seward.

The city administration justifies their piecemeal annexation plan upon the premise of preparing for O. C. S. development. They refer the people to the study which they contracted (The Seward Concept Plan) as supportive of their position that annexation is desirable and/or necessary.

The facts do not support the city's contention that annexation is necessary for orderly development in the Seward area. Some of the more important arguments againest these annexation proposals are:

1) The "Seward Concept Plan" has been adjudged by state and federal authorities as inadequate for O. C. S. planning and subsequent funding.

2) Exxon and Dresser, which have selected Seward as their base, have chosen small tracts of less than 5 acres each in close proximity to the Alaska Railroad. Their choices would seem to indicate a precedent for any companies which may follow. There is much land already within city limits and extending along the ARR with good transportation access. These are the logical places for growth to occur, rather than in a wilderness setting with all the attendent expense involved in developing such a site.

3) Most of the proposed annexation areas are rugged terrain with slopes in excess of 30° which would preclude any sort of tax base from developing there. Verily, in any direction from Seward except north, rugged wilderness is encountered within a few miles of town.

This issue was brought before the local electorate on November 2nd, 1976 in a straw poll conducted at City Hall, Seward. At that time nearly 75% of the total voters rejected the city's annexation proposals which were put before them.

The signers of the attached petition ask the legislators to override any recommendations from the Local Boundary Commission for annexation of lands in the Seward area.

Sincerely,

Thomas Taggart

PS: Please note that page 3 of the petition contains about 15 signatures which are duplicated on pages 1 & 2. The petition was revised to a condensed form, thus accounting for a few duplicate signatures from the original petition.

CC: Alaska State Legislators, Juneau
Honorable Jay Hammond, Juneau

WE, THE UNDERSIGNED

CITIZENS OF THE SEWARD AREA HEREBY PETITION THE 1977 SESSION OF THE ALASKA STATE LEGISLATURE TO REJECT ANY AND ALL RECOMMENDATIONS FROM THE LOCAL BOUNDARY COMMISSION FOR ANNEXATION OF THE LANDS WHICH SURROUND THE CITY OF SEWARD AS IT IS NOW CONSTITUTED.

NAME	ADDRESS	NAME	ADDRESS

COPY #2

WE, THE UNDERSIGNED CITIZENS OF THE SEWARD AREA HEREBY PETITION THE 1977 SESSION OF THE ALASKA STATE LEGISLATURE TO REJECT ANY AND ALL RECOMMENDATIONS FROM THE LOCAL BOUNDARY COMMISSION FOR ANNEXATION OF THE LANDS WHICH SURROUND THE CITY OF SEWARD AS IT IS NOW CONSTITUTED.

NAME	ADDRESS	NAME	ADDRESS
Adolf R Sorenson	Box 1156 SEWARD	Christy Snowden	Box 1467 Seward
Gordon A Sorenson	Box 1151 Seward		
Chris Sorenson	Box 924 Seward		
Millie Sorenson	Box 924 Seward		
[illegible]	Box 575 Seward	Phillip Faulkner	Star Route, Seward
Loretta McFarrell	Box 757 Seward	Betty J Keller	mile 3½ Seward Hwy 1025
[illegible]	Box 757 Seward	Luther B Keller	mile 3½ SEWARD HWY
Dana K Keller	Box 873 Seward		
[illegible]			
[illegible]			
[illegible]			
[illegible]			
[illegible]			
[illegible]			
Ed Moody	Box [illegible] Seward		
Roland P Payne	Box 1051 Seward		
[illegible]			
[illegible]			
[illegible]			
[illegible]			
[illegible]			
[illegible]			
Dave LeLeney	Box 661 Seward Alaska		
Richard L Gordon	Box 1162 Seward		
Michael R Donlevan	Mile ½ Seward		
Sandie Manwick			
Dave Keesling	mile 6 Seward		
[illegible]	[illegible] Seward		
[illegible]	[illegible]		
Louis Hastie	Seward		
Roscoe Hastie	Seward		
Mary Bauer	Box 1325 Mile 6½ Seward		
Tom Amen	Bear Creek Mi Park		
[illegible]	[illegible] Bear Creek Mi Pk.		
Vernon Williams	Bear Creek Mi Pk		

CITIZENS OF THE SEWARD AREA

HEREBY PETITION THE 1977 SESSION OF THE ALASKA STATE LEGISLATURE

TO REJECT ANY AND ALL RECOMMENDATIONS FROM THE LOCAL BOUNDARY COMMISSION

FOR ANNEXATION OF THE LANDS WHICH SURROUND THE CITY OF SEWARD

AS IT IS NOW CONSTITUTED.

We ask that the Legislators prudently consider the results of a poll taken at Seward City Hall on November 2nd, 1976 pertaining to annexation proposals, as follows...

	No. of VOTERS	Annexation(s) FOR	AGAINST
SEWARD PRECINCT # 1	187	35.9%	64.1%
SEWARD PRECINCT # 2	336	33.0%	67.0%
BEAR CREEK PRECINCT	205	11.9%	88.1%

	NAME	ADDRESS
1.	Eddie Wilson	Box 697 (Mile 7) Seward, Alaska
2.	Russ L. Lemas	Box 661 (Mile 6½) Seward Alaska
3.	Lorali Winters	Box 1193 (7 mile) Seward Ak
4.	Sharon Brown	Box 1322 (7 mile) Seward Ak
5.	Richard Gordon	Box 1167 (6½ mile) SEWARD, AK
6.	Richard D. Nelson	Box 697 Mile 7 Seward Alaska
7.	Ed. Maeder	Box 163 (Mile 5½) Seward, Alaska
8.	Gilbert J. Hibbard	Box 834 - Bear Creek Sub. Div. Seward, Ak.
9.	Eileen Callagan	Box 163 (Mile 5½) Seward, Ak.
10.	Robin Lemas	Box 661 Mile 6½ Seward
11.	Lin Henderson	Box 816 Mile 6½ SEWARD
12.	Linda Ostergaard	Box 895 220 Manthon Seward.
13.	Mary A. Brown	Box 1325 Mile 6½ Seward
14.	Floyd A Elias	Box 1022 Nash Road Seward Alaska
15.	Barbara J Wyatt	P O Box 343 Reservation Rd Seward AK
16.	Heather Ponce	P.O. Box 723 Seward AK.
17.	Evelyn Sykes	P.O. Box 92 Seward (Salmon Run)
18.	TOM TAGGART	BOX 1195 " NASH RD
19.	Michael VanDeusen	Mile 7½ Seward, Alaska
20.	Mary Simmons	Mile 7½ Seward, Alaska

SEWARD - ANTI-ANNEXATION PETITION

PAGE 2

	NAME	ADDRESS	*		ADDRESS
21.	Virginia M Darling		*	61.	
22.	Fred Nelson		*	62.	Mile 7
23.	Douglas M Fiddler		*	63.	mile 3½
24.	Karlton Elias		*	64.	Nash Road - Seward
25.	Dora Kanakanui		*	65.	Mile 3½ Seward - Box 1176
26.	David Kanakanui		*	66.	Mile 3½ Seward - Box 1176
27.	Stanley Lemas		*	67.	Mile 6½ Seward Box 1224
28.	Mary De Nuptiis		*	68.	Mile 20 Hunter
29.	Vincent De Nuptiis		*	69.	Mile 20 Seward, Alaska
30.	Sandra Andrew		*	70.	Mile 7
31.	Susan Broughton		*	71.	Seward
32.			*	72.	

Thomas Taggart
Box 1195
Seward, Alaska 99664

16 February, 1977

COPY

Representative Sally Smith
Pouch V
Juneau, Alaska 99811

RE: SENATE JOINT RESOLUTION 79

Dear Ms. Smith:

I again apologize for my abrasive letter and phone call. Tact is not one of my virtues. However insignificant this issue may be in the general context of your duties in Juneau, you must understand that it is very important to Sewardites.

I became involved with this issue because I live adjacent to the area which is proposed for annexation. Your statement that our case was full of "untruths," and that the residents in the annexation area were "squatters" was a bit much for me to take. I will make this as short as possible....

My petition was conceived and circulated last November & December to stop the 4th of July Creek annexation attempt and also Step 2 of the City's annexation plan. That step was still very much alive when the petition was circulated, although 69% of Seward's voters asked the City to drop it at the last general election. It was only cancelled at the last moment (1-6-77), and not by the City.

After mailing my petition with 109 signatures to all Legislators on 1-13-77, I was publicly castigated by the Seward Mayor for exercising my right to petition the government. The Mayor and his cohorts disapproved of my objectives, so they interpretted my efforts as being detrimental to society, when in fact the exact opposite was the case.

The City's next step was an attempt to discredit my petition by circulating a counter petition asking people to remove their names from mine. I believe they succeeded in removing up to 40 names from my petition.

The City's counter petition inspired the leaders of the Bear Creek Anti-annexation League to circulate yet another petition, which purportedly was worded exactly like mine, and which was intended to show support for my petition. Their petition added 175 additional signatures in opposition to the 4th of July Creek annexation. IT MUST BE NOTED, THAT WHEN THE THIRD PETITION WAS CIRCULATED, IT WAS CLEARLY UNDERSTOOD THAT THE ONLY ANNEXATION BEING CONSIDERED BY THE LEGISLATURE WAS THE 4TH OF JULY CREEK AREA. If there was any misunderstanding as to the scope of my petition, there was certainly none concerning the third petition.

By my reckoning there are now about 244 people within and without the Seward City Limits who are on record as being opposed to the annexation of 4th of July Creek. This is a sizable portion of the 728 voters who turned out here in the last general election. These petitioners do not all live outside the city limits, own no property, or reside here only a few months at a time, as the Seward City Manager was quoted in the minutes of the February 3rd hearing. Among other signers were the following city residents: 1) Virginia Darling, owner of Brown & Hawkins' store who has resided here since about 1925. 2) Bob & Eddie Wilson, who own one of Seward's three grocery stores. 3) Rosa Lemas who owns property near the airport and who has been here about 25 years. 4) Earl Duncan, who was at one time general foreman at Seward Fisheries. 5) Frank Diekgreeff, ex-city councilmember who owns the Letco Construction Co. 6) Joann Hoogland, who is a schoolteacher and property owner who has been here since 1963. 7) Willard Midby, property owner and city resident who has lived here 20 years. 8) Phil Hardy who homesteaded Lowell Point about 30 years ago.

Contrast these people and the other petitioners to Mr. Johnson, the City Manager who has lived here about one month, and the credibility of his statement at the hearing is somewhat wanting, to say the least.

The people whose presence you summarily dismissed as "squatters" are the McNutts, who live on the property of Mr. E. W. Hundley. The City recently attempted a "witchhunt" against these people, not realizing that they lived there with Mr. Hundley's blessing. Apparently the McNutt's crime in the City's eyes, was the fact that they had the audacity to sign an anti-annexation petition. Three of their children do indeed walk 1½ miles to catch a school-bus each day, and their mother walks at least twice that far each day to get to her nursing job at the hospital. I hope you can be objective enough to recognize the similarity between the entrenched Sewardites who label these people as squatters, and the entrenched Juneauites who castigate you for your unique lifestyle in the Juneau small boat harbor.

I spoke with Mr. Hundley of Continental Van Lines on 2-15-77, and he was not even aware of the annexation attempt until recently. A business acquaintance of his representing Nikiski Marine Company of Anchorage has recently contacted Rep. Rudd about the annexation attempt. Since Mr. Hundley is probably the biggest taxpayer in the annexation area, I would suggest you contact him in Seattle at 937-2261. If any industrialization does occur within the annexation area, it is likely to be on Mr. Hundley's property, because it is much more accessible than 4th of July Valley proper. Mr. Hundley owns a pier which is probably of great value.

During our phone conversation on 2-15-77 you stated that the 3rd petition was received in time for consideration at the February 3rd hearing. You went on to say that all such relevant material was duly copied and passed out to Committee members. Your statement is not consistent with the information given me by Paul Conner of the Senate CRA committee on the same day, and also when I talked to him on 2-14-77. He stated that the Senate Committee had only become aware of the 3rd petition this week, since I called him about it. His views are supported by the minutes of the February 3rd hearing, page 4, paragraph 5, where it is clearly implied that the 3rd petition was not materially present at the hearing. Since the 3rd petition was expressly drawn up to negate the 4th of July annexation, great emphasis should be placed upon it...And soon. If we, the people, cannot reach the legislators by petition, how else can we reach you?

There have been over 100 responses from legislators to the people who signed the original petition which I mailed out. Distressingly, none of those responses came from Specking or Kerttula who we elected to represent us. There apparently exists here a buffer zone between the petitioners and the lawmakers. It is comprised of people who have very well-defined and narrow interests, and their actions are contrary to the public sentiment.

The way I understand democracy, we have voiced enough opposition to this annexation to have it disapproved.

Sincerely,

Thomas Taggart

CC: Representative Lisa Rudd
Senator Joe Orsini
Senator Ed Willis
Senator Jay Kerttula
Representative Keith Specking

Glacier State
Telephone Company
A Member of Continental Telephone System
1621 114th Avenue S.E.
Suite 210
Bellevue, Washington 98004
(206) 453-2000

February 17, 1977

Senator Joe Orsini, Chairman
Senate Community and Regional
Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

Thank you for taking time to send us a copy of Senate Bill No. 50 and for soliciting our comments.

We have reviewed this proposed legislation and believe that it is in the best interest of our company as well as our customers. We would support the passage of such legislation. If we can be of any service to you in this respect, we would be pleased to do so.

Thank you again for considering our views.

Sincerely yours,

Vern R. Chesbro
President

VRC:pls

cc: E. K. Larsen

Swedish Embassy

George H. Byer
P.O. Box 445
Hemet, California 92343

Dear Mr. Byer:

I am awfully sorry that we - by mistake - have not answered your letter to the Ambassador dated November 28th.

./. The Swedish participation in the U.S. Bicentennial celebrations includes various activities as you can see on the list of Swedish plans for the American Bicentennial year which is enclosed. The activities are to a large extent concentrated on Swedish-American relations. None of them, however, deals with issues which are of mutual interest to arctic countries.

As we think that your idea of a meeting in Alaska is very interesting, we are looking forward to an invitation from the State of Alaska, and we would do our best to promote Swedish participation.

Yours sincerely,

Ove Svensson
Cultural Attaché

JCE..THIS IS WHAT THE EMBASSIES ASK FOR SO TH GOV. OUGHT TO PROMPTLY WRITE THEM EXPRESSING HIS WRLCOME, SUPPORT & COOPERATION AS WELL AS TO THE MAYOR & CITY ASSEMBLY, STATE DEPT, MRS CARTER & PRES. CARTER. WHAT'S THE HOLD UP: WE NEED SOME FORWARD MOVEMENT SO WE CAN GET ON WITH THE JOB.

PS. THIS IS WHAT THEY ARE LOOKING FOR THAT PERSONAL INVITATION FROM THE GOVERNOR OF ALASKA.

ADDRESS
WATERGATE 600
600 NEW HAMPSHIRE AVE., N.W.
WASHINGTON, D. C. 20037

TELEPHONE
(202) 965-4100

TELEGRAM
SVENSK

TELEX
RCA 24347
WU 89-2724

ALASKA STATE LEGISLATURE

REPRESENTATIVE CLARK GRUENING
District Seven
Pouch V
Juneau, Alaska 99811

940 Tyonek Drive
Anchorage, Alaska 99501

February 8, 1977

Dear George,

The Arctic-Alaska International Conference sounds like a great idea and I'm willing to work for an appropriation.

I wonder if you would work up a more detailed budget of what this money is to be used for. Also, do you intend to be the executive director, or who will continue to carry the ball?

I am enclosing SB 63, and plan to introduce one on the House side.

Cordially,

Clark

Rep. Clark Gruening

LISA RUDD

ALASKA HOUSE OF REPRESENTATIVES, POUCH V, JUNEAU 99811

Dear George,

Many thanks for sending me the material on the Arctic-Alaska International Conference. It is a marvelous idea and I will certainly support the funding you seek.

Yours,

Lisa

Lisa Rudd

AS CHAIRWOMAN FOR THE HOUSE COMMUNITY AFFAIRS COMMITTEE SHE IS GIVING HER FULL SUPPORT FOR THIS HISTORICAL AND WORTHWHILE PROGRAM

REPRESENTATIVE - DISTRICT 11 - ANCHORAGE

1977 SEPTEMBER 7-8-9-10

ANCHORAGE, ALASKA

"A People to People Presentation"

1977 SEPTEMBER 7-8-9-10

INTERNATIONAL HOSTS

Jay S. Hammond
Governor of Alaska

Alaska State Senate
Chancy Croft, President

Alaska State House of Representatives
Mike Bradner, Presiding

George M. Sullivan
Mayor of Anchorage

Anchorage Municipal Assembly
Dave Rose, Chairman

Ted Stevens
Alaska
United States Senator

Mike Gravel
Alaska
United States Senator

Don Young
Alaska
United States Representative

CONFERENCE PARTICIPANTS

Alaska Chamber of Commerce

Anchorage Chamber of Commerce

Alaska Federation of Natives

Arctic Institute of N. America

University of Alaska

January 31, 1977

President Bradshaw of ARCO...

I had a very nice letter from Mr. Slack in Anchorage in the response from my two letters to you. And why I am again now writing to you is because of the "Take Stock In America", ad that appeared in the Los Angeles Times. I liked what I read and it is understandable why you have long been interested in the Arctic for your vision and imagination is beyond the horizon.

Perhaps, to help clarify any reasons why I am a conference coordinator living in Hemet, my roots of 25 years in Alaska, an ex-mayor of Anchorage and a candidate for governor, are deep and of a perspective interest.

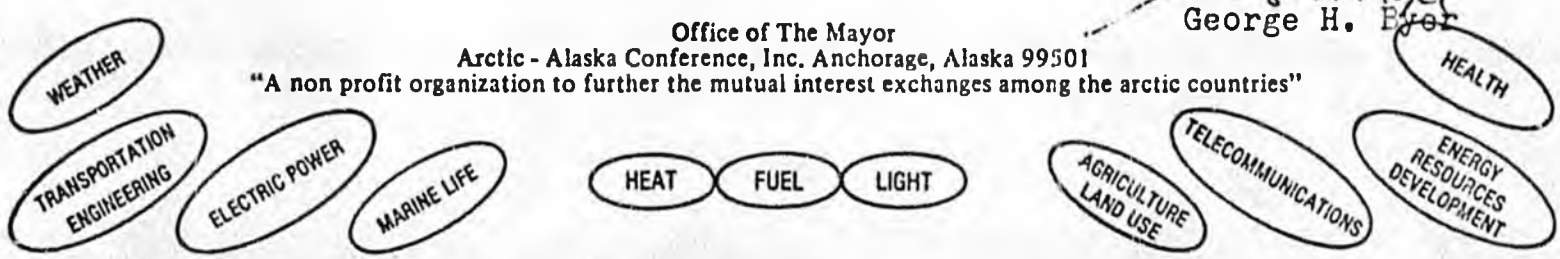
You believe in Alaska, I believe in Alaska so let us take stock in Alaska as well as America. NOW'S THE TIME, you say and this 77 conference is only a front runner of things to come and a good step toward a 78 or 79 economic conference of oil producers. So this year is very important in laying the ground work and to participate in the energy subject of the conference. TOO, we feel it an appropriate time for ARCO or under your name to establish an Energy Foundation grant for the University of Alaska at Anchorage for the studies of energy on the Alaska scene and to help formulate the pending conference of oil producers.

I would like nothing better than to have lunch with you in Los Angeles and share ideas relative to the above.

Sincerely,

George H. Byer

Office of The Mayor
Arctic - Alaska Conference, Inc. Anchorage, Alaska 99501
"A non profit organization to further the mutual interest exchanges among the arctic countries"



With compliments

from

the Director and Staff

UNIVERSITY OF ALASKA

FAIRBANKS, ALASKA 99701

January 31, 1977

Mr. George H. Byer
Box 445
Hemet, California 92343

Dear Mr. Byer:

The University will assist in all possible ways in the planned symposium of September, 1977, so long as we know, well in advance, the specific intent and topics of your conference.

I have referred your letter to Dr. Hunsucker and Mr. Siegrist. You may also be interested in the Annual Report of the Geophysical Institute for 1974-75, a copy of which is enclosed.

Concerning the research of the University, the best persons to contact would be the directors of units, as follows:

Geophysical Institute	T. Neil Davis, Acting Director
Institute of Marine Science	John J. Goering, Acting Director
Institute of Water Resources	Robert F. Carlson, Director
Agricultural Experiment Station	James Drew, Director
Institute of Arctic Biology	George C. West, Acting Director
Institute of Social and Economic Research	E. Lee Gorsuch, Director
Center for Northern Educational Research	Frank Darnell, Director
Sea Grant Program	Donald H. Rosenberg, Director
Arctic Environmental Information and Data Center	David M. Hickok, Director
The Biome Center	George C. West, Director
Alaska Cooperative Wildlife Research Unit	David R. Klein, Leader
Mineral Industry Research Laboratory	Earl H. Beistline, Director
Forest Soils Laboratory	Keith Van Cleve, Director
WAMI Program	Wayne W. Myers, Director
Naval Arctic Research Laboratory	Gary A. Laursen, Acting Director

Sincerely,

K. B. Mather

Keith B. Mather
Vice Chancellor for Research and
Advanced Study

KBM/afs

Enclosure

PLEASE REPLY BY AIRMAIL

1977 SEPTEMBER 7-8-9-10

ANCHORAGE, ALASKA

"A People to People Presentation"

1977 SEPTEMBER 7-8-9-10

February 9, 1977

INTERNATIONAL HOSTS

Jay S. Hammond
Governor of Alaska

Alaska State Senate
Chancy Croft, President

Alaska State House of Representatives
Mike Bradner, Presiding

George M. Sullivan
Mayor of Anchorage

Anchorage Municipal Assembly
Dave Rose, Chairman

Ted Stevens
Alaska
United States Senator

Mike Gravel
Alaska
United States Senator

Don Young
Alaska
United States Representative

CONFERENCE PARTICIPANTS

Alaska Chamber of Commerce

Anchorage Chamber of Commerce

Alaska Federation of Natives

Arctic Institute of N. America

University of Alaska

The First Lady
White House
Washington, D.C.

COPY

Dear Mrs. Carter...

In prayer Sunday past, I asked that a new meaning and purpose be given the international conference for 77. Then today, almost like a revelation, I read of your "Friendship Force" and the people-to-people exchange.

It is of the same philosophy as the no-red-tape people to people presentation. This has been an Arctic dream of mine ever since the over-the-pole flights began, with a stop in Anchorage between Europe and the Far East, bringing ordinary people to Alaska from the arctic countries to join in a mutual exchange of ideas and suggestions that are common to all. A plan, by Alaskans, without government involvement but with its approval and encouragement.

So I can get excited about the many potentials and benefits of the "Friendship Force" and what an appropriate opportunity to incorporate it into the international program for 77 and bring your dream into reality.

I have already written Mr. Powell in Plains and Mr. Watson in D.C. hopeful of getting the President to Alaska, tour the energy field, pipe line and give international importance to Alaska's people-to-people program. And I wrote..."Jimmy will be one of the "greats"...Alaska will be one of the "greats" and they ought to meet. The First Lady is "great" also for her vision andplans for a better tomorrow. It would be a fulfilling realization, in the fall of 77, to all join in a common bond of dedication for what"the interest in others program" can do for the betterment cause.

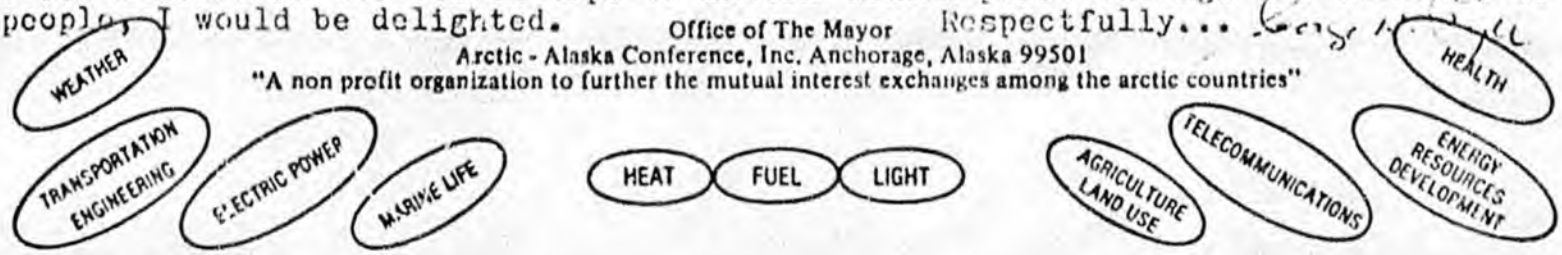
Your visionary plans and the willingness to go forth with it has renewed my spirit But like all worthwhile endeavors, it can use some added interest and encouragement for vision is not always understood nor is it something people are easily enthused about. After 25 years in Alaska as city councilman, borough assemblyman, mayor and candidate for governor, my roots are deep, my interest and efforts for this international purpose anxiously given as coordinator.

Plans for coming to D.C. are being coordinated and should your busy schedule permit a few moments in the common hope of international peace through the exchange of people, I would be delighted.

Respectfully...

Office of The Mayor
Arctic - Alaska Conference, Inc. Anchorage, Alaska 99501

"A non profit organization to further the mutual interest exchanges among the arctic countries"



Rosalynn Carter's Ambitious Plan for World Peace

By TOM SMITH

Rosalynn Carter, America's new First Lady, is busily laying the groundwork for an ambitious plan to promote world peace — a people-to-people exchange between the U.S. and other nations around the world.

Under this program, dubbed "Friendship Force," which is still in the early, formative stage, planeloads of people, ordinary citizens from every state in the union, would be shuttled to "sister states" around the globe.

These grass-roots goodwill ambassadors would then invite people from the other countries to pay a return visit to their homes in America.

Friends of Rosalynn say she's "very excited" by the prospect of bringing people of the world closer together through these no-red-tape exchanges — and they say President Jimmy Carter is solidly behind her plan.

Mrs. Carter has already held one meeting with the man who helped her organize a similar exchange program between the people of Georgia and their sister state in Brazil, Pernambuco, while Carter was governor.

"She and I have agreed we will work on this together," said the Rev. Wayne Smith of Decatur, Ga., who met with Mrs. Carter in September to discuss the Friendship Force program. "She is very interested in helping to promote world peace.

"She thought that these citizen exchanges might be a way — something without government involvement, but with its approval and encouragement."

NEW FIRST LADY Rosalynn Carter foresees planeloads of grass-roots ambassadors from the U.S.

It's not yet known who will pay for the Friendship Force, or how much it will cost. The visits between the people of Georgia and Brazil were paid for by those involved.

In Washington, Rosalynn's transition staff says the Friendship Force plan is one of her top three priorities.

"It's an idea that she is very interested in and wants to pursue as First Lady," said Kathy Cade, 29, transition projects coordinator. "She has said it is something she really wants to do."

Mrs. Carter has also written to the Partners of the Americas organization, which conducts similar people exchanges among Latin-American countries, asking for help in launching the Friendship Force, according to David Luria, associate director of the Partners organization.

Luria, who's based in Washington, D.C., told The ENQUIRER: "The Carters first got involved in the exchange program when Jimmy, as governor of Georgia, was honorary president for the Partners organization in Georgia. He and Rosalynn took deep interest in the Brazilian-Georgian partnership, both officially and unofficially."

A longtime close friend of the Carter family, John Pope, 56, of Americus, said Rosalynn had discussed her Friendship Force program with him and his wife in November.

"She said she was anxious to get it going internationally, and got very excited talking about it," Pope said. "I think it's her baby, but Jimmy is right behind it and very much in favor of it.

"I am sure you will find that she is going to play a bigger part in trying to achieve things on an international level than any other First Lady," Pope added.

COPY

Tom Taggart
Box 1195
Seward, Ak. 99664

2 February, 1977

Representative Charlie Parr
Pouch V
Juneau, Alaska 99811

RE: Senate Joint Resolution 9

Dear Mr. Parr:

A vote on SJR9 will likely come before the Legislature soon.

In your recent correspondence to me concerning this matter, you indicated that you may rely heavily upon the Local Boundary Commission recommendation and the opinions of the Seward Legislators. I ask that you do not, for the following reasons....

1) The LBC recommendation was contrary to the public sentiment expressed at the hearing, and was rendered in haste.

2) Since I sent the petition to you a few weeks ago, yet another petition with an additional 175 signatures has been sent to the House Community & Regional Affairs Committee. Nearly half of Seward's electorate have now signed the two petitions opposing the annexation.

3) Unlike yourself and many of your colleagues, the Seward Legislators have thus far been totally unresponsive to this issue.

Please vote to disapprove the LBC recommendation.

Sincerely,

Thomas Taggart

CC: Representatives Miller, Malone, Smith, Rudd, Osterback, Guy, Meekins, Buchholdt, Duncan, McKinnon, Kelly, Snider, Bradley, Severnson, Phillips, Miles, Cotten, Gardiner, Akers, Haugen, Brown, Swanson, Nakek, Schaeffer; Senators Huber, Ferguson, Rader, Willis, Sackett, Meland, Orsini, Hohman.

DEAR MR. ORSINI: PLEASE EXCUSE THIS COPY, BUT TIME IS SHORT AND I HAD TO GET THIS OUT IN A HURRY.

TOM TAGGART

Einar Mining
279-0227
Anchorage, Ak

President of McKinley Marine
& McKinley Off shore Supply Corp
Have Eastbay dock & North Gulf
list as a marine base.

Does not want annexation
into Seward at this time!

Called 3:45, Tues. Feb 15th

Gloria

Alaska State Legislature

Senate

JUNEAU, ALASKA

February 9, 1977

Mr. Johnny Johnson
City Manager
City of Seward
P.O. Box 337
Seward, Alaska 99664

Dear Mr. Johnson:

Per your request, please find your copy of the Minutes in reference to the Joint Senate and House Community and Regional Affairs Committee Hearing discussing the proposed annexation of territory in the Seward area.

It was a pleasure meeting you, and if you have any further questions or comments, please do not hesitate to contact me.

Very truly yours,

Paul Conger,
Administrative Assistant
Senate Community and
Regional Affairs
Committee

PC/js

Enclosure: As stated

Alaska State Legislature

Senate

JUNEAU, ALASKA

February 9, 1977

Mr. Thomas Taggart
Box 1195
Seward, Alaska 99664

Dear Mr. Taggart:

Attached for your information is a copy of the Minutes reference to the Joint Senate and House Community and Regional Affairs Committee Hearing discussing the proposed annexation of territory in the Seward area.

Very truly yours,

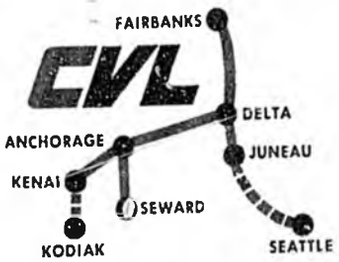
Paul Conger,
Administrative Assistant
Senate Community and
Regional Affairs
Committee

PC/js

Enclosure: As stated

Continental Van Lines, Inc.

MOVING AND STORAGE



E. W. HUNDLEY
PRESIDENT

Principle Points Served

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SOLDOTNA	HOMER
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AGENT

ALLIED VAN LINES

PHONE: 206-937-2261
TELEX: 32-312

CONTINENTAL VAN LINES, INC.

P.O. BOX 3963
4501 WEST MARGINAL WAY S.W.
SEATTLE, WASHINGTON 98124

February 21, 1977

Senator Joseph Orsini
Alaska State Senate
Juneau, Alaska

Dear Senator Orsini:

I am the owner and builder of the dock and terminal located on ten acres of land on the Eastern Shore of Resurrection Bay opposite the town of Seward. I feel you should be advised that I am opposed to the City of Seward's proposed annexation of this and other properties North and East of Nash Road.

I already have a substantial investment in this property and arrangements have been completed for immediate and extensive further development to accommodate oil drilling related industry. These developments are being accomplished by private enterprise and the City's annexation can be harmful to the future of this Eastern Shore Area.

It is important to note that I have never been contacted or advised by the City of Seward of their efforts or intent although the City Manager knows my address.

It is only through the efforts of all of the other property owners in the Nash Road Area who strongly oppose this annexation attempt that I have recently learned of the City's maneauver.

I wish to request your assistance in defeating this annexation proposal. There are no benefits for this area that would derive from annexation. The results would be harmful and would discourage development by private enterprise. These lands are now under the Kenai Burrough and there should be no change in the "status quo" at this time.

Your assistance will be greatly appreciated.

Sincerely,

E. W. Hundley

EWH/k

cc: Mr. Jack Stern
P. O. Box 1672
Anchorage, Ak 99510

Mr. Ted Meining
1111 F Street
Anchorage, Ak 99501

Alaska Facilities

1031 E. FIRST AVENUE
P.O.BOX 425
ANCHORAGE, ALASKA 99501
(907) 272-5720

1225 WELLS STREET
P.O. BOX 887
FAIRBANKS, ALASKA 99701
(907) 456-6850

STATEMENT OF CLARENCE E. JOHNSON BEFORE THE HOUSE COMMITTEE ON COMMUNITY AND REGIONAL AFFAIRS REGARDING ANNEXATION OF TERRITORY TO THE CITY OF SEWARD - FEBRUARY 3, 1977

MADAM CHAIRMAN AND MEMBERS OF THE COMMITTEE. MY NAME IS ~~CLARENCE~~ JOHNNY JOHNSON AND I AM CITY MANAGER FOR THE CITY OF SEWARD. I AM PLEASED TO HAVE THE OPPORTUNITY TO APPEAR TODAY TO EXPRESS THE POSITION OF THE CITY OF SEWARD AND THAT OF THE VAST MAJORITY OF ITS RESIDENTS ON THE PROPOSED FOURTH OF JULY CREEK ANNEXATION.

IN DECEMBER 1975, THE CITY PURSUANT TO TITLES 29 AND 44 OF THE ALASKA STATUES AND TITLE 19 OF THE ALASKA ADMINISTRATIVE CODE, FILED A PETITION WITH THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS REQUESTING THE ANNEXATION OF 6,400 ACRES OF TERRITORY ADJACENT TO THE PRESENT CORPORATE BOUNDARIES OF SEWARD, IN AN AREA COMMONLY REFERRED TO AS FOURTH OF JULY CREEK. THE PETITION WAS MADE ONLY AFTER CAREFUL REVIEW BY THE CITY ADMINISTRATION, COUNCIL, AND PUBLIC.

ON MAY 21, 1976 THE LOCAL BOUNDARY COMMISSION HELD A PUBLIC MEETING IN SEWARD TO HEAR TESTIMONY ON THE PROPOSED ANNEXATION. AT THIS HEARING, THE MAJORITY OF TESTIMONY GIVEN EXPRESSED SUPPORT FOR THE FOURTH OF JULY CREEK ANNEXATION. NO PRIVATE PROPERTY

OWNERS IN THE ANNEXATION AREA VOICED ANY OPPOSITION TO THE PROPOSAL, IN FACT, THE LARGEST SUCH OWNER SUBMITTED TESTIMONY IN SUPPORT OF THE ANNEXATION.

THE LOCAL BOUNDARY COMMISSION HAS ISSUED A STATEMENT OF DECISION APPROVING WITHOUT RESERVATION THE CITY'S PETITION, CITING THE FACT THAT THE ANNEXATION IS A POSITIVE APPROACH TOWARDS RESPONDING TO GROWTH AND DEVELOPMENT IN AND AROUND THE CITY.

MANY OF YOU ARE FAMILIAR WITH THE NATURAL AND POLITICAL BOUNDARIES THAT SURROUND SEWARD. TO THE SOUTH IS SITUATED RESURRECTION BAY, TO THE WEST MOUNTAINS AND HARDING ICEFIELD, TO THE EAST MOUNTAINS, AND TO THE NORTH MOUNTAINS AND THE CHUGACH NATIONAL FOREST. THIS IS NOT TO SAY THAT SEWARD IS TOTALLY DEVOID OF ANY AREA FOR GROWTH AND EXPANSION, HOWEVER SUCH AREA IS SEVERELY LIMITED BY NATURAL AND POLITICAL BOUNDARIES WHICH NECESSITATES THE ANNEXATION BY THE CITY OF THOSE LANDS THAT WILL BE DEVELOPED NOW AND IN THE FUTURE IF THE CITY CAN EVER HOPE TO MEET DEMANDS FOR SERVICES AND AT THE SAME TIME

MAINTAIN A SOUND FINANCIAL FOOTING. ALREADY THE CITY IS FACED WITH AN UPHILL CLIMB FINANCIALLY. WITH A CURRENT TAX BASE OF ROUGHLY $11,000,000 THE CITY IS VERY HARD PRESSED TO MEET THE SERVICES THAT ARE INCREASING ALREADY DUE TO OCS AND RELATED DEVELOPMENT. IT IS ABSOLUTELY IMPERATIVE THAT THE C[illegible]AVE THE TAX BASE NECESSARY TO SUPPORT THE DEMANDS FOR SERVICES BROUGHT ABOUT BY NEW GROWTH AND DEVELOPMENT.

SEWARD CANNOT POSSIBLY AVOID THE IMPACTS THAT HAVE COME AND WILL BE COMING FROM OCS DEVELOPMENT. ALREADY EXXON, TEXACO, GULF, SHELL, AND ATLANTIC RICHFIELD HAVE SELECTED SEWARD AS A PRIMARY OR SECONDARY STAGING AREA FOR EXPLORITORY DRILLING IN THE GULF. ACCOMPANING THESE MAJOR OIL COMPANIES ARE A HOST OF SMALLER FIRMS SUCH AS BARIOD, HALLIBURTON SERVICES AND SEVERAL OTHERS. THE CITY HAS RECENTLY NEGOTIATED A LONG TERM LEASE WITH DRESSER INDUSTRIES AND THIS COMPANY PLANS TO INITIATE DOCK CONSTRUCTION ADJACENT TO THE SMALL BOAT HARBOR BREAKWATER THIS SUMMER. THIS IS JUST THE TIP OF THE ICEBERG. AHEAD OF US REMAINS OIL EXPLORATION OF FUTURE LEASES OFF KODIAK ISLAND AND EVENTUALLY OIL PRODUCTION FROM THE

SHELF. I AM CONVINCED THAT SEWARD'S PROXIMITY TO ANCHORAGE, THE LOCATION OF THE ALASKA RAILROAD TERMINUS, THE ALL-WEATHER STATE HIGHWAY TO THE INTERIOR, AND AN ALL-WEATHER PORT WHICH COMPARES WITH ANY IN THE UNITED STATES WILL PLACE TREMENDOUS DEMANDS ON THE COMMUNITY ONCE FULL SCALE OIL DRILLING AND PRODUCTION ARE UNDERWAY.

HAVING RESIDED IN KENAI THE PAST EIGHT YEARS, I AM INTIMATELY ACQUAINTED WITH THE IMPACTS OF OIL DEVELOPMENT ON A SMALL COMMUNITY WITH A LIMITED TAX BASE. THE INABILITY OF THE CITY OF KENAI TO ACQUIRE AN ADEQUATE TAX BASE HAS RESULTED IN SEVERE LONG TERM PROBLEMS FOR THAT COMMUNITY AND THE KENAI PENINSULA BOROUGH. THE RESULT HAS BEEN A TERRIBLE TAX BURDEN FOR KENAI RESIDENTS AND SEVERAL ABORTED ATTEMPTS TO ANNEX THE DEVELOPED AREAS OR CREATE A NEW BOROUGH. THE ONLY SOLUTION REMAINING FOR KENAI APPEARS TO BE THE DEVLOPMENT OF A UNIFIED GOVERNMENT FOR THE AREA WITH AREA-WIDE POWERS. THIS HAS MET WITH STRONG RESISTANCE BECAUSE OF THE LOSS OF CITY IDENTITY THAT WOULD OCCUR.

IT IS SEWARD'S WISH TO AVOID THE PROBLEMS THAT HAVE PLAGUED KENAI AND I URGE THE COMMITTEE TO APPROVE THE ANNEXATION PETITION FOR THE FOURTH OF JULY CREEK AREA.

I APPRECIATE THIS OPPORTUNITY TO TESTIFY AND WILL BE HAPPY TO ADDRESS ANY QUESTIONS THE COMMITTEE MIGHT HAVE ON THE PROPOSED ANNEXATION.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER / POUCH B — JUNEAU 99811

January 14, 1977

1/18 to Senate St & RA Committee

The Honorable Hugh Malone
Speaker of the House
of Representatives
Pouch V
Juneau, Alaska 99811

Dear Mr. Speaker:

In accordance with Article X, Section 12 of the State Constitution, AS 29.68.010(a), and AS 29.68.500(c), transmitted herewith are recommendations of the Local Boundary Commission and proposed local annexations to and the dissolution of certain municipalities.

The recommendations will become effective forty-five days after presentation or at the end of the session, whichever if earlier, unless disapproved by a resolution concurred in by a majority of the members of each house.

Sincerely,

Lee McAnerney

Lee McAnerney
Commissioner

Enclosures

STATE OF ALASKA

LOCAL BOUNDARY COMMISSION

JUNEAU, ALASKA

RECOMMENDATIONS OF THE LOCAL BOUNDARY COMMISSION

SUBMITTED TO THE TENTH STATE LEGISLATURE

FIRST SESSION ASSEMBLED

SUBMITTED JANUARY 14, 1977

RECOMMENDATIONS

I. *Recommendation for annexation of territory to the City of Palmer*

II. *Recommendation for annexation of territory to the City of Seward*

STATE OF ALASKA

LOCAL BOUNDARY COMMISSION

JUNEAU, ALASKA

RECOMMENDATION FOR ANNEXATION OF TERRITORY TO THE CITY OF PALMER, ALASKA

SUBMITTED TO THE TENTH STATE LEGISLATURE, FIRST SESSION ASSEMBLED

SUBMITTED JANUARY 14, 1977

RECOMMENDATION FOR ANNEXATION OF TERRITORY

to the

CITY OF PALMER

WHEREAS, petitioner, the Matanuska-Susitna Borough has requested that certain territory be annexed to the City of Palmer, to wit: an area contiguous to and north and east of the City of Palmer including residential, commercial and municipal school properties; and

WHEREAS, subsequent to giving proper notice, the Local Boundary Commission conducted a public hearing in Palmer on Saturday, April 3, 1976, to consider whether the territory for which the Matanuska-Susitna Borough petitioned should be annexed to the City of Palmer; and

WHEREAS, the Local Boundary Commission at a public meeting held in Palmer on Saturday, April 3, 1976, reviewed the Matanuska-Susitna Borough's petition, supporting brief and all testimony received prior to and during the April 3, 1976, public hearing; and

WHEREAS, the Local Boundary Commission has determined that the territory sought to be annexed meets the standards for annexation in that the Palmer High School which has been constructed in the territory is in need of municipal water, sewer, police and road maintenance services; and

WHEREAS, the City of Palmer is the only local government located proximate to the territory which has the capability of providing the needed services; and

WHEREAS, the annexation of the territory would further accomplish a valid public purpose by placing a major public facility under the police protection services of the City of Palmer;

NOW, THEREFORE, the Local Boundary Commission recommends that pursuant to Article X, Section 12, of the Alaska Constitution, Alaska Statutes 44. 19. 260, and Alaska Administrative Code 19 AAC 05.010 (a)(4)(5) and (9), that the petition to annex territory to the City of Palmer be approved and that the following described property be incorporated within the corporate limits of the City of Palmer:

> *The NE¼SW¼, N½N½SE¼SW¼, W½SE¼, the South fifty (50) feet of SE¼NW¼, and the South fifty (50) feet of the NE¼, all in section 32, Township 18 North, Range 2 East, S.M.*

In accordance with Article X, Section 12 of the Alaska Constitution, this recommendation shall become effective forty-five days after presentation to the Legislature or at the end of the Session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each House.

STATE OF ALASKA

LOCAL BOUNDARY COMMISSION

JUNEAU, ALASKA

RECOMMENDATION FOR ANNEXATION OF TERRITORY TO THE

CITY OF SEWARD, ALASKA

SUBMITTED TO THE TENTH STATE LEGISLATURE, FIRST SESSION ASSEMBLED

SUBMITTED JANUARY 14, 1977

RECOMMENDATION FOR ANNEXATION OF TERRITORY

to the

CITY OF SEWARD

WHEREAS, petitioner, the City of Seward, has requested that certain territory be annexed to the City of Seward, to wit: territory located south and ~~west~~ EAST *of the present corporate boundaries of the City of Seward; and*

WHEREAS, subsequent to giving proper notice, the Local Boundary Commission conducted a public hearing in Seward on Friday, May 21, 1976, to consider whether the territory for which the City of Seward petitioned, as well as other areas contiguous and adjacent to the City, should be annexed to the City of Seward; and

WHEREAS, the Local Boundary Commission, at a public meeting held in Seward Friday, May 31, 1976, reviewed the City of Seward's petition, supporting brief and all testimony submitted prior to and during the May 21, 1976, public hearing; and

WHEREAS, the territory sought to be annexed by the City of Seward meets the standards for annexation in that the territory will be subject to future growth and development and annexation will enable the City to assist in and receive benefits from that development;

NOW, THEREFORE, the Local Boundary Commission recommends that pursuant to Article X, Section 12, of the Alaska Constitution, Alaska Statutes 44.19.260, and Alaska Administrative Code 19 AAC 05.010(a)(4), that the petition seeking annexation of territory to the City of Seward be approved and the corporate boundaries of the City of Seward be amended to read as follows:

> *Beginning at the N.E. corner of Sec. 28, T1N,R1W (projected), Seward Meridian, State of Alaska; thence S45°00'00"E to the N.W. Corner of Sec. 1, T1S,R1W; thence East to the N.E. Corner of Sec. 1, T1S,R1W; thence South to the S.E. Corner of Sec. 1, T1S,R1W; thence East to the N.E. Corner of Sec. 9, T1S,R1W (projected); thence South to the S.E. Corner of Sec. 16, T1S,R1W (projected); thence West to the S.W. Corner of Sec. 16; T1S,R1W (projected); thence North to the N.W. Corner of Sec. 28, T1N,R1W (projected); thence East to the N.E. Corner of Sec. 28, T1N,R1W (projected), being the place of beginning, containing 22 square miles more or less.*

In accordance with Article X, Section 12, of the Alaska Constitution, this recommendation becomes effective forty-five days after its presentation to the Legislature or at the end of the Session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house.

31 JAN, 1977

REPRESENTATIVE SALLY SMITH
POUCH V, JUNEAU, AK 99811

DEAR MS. SMITH:

ATTACHED FIND A COPY OF MY COMMENTS ON THE SEWARD LAND ANNEXATION PROPOSAL; THE ORIGINAL WAS SENT TO THE SENATE COMMUNITY + REGIONAL AFFAIRS COMMITTEE.

I DO HAVE AN ADDITIONAL BIT OF INFORMATION OF GREAT IMPORTANCE WHICH I ASK YOU TO INCLUDE IN THE HEARING RECORD. ---- AS NOTED ON PAGE 2, PARAGRAPH 4 OF THE ATTACHMENT, MR. WILLARD MIDBY OF SEWARD HAS CIRCULATED A PETITION ASKING PEOPLE TO REAFFIRM THAT THEY ARE OPPOSED TO THE 4TH OF JULY CREEK ANNEXATION. OVER THE PAST FEW DAYS, MR. MIDBY AND MR. ED ZIMMERMAN HAVE COLLECTED APPROXIMATELY 200 SIGNATURES ON THAT PETITION. THEY WILL HOPEFULLY HAVE MAILED IT TO YOU IN TIME FOR CONSIDERATION AT THE HEARINGS ON FEBRUARY 3RD. I BELIEVE THAT THEIR PETITION SPEAKS VOLUMES ABOUT THE PUBLIC OUTRAGE CONCERNING THIS ISSUE.

SINCERELY,

Thomas Taggart

THOMAS TAGGART
BOX 1195
SEWARD, AK 99664

31 JAN, 1977

Thomas Taggart
Box 1195
Seward, Ak. 99664

30 January, 1977

COPY

Senate Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

RE: Proposed Annexation of State Lands to the City of Seward

Dear Chairman Orsini:

Thank you for informing me of the forthcoming hearing in Juneau pertaining to Seward's attempt at annexation of State lands. I do have additional information which should be considered at that hearing.

The City Manager of Seward indicated to me that he had notice of the February 3rd hearing as early as Thursday, January 27th. Despite that, there have been no announcements via the local media informing the general citizenry that they could input testimony at that hearing. I believe this nonaction by the City Administration indicates that they are hoping to keep testimony at the hearing to a low key, and should be duly noted as an act contrary to the public interest.

The City of Seward has a 3 step plan to annex up to 65 square miles of State property. The Local Boundary Commission has twice scheduled & cancelled public hearings on step 2, the latest instance being on 1-6-77. Because of this, it is now apparent that only step 1 of the City's plan will be considered this year by the Legislature. I shall consequently attempt to limit my comments to step 1, or 4th of July Creek, as much as possible.

I have recently learned that the City Administration has sent a telegram to all State Legislators urging approval of this annexation proposal. Among other things, the telegram purportedly states that: 1) there are zero residents in the area to be annexed; 2) the majority opinion at the public hearing was in favor of the proposal. Both of these statements are patently false. There are eight (8) permanent residents in the area to be annexed, including four children, three of which attend Seward schools. Three of the adults of that area signed the petition which I sent to Legislators on 1-13-77, and the other one was vacationing "outside" when it was circulated.

At the public hearing on May 21st, 1976, six (6) private citizens gave testimony on the 4th of July Creek annexation proposal. The one citizen who spoke in favor of the proposal was a man who owns 128 acres of land there, although he does not live on that land. Also favoring the proposal were representatives of three local governmental bodies, i.e. Kenai Peninsula Borough Planning & Zoning Commission, Seward Planning & Zoning Commission, and the Kenai Peninsula Borough Mayor. The five citizens who expressed displeasure or outright opposition to the proposal lived on adjacent Resurrection Bay Road or within the area encompassed by step 2 of the City's piecemeal annexation plan. In rendering their decision immediately after the hearing (without playing back the tape recording), the Local Boundary Commission in section (2)(c) of their statement said that "The majority of the testimony at the public hearing was in favor of the annexation..." That was an untrue statement. Furthermore, "...the City's long range annexation plans..." as mentioned in section (2)(b) of the statement have become a moot point since the November 2nd election pertaining to this issue. That, of course, is providing that the City fathers honor the results of the straw poll which indicated that 72.1% of the total voters opposed implementation of steps 2 & 3 of the City's plan. Had the people been given a chance to vote on step 1 at that time, it is likely that it too would've suffered an ignominious setback. Most of us here believed that the LBC recommendation was binding and that step 1 was a lost cause.

These are the attachments from the Alaska Division of Lands, Alaska Conservation Society, and Friends of the Earth. These letters raise the important issue of 4th of July Creek as a potential critical habitat area. This position is supported by the ADF&G's authoritative publication entitled "Alaska's Wildlife & Habitat," and is a very serious consideration in light of the City's desire to annex the area. That publication has been used extensively by the Corps of Engineers, BLM, and others in preparing Environmental Impact Statements. On page 79, column 1 of that publication the area in question is clearly defined as "critical habitat" for black bear, although it has not yet been formally designated as such by the Legislature. The area is also one of the best places for goat & bear hunting by local as well as non-local residents. That status would be denied the area if it were within the Seward City limits.

Attached also is a copy of a letter from Councilmember Vincent to the local paper outlining some reasons why the City should not proceed with the step 2 annexation proposal. Some of his reasons, such as road maintenance along a vertical coastline would apply to step 1 as well as step 2. This position is elaborated upon in a recent (10-76) study done for the Department of Community & Regional Affairs by the Division of Geological & Geophysical Surveys. Their report is entitled "Preliminary Evaluation of Geologic Factors Bearing on Development in Upper Resurrection Bay." Among other negative factors which would discourage development at 4th of July Creek is the stated opinion that the present gravel road which extends in that direction would be impossible to maintain, thus effectively barring land access to the area unless a prohibitively expensive road was constructed at the 700 foot elevation of the mountain. Due to tidal erosion the existing road is now about 1½ miles shorter than depicted on the most recent topographic map, which is 27 years out of date. That road now effectively terminates in Section 1, T.1S, R.1W.

This same report describes the extent of Exxon's involvement here at 2.6 acres. This parcel is near the Alaska Railroad and Seward Highway where Exxon expedites pipe for their oil rig which will drill near Yakataga. The other company interested in Seward as an O. C. S. base has leased 3 acres within the existing City limits. These are very logical site selections and would certainly indicate a precedent for any future companies. The one thing which Seward has going for it is its highly accessible existing transportation facilities. What we are dealing with here is a blatant land grab attempt by the City of Seward, with little or no justification whatever. The people of this area recognized this land grab for what it was on November 2nd and resoundingly said No! We ask that the Legislature echo our sentiments by passing a joint resolution overriding the Local Boundary Commission recommendation.

In closing I make note that Mr. Oscar Bailey has asked to have his name withdrawn from the petition which I circulated, due to a misunderstanding on his part as to the scope of it. It should also be noted that Mr. Herman Leirer of the Seward Planning & Zoning Commission is now circulating his own petition asking people to support the 4th of July Creek annexation proposal. Furthermore, Mr. Willard Midby of Seward is circulating yet another petition asking people to reaffirm that they are supportive of the petition which I mailed to Legislators on 1-13-77.

Whatever the outcome of all these petitions, it should be obvious that grassroots democracy is presently flourishing in the Seward area, and a very healthy climate now exists for a Local Boundary Commission hearing on any proposed annexation attempts by the City of Seward. This climate did not exist last May 21st when the LBC was here, as witnessed by the very small turnout for that hearing. At the very least we are entitled to another public hearing on this highly controversial matter. The Local Boundary Commission recommendation should be overturned.

Sincerely,

Thomas Taggart

Attachments (7)
cc: Representative Sally Smith w/o attachments

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF GEOLOGICAL & GEOPHYSICAL SURVEYS

3001 Porcupine Drive
Anchorage, Alaska 99501

February 4, 1977

Mr. Paul Conger
Senate Community and Regional Affairs Committee
Pouch V
Juneau, Alaska 99801

Dear Mr. Conger:

I am sending herein copies of those pages from the 1976 DGGS report which address the issue of constructing overland access from the head of Resurrection Bay to the flats at the mouth of Fouth of July Creek.

The purpose of the report, I believe, is adequately set forth in the first three pages of the report (copies included). As you will see, nowhere does the report state that construction and maintenance of a road to Fourth of July Creek would be impossible.

Because the report is mainly a synthesis of the literature, it is not given open-file status. Consequently, only a limited number of copies were made. I think that Kevin Waring's office may have a copy, and a copy is available for public inspection at the Mining Information Office in Juneau (465-2414).

Please do not hesitate to contact me if I can be of further assistance.

Best regards,

J R Riehle

J.R. Riehle
Geological Engineer

Enc.

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF GEOLOGICAL AND GEOPHYSICAL SURVEYS

Guy R. Martin - Commissioner
Ross G. Schaff - State Geologist

PRELIMINARY EVALUATION

Geologic Factors Bearing On Development at Five Sites In Upper Resurrection Bay

By James Riehle

October 1976

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I. INTRODUCTION

This report is an attempt to identify the geologic factors which should be considered in planning for potential on-shore facilities in upper Resurrection Bay. The report is based on a review of the available literature and a brief inspection of sites near the head of Resurrection Bay by DGGS personnel.

The essence of this report is that significant geologic constraints, in particular submarine slope stability and potential for inundation by seawaves, are present at 4 of the 5 sites considered here. As indicated by the tables in Section VI, there are presently not adequate data available for many of the geologic factors upon which to base site-specific conclusions regarding potential effects of the geologic factors on construction and operations at the sites. However, it is not the intent of this report to recommend or imply that planning for utilization of lands adjacent to upper Resurrection Bay cannot be undertaken due to geologic factors. Rather, the purpose of the report is to list the geologic factors which should be considered during planning, and to suggest where additional data are required for a more complete evaluation of each factor.

II. SCOPE AND PURPOSE OF REPORT

Two Division of Geological and Geophysical Surveys personnel visited upper Resurrection Bay to inspect potential sites of on-shore facilities for three days in October of 1976. The investigation was undertaken at the request of the Department of Community and Regional Affairs, State of Alaska. The Survey team drove to Seward; site inspections were carried out on foot, and an overflight of the coastline was made by air charter. Due to limitations of time and of legal access, most inspections were confined to the beaches and to existing roads.

Available data on geologic conditions in upper Resurrection Bay are primarily those in a report on subsurface conditions in and near the city of Seward by the consulting firm of Shannon and Wilson, Inc. (1964), and a subsequent report by Lemke (U.S.G.S. Prof. Paper 542-E, 1967) which is based in part on data and conslusions presented by Shannon and Wilson, Inc. Both reports were written as a result of extensive damage generated by the major earthquake of March 27, 1964. The report by Shannon and Wilson, Inc. is mainly an engineering evaluation of stability conditions along the Seward waterfront and at the head of Resurrection Bay. Lemke provides a comprehensive description of the sequence of events at Seward during and immediately after the earthquake, and describes the geology of an area at the head of Resurrection Bay of about 25 square miles. Lemke's report was used extensively in preparation of the data tables (Section VI) for this report.

Specific sites considered in this report are shown on Plate 1 and in order of presentation in Section VI are as follows:

1) Center, head of Resurrection Bay
2) Fourth of July Creek alluvial fan
3) Lowell Point alluvial fan
4) Thumb Cove
5) Northeast corner, head of Resurrection Bay

Sites 1 through 4 are those suggested by the Department of Community and Regional Affairs. Site 4 at Thumb Cove was not visited by DGGS personnel, due to limitations of time and weather.

The purpose of this report is to list those geologic factors at the five sites in upper Resurrection Bay which, in the opinion of the DGGS, should be adequately

considered in order to design, construct, and operate potential facilities with a resonable degree of safety. All factors of potential significance considered in this report are presented for individual sites in tabular form in Section VI. Where site-specific data on any factor are not available, the entry "unknown" or "data are not available" is made. Where the available data are limited in scope or specificity, the entry "uncertain" or otner qualifying remarks are made. Where adequate data are not available, suggestions as to the type or specificity of data required for more complete evaluation of the geologic factor are made in the column "Interpretation or comment." Such suggestions are not meant to be exhaustive, but are intended only as an example of the scope of further study which is necessary.

Section V is a summary of the geologic factors which, in the opinion of the DGGS based on available information, are potentially of greatest significance at each site. Section V also contains a summary of the suggestions for future studies which the DGGS believes are necessary to more fully assess the main geologic factors.

III. LOCATION, LAND OWNERSHIP, WATER PERMITS, AND PRESENT OCS - RELATED DEVELOPMENT

Upper Resurrection Bay is on the southeastern coast of the Kenai Peninsula at 60°5'N latitude, 149°24'W longitude (Fig. 1), about 75 airmiles SSE of Anchorage. Resurrection Bay extends north for about 16 miles from Cape Resurrection; it is about 2 miles wide near the head.

The city of Seward is located at the northwest corner of Resurrection Bay. Development in and adjacent to the city of Seward extends into the alluvial valley of the Resurrection River, north of Resurrection Bay. Small settlements, presently or recently inhabited, are located on some of the alluvial fans at the mouths of rivers which enter Resurrection Bay south of Seward. (See U.S.G.S. quadrangle Seward (A7), minor revisions 1975).

Recommendations for additional studies

1) Stability of the steep submarine slopes at the site should be evaluted; such a study should include detailed bathymetric contouring and bottom sampling on the slopes.

2) In conjunction with the first recommended study, identification of subsurface deposits beneath the intertidal and subtidal flats at the site should be carried out by detailed sampling and logging of bore holes or drill holes. Factors to be evaluated in such a study should include porewater pressures, strengths of the various unconsolidated deposits, and presence of sediments which might be prone to liquefaction.

3) Any design plans for facilities at the site should address the potential for damage by seawave inundation, potential effects of flooding by the Resurrection River on operations at the site, and the potential for contamination of the bay due to continuous or periodic submergence of the site.

4) Currents and rates of sediment transport across the site should be determined, so that potential effects of structures on sediment erosion/deposition patterns on the intertidal and subtidal flats can be assessed.

B. Fourth of July Creek fan-delta (Site 2)

1) Submarine landsliding is reported to have occurred off Fourth of July Point in the 1964 earthquake; submarine slopes at any place around the seaward edge of the fan-delta may be prone to landsliding in future large earthquakes.

2) Overland access to the site could be costly to construct and maintain, due to steep slopes along most of the coastline between the site and the head of Resurrection Bay. Relatively flat ground is available along the mountainside at about 700' elevation, however.

3) Relatively steep slopes along the southern margin of the site appear to experience snow avalanches and locally channelized runoff during heavy rains.

4) Much of the site is within 30' of mean higher high water, and is thus subject to potential inundation by seawaves of the magnitude experienced after the 1964 earthquake.

Recommendations for additional studies

1) Stability of the steep submarine slopes at the seaward margin of the fan-delta should be evaluated; such a study should include detailed bathymetric contouring and bottom sampling on the slopes.

2) In conjunction with the first recommended study, identification of subsurface deposits beneath the intertidal and subtidal flats at the site should be carried out by detailed sampling and logging of bore holes or drill holes. Factors to be evaluated in such a study should include porewater pressures, strengths of the various unconsolidated deposits, and presence of sediments which might be prone to liquefaction.

3) On-land studies should include evaluation of the bearing capacity and stability of fan deposits by borings or drillings and strength determinations, evaluation of the maximum probable flood discharge and flooded

area on Fourth of July Creek, and evaluation of slope stability on the mountain slope adjacent to the site.

4) Any design plans for facilities at the site should address the potential for damage by seawave inundation, and the feasibility of constructing and maintaining physical access to the site from the head of Resurrection Bay if such access is required.

C) Lowell Point fan-delta (Site 3)

1) Submarine landsliding is reported to have occurred off Lowell Point during the 1964 earthquake; presumably the submarine slopes at any place around the seaward edge of the fan-delta may be prone to landsliding in the event of future large earthquakes.

2) Overland access to the site from Seward would be difficult to maintain, owing to the high probability of landslides along the present road and to the frequency of snow avalanches.

3) Much of the site is within 30' of mean nigher high water and is thus subject to potential inundation by seawaves of the magnitude experienced after the 1964 earthquake.

Recommendations for additional studies

1) The four recommended studies for Fourth of July Creek fan-delta (above) apply also to the Lowell Point fan-delta.

2) In particular, if access to the site is to be by overland road

B. Fourth of July Creek, Resurrection Bay (Site 2).

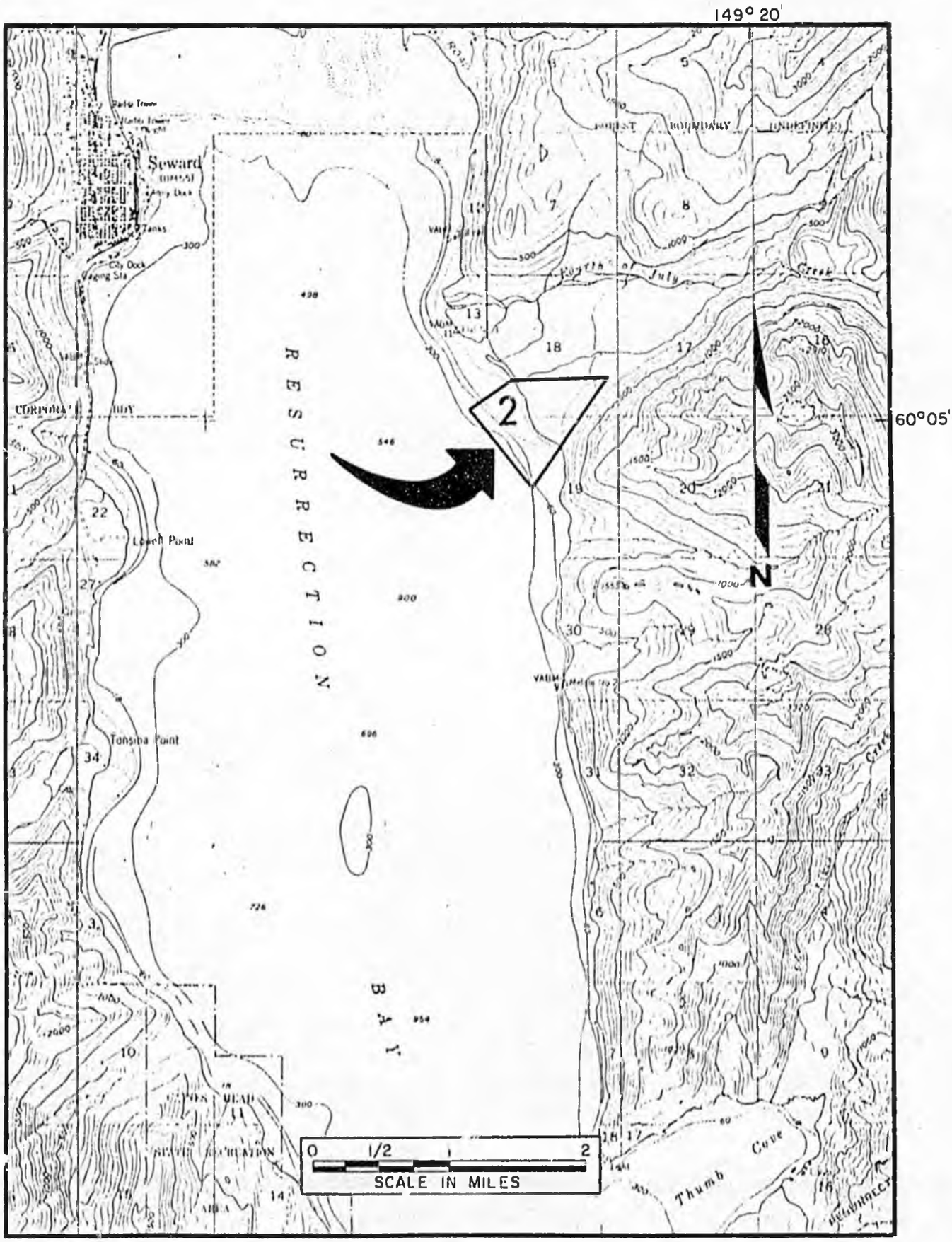

Figure 3. Location of Site 2.

SITE: Fourth of July Creek, Resurrection Bay

		FACTOR	FACTUAL DATA	INTERPRETATION OR COMMENT
B. CONSTRUCTION MATERIALS (CONT.)	3. Riprap	Locations of deposits	No data on physical properties of the bedrock adjacent to Fourth of July Creek are available. Armor rock for breakwaters at the Seward harbor was obtain from a quarry at the N end of Lowell Point (U.S.G.S. Prof. Paper 543-E, 1967, pg. E17).	The Lowell Point quarry site was chosen after testing of rock samples by the Corps of Engineers. It is likely that suitable rock (greywacke) can be found near to Fourth of July Creek, but a detailed site investigation and probably some testing of samples will be needed first.
		Estimated volumes of deposits	Detailed site investigation is required, to outline the volumes of suitable rock.	
		Potential problems of development	Speculative until specific deposits are outlined.	Steep bedrock slopes at the site may pose problems, due to potential rockfalls and landslides.
C. LAND CHARACTERISTICS	1. Mass movement	Areas of steep slopes	Bedrock slopes along the south margin of the site are variable, but may average 30° over distances of several hundred yards and may locally be nearly vertical.	See U.S.G.S. Seward (A-7) quadrangle. (Note: the average slopes along the coast between the site and the Resurrection River alluvial plain are 20° to 30° to elevations of 700'; any overland road access to the site would need to pass along or above such slopes.)
		Nature of materials underlying the steep slopes	Bedrock with local deposits of glacial drift, and mappable deposits of glacial drift above 600' elevation (U.S.G.S. Prof. Paper 542-E, 1967, Plate I).	At least one long "chute", tentatively identified as talus and/or an avalanche chute, was seen by DGGS personnel along the slopes immediately S of the site, emerging on the valley floor about 1/2 mi. inland from the coast.
		Types of mass movement on the slopes	Probably snow avalanches and rockfalls; possibly slides or flows, and/or slow movement of talus or alluvium in alluvial channels. Site specific data are not available to DGGS.	

PLEASE NOTE

THE ORGINAL FILE CONTAINS AN OVERSIZED DOCUMENT THAT IS UNSUITABLE FOR FILMING. PLEASE REFER TO THE ALASKA STATE ARCHIVES TO VIEW THE ORIGINAL.

DESCRIPTION:

ECOLOGIC MAP OF THE SEWARD AREA, ALASKA (XEROX COPY)

ALASKA DGGS PRELIMINARY EVALUATION, GEOLOGICAL FACTORS BEARING ON DEVELOPMENT AT FIVE SITES IN UPPER RESURECTION BAY
OCTOBER 1976

TO: Senator Orsini DATE: Feb. 3, 1977

FROM: Paul Conger RE: SJR9

The following is an account of Thomas Taggart's, citizen of Seward, opposition to SJR9.

1) He maintains that there is opposition to this annexation by Seward citizens. He supports this claim by the petition forwarded to this office and straw poll vote taken at one of the local hearings where 72.1% expressed opposition.

2) There are 8 permanent residents that reside on the proposed area to be annexed. (I mention this because the telegram forwarded by the City of Seward requesting support of SJR9 states that there are 0 residents in this area. Also, the city states there is no opposition to the Resolution which Taggart is ostensibly challenging.)

3) Taggart also brings to light that the environmentalists have expressed disfavor with the annexation because the area has been designated a critical habitat area (due to black bears) by the ADF&G. However, it should be noted that this area has not been formally classified by our legislature as a critical area. The "Friends of the Earth" are particularly opposed to the annexation.

4) He states that this area cannot be considered a viable tax base because most of the area is very rugged terrain and any kind of development would be prohibited.

5) Another claim regarding opposition, according to Taggart, dealing with development, is that roads presently constructed that would feed into the area if annexed, are considered almost impossible to maintain (supported by a report by the Division of Geological & Geophysical Surveys). Therefore, Taggart is claiming that this in itself would bar any access to the area.

6) Taggart, in referring to oil companies that have picked Seward as their base for O.C.S. operations, says they have not expressed an interest in this land but have selected small parcels next to the railroad which is already in the city limits. He feels that if any further oil companies take an interest in the Seward area, they will follow this precedent and choose not to situate in a wilderness area and incur the expenses of developing this area, especially since they would not be in the proximity of the railroad.

PC/js

TO: Senator Orsini DATE: Feb. 3, 1977

FROM: Paul Conger RE: SJR9

In response to Mr. Taggart's remarks regarding the report conducted by the Dept. of Natural Resources Geological and Geophysical Surveys, regarding construction of roads into the proposed area to be annexed. I contacted Jim Riley, geologist for the State, who did the report and asked him if there was any basis to the statements made by Mr. Taggart.

He commented that the work done was a preliminary study to determine what geological constraints should be taken into consideration if roads were constructed in the proposed area. He said the essence of his report regarding the above is as follows:

"Overland access to the site, could be costly to construct and maintain due to deep slopes along most of the coastline between the site and the head of Resurrection Bay. Relatively flat ground is available along the mountainside at about the 700' level, however" (this refers to the 4th of July Creek area that is to be annexed).

Riley stated that this report was requested by the Dept. of Natural Resources and did not infer that roads could not be built. The above was provided simply for them to consider. The expense of constructing the road could be subdued somewhat by going above the 700' level. However, you would have to incur the additional cost of constructing the road to that elevation.

PC/js

1-31-77

DR. CHAIRMAN:

I SEND THIS COPY* OF MY COMMENTS ON SJR9 FOR THE FEB. 3RD HEARING IN CASE THE ORIGINAL DID NOT ARRIVE.

THOMAS TAGGART
BOX 1195
SEWARD, AK.
99664

*(LESS 7 ATTACHMENTS)

Thomas Taggart
Box 1195
Seward, Ak. 99664

30 January, 1977

~~Representative [illegible]~~ SENATE COMM. ON COMMUNITY + REGIONAL AFFAIRS
Pouch V
Juneau, Alaska 99811

RE: Proposed Annexation of State Lands to the City of Seward

Dear Representative Smith:

Thank you for informing me of the forthcoming hearing in Juneau pertaining to Seward's attempt at annexation of State lands. I do have additional information which should be considered at that hearing.

The City Manager of Seward indicated to me that he had notice of the February 3rd hearing as early as Thursday, January 27th. Despite that, there have been no announcements via the local media informing the general citizenry that they could input testimony at that hearing. I believe this nonaction by the City Administration indicates that they are hoping to keep testimony at the hearing to a low key, and should be duly noted as an act contrary to the public interest.

The City of Seward has a 3 step plan to annex up to 65 square miles of State property. The Local Boundary Commission has twice scheduled & cancelled public hearings on step 2, the latest instance being on 1-6-77. Because of this, it is now apparent that only step 1 of the City's plan will be considered this year by the Legislature. I shall consequently attempt to limit my comments to step 1, or 4th of July Creek, as much as possible.

I have recently learned that the City Administration has sent a telegram to all State Legislators urging approval of this annexation proposal. Among other things, the telegram purportedly states that: 1) there are zero residents in the area to be annexed; 2) the majority opinion at the public hearing was in favor of the proposal. Both of those statements are patently false. There are eight (8) permanent residents in the area to be annexed, including four children, three of which attend Seward schools. Three of the adults of that area signed the petition which I sent to Legislators on 1-13-77, and the other one was vacationing "ou[illegible]side" when it was circulated.

At the public hearing on May 21st, 1976, six (6) private citizens gave testimony on the 4th of July Creek annexation proposal. The one citizen who spoke in favor of the proposal was a man who owns 120 acres of land there, although he does not live on that land. Also favoring the proposal were representatives of three local governmental bodies, i.e. Kenai Peninsula Borough Planning & Zoning Commission, Seward Planning & Zoning Commission, and the Kenai Peninsula Borough Mayor. The five citizens who expressed displeasure or outright opposition to the proposal lived on adjacent Resurrection Bay Road or within the area encompassed by step 2 of the City's piecemeal annexation plan. In rendering their decision immeaditely after the hearing (without playing back the tape recording), the Local Boundary Commission in section (2)(c) of their statement said that "The majority of the testimony at the public hearing was in favor of the annexation..." That was an untrue statement. Furthermore, "...the City's long range annexation plans..." as mentioned in section (2)(b) of the statement have become a moot point since the November 2nd election pertaining to this issue. That, of course, is providing that the City fathers honor the results of the straw poll which indicated that 72.1% of the total voters opposed annexation of steps 2 and 3 of the City's plan. Had the people been given a chance to vote on step 1 at that time, it is likely that it too would've suffered an ignominious setback. Most of us here believed that the LBC recommendation was binding and that step 1 was a lost cause.

Please note the attachments from the Alaska Division of Lands, Alaska Conservation Society, and Friends of the Earth. These letters raise the important issue of 4th of July Creek as a potential critical habitat area. This position is supported by the ADF&G's authoratative publication entitled "Alaska's Wildlife & Habitat," and is a very serious consideration in light of the City's desire to annex the area. That publication has been used extensively by the Corps of Engineers, BLM, and others in preparing Environmental Impact Statements. On page 60, column 1 of that publication the area in question is clearly defined as "critical habitat" for black bear, although it has not yet been formally designated as such by the Legislature. The area is also one of the best places for goat & bear hunting by local as well as non-local Alaskans. That status would be denied the area if it were within the Seward City limits.

Attached also is a copy of a letter from Councilmember Vincent to the local paper outlining some reasons why the City should not proceed with the step 2 annexation proposal. Some of his reasons, such as road maintenance along a vertical coastline would apply to step 1 as well as step 2. This position is elaborated upon in a recent (10-76) study done for the Department of Community & Regional Affairs by the Division of Geological & Geophysical Surveys. Their report is entitled "Preliminary Evaluation of Geologic Factors Bearing on Development in Upper Resurrection Bay." Among other negative factors which would discourage development at 4th of July Creek is the stated opinion that the present gravel road which extends in that direction would be impossible to maintain, thus effectively barring land access to the area unless a prohibitively expensive road was constructed at the 700 foot elevation of the mountain. Due to tidal erosion the existing road is now about 1½ miles shorter than depicted on the most recent topographic map, which is 27 years out of date. That road now effectively terminates in Section 1, T.1S, R.1W.

This same report describes the extent of Exxon's involvement here at 2.6 acres. This parcel is near the Alaska Railroad and Seward Highway where Exxon expedites pipe for their oil rig which will drill near Yakataga. The other company interested in Seward as an O. C. S. base has leased 3 acres within the existing City limits. These are very logical site selections and would certainly indicate a precedent for any future companies. The one thing which Seward has going for it is its highly accessible existing transportation facilities. What we are dealing with here is a blatant land grab attempt by the City of Seward, with little or no justification whatever. The people of this area recognized this land grab for what it was on November 2nd and resoundingly said No! We ask that the Legislature echo our sentiments by passing a joint resolution overriding the Local Boundary Commission recommendation.

In closing I make note that Mr. Oscar Bailey has asked to have his name withdrawn from the petition which I circulated, due to a misunderstanding on his part as to the scope of it. It should also be noted that Mr. Herman Leirer of the Seward Planning & Zoning Commission is now circulating his own petition asking people to support the 4th of July Creek annexation proposal. Furthermore, Mr. Willard Midby of Seward is circulating yet another petition asking people to reaffirm that they are supportive of the petition which I mailed to Legislators on 1-13-77.

Whatever the outcome of all these petitions, it should be obvious that grassroots democracy is presently flourishing in the Seward area, and a very healthy climate now exists for a Local Boundary Commission hearing on any proposed annexation attempts by the City of Seward. This climate did not exist last May 21st when the LBC was here, as witnessed by the very small turnout for that hearing. At the very least we are entitled to another public hearing on this highly controversial matter. The Local Boundary Commission recommendation should be overturned.

Sincerely,

Thomas Taggart

PS. I SPOKE WITH MR. MIDBY TODAY AND HIS PETITION WHICH WAS SENT IN ON 1.31.77 HAD ABOUT 175-180 SIGNATURES OPPOSING THE 4TH OF JULY CREEK ANNEXATION.

FRIENDS OF THE EARTH

1895 PIONEER WAY

FAIRBANKS, ALASKA 99701

(907) 479-3684

JIM KOWALSKY, *Alaska Representative*

January 25, 1977

Testimony regarding Seward land annexation

To be submitted in a hearing, January 31, 1977:

Friends of the Earth opposes annexation of the area known as "Fourth of July Creek" by the City of Seward.

The Alaska Department of Fish and Game, in its publication "Alaska's Wildlife and Habitat" has recommended this area and similar landforms within the game management unit as essential habitat for black bear. Also, the offshore waters provide habitat for several species of marine mammals.

We oppose the change in land status because the wildlife values in the area are best protected by leaving the land in a natural state.

Submitted By:

Jim Kowalsky
Alaska Field Representative

TO: Senator Orsini DATE: Feb. 3, 1977

FROM: Paul Conger RE: SJR9

I talked to Ronald Skoog, Chief Habitat Protection Service, Dept. of Fish and Game, and he said that the Fish and Game's position in reference to the annexation of territory in the Seward area is as follows:

1) The Fish and Game Dept. has no objection to the above referenced annexation.

2) The Fish and Game Dept. has no intention of declaring the area at issue a "critical habitat area".

PC/js

31 JAN, 1977

REPRESENTATIVE SALLY SMITH
POUCH V, JUNEAU, AK 99811

DEAR MS. SMITH:

ATTACHED FIND A COPY OF MY COMMENTS ON THE SEWARD LAND ANNEXATION PROPOSAL; THE ORIGINAL WAS SENT TO THE SENATE COMMUNITY + REGIONAL AFFAIRS COMMITTEE.

I DO HAVE AN ADDITIONAL BIT OF INFORMATION OF GREAT IMPORTANCE WHICH I ASK YOU TO INCLUDE IN THE HEARING RECORD. ---- AS NOTED ON PAGE 2, PARAGRAPH 4 OF THE ATTACHMENT, MR. WILLARD MIDBY OF SEWARD HAS CIRCULATED A PETITION ASKING PEOPLE TO REAFFIRM THAT THEY ARE OPPOSED TO THE 4TH OF JULY CREEK ANNEXATION. OVER THE PAST FEW DAYS, MR. MIDBY AND MR. ED ZIMMERMAN HAVE COLLECTED APPROXIMATELY 200 SIGNATURES ON THAT PETITION. THEY WILL HOPEFULLY HAVE MAILED IT TO YOU IN TIME FOR CONSIDERATION AT THE HEARING ON FEBRUARY 3RD. I BELIEVE THAT THEIR PETITION SPEAKS VOLUMES ABOUT THE PUBLIC OUTRAGE CONCERNING THIS ISSUE.

SINCERELY,

Thomas Taggart

THOMAS TAGGART
BOX 1195
SEWARD, AK 99664

31 JAN, 1977

Thomas Taggart
Box 1195
Seward, Ak. 99664

30 January, 1977

COPY

Senate Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

RE: Proposed Annexation of State Lands to the City of Seward

Dear Chairman Orsini:

Thank you for informing me of the forthcoming hearing in Juneau pertaining to Seward's attempt at annexation of State lands. I do have additional information which should be considered at that hearing.

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Sincerely,

Thomas Taggart

Attachments (7)
cc: Representative Bettye Smith w/o attachments

Thomas Taggart
Box 1195
Seward, Ak. 99664

30 January, 1977

Senate Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

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Thank you for informing me of the forthcoming hearing in Juneau pertaining to Seward's attempt at annexation of State lands. I do have additional information which should be considered at that hearing.

The City Manager of Seward indicated to me that he had notice of the February 3rd hearing as early as Thursday, January 27th. Despite that, there have been no announcements via the local media informing the general citizenry that they could input testimony at that hearing. I believe this nonaction by the City Administration indicates that they are hoping to keep testimony at the hearing to a low key, and should be duly noted as an act contrary to the public interest.

The City of Seward has a 3 step plan to annex up to 65 square miles of State property. The Local Boundary Commission has twice scheduled & cancelled public hearings on step 2, the latest instance being on 1-6-77. Because of this, it is now apparent that only step 1 of the City's plan will be considered this year by the Legislature. I shall consequently attempt to limit my comments to step 1, or 4th of July Creek, as much as possible.

I have recently learned that the City Administration has sent a telegram to all State Legislators urging approval of this annexation proposal. Among other things, the telegram purportedly states that: 1) there are zero residents in the area to be annexed; 2) the majority opinion at the public hearing was in favor of the proposal. Both of those statements are patently false. There are eight (8) permanent residents in the area to be annexed, including four children, three of which attend Seward schools. Three of the adults of that area signed the petition which I sent to Legislators on 1-13-77, and the other one was vacationing "outside" when it was circulated.

At the public hearing on May 21st, 1976, six (6) private citizens gave testimony on the 4th of July Creek annexation proposal. The one citizen who spoke in favor of the proposal was a man who owns 128 acres of land there, although he does not live on that land. Also favoring the proposal were representatives of three local governmental bodies, i.e. Kenai Peninsula Borough Planning & Zoning Commission, Seward Planning & Zoning Commission, and the Kenai Peninsula Borough Mayor. The five citizens who expressed displeasure or outright opposition to the proposal lived on adjacent Resurrection Bay Road or within the area encompassed by step 2 of the City's piecemeal annexation plan. In rendering their decision immediately after the hearing (without playing back the tape recording), the Local Boundary Commission in section (2)(c) of their statement said that "The majority of the testimony at the public hearing was in favor of the annexation..." That was an untrue statement. Furthermore, "...the City's long range annexation plans..." as mentioned in section (2)(b) of the statement have become a moot point since the November 2nd election pertaining to this issue. That, of course, is providing that the City fathers honor the results of the straw poll which indicated that 72.1% of the total voters opposed implementation of steps 2 & 3 of the City's plan. Had the people been given a chance to vote on step 1 at that time, it is likely that it too would've suffered an ignominious setback. Most of us here believed that the LBC recommendation was binding and that step 1 was a lost cause.

Please note the attachments from the Alaska Division of Lands, Alaska Conservation Society, and Friends of the Earth. These letters raise the important issue of 4th of July Creek as a potential critical habitat area. This position is supported by the ADF&G's authoratative publication entitled "Alaska's Wildlife & Habitat," and is a very serious consideration in light of the City's desire to annex the area. That publication has been used extensively by the Corps of Engineers, BLM, and others in preparing Environmental Impact Statements. On page 60, column 1 of that publication the area in question is clearly defined as "critical habitat" for black bear, although it has not yet been formally designated as such by the Legislature. The area is also one of the best places for goat & bear hunting by local as well as non-local Alaskans. That status would be denied the area if it were within the Seward City limits.

Attached also is a copy of a letter from Councilmember Vincent to the local paper outlining some reasons why the City should not proceed with the step 2 annexation proposal. Some of his reasons, such as road maintenance along a vertical coastline would apply to step 1 as well as step 2. This position is elaborated upon in a recent (10-76) study done for the Department of Community & Regional Affairs by the Division of Geological & Geophysical Surveys. Their report is entitled "Preliminary Evaluation of Geologic Factors Bearing on Development in Upper Resurrection Bay." Among other negative factors which would discourage development at 4th of July Creek is the stated opinion that the present gravel road which extends in that direction would be impossible to maintain, thus effectively barring land access to the area unless a prohibitively expensive road was constructed at the 700 foot elevation of the mountain. Due to tidal erosion the existing road is now about 1½ miles shorter than depicted on the most recent topographic map, which is 27 years out of date. That road now effectively terminates in Section 1, T.1S, R.1W.

This same report describes the extent of Exxon's involvement here at 2.6 acres. This parcel is near the Alaska Railroad and Seward Highway where Exxon expedites pipe for their oil rig which will drill near Yakataga. The other company interested in Seward as an O. C. S. base has leased 3 acres within the existing City limits. These are very logical site selections and would certainly indicate a precedent for any future companies. The one thing which Seward has going for it is its highly accessible existing transportation facilities. What we are dealing with here is a blatant land grab attempt by the City of Seward, with little or no justification whatever. The people of this area recognized this land grab for what it was on November 2nd and resoundingly said No! We ask that the Legislature echo our sentiments by passing a joint resolution overriding the Local Boundary Commission recommendation.

In closing I make note that Mr. Oscar Bailey has asked to have his name withdrawn from the petition which I circulated, due to a misunderstanding on his part as to the scope of it. It should also be noted that Mr. Herman Leirer of the Seward Planning & Zoning Commission is now circulating his own petition asking people to support the 4th of July Creek annexation proposal. Furthermore, Mr. Willard Midby of Seward is circulating yet another petition asking people to reaffirm that they are supportive of the petition which I mailed to Legislators on 1-13-77.

Whatever the outcome of all these petitions, it should be obvious that grassroots democracy is presently flourishing in the Seward area, and a very healthy climate now exists for a Local Boundary Commission hearing on any proposed annexation attempts by the City of Seward. This climate did not exist last May 21st when the LBC was here, as witnessed by the very small turnout for that hearing. At the very least we are entitled to another public hearing on this highly controversial matter. The Local Boundary Commission recommendation should be overturned.

Sincerely,

Thomas Taggart

PS: THE ABOVE MENTIONED PETITION BY WILLARD MIDBY (BACK ED ZIMMERMAN) IN SUPPORT OF MY PETITION ALREADY HAS NEARLY 200 SIGNATURES. 1/31/77

Attachments (7)

CC: Representative Sally Smith w/o attachments

"Don't annex" say voters

THE SEWARD PHOENIX LOG

Vol. XI, No. 7 * Thursday, November 4, 1976 * Seward, Alaska 99664 * Price: 20 Cents

Results of an annexation straw poll taken during the state and federal election Tuesday showed conclusively that people both inside and outside the city limits of Seward reject annexation of both the Lowell Point area (south portion), and the Bear Creek, Salmon Creek area (north portion). Annexation of the two areas was considered by the City to help bring about planned and orderly growth of the entire Seward area. Mayor Neve, some members of Council and the city administration feel that the Gulf of Alaska oil exploration and drilling will greatly impact the community and fear that unplanned growth might be dangerous to the entire area.

The people, however, expressed definitely negative feelings about annexation--at least at this time. The vote was not a formal one, but conducted in conjunction with the election in progress and drew "poll watchers" from the outlying areas where residents are adamently opposed to annexation.

Seward Precinct 1 voted 71 yes to 115 no on annexation of the Lowell Point area, and 63 yes and 124 no on the north portion annexation. Seward Precinct 2 voted 119 yes to 215 no on Lowell Point, 102 yes and 234 no on annexation of the Bear Creek, Salmon Creek area. As might be expected, Bear Creek Precinct voters turned out in force and expressed more disfavor toward annexation than their neighbors inside the city. Bear Creek tallies were 35 yes to 164 no for Lowell Point annexation and 13 yes to 192 no on the Bear Creek, Salmon Creek proposal.

The vote followed two months of controversy and meetings between the Council and representatives of the people residing outside the city limits. An aggressive anti-annexation campaign had been waged the last week by the Bear Creek League, as some [illegible] residents call

Area follows statewide trend in balloting

Fifty four percent of the registered voters turned out in Seward Precincts 1 and 2 to vote in the federal and state election held Tuesday. Area voters followed closely the state trends, supporting President Ford and Congressman Don Young and voting along state lines for the various bonds and propositions on the ballot.

The two Seward precincts and Bear Creek precinct gave President Ford 403 votes to 289 for Jimmy Carter. Libertarian candidate MacBride received 52 votes.

Area voters gave Congressman Don Young 556 votes to 196 for Eben Hobson in Hobson's bid to unseat Young.

State Senator Jalmar Kerttula got a healthy 547 votes to Jean Marsh's 191. Running unopposed to retain his seat as this District's representative in the Legislature, Keith Specking received 626 votes.

Area voters gave Willow the most votes for the capital relocation site with 420 votes to 124 for Larson Lake and 96 for Mount Yenlo.

[illegible] No. 1 "Action on

Teachers to vote bargaining agent

by Katherine Parker

With the Board in the middle, and the Kenai Peninsula Education Association and Kenai Peninsula Federation of Teachers vying to represent the teachers as bargaining agent, the Board's arrangements for an election November 4 left nobody happy at the School Board meeting Monday night.

An executive session to consider a grievance from KPEA brought a protest from attorney Ted Carson, representing the KPFT, who asked that the KPFT join the session since the grievance pertained to the election. Though the grievance concerned neither borough finances or personalities, the contract agreement

Tom Murphy, KPEA president, first asked the Board to hold off on setting an election until July 1977 "as per the negotiations agreement with KPEA." After a motion was passed for the election, he then asked that the election be held in abeyance until "adequate appeal of the grievance and resolution is accomplished," referring to a third-party appeal and resolution.

The Board, however, also rejected this request.

As set up the teachers would vote from 3 p.m. to 6 p.m. with Borough Clerk Frances Brymer in charge of the election.

All principals and administrators would be voting with a yellow ballot, as their right to be part of the election as KPEA members has been challenged by the KPFT. This would make it handy to discount these ballots should this legal technicality later be decided in favor of the KPFT. On

teacher-of-the-year was selected.

By reducing the hallway area including the foyer, and providing an elevator rather than ramps for handicapped use of the second floor, the $650,000 was subtracted from the $2.8 million plan for expanding the school.

Though the administration felt the original plan was legitimate as the first phase for the 9-classroom project, allowing for later additions, the reduced cost "could make a difference in whether the project passes the bond issue," said Supt. Paul Gallaher. "The savings could be translated into additional construction in the Homer area," he added.

A Mr. Hackett, architect on the Homer Hospital, said, "There is a lot of sentiment in Homer about completion of the middle school."

Keith Simons, a teacher at the Bob Bartlett school in Tyonek for the past seven years, was named

THE FOLLOWING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF LANDS 323 E 4TH AVENUE - ANCHORAGE 99501

June 3, 1975

Thomas Taggart
P. O. Box 1195
Seward, Alaska 99664

Dear Mr. Taggart:

Please excuse our tardiness in answering your inquiry.

After researching the land records of the area known as Fourth of July Valley, it is found that it has not yet been classified as a critical habitat area. The area has been suggested to the legislature as a critical habitat area by the Department of Fish & Game.

Therefore, there are at this time no stipulations other than our classifications as to its use.

Again we apologize for any inconvenience this delay may have caused you.

If we may be of further service please contact us.

Sincerely,

Charles P. Albrecht

Charles P. Albrecht
Information Officer
Alaska Division of Lands

THE PRECEDING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

FRIENDS OF THE EARTH

1895 PIONEER WAY

FAIRBANKS, ALASKA 99701

(907) 479-3684

JIM KOWALSKY, *Alaska Representative*

January 25, 1977

Testimony regarding Seward land annexation

To be submitted in a hearing, January 31, 1977:

Friends of the Earth opposes annexation of the area known as "Fourth of July Creek" by the City of Seward.

The Alaska Department of Fish and Game, in its publication "Alaska's Wildlife and Habitat" has recommended this area and similar landforms within the game management unit as essential habitat for black bear. Also, the offshore waters provide habitat for several species of marine manmals.

We oppose the change in land status because the wildlife values in the area are best protected by leaving the land in a natural state.

Submitted By:

Jim Kowalsky
Alaska Field Representative

THE FOLLOWING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

January 17, 1977

Representative Hugh Malone
Pouch V
Juneau, Ak. 99811

Dear Hugh:

The Boundary Commission has recommended that the City of Seward be allowed to annex an area known as 4th of July Creek. This matter goes to the legislature to be either approved or disapproved.

The members of the Kachemak Bay Conservation Society recognize that the 4th of July Creek area is highly valuable for ~~salmon spawning~~, black bear habitat, and recreational use, and that it is being considered for critical habitat status. We do not believe that its best use is for annexation and industrial development.

In addition, the Boundary Commission's decision apparently contains some erroneous statements regarding testimony at a public hearing, and we believe that its recommendations are contrary to the will of the citizens of Seward and the surrounding area.

To disapprove this boundary change, a resolution passed by both houses is necessary. We ask that you sponsor such a resolution and give it your strong support.

Sincerely,

Nancy Lord
President

BOX
ALASKA HOMER COMMERCIAL
ALASKA
99603
SOCIETY

THE PRECEDING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

SEWARD PHOENIX LOG

10-28-76

Letters TO THE EDITOR

Letter to Editor

The citizens of Seward will be given the opportunity to voice their opinion via the ballot box on November 2 showing how they feel about the city's present plans on annexation.

As a member of the City Council I would of neccessity weigh the outcome very seriously if the citizens were properly informed on this issue. At the moment I'm convinced they are not, because I do not believe the city has addressed itself to all the pro's and con's of this most ambitious move on the part of the city of Seward since its founding.

The proposed annexation to the south of the city, if successful, represents an area at least three times as large as our present boundaries; a large part of which is vertical coastline. Very little of this can be utilized by industry or residents.

I shudder to think of a school bus full of children traveling over the present road during the spring because of snowslides. What would be the city's legal position if a severe accident did happen? Heck! I wouldn't permit a child of mine to travel the present road come next spring. If we assume responsibility and attempt to bring it up to first class status, it could be a severe financial drain that would threaten the city's bonding position. At present, we have other problem of a much higher priority.

The city may be successful in annexing this area because there are few residents to oppose it; however, I feel we will impoverish the city for years to come if we do.

The area to the north upon which the city has been slathering for as long as ten years is a potential powder keg of dissent. When they raise the oft repeated question; what's in it for us, there seems to be no reasonable answers.

At present I don't believe the city can tell these prospective new citizens what their taxes might be. Will they have additional fire protection? Will trailers still be permitted? How about the city's present ordinance on animals; will it apply equally? Will the electric surcharge be dropped? Who will maintain the roads in the area? How much additional revenue will be generated for the city? Will it purchase additional street maintenance equipment? Can it support more police officers? Can our present ordinances have a double standard? I don't think they can nor should they.

Until it was recently agreed upon to give the citizens of Seward a chance to vote on this issue I felt we were holding every citizen in contempt, they may not favor this power play.

I feel our present course is not based upon sound reasoning and business sense. It can do nothing but self destruct if finalized. We have failed to get our facts up front. Our desire to complete this move is based entirely upon what a few think or hope will happen. At present there are no firm commitments in hand. The negative side of this issue is right up front. We cannot afford it at this time. We have not convinced many that we can, nor have we established a critical need to do so.

If at this late date annexation is not the topic of the day we had better turn off the T.V. and get turned on about what's happening here in town. I admit the city may acquire a few more assets, but frankly it's our added liabilities that scare me to death. If you are not up to date on annexation I suggest you pick up the phone and call your Council people. Call anyone except me. Shucks, I'm still trying to find something out myself.

Respectfully,
Bill Vincent

Letter to Editor

Salmon hatcheries can business for all Ala quote Dr. William world-recogni salm

Letter to

RE: limited Entry

As a longtime Ala boat and gea years) and as a Limited Entry F somewhat to say

It is my studi Limited Entry dastardly breac great bastion of free enterprise should be totally polls by those America, free e. mocracy and last Alaska, the Last Fro

Remember that all and Communist domin. ties have limited enti about that.

I will not attempt to ex all the inequities and in in the present situ sake of brevity w

One of our now well forward second family which dau. have bo ts three a.. respective. fishermen w fished and ow and pe.. because years he in Viet N

There ar in our own co ous to menti to the total would be i. long as one qualify has person wh Limited WE th do it

To t say t who

NATIONAL NEWSPAPER
Free Press
RIVA SHUSTAINING
MEMBER — 1977

THE FOLLOWING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

[illegible] Resurrection Bay. The report [illegible] a review of the available literature and a brief inspection of sites near the head of Resurrection Bay by DGGS personnel.

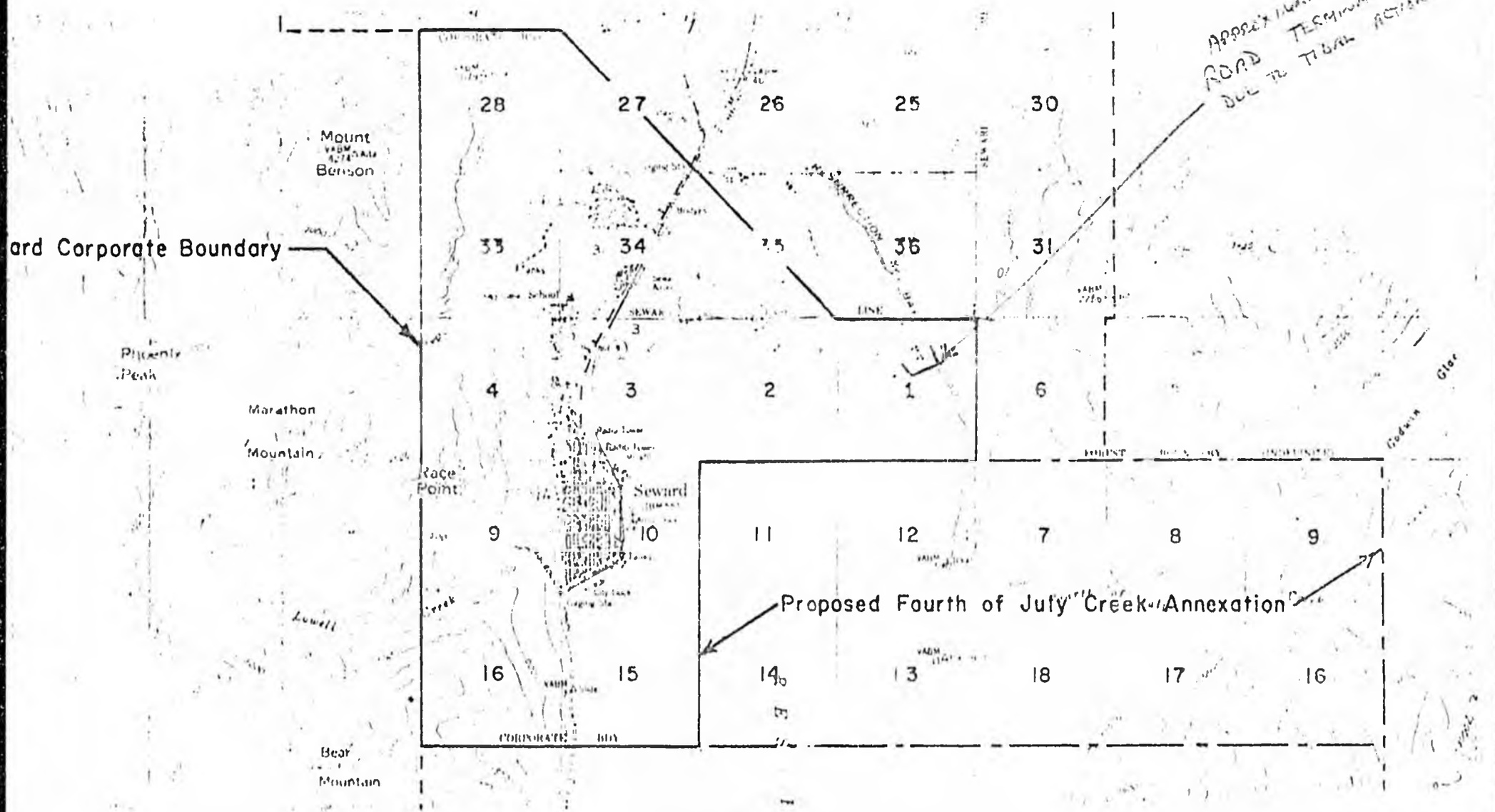
THE 4 SITES ARE: (1) 4TH OF JULY (2) THOMPSON (3) LUNDELL (4) END OF BAY

The essence of this report is that significant geologic constraints, in particular [illegible] slope stability and potential for inundation by seawaves, are present at 4 of the 5 sites considered here. As indicated by the tables in Section VI, there are presently not adequate data available for many of the geologic factors upon which to base site-specific conclusions regarding potential effects of the geologic factors on construction and operations at the sites. However, it is not the intent of this report to recommend or imply that planning for utilization of lands adjacent to upper Resurrection Bay cannot be undertaken due to geologic factors. Rather, the purpose of the report is to list the geologic factors which should be considered during planning, and to suggest where additional data are required for a more complete evaluation of each factor.

II. SCOPE AND PURPOSE OF REPORT

The Division of Geological and Geophysical Surveys personnel visited upper Resurrection Bay to inspect potential sites [illegible] facilities for three days in October of 1976. [illegible] investigation was [illegible] the Department of Community and Regional Affairs. Because of [illegible] was able to supply site inspections [illegible] and to [illegible] of the coastline was made by air charter. Due to limitations of [illegible] this report includes only those factors which are [illegible]

THE PRECEDING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.


ard Corporate Boundary
Proposed Fourth of July Creek Annexation
APPROX. RTE. OF TERMINATION ROAD DUE TO TRIBAL ACTION
Mount Benson
Phoenix Peak
Marathon Mountain
Race Point
Seward
Bear Mountain
28
27
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4
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TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU, ALASKA 99801

#

977 JAN 25 PM 9 06

16035 NL SEWARD ALASKA 01-25 100P AST

PMS JOSEPH L ORSINI 988

POUCH V MAIL STOP 3100

JUNEAU

URGE YOUR SUPPORT OF PETITION FROM THE CITY OF SEWARD REQUESTING ANNEXATION OF A TERRITORY KNOWN LOCALLY AS FOURTH OF JULY CREEK AREA TO THE CITY OF SEWARD THAT WAS FILED WITH THE COMMISSIONER OF THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS IN ACCORDANCE WITH TITLE 29 AND 44 OF THE ALASKA STATUES AND TITLE 19 ALASKA ADMINISTRATIVE CODE. THIS AREA SPECIFICALLY UNDER CONSIDERATION HAS BEEN IDENTIFIED BY THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS AS AN AREA THAT MEETS ALL THE PERTINENT CRITERIA FOR DEVELOPMENT OF A SERVICE BASE THAT COULD SUPPORT THE GULF OF ALASKA OIL AND GAS DEVELOPMENT. THIS ANNEXATION IS A POSITIVE APPROACH TOWARDS RESPONDING TO GROWTH AND DEVELOPMENT IN AND AROUND THE CITY OF SEWARD. THE MAJORITY OF THE TESTIMONY AT PUBLIC HEARING WAS IN FAVOR OF ANNEXATION WITH NO OWNERS OF PROPERTY WITHIN THE ANNEXATION AREA REGISTERING OPPOSTIION. THE NUMBER OF RESIDENTS IN THE TERRITORY TO BE ANNEXED IS PRESENTLY ZERO. THANK YOU FOR YOUR SUPPORT.

CITY COUNCIL

CITY OF SEWARD

February 2, 1977

The Honorable Lisa Rudd
Chairman
Committee on Community and Regional Affairs
Alaska House of Representatives
Juneau, Alaska 99811

Dear Madam Chairman:

The matter of the Fourth of July Creek annexation is tremendously important to the future welfare and development of Seward. Attempts have been made to dismiss the importance of this area as it relates to the OCS impact this community is experiencing, and I am confidnt will continue to experience over the next several years. As the owner of by far the largest tract of private property within the annexation area, let me assure you that nothing could be further from the truth.

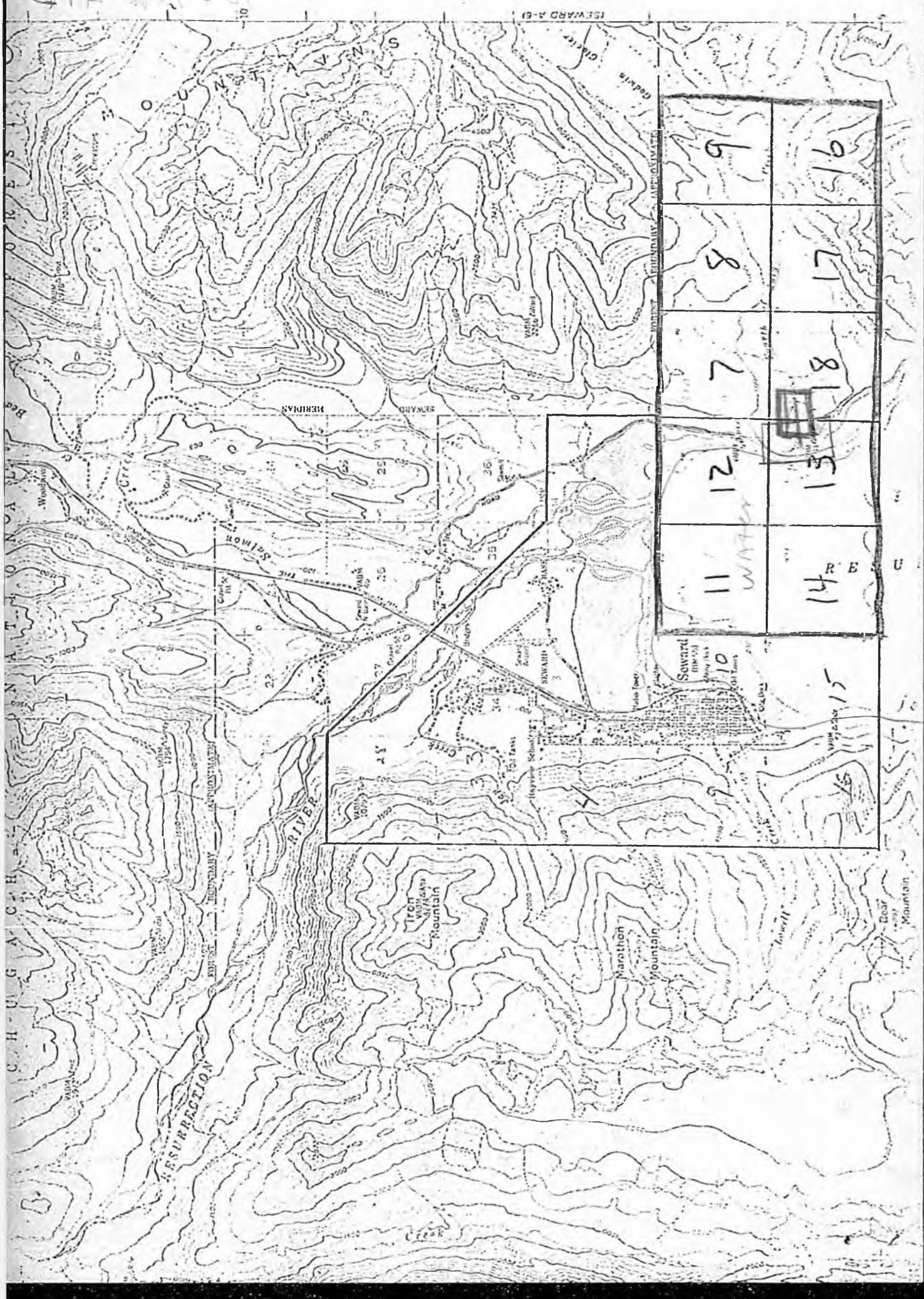
Alaska OCS oil exploration is already underway, and with this country's very serious energy crisis, the full and complete development of this source of petroleum and natural gas will occur. Ports with the benefits of Seward's are hard to find most places and this is particularly true in Alaska. Accordingly, it doesn't take very much foresight to realize that Seward in not going to be able to avoid sizeable OCS impact.

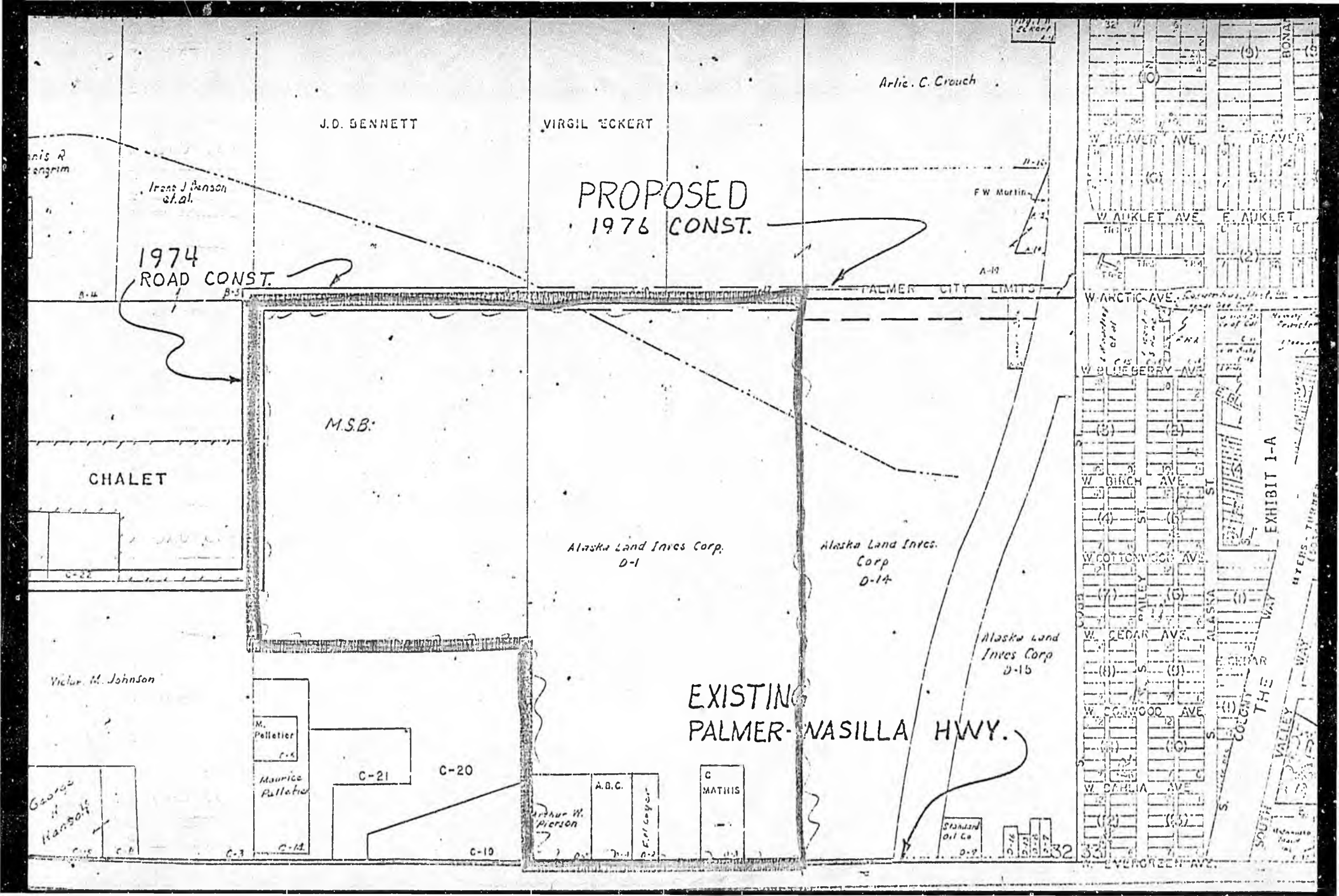
The Fourth of July Creek area is going to be developed. Seward is going to be called on to provide services for the area, but without having the area for a tax base this will be an insurmountable burden. I can see no purpose that would be served by denying annexation of this area. I urge the Committee's full support and approval of the City's petition.

Sincerely,

Dale Lindsey
HARBOR FUEL SERVICE

Seward (A-7) Quadrangle


SEWARD (A-6)
MOUNTAINS
Glacier
Godwin
Peak
Peak
Peak


J.D. BENNETT
VIRGIL ECKERT
Arlie. C. Crouch
Irene J Benson et al.
PROPOSED
1976 CONST.
1974
ROAD CONST.
F W Martin
PALMER CITY LIMITS
W. ARCTIC AVE.
W. BLUEBERRY AVE.
W. BIRCH AVE.
W. COTTONWOOD AVE.
W. CEDAR AVE.
W. DAHLIA AVE.
EVERGREEN AVE.
BEAVER
W. AUKLET AVE.
E. AUKLET
BAILEY ST.
ALASKA WAY
COLONY THE
VALLEY
SOUTH
EXHIBIT 1-A
M.S.B.
CHALET
Alaska Land Invcs Corp. D-1
Alaska Land Invcs. Corp D-14
Alaska Land Invcs Corp D-15
Victor M. Johnson
EXISTING
PALMER-WASILLA HWY.
M. Pelletier
Maurice Pelletier
C-21
C-20
C-19
C-14
C-3
George H Hanson
A.B.C.
C MATHIS
Arthur W. Pierson
Standard Oil Co
C-22
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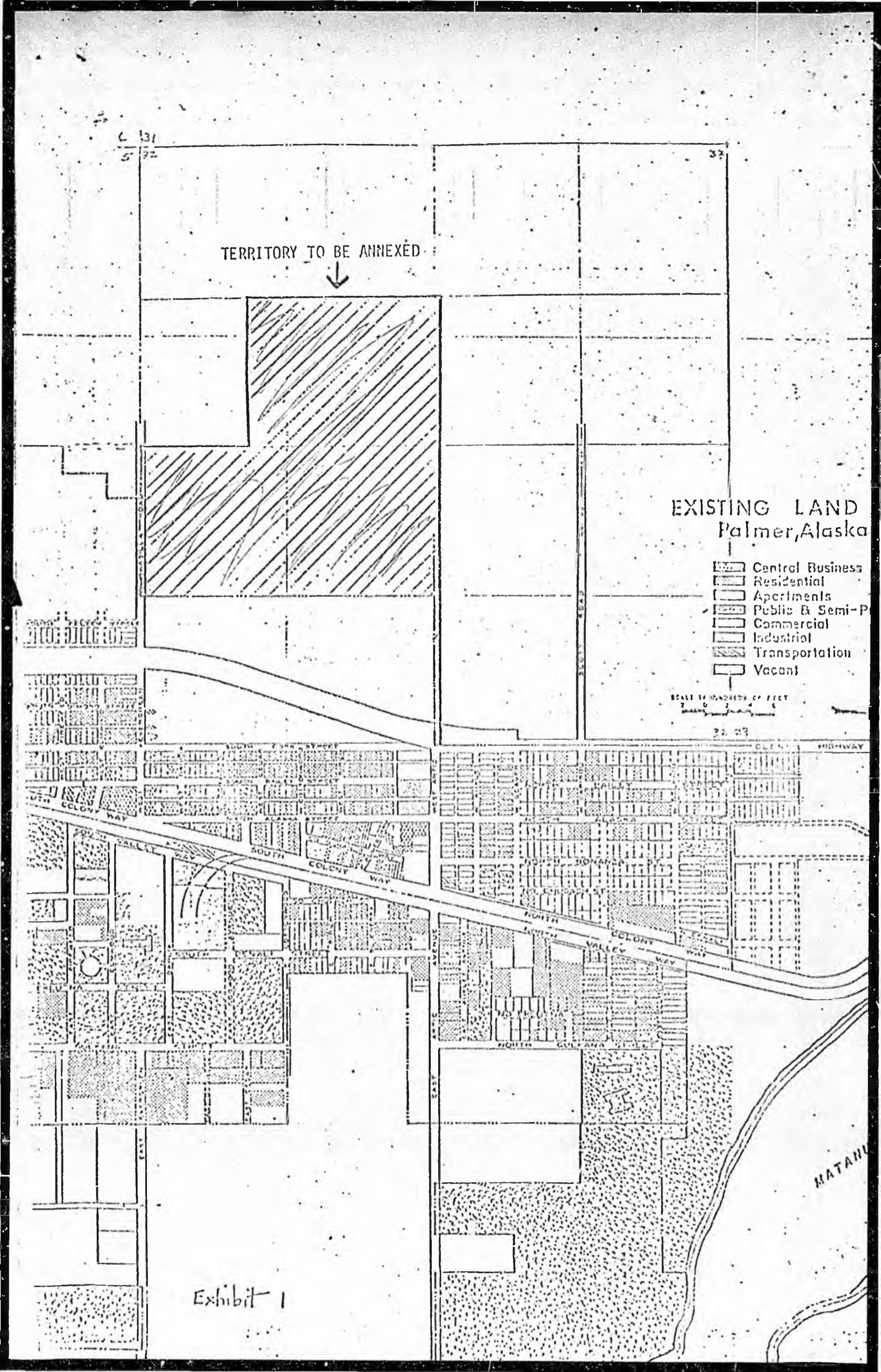

TERRITORY TO BE ANNEXED
EXISTING LAND
Palmer, Alaska
Central Business
Residential
Apartments
Public & Semi-P
Commercial
Industrial
Transportation
Vacant
SOUTH COLONY WAY
NORTH COLONY WAY
GLENN HIGHWAY

Exhibit 1

Alaska State Legislature

House

JUNEAU ALASKA

January 31, 1977

Memo to: Members of C & R A

Re: Statements made on the black bear critical habitat subject during deliberations on Seward annexation

From: Sally Smith

A call was placed to Tom Trent, at Dept. of Fish and Game, Anchorage, to get his comments on the classification of Fourth of July Creek. (This in response to the Friends of the Earth letter on the subject). Mr. Trent states that although the Dept. of Fish and Game "Blue Book" refers to the area as critical habitat, it is not done so in a manner that would intend that the area be officially designated by the Legislature as a "Critical Habitat"

Continuing, Trent stated that Fish and Game had never, to his knowledge verbally referred to the Fourth of July Creek area as a critical habitat either during the background of the timber industry in the area or the OCS site research.

When asked whether he would please send a memo to my office with the above information, Trent referred me to Mr. Ron Scoug (sp.?) Chief of Habitat Protection, here in Juneau. Mr. Scoug was contacted, and is preparing a statement, which will first be sent to the Governor's office--via Mike Whitehead. A copy will then be turned over to the committee.

Additional pertinent information is attached.

Memo to: Committee Members, C. and R. A.

From: Office of Sally Smith

Date: Feb. 2, 1977

Re: Conversation with Dr. Richard Neve, Mayor of Seward, on January 25, 1977, on the annexation of lands to Seward.

Dr. Neve said that only Fourth of July Creek was to be annexed, but that many who signed the Taggart petition were under the impression that areas to the north and south were also being annexed.

Each land owner in the FJ area has been polled and is pro-annexation, according to Neve. Because of the furor, a straw poll was taken within the community on the north-south possibilities and annexation there went down 2 to 1. He said no one opposed the current FJ annexation. Further, he said that a couple of people are sorry they signed the petition, saying the issue had been misrepresented.

Oil companies are already coming into Seward and Neve believes one to already be locating in the proposed annexed area. He states that regardless of community and special interest response, development will occur and it is important that Seward be able to tax.

Recommended reading--SEWARD CONCEPT PLAN by Kramer, Chin and Mayo.

Neve says that an attempt will be made to have a representative present at the hearings.

Memo to: Committee Members, C. and R. A.

From: Office of Sally Smith

Date: Feb. 2, 1977

Re: Interpretation of "essential habitat" as used in the "Alaska's Wildlife and Habitat" book, put out by the Alaska Dept. of Fish and Game.

Pg. 56--- SPECIFIC HABITAT CONSIDERATIONS

"A few critical areas of spring concentrations are shown on the maps because of their size and traditional use by bears. In addition, many other south facing slopes are important early spring use areas due to early emerging grasses, sedges, horsetails, false hellebore, and herbs. Horsetails and foliage of salmonberry, cranberry and blueberry are used extensively in some areas. During summer and fall, bears switch to diets of mostly salmon and berries.

Black bear population levels in this area fluctuate a great deal year to year. This is probably because severe winters or late springs have serious effects on denning success, cub survival, and post-denning adult survival in areas where good habitat is limited.

The overlap of critical habitat for both brown and black bears in the unit demonstrates the two species do tolerate each other in some instances.

More likely, denning periods are similar to those of brown bears in the same areas. Denning usually begins by late October and lasts through April. Males and single bears seem to den later and emerge earlier than do sows with cubs.

RECOMMENDATIONS

Protection of habitat in spring concentration areas, maintenance of salmon stocks and preservation of alpine and subalpine zones are necessary to proper black bear management. When logging occurs, small clearings are more beneficial to black bears than are larger ones. The release of berry-producing plants by the selective removal of mature timber should be considered when timber cuts are designed. "

Under the Brown Bear Section,
LAND USE CONSIDERATIONS AND RECOMMENDATIONS

" If care is taken to protect the critical high use areas, protect water quality and the salmon resource, and guard against extensive damage to the alpine and subalpine zones, and if direct human conflicts are kept to a minimum, little or no permanent damage to brown bear populations will occur. Given a minimum of protection, brown bears can coexist with human activities under most circumstances."

Upon interpretation, it appears that 'critical" and "essential" must be taken in context. No mention is made of designating the areas as "Critical Habitat", as has been suggested by some. The terms are used to define the type of habitat available--i.e.--"essential" habitat refers to an area that contains all of the elements necessary for existence of bears. "Critical" basically refers to an area where large numbers of bear are present. It does NOT necessarily refer to a problem in the existence of bear.

Please refer to map 53 C of the "Alaska's Wildlife and Habitat" book for analysis of the relatively small area referred to as Fourth of July Creek habitat, compared to the multitude of areas in Game Management Unit 6 and 7.

Above prepared by Ruth, for Sally Smith

FRIENDS OF THE EARTH

1895 PIONEER WAY

FAIRBANKS, ALASKA 99701

(907) 479-3684

JIM KOWALSKY, *Alaska Representative*

January 7, 1977

The Honorable Sally Smith
Pouch V
Juneau, Alaska 99801

The City of Seward is proposing to annex an area known as 4th of July Creek. There is considerable local opposition and the area has been recommended to the legislature by ADF&G as a critical habitat area for black bear. The area contains many other species of wildlife, including nesting eagles and mountain goats. The adjacent waters, also to be annexed, is heavily populated with sea otters, harbor seals, and sea lions.

Given the relatively pristine nature of this area, Friends of the Earth opposes the change in land status. We urge the adoption of a joint resolution of both houses of the state legislature to override the local boundary commission recommendation for annexation.

Thank you for your attention to this issue.

Sincerely,

Marilyn Sigman

Marilyn Sigman
Administrative Assistant
(for Jim Kowalsky,
Alaska Representative)

cc: Fairbanks legislators
Tom Taggert, Seward

Seward, Alaska
Jan 27, 1977

Re: The proposed annexation, by Seward, of a large area called the Fourth of July Creek lands.

Representative Sally Smith

Dear Ms. Smith

I protest the annexation of the Fourth of July Creek area to Seward on the basis of two categories of reasoning, one, what we might call technical. is the mistake the city made in appiying for many whole sections of land. It would have been more reasonable if they had outlined the specific area they could have used for industrial development. Their "block unit" approach reveals that they are thinking only as bureaucrats instead of realstically evaluating their move.

The second consideration follows from the first, but is a matter of principle that should be used in all public planning and that in a city such as Seward which has its dynamic center, which is its port and harbour facilities. Development should proceed under these circumstances from the center outward. But

with its annexation policies the city is doing the reverse. It is putting primary emphasis upon the external periphery, while neglecting the lifeline of Seward, its heart, which is shiping.

I should inform you that the people of this community have been subjected to a rather heavy drumfire of propaganda for the past year through the media of the newspaper and city council meetings. What this propaganda boils down to is premonitions of doom if we do not quickly conform to the "New Reality". This new situation, or environment, is pictured as being laden with portents of both opportunity and chaos.

The point is that the Seward City Council under an umbrella of vague terms has taken it upon themselves to point a way whereby we can escape the perils and dangers of what is insistently called "impact" The way out, the path of salvation is extremely simple - merely follow the implications of the prestigious

"Seward Concept Plan

This so called easy route is a mistake. Sensible delay has proven that, as of this present date, Jan. 27 1977 the impending "impact" has already largely passed by Seward.

Consider the implications of the two agreements recently signed by the oil companies with native councils and corporations concerning substantial onshore base support for offshore oil development. I refer to Yakutat and the Monti Bay site, and the Chiniak airstrip on Kodiak island. If Seward is ever "impacted" it can now come, reasonably speaking, from Northern Gulf development and that is at least two years away.

As for the "Seward Concept Plan" it is a hollow shell, and the reason why this is so is because, aside from speculation there is no basic economic thrust to implement it. Seward is actually a depressed area. A look at the local longshore and lumber industry at the present time is proof of this

The anti-annexation petition, with about two hundred signatures, presented by Mr. Taggert should be allowed to stand. I know of only one person, Mr. Oscar Bailey, who freely changed his mind. All other withdrawals can be considered as the result of political manuevering.

Yours truly,

Willard Muby

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

February 1, 1977

Present: Chairman Orsini, Ed Willis and Frank Ferguson.

Absent: Bill Sumner and Glen Hackney

At 3:45 Mr. Leo Rhode, Representative and Author of Senate Joint Resolution No. 9 presented his testimony to the members of the Senate Community and Regional Affairs Committee.

Mr. Rhode testified that the Bradley Lake hydroelectric plant project has been studied extensively as to the results of such a project, and has been approved by Congress although no appropriations have been made to start the construction of the plant.

An Environmental Impact Study was conducted and as a result, it has been decided that there will be no adverse environmental effects on fishing or other natural resources.

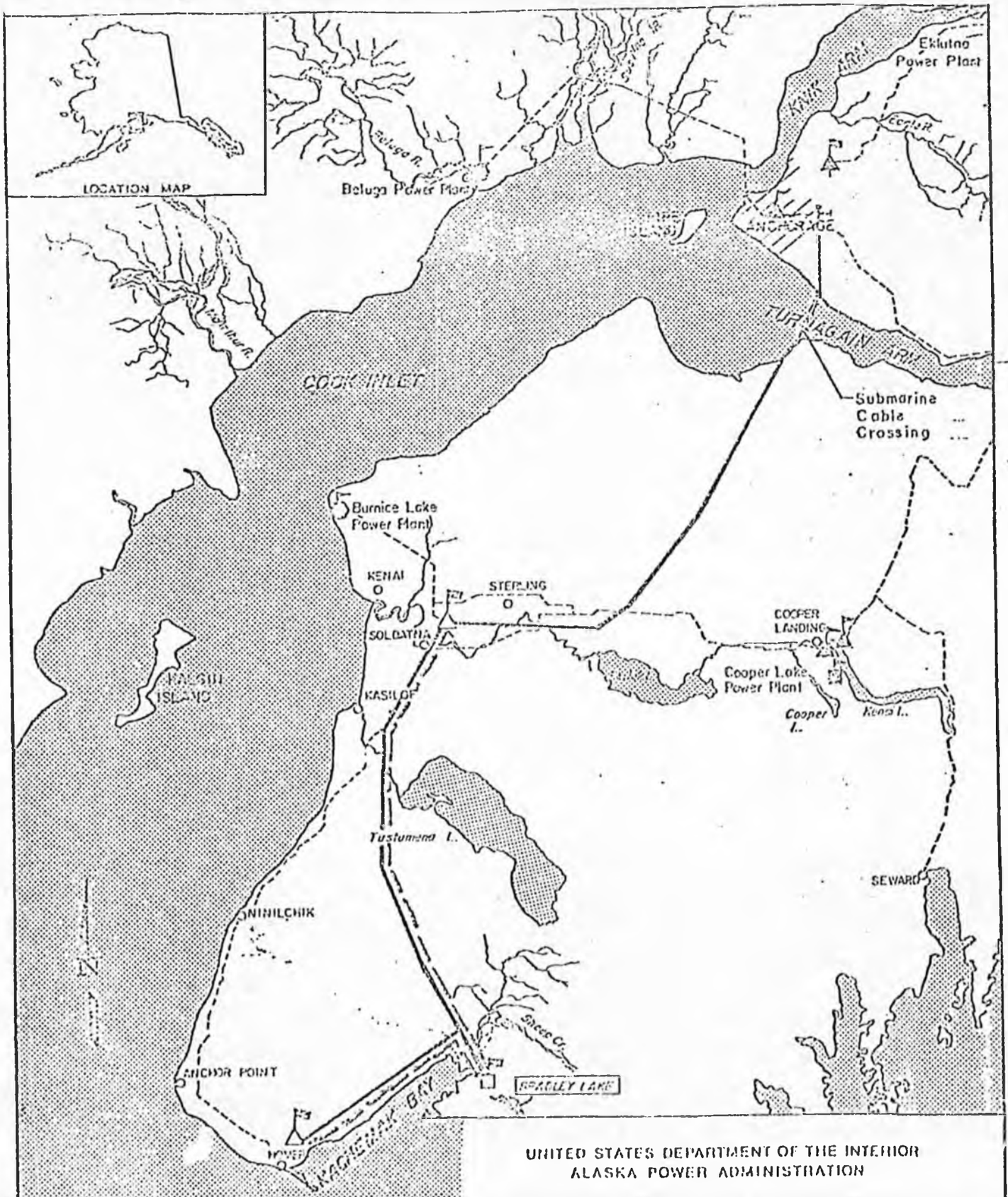
Mr. Rhode stated that if the Resolution is passed, the plant could be operating within 5 years. By 1980, a transmission line from Soldotna could provide power to Anchorage, if necessary, and relieve the demand for natural gas, of which the supply is limited.

Chairman Orsini noted that the Alaska Power Administration and the Alaska Public Utilities Commission were in favor of the Resolution. Also, no environmental agencies or groups had notified him of any objections to the project.

Mr. Rhode said that this was a good project, and that it would relieve the rising gas problems throughout Alaska.

Senator Ferguson moved that the Resolution be passed and Chairman Orsini and Senator Willis voted "Do Pass" on HJR No. 5.

The meeting was adjourned at 3:55 p.m.



UNITED STATES DEPARTMENT OF THE INTERIOR
ALASKA POWER ADMINISTRATION

LOCATION MAP

BRADLEY LAKE PROJECT

ALASKA
ALTERNATIVE TRANSMISSION ROUTE

LEGEND

- CEA Substation
- Federal Substation
- Proposed Federal Substation
- Existing Transmission
- Submarine Crossing
- CEA Hydroplant
- CEA Gas Turbine
- Proposed Federal Hydroplant
- Corps Selected Route–230 KV
- Alternative Route–115 KV

APA–JUNE 1975

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

January 25, 1977

Present: Chairman Joe Orsini, Glen Hackney, Ed Willis and Bill Sumner

Absent: Frank Ferguson

The meeting was called to order at 3:05 P.M. by Senate Community and Regional Affairs Chairman, Joe Orsini. He introduced the Committee staff, and offered Paul Conger's (A.A.) assistance for any research or data gathering the Committee members might need in regards to Community and Regional Affairs.

Chairman Orsini asked if there was any preference among the Committee members as to the order in which the bills are discussed. None were expressed. Additionally, he stated that copies of the bills, with a request for input, had been sent to the Boroughs and Municipalities. No responses have yet been received.

A short discussion followed in regards to a Committee meeting being held in the HESS Committee Room, February 3, 1977. SJR8 and SJR9 have been referred to the the House and Senate Community and Regional Affairs Committees and members of the Boundary Commission in Anchorage will attend.

Chairman Orsini stated that they would discuss the content of Bill #34, with testimonies from Palmer McCarter, Director, Community and Regional Affairs; and Sam Cooxon, Sr. Administrative Assistant for Mayor Sullivan in Anchorage. Boundary Commission.

He stated that his basic reason for submitting the Bill was that parts of Municipalities wishing to secede may be doing so due to economic interests, and did not wish to share their economic base. Areas who may be interested in forming their own Boroughs, for instance, are Kenai, North Pole and Prudhoe Bay. The Chairman explained that if both parties involved, meaning those wanting to secede and those in the municipality being left, voted in favor of the secession, no problems should arise, although he felt that others could be affected by the secession. The Chairman expressed the desire to make as little change as possible in the law and solve the problem.

Senator Hackney then asked how the vote would take place and the Chairman stated that that decision would have to be made by the Boundary Commission.

Palmer McCarter asked who would conduct the election. He felt the State should pay for the election only in the area affected by the secession. He added that the regulations for the local Boundary Commission were being rewritten and would have to wait until they were available in order to determine how much responsibility they will have in this regard.

Senator Willis referred to a previous situation in Eagle River where special legislation took place which was later declared unconstitutional and as a result felt that the government should have as little control as possible in this secession issue due to the politics involved. He said that the Boundary Commission should have full responsibility as it is not politically affiliated.

Chairman Orsini stated that it was his understanding that the area wanting to secede would do the ground work then petition the Boundary Commission who would then decide if an election was warranted and who should pay the expenses of an election.

Mr. McCarter said the procedure for secession would include public hearings and the State would pay the expenses of the municipality being seceded from.

Senator Sumner asked Mr. McCarter if the State should pay expenses for the area petitioning to secede. Senator Sumner expressed the opinion that he thought they would be obligated to pay their own expenses.

Palmer McCarter responded that there is no current structure at this time, but when the new regulations were received about February 1, 1977, a decision could be made.

Senator Hackney asked if for example, the North Pole wanted to secede, would the election take place in Fairbanks?

Mr. McCarter answered that that was up to the Legislature.

Chairman Orsini added that it would be the North Pole versus the Fairbanks North Star Borough and the City of Fairbanks. He then asked if under the existing regulations if the city seceding would be included in the second vote since the city is part of the municipality. Palmer McCarter stated that he did not know, but would inquire into this possibility.

Senator Sumner expressed the opionion that they would be included in the second election and Senator Hackney agreed with him.

The Chairman asked Sam Coxon for his testimony.

Mr. Coxon stated that his interests were in protecting those affected by separation from a municipality. Fragmenting an area could have an adverse effect in a metropolitan area where services could no longer be provided on an area-wide level. A municipality could lose large tax-based services, and therefore disrupt the economic structure of that municipality.

Mr. Coxon testified that a question of fragmentation, at issue in SB34, should be treated in the following manner "We want to protect all those that would be affected by detachment," rather than "we want to break away."

He suggested that a two-tiered government, that this Bill seeks to prevent, would disrupt services provided for a general-wide area.

Chairman Orsini staed that the Bill #34 could not prevent fragmentation, but was intended to protect the rights of all those involved.

Senator Sumner then asked if it was possible if a borough which is supported by a municipality, for instance, discovers oil and wants to secede without committment to the municipality, and use the oil industry as their tax base. If this was possible, he felt that the municipalities would eventually be faced with serious disruption.

Chairman Orsini then stated that he had heard these arguments before, and that this Bill #34 was referred to the Senate Community and Regional Affairs only and that they must make some headway on the Bill.

Senator Willis stated that he had spent ten years intertwined with this problem and that he would prefer to "let the sleeping dog lie". He wants to leave the situation in the hands of the Boundary Commission. He does not feel that the Legislature should dictate to the Boundary Commission, and they should be given latitude to make the decisions and determine the procedures concerning secession. The Boundary Commission is not a political organization and can act without political influences.

Chairman Orsini asked Senator Willis if he would like to see Sections 1, 2 and 3 repealed and leave it all up to the Boundary Commission, and Senator Willis responded that he knew that the provisions are Legislatively mandated, and had no objections although he wanted the Boundary Commission to be given some latitude in the decision-making process.

Chairman Orsini noted that this is a "hot issue" and it would be preferable to resolve it before a real problem arises.

Chairman Orsini adjourned the meeting at 3:50 p.m.

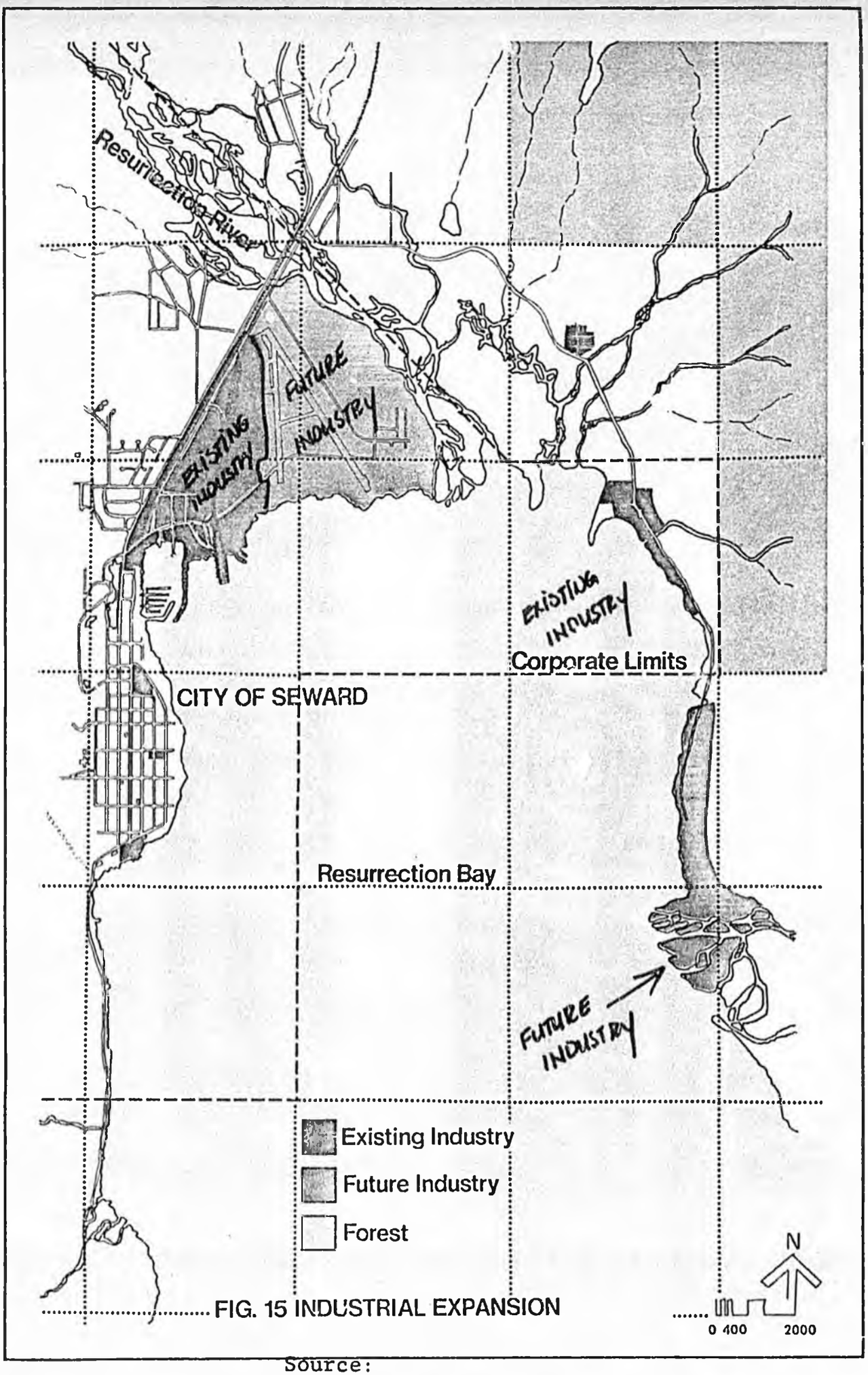


FIG. 15 INDUSTRIAL EXPANSION

Source:
Seward Concept Plan
7/14/75

Thomas Taggart
Box 1195
Seward, Ak. 99664

30 January, 1977

Senate Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

RE: Proposed Annexation of State Lands to the City of Seward

Dear Chairman Orsini:

Thank you for informing me of the forthcoming hearing in Juneau pertaining to Seward's attempt at annexation of State lands. I do have additional information which should be considered at that hearing.

The City Manager of Seward indicated to me that he had notice of the February 3rd hearing as early as Thursday, January 27th. Despite that, there have been no announcements via the local media informing the general citizenry that they could input testimony at that hearing. I believe this nonaction by the City Administration indicates that they are hoping to keep testimony at the hearing to a low key, and should be duly noted as an act contrary to the public interest.

The City of Seward has a 3 step plan to annex up to 65 square miles of State property. The Local Boundary Commission has twice scheduled & cancelled public hearings on step 2, the latest instance being on 1-6-77. Because of this, it is now apparent that only step 1 of the City's plan will be considered this year by the Legislature. I shall consequently attempt to limit my comments to step 1, or 4th of July Creek, as much as possible.

I have recently learned that the City Administration has sent a telegram to all State Legislators urging approval of this annexation proposal. Among other things, the telegram purportedly states that: 1) there are zero residents in the area to be annexed; 2) the majority opinion at the public hearing was in favor of the proposal. Both of those statements are patently false. There are eight (8) permanent residents in the area to be annexed, including four children, three of which attend Seward schools. Three of the adults of that area signed the petition which I sent to Legislators on 1-13-77, and the other one was vacationing "outside" when it was circulated.

At the public hearing on May 21st, 1976, six (6) private citizens gave testimony on the 4th of July Creek annexation proposal. The one citizen who spoke in favor of the proposal was a man who owns 128 acres of land there, although he does not live on that land. Also favoring the proposal were representatives of three local governmental bodies, i.e. Kenai Peninsula Borough Planning & Zoning Commission, Seward Planning & Zoning Commission, and the Kenai Peninsula Borough Mayor. The five citizens who expressed displeasure or outright opposition to the proposal lived on adjacent Resurrection Bay Road or within the area encompassed by step.2 of the City's piecemeal annexation plan. In rendering their decision immeaditely after the hearing (without playing back the tape recording), the Local Boundary Commission in section (2)(c) of their statement said that "The majority of the testimony at the public hearing was in favor of the annexation..." That was an untrue statement. Furthermore, "...the City's long range annexation plans..." as mentioned in section (2)(b) of the statement have become a moot point since the November 2nd election pertaining to this issue. That, of course, is providing that the City fathers honor the results of the straw poll which indicated that 72.1% of the total voters opposed implementation of steps 2 & 3 of the City's plan. Had the people been given a chance to vote on step 1 at that time, it is likely that it too would've suffered an ignominious setback. Most of us here believed that the LBC recommendation was binding and that step 1 was a lost cause.

Please note the attachments from the Alaska Division of Lands, Alaska Conservation Society, and Friends of the Earth. These letters raise the important issue of 4th of July Creek as a potential critical habitat area. This position is supported by the ADF&G's authoratative publication entitled "Alaska's Wildlife & Habitat," and is a very serious consideration in light of the City's desire to annex the area. That publication has been used extensively by the Corps of Engineers, BLM, and others in preparing Environmental Impact Statements. On page 60, column 1 of that publication the area in question is clearly defined as "critical habitat" for black bear, although it has not yet been formally designated as such by the Legislature. The area is also one of the best places for goat & bear hunting by local as well as non-local Alaskans. That status would be denied the area if it were within the Seward City limits.

Attached also is a copy of a letter from Councilmember Vincent to the local paper outlining some reasons why the City should not proceed with the step 2 annexation proposal. Some of his reasons, such as road maintenance along a vertical coastline would apply to step 1 as well as step 2. This position is elaborated upon in a recent (10-76) study done for the Department of Community & Regional Affairs by the Division of Geological & Geophysical Surveys. Their report is entitled "Preliminary Evaluation of Geologic Factors Bearing on Development in Upper Resurrection Bay." Among other negative factors which would discourage development at 4th of July Creek is the stated opinion that the present gravel road which extends in that direction would be impossible to maintain, thus effectively barring land access to the area unless a prohibitively expensive road was constructed at the 700 foot elevation of the mountain. Due to tidal erosion the existing road is now about 1½ miles shorter than depicted on the most recent topographic map, which is 27 years out of date. That road now effectively terminates in Section 1, T.1S, R.1W.

This same report describes the extent of Exxon's involvement here at 2.6 acres. This parcel is near the Alaska Railroad and Seward Highway where Exxon expedites pipe for their oil rig which will drill near Yakataga. The other company interested in Seward as an O. C. S. base has leased 3 acres within the existing City limits. These are very logical site selections and would certainly indicate a precedent for any future companies. The one thing which Seward has going for it is its highly accessible existing transportation facilities. What we are dealing with here is a blatant land grab attempt by the City of Seward, with little or no justification whatever. The people of this area recognized this land grab for what it was on November 2nd and resoundingly said No! We ask that the Legislature echo our sentiments by passing a joint resolution overriding the Local Boundary Commission recommendation.

In closing I make note that Mr. Oscar Bailey has asked to have his name withdrawn from the petition which I circulated, due to a misunderstanding on his part as to the scope of it. It should also be noted that Mr. Herman Leirer of the Seward Planning & Zoning Commission is now circulating his own petition asking people to support the 4th of July Creek annexation proposal. Furthermore, Mr. Willard Midby of Seward is circulating yet another petition asking people to reaffirm that they are supportive of the petition which I mailed to Legislators on 1-13-77.

Whatever the outcome of all these petitions, it should be obvious that grassroots democracy is presently flourishing in the Seward area, and a very healthy climate now exists for a Local Boundary Commission hearing on any proposed annexation attempts by the City of Seward. This climate did not exist last May 21st when the LBC was here, as witnessed by the very small turnout for that hearing. At the very least we are entitled to another public hearing on this highly controversial matter. The Local Boundary Commission recommendation should be overturned.

PS: THE ABOVE MENTIONED PETITION BY WILLARD MIDBY (AND ED ZIMMERMAN) IN SUPPORT OF MY PETITION ALREADY HAS NEARLY 200 SIGNATURES. 1/31/77

Sincerely,

Thomas Taggart

Attachments (7)

CC: Representative Sally Smith w/o attachments

"Don't annex" say voters

THE SEWARD PHOENIX LOG

Vol. XI. No. 7 * Thursday, November 4, 1976 * Seward, Alaska 99664 * Price: 20 Cents

Results of an annexation straw poll taken during the state and federal election Tuesday showed conclusively that people both inside and outside the city limits of Seward reject annexation of both the Lowell Point area (south portion), and the Bear Creek, Salmon Creek area (north portion). Annexation of the two areas was considered by the City to help bring about planned and orderly growth of the entire Seward area. Mayor Neve, some members of Council and the city administration feel that the Gulf of Alaska oil exploration and drilling will greatly impact the community and fear that unplanned growth might be dangerous to the entire area.

The people, however, expressed definitely negative feelings about annexation--at least at this time. The vote was not a formal one, but conducted in conjunction with the election in progress and drew "poll watchers" from the outlying areas where residents are adamently opposed to annexation.

Seward Precinct 1 voted 71 yes to 115 no on annexation of the Lowell Point area, and 63 yes and 124 no on the north portion annexation. Seward Precinct 2 voted 119 yes to 215 no on Lowell Point, 102 yes and 234 no on annexation of the Bear Creek, Salmon Creek area. As might be expected, Bear Creek Precinct voters turned out in force and expressed more disfavor toward annexation than their neighbors inside the city. Bear Creek tallies were 35 yes to 164 no for Lowell Point annexation and 13 yes to 192 no on the Bear Creek, Salmon Creek proposal.

The vote followed two months of controversy and meetings between the Council and representatives of the people residing outside the city limits. An aggressive anti-annexation campaign had been waged the last week by the Bear Creek League, as some of the outside city residents call

Area follows statewide trend in balloting

Fifty four percent of the registered voters turned out in Seward Precincts 1 and 2 to vote in the federal and state election held Tuesday. Area voters followed closely the state trends, supporting President Ford and Congressman Don Young and voting along state lines for the various bonds and propositions on the ballot.

The two Seward precincts and Bear Creek precinct gave President Ford 403 votes to 289 for Jimmy Carter. Libertarian candidate MacBride received 52 votes.

Area voters gave Congressman Don Young 556 votes to 196 for Eben Hobson in Hobson's bid to unseat Young.

State Senator Jalmar Kerttula got a healthy 547 votes to Jean Marsh's 191. Running unopposed to retain his seat as this District's representative in the Legislature, Keith Specking received 626 votes.

Area voters gave Willow the most votes for the capital relocation site with 420 votes to 124 for Larson Lake and 96 for Mount Yenlo.

Proposition No. 1, "Action on

Teachers to vote bargaining agent

by Katherine Parker

With the Board in the middle, and the Kenai Peninsula Education Association and Kenai Peninsula Federation of Teachers vying to represent the teachers as bargaining agent, the Board's arrangements for an election November 4 left nobody happy at the School Board meeting Monday night.

An executive session to consider a grievance from KPEA brought a protest from attorney Ted Carson, representing the KPFT, who asked that the KPFT join the session since the grievance pertained to the election. Though the grievance concerned neither borough finances or personalities, the contract agreement with KPEA provides for closed- in matters of

Tom Murphy, KPEA president, first asked the Board to hold off on setting an election until July 1977 "as per the negotiations agreement with KPEA." After a motion was passed for the election, he then asked that the election be held in abeyance until "adequate appeal of the grievance and resolution is accomplished," referring to a third-party appeal and resolution.

The Board, however, also rejected this request.

As set up the teachers would vote from 3 p.m. to 6 p.m. with Borough Clerk Frances Brymer in charge of the election.

All principals and administrators would be voting with a yellow ballot, as their right to be part of the election as KPEA members has been challenged by the KPFT. This would make it handy to discount these ballots should this legal technicality later be decided in favor of the KPFT. On the other hand, the KPEA has

teacher-of-the-year was selected.

By reducing the hallway area including the foyer, and providing an elevator rather than ramps for handicapped use of the second floor, the $650,000 was subtracted from the $2.8 million plan for expanding the school.

Though the administration felt the original plan was legitimate as the first phase for the 9-classroom project, allowing for later additions, the reduced cost "could make a difference in whether the project passes the bond issue," said Supt. Paul Gallaher. "The savings could be translated into additional construction in the Homer area," he added.

A Mr. Hackett, architect on the Homer Hospital, said, "There is a lot of sentiment in Homer about completion of the middle school."

Keith Simons, a teacher at the Bob Bartlett school in Tyonek for the past seven years, was named the Borough's teacher of the year

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF LANDS / 323 E. 4TH AVENUE - ANCHORAGE 99501

August 3, 1976

Thomas Taggart
P.O. Box 1195
Seward, Alaska 99664

Dear Mr. Taggart:

Please excuse our tardiness in answering your inquiry.

After researching the land records of the area known as Fourth of July Valley, it is found that it has not yet been classified as a critical habitat area. The area has been suggested to the legislature as a critical habitat area by the Department of Fish & Game.

Therefore, there are at this time no stipulations other than our classifications as to its use.

Again we apologize for any inconvenience this delay may have caused you.

If we may be of further service please contact us.

Sincerely,

Charles P. Albrecht
Information Officer
Alaska Division of Lands

FRIENDS OF THE EARTH

1895 PIONEER WAY

FAIRBANKS, ALASKA 99701

(907) 479-3684

JIM KOWALSKY, *Alaska Representative*

January 25, 1977

Testimony regarding Seward land annexation

To be submitted in a hearing, January 31, 1977:

Friends of the Earth opposes annexation of the area known as "Fourth of July Creek" by the City of Seward.

The Alaska Department of Fish and Game, in its publication "Alaska's Wildlife and Habitat" has recommended this area and similar landforms within the game management unit as essential habitat for black bear. Also, the offshore waters provide habitat for several species of marine mammals.

We oppose the change in land status because the wildlife values in the area are best protected by leaving the land in a natural state.

Submitted By: Jim Kowalsky

Jim Kowalsky
Alaska Field Representative

KACHEMAK BAY CONSERVATION SOCIETY
BOX 2675
HOMER, ALASKA
99603

January 17, 1977

Representative Hugh Malone
Bench V
Juneau, Ak. 99811

Dear Hugh:

The Boundary Commission has recommended that the City of Seward be allowed to annex an area known as 4th of July Creek. This matter goes to the legislature to be either approved or disapproved.

The members of the Kachemak Bay Conservation Society recognize that the 4th of July Creek area is highly valuable for ~~salmon spawning~~, black bear habitat, and recreational use, and that it is being considered for critical habitat status. We do not believe that its best use is for annexation and industrial development.

In addition, the Boundary Commission's decision apparently contains some erroneous statements regarding testimony at a public hearing, and we believe that its recommendations are contrary to the will of the citizens of Seward and the surrounding area.

To disapprove this boundary change, a resolution passed by both houses is necessary. We ask that you sponsor such a resolution and give it your strong support.

Sincerely,

Nancy Lord
President

SEWARD PHOENIX LOG

Letters TO THE EDITOR

10-28-76

Letter to Editor

The citizens of Seward will be given the opportunity to voice their opinion via the ballot box on November 2 showing how they feel about the city's present plans on annexation..

As a member of the City Council I would of neccessity weigh the outcome very seriously if the citizens were properly informed on this issue. At the moment I'm convinced they are not, because I do not believe the city has addressed itself to all the pro's and con's of this most ambitious move on the part of the city of Seward since its founding.

The proposed annexation to the south of the city, if successful, represents an area at least three times as large as our present boundaries; a large part of which is vertical coastline. Very little of this can be utilized by industry or residents.

I shudder to think of a school bus full of children traveling over the present road during the spring because of snowslides. What would be the city's legal position if a severe accident did happen? Heck! I wouldn't permit a child of mine to travel the present road come next spring. If we assume responsibility and attempt to bring it up to first class status, it could be a severe financial drain that would threaten the city's bonding position. At present, we have other problem of a much higher priority.

The city may be successful in annexing this area because there are few residents to oppose it; however, I feel we will impoverish the city for years to come if we do.

The area to the north upon which the city has been slathering for as long as ten years is a potential powder keg of dissent. When they raise the oft repeated question; what's in it for us, there seems to be no reasonable answers.

At present I don't believe the city can tell these prospective new citizens what their taxes might be. Will they have additional fire protection? Will trailers still be permitted? How about the city's present ordinance on animals; will it apply equally? Will the electric surcharge be dropped? Who will maintain the roads in the area? How much additional revenue will be generated for the city? Will it purchase additional street maintenance equipment? Can it support more police officers? Can our present ordinances have a double standard? I don't think they can nor should they.

Until it was recently agreed upon to give the citizens of Seward a chance to vote on this issue I felt we were holding every citizen in contempt, they may not favor this power play.

I feel our present course is not based upon sound reasoning and business sense. It can do nothing but self destruct if finalized. We have failed to get our facts up front. Our desire to complete this move is based entirely upon what a few think or hope will happen. At present there are no firm commitments in hand. The negative side of this issue is right up front. We cannot afford it at this time. We have not convinced many that we can, nor have we established a critical need to do so.

If at this late date annexation is not the topic of the day we had better turn off the T.V. and get turned on about what's happening here in town. I admit the city may acquire a few more assets, but frankly it's our added liabilities that scare me to death. If you are not up to date on annexation I suggest you pick up the phone and call your Council people. Call anyone except me. Shucks, I'm still trying to find something out myself.

Respectfully,
Bill Vincent

Letter to Edit

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Free Press
NNA SUSTAINING MEMBER — 1972

I. INTRODUCTION

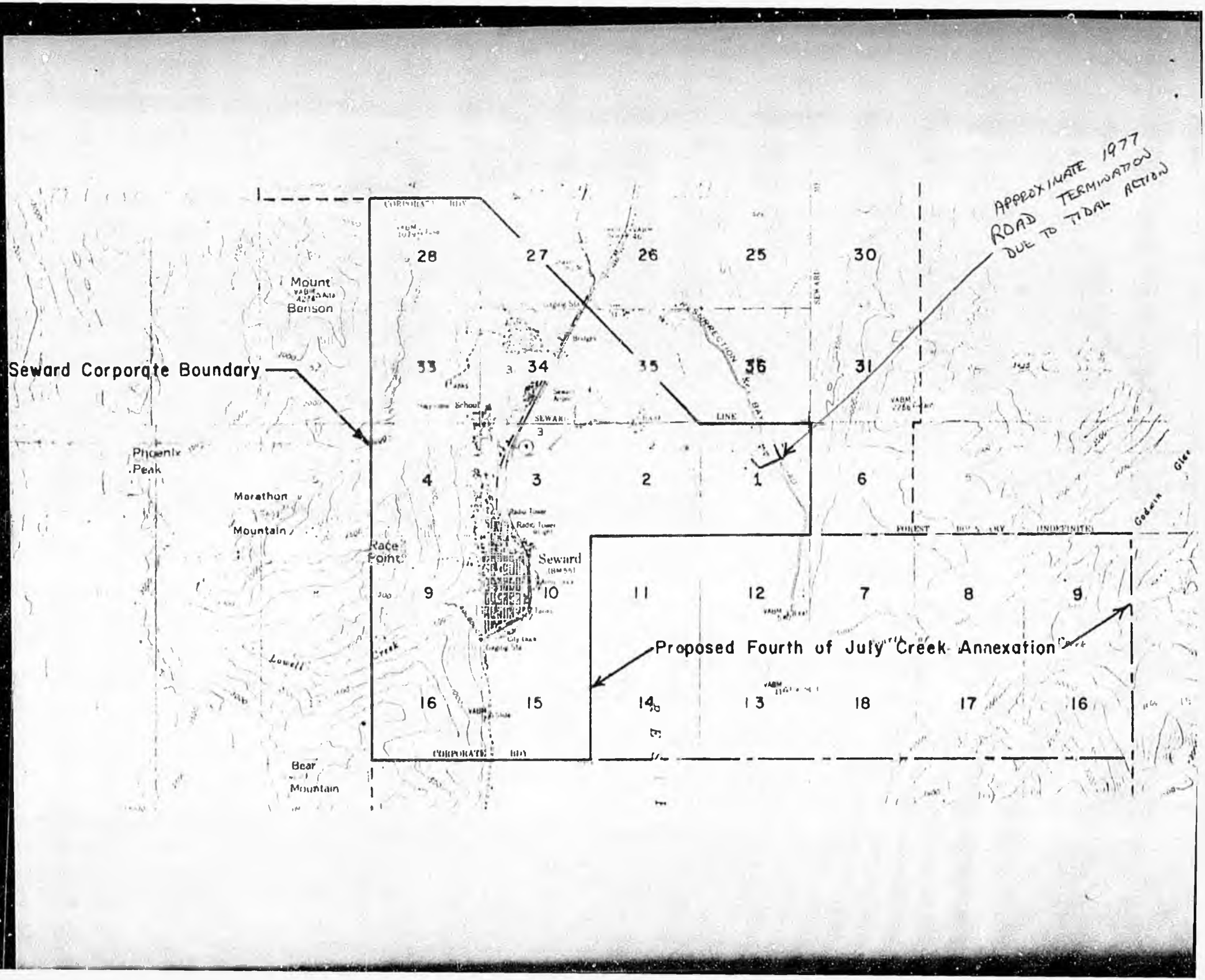
This report is an attempt to identify the geologic factors which should be considered in planning for potential on-shore facilities in upper Resurrection Bay. The report is based on a review of the available literature and a brief inspection of sites near the head of Resurrection Bay by DGGS personnel.

THE 4 SITES ARE: (1) 4TH OF JULY (2) T... (3) L. HELL PT (4) END OF BAY

The essence of this report is that significant geologic constraints, in particular submarine slope stability and potential for inundation by seawaves, are present at 4 of the 5 sites considered here. As indicated by the tables in Section VI, there are presently not adequate data available for many of the geologic factors upon which to base site-specific conclusions regarding potential effects of the geologic factors on construction and operations at the sites. However, it is not the intent of this report to recommend or imply that planning for utilization of lands adjacent to upper Resurrection Bay cannot be undertaken due to geologic factors. Rather, the purpose of the report is to list the geologic factors which should be considered during planning, and to suggest where additional data are required for a more complete evaluation of each factor.

II. SCOPE AND PURPOSE OF REPORT

Two Division of Geological and Geophysical Surveys personnel visited upper Resurrection Bay to inspect potential sites of on-shore facilities for three days in October of 1976. The investigation was undertaken at the request of the Department of Community and Regional Affairs, State of Alaska. The Survey team drove to Seward; site inspections were carried out on foot, and an overflight of the coastline was made by air charter. Due to limitations of time and of legal access, most inspections were confined to the beaches and to existing roads.


Seward Corporate Boundary
Proposed Fourth of July Creek Annexation
APPROXIMATE 1977 ROAD TERMINATION DUE TO TIDAL ACTION
Mount Benson
Phoenix Peak
Marathon Mountain
Race Point
Seward
Lowell
Bear Mountain
CORPORATE LINE
SEWARD LINE
FOREST BOUNDARY (INDEFINITE)
28
27
26
25
30
33
34
35
36
31
4
3
2
1
6
9
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12
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SJR
30

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE LIST 2-7-78

	Name	Representing	Intent to testify?
(11)	W^m K Mearig	City of Petersburg	YES / NO
(2)	W G Ruddy	" City Atty	✓
(9)	JR FLODEN	" City Engr	✓
(4)	Frances G. Westre (WESTRE)	" city council	✓
(6)	~~David~~ D. Moffat OWENS	" City Mgr	✓
(8)	~~Gene~~ H. Albers ('OWENS)		✓
(1) -	~~Astrid~~ L. Stromberg	Local Boundary Commission	✓
	Earl J Singer	Dept CRA	✓
(10)	Sunny A. Dick	Box 1027 Petersburg Ak	✓
(9)	Gertrude Lyons	Box 588 Petersburg Ak	✓
(5)	~~Lars~~ Lars Eide (Eide)	Box 9 P.L. Petersburg AK.	✓
(7)	Ed Lapeyri (LAPEYRI)	Box 852 Petersburg AK.	✓
(3) -	James F. Peterson	319 Seward St. Juneau	✓
	Annette Smith	HCRA	✓
	BRUCE ARONSON	DCRA	✓
	~~Erik~~ Simpson	"	✓

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Name	Representing	Intent to testify? YES / NO
2/7/78 Gerald J. Strandberg	Local Boundary Commission	✓

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COMMITTEE LIST 2-7-78

Name	Representing	Intent to testify? YES / NO

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE MINUTES

February 7, 1978

Present: Chairman Orsini, Senators Willis, Hackney and Sumner. Wm. K. Mearig; J.R. Floden; Frances G. Westre; David A. Moffat; Gene Owens; Sigvald J. Strandberg; Erick J. Simpson; Sunny A. Hick; Gertrude Lyons; Lars Eide; Ed Lapeyri; James F. Petersen; Annette Smith; Bruce Aronson.

Absent: Senator Ferguson

Chairman Orsini convened the hearings at 3:15 PM. He announced that the Committee would take testimony on SJR 38, 39 &40 but would take no action on the resolutions that day.

SJR 39 (Proposed Annexation by Haines Borough):

Chairman Orsini asked Sigvald Strandberg, Chairman of the Boundary Commission, to give the circumstances behind the proposed annexation of land on which stood fuel tanks formerly operated by the military. Mr. Strandberg described the action as pro forma in nature to allow the Haines Borough to eliminate a pocket of non-borough land inside its borders. He explained that the final disposition of tank farm property, which would be handled by the General Services Administration, would not be affected by the Borough's action and that the military had not objected to the proposed annexation. Mr. Strandberg also stated that no objections had been made by members of the public during the Boundary Commission's hearings in Haines. No one else wished to testify on SJR 39 and Chairman Orsini closed the hearings on the resolution.

SJR 38 (Proposed Annexation by the City of Skagway):

Mr. Strandberg noted that the City of Skagway originally requested [illegible] to extend its boundary to the Canadian border and that of the Haines Borough. He noted that this raised the question in the Boundary Commission's opinion of what properly constituted city government versus that of a borough. The Commission therefore recommended a smaller extention of the City's boundaries and informed the City that it could, if conditions warrented, petition the Commission in the future to move its jurisdiction to the Canadian border. The City of Skagway supported this action by the Commission and agreed with the recommendation. Strandberg acknowledged that public testimony by persons residing outside the present City boundaries was opposed to annexations since they believed that they were already paying for municipal services through the sales tax. In response to questions from Committee members, he said that the Commission had not considered the inclusion of the Dyea area into the City of Skagway and that such an action would require ~~that it~~ SEPARATE Commission action.

William Ruddy, an attorney representing the City of Skagway, said that public opposition had been expressed to the proposed annexation but that it was not organized.

jointly. Mr. Mearig stated that the 1975 annexation vote concerned the proposed annexation of West Petersburg, which has now incorporated separately as the City of Kupreanof, and did not pertain to the present recommendation. He noted that the Environmental Protection Agency was requiring the extension of sewer and water facilities to outlying areas. Either the City of Petersburg would provide these services or they would be mandated at the state or federal level. In response to questions from the Committee members, Mearig concurred that Petersburg's economic future lay with fishing and stated that any expansion of fishing facilities would probably occur at the four plants currently within the City's boundaries. Because of environmental and esthetic concerns, little or no development is likely to take place in the Narrows. He commented that strictly speaking it was illegal for the City to provide municipal services to the outlying area.

James Petersen, the attorney representing the plaintiffs in the court suit opposing the proposed annexation, testified that his clients opposed the annexation on the grounds that insufficient study had been given to the revenue, tax burden, and expense of the action. He stated that the original petition requesting annexation had been hastily put together and that the municipal ordinance had had its first reading with no public input. The second and third readings took place on the same night. Studies were lacking on population density, cost of police protection, cost of water and sewer facilities, and cost of electric power extension. Petersen said that his clients were not opposed to annexation per se and believed that the establishment of a service district (outside of the municipal boundary) could provide a viable solution. He emphasized that it was not only residents of outlying areas who opposed annexation but the residents of the City as well.

Frances Westre testified, as a member of the Petersburg City Council, that the Council had unanimously approved the proposed annexation as being in the best interests of the community of Petersburg and its environs. She said that the apparent haste in acting upon the petition was due to the legal requirement to submit all annexation recommendations to the Legislature by the tenth day of session. She pointed out that Petersburg and Wrangel were jointly studying a proposal for hydroelectric development in the Thomas Bay area that would provide relatively inexpensive power for economic development ~~in the area~~. Ms. Westre said that Bruce Aronson of the Department of Community and Regional Affairs had originally raised the annexation question in Petersburg several years ago.

Lars Eide read to the Committee a letter he sent on December 12, 1977, to Commissioner of Community and Regional Affairs Lee McAnerney protesting the proposed annexation as contrary to the wishes of the majority of the people of Petersburg. He stated he was part owner of Mitkof Lumber Company which employes approximately 23 persons about 75% of whom lived in the City and 90% of the company's production was exported.

THAT ABOUT

David Moffat, City Manager of Petersburg, said that the impetus for annexation had originated from residents in the outlying areas and that he had heard of little opposition to the proposal from within the City. He noted that, without the existence of the City of Petersburg, it would be unlikely that industries outside city limits would have located in the area. Moffat pointed out that the City has a

In the absence of further public testimony, Chairman Orsini closed the hearings on the resolution.

SJR 40 (Proposed Annexation by the City of Petersburg):

Mr. Strandberg said that public hearings had been held by the Commission in Petersburg January 9 before an overflow crowd with the testimony being broadcast live over the local radio station. On January 16 the commissioners held a telephonic conference and approved a recommendation for the extension of the City of Petersburg boundary.

He explained that the Commission's recommendation called for the city boundary to be extended only over the northern portion of Mitkof Island, an area of approximately 45 square miles. The City had originally petitioned for the annexation of all Mitkof Island, an area of approximately 211 square miles. Mr. Strandberg said that the Commission respected the City's reasons for the larger request, which included concerns about Coastal Management and municipal selection of state lands. He said that this again raised the question of borough versus city government and that the Commission had recommended an area for annexation that would take in almost all residents, but not all the territory, of Mitkof Island. He noted that, in the Commission's view, the natural development of the City of Petersburg lay along Mitkof Highway and that the outlying areas did benefit from municipal services. The incorporation of this area would remove the present tax inequity between the residents of the City and the outlying district. Mr. Strandberg pointed out that the City of Petersburg has a narrow tax base, but a fairly heavy bonded indebtedness. The 2,126 City residents have a bonded indebtedness of $3.7 million against a property valuation of $34 million. This gives the City a debt/valuation ratio of approximately 11% as opposed to a 5.4% ratio for the City and Borough of Juneau and 3% for the City of Ketchikan. He noted that there were considerable private land holdings south of Peterburg along the Mitkof Highway.

In response to questions from Committee members, Mr. Strandberg made the following comments: The City indicated that it would assess one-half, or 7 mills, of the present City mill rate against the residents of the outlying area for the first year after annexation. Petersburg City Councilmen run at large and therefore there would be no Council seat per se representing the annexed outlying area. During the public hearings in Petersburg, public sentiment ran about four to one against annexation. The August 26, 1975, election during which City voters rejected annexation was a straw vote on another proposed annexation and for which sketchy data had been gathered in regard to potential tax revenues. Service areas in the Unorganized Borough could be established by the Legislature only if the same services could not be provided by annexation to existing local governments.

The vote of the Commission had been three to one for the proposed annexation. Children in the outlying area presently attend City schools which receive tuition payments from the State. The economic future of Petersburg lies fishing and some logging. Industry would find it attractive to locate in the outlying area following annexation.

William Ruddy, the attorney representing the City of Petersburg, and William Mearig, representing the Petersburg city government, testified

of Petersburg currently lives outside the city limits. This means that those inside the city pay 19% more for municipal services than their just share, while those outside pay 19% less. Mr. Floden said that without the extension of planning and zoning powers to the present outlying areas they were likely to develop in a haphazard manner leading to severe water and sewage problems in the future. There were instances in the outlying area where land was being subdivided into ~~very small~~ lots too small handle on-site sewage and water. Mr. Floden said that the City's goal in the annexed area would be to maintain large lots so as to prevent the need to establish sewer and water lines to high density residential and commercial dwellings. Additionally the projected linkage of Mitkof Highway with a proposed Stikine Highway could result in unrestrained commercial development of gas stations, drive-ins, etc. along the way unless proper planning and zoning authority existed to control it. In response to Committee members' questions, he said he believed a comprehensive community development plan for Petersburg had been prepared in 1965/66.

Gertrude Lyons, a plaintiff in the court suit against the proposed annexation and a member of the Board of Directors of the Petersburg Indian Association, testified that the increased costs association with the extension of services to outlying areas would work an undue hardship on Native residents of Petersburg who were primarily dependent upon seasonal employment. Ms. Lyons said that the membership of the Petersburg Indian Association was approximately 185 adult persons and that the Association was the combined organization for the Tlingit-Haida Central Council, the Alaska Native Brotherhood, the Alaska Native Sisterhood, and Sealaska Corporation.

Sunny Hicks, a resident of the Petersburg area and opponent of the proposed annexation, characterized the community atmosphere of Petersburg as a "local Watergate situation" where neighbors were divided against one another and conversations were surreptitiously recorded. She believed that local animosities had been inflamed by the City's handling of the annexation petition. She stressed that the residents of the outlying area considered themselves to be members of the general Petersburg community and were willing to assume their share for local services. She questioned whether the City was capable of efficiently carrying out its present obligations, much less undertake more extensive ones without the compensation of major new revenues.

William Mearig requested to testify a second time to present his views as a private citizen in addition to his capacity as a city official. He said that the proposed annexation offered outlying residents their first chance to participate in the political decisions affecting them locally, even in the absence of a separate election district for the area. He stated that participation in local government in such matters as Coastal Management offered residents more protection than if they remained unorganized and allowed either the State or federal government to impose regulations on them.

In the absence of further public testimony on SJR 40, Chairman Orsini concluded public hearings on the resolution and adjourned the Committee at 6:28 PM.

significant interest in exercising planning for Coastal Management for Mitkof Island as well as achieving a wider basis for future municipal selection of state land. He also noted that the possibility of a deep water port had been studied for the southern tip of Mitkof Island.

Ed Lapeyri, a resident and General Manager of Mitkoff Lumber Company, a plaintiff in a court suit against the annexation, testified that outlying residents did not receive municipal services for wohich they did not pay. He stated that residents outside city limits paid a 15% surcharge for electricity and a 50% surcharge for water. As for fire protection, the State paid the City $7.50 per capita for residents outside City limits. He submitted to the Committee the following petition signed by 543 residents of the general Petersburg area:

"WE, THE UNDERSIGNED, BEING CITIZENS OF MITKOF ISLAND, BOTH INSIDE AND OUTSIDE THE PRESENT CITY LIMITS OF PETERSBURG, ARE STRONGLY OPPOSED TO THE PROPOSED ANNEXATION TO PETERSBURG AT THIS TIME DUE TO THE METHODS USED BY THE CITY IN DIRECT OPPOSITION TO THE DESIRES OF THE MAJORITY OF THE CITIZENS AND BECAUSE OF ERRORS IN THE FIGURES PRESENTED TO THE LOCAL BOUNDARY COMMISSION AND THE FAILURE BY THE CITY TO PROPERLY RESEARCH AND DOCUMENT THE ECONOMIC CHANGES SUCH ANNEXATION WOULD PRESENT TO THE CITY RESIDENTS AND THOSE IN THE ADJOINING PROPOSED AREAS. WE ARE EXTREMELY CONCERNED IN THE MANNER IN WHICH THE CITY HAS PRESENTED THIS ANNEXATION WITHOUT PROPER PUBLIC INPUT. WE ALSO PETITION THE HOUSE AND SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEES TO HOLD A JOINT HEARING IN PETERSBURG IN ORDER TO OBTAIN THE TRUE FACTS AND PUBLIC INPUT REGARDING THIS PROPOSED ANNEXATION."

Mr. Lapeyri said that these signatures were obtained within three days last week and that every reasonable effort was made to insure that resident adults were the only persons who signed. He told the Committee that of the 543 petition signers, 193 lived outside the City and 350 lived within the City limits.

Mr. Lapeyri charged that during the City Council deliberations on the annexation petition, a show of hands indicated that only 11 of the 98 persons present supported annexation and that, of the 6 who testified in favor of the measure, four were city employees or relatives of Council members. He said that real property valuation for the 1975 proposed annexation was $6.3 million and in 1977 only $6.7 million for a slightly different area. He also cited an unidentified study undertaken by a local private firm that indicated no significant economic development in Petersburg in the future. In response to Committee members' questions he acknowledged that fishing was considerably more important economically to Petersburg than logging which he characterized as "shakey".

Gene Owens, a resident of Petersburg, testified in support of the proposed annexation . He stressed that the State had consistently urged localities to assume local government control in the Unorganized Borough in such matters as Coastal Management planning. Mr. Owens said that the annexation of land on Mitkof Island by Petersburg was consistent with that objective.

John Floden, city engineer for Petersburg, spoke in favor of the annexation recommendation and pointed out that the City had basically proposed a service area concept. He noted that 19% of the population

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AMENDMENT

SENATE JOINT RESOLUTION NO. 30

BY ORSINI

To page 1 line 13, after the second period add the following:

Regular sessions are limited to ninety days. The legislature may extend the session for a period not to exceed twenty days by a concurrent resolution approved by a majority vote of the membership of each house; and an additional period not to exceed ten days by a concurrent resolution approved by a two-thirds majority vote of the membership of each house.

Alaska State Legislature

SENATE CALENDAR

OFFICIAL BUSINESS OF THE SENATE

WEDNESDAY

February 15, 1978
10:00 a.m.

Reverend Alfred Wakefield, Chaplain

THIRTY-EIGHTH LEGISLATIVE DAY

SECOND READING OF SENATE RESOLUTIONS

SJR 30 — Proposing amendments to the Constitution of the State of Alaska relating to regular and special sessions of the legislature
(Judiciary report pg. 236)

SECOND READING OF SENATE BILLS

SB 367 — An Act relating to special sessions of the legislature
_____ eff. date
(Judiciary report pg. 237)

FIRST READING AND REFERENCE OF HOUSE BILLS

CS HB 373 COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 373 by the Finance Committee, entitled:

"An Act creating a net income tax deduction for child adoption expenses; and providing for an effective date."

was read the first time and referred to the Health, Education and Social Services Committee and the Finance Committee.

HB 675 HOUSE BILL NO. 675 by Representatives Malone and Cotten, entitled:

"An Act relating to transfer of control of a certificated public utility; and providing for an effective date."

was read the first time and referred to the Commerce Committee and the Finance Committee.

COMMUNICATIONS

The Secretary read a letter from Foster Diebold, Chief Administrator, University of Alaska stating that Gerald Bowkett, Director of Information Services for the University of Alaska will be in Juneau for a day and a half each week on Wednesday's and Thursday's and can be reached at 789-2101.

The Secretary announced receipt of a letter from B Allen, Commissioner, Department of Administrati transmitting a report on contracting out data pr sing. Copies of the above are on file in the Senate Secretary's Office.

STANDING COMMITTEE REPORTS

SJR 30 The Judiciary Committee has had SENATE JOINT RESOLUTION NO. 30 (proposing amendments to the Constitution of the State of Alaska relating to regular and special sessions of the legislature) under consideration and the committee reports it back as follows: Senator Hohman, Chairman, signed "no recommendation". Senator Ziegler signed "do not pass" and Senator Tillion signed "do pass".

SJR
38

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE MINUTES

FEBRUARY 7, 1978

Present: Chairman Orsini, Senators Willis, Hackney and Sumner. Wm. K. Mearig; J. R. Floden; Frances G. Westre; David A. Moffat; Gene Owens; Sigvald J. Strandberg; Erick J. Simpson; Sunny A. Hick; Gertrude Lyons; Lars Eide; Ed Lapeyri; James F. Petersen; Annette Smith; Bruce Aronson.

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Gene Owens, a resident of Petersburg, testified in support of the proposed annexation . He stressed that the State had consistently urged localities to assume local government control in the Unorganized Borough in such matters as Coastal Management planning. Mr. Owens said that the annexation of land on Mitkof Island by Petersburg was consistent with that objective.

John Floden, city engineer for Petersburg, spoke in favor of the annexation recommendation and pointed out that the City had basically proposed a service area concept. He noted that 19% of the population

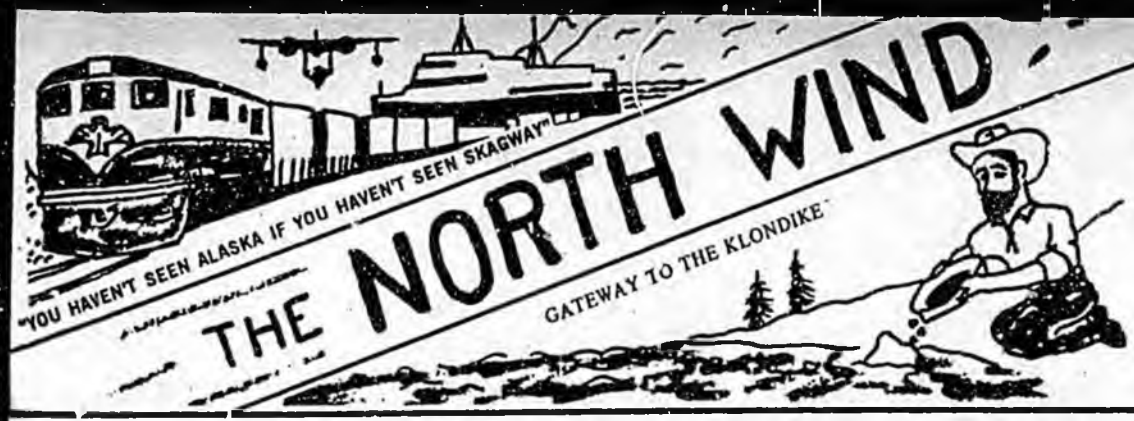
of Petersburg currently lives outside the city limits. This meant that those inside the city pay 19% more for municipal services than thier just share, while those outside pay 19% less. Mr. Floden said that without the extension of planning and zoning powers to the present outlying areas they were likely to develop in a haphazard manner leading to severe water and sewage problems in the future. There were instances in the outlying area where land was being subdivided into lots too small handle onsite sewage and water. Mr. Floden said that the City's goal in the annexed area would be to maintain large lots so as to prevent the need to establish sewer and water lines to high density residential and commercial dwellings. Additionally the projected linkage of Mitkof Highway with a proposed Stikine Highway could result in unrestrained commercial development of gas stations, drive-ins, etc. along the way unless proper planning and zoning authority existed to control it. In response to Committee members' questions, he said he believed a comprehensive community development plan for Petersburg had been prepared in 1965/66.

Gertrude Lyons, a plaintiff in the court suite against the proposed annexation and a member of the Board of Directors of the Petersburg Indian Association, testified that the increased costs association with the extension of services to outlying areas would work an undue hardship on Native residents of Petersburg who were primarily dependent upon seasonal employment. Ms. Lyons said that the membership of the Petersburg Indian Association was approximately 185 adult persons and that the Association was the combined organization for the Tlingit-Haida Central Council, the Alaska Native Brotherhood, the Alaska Native Sisterhood, and Sealaska Corporation.

Sunny Hicks, a resident of the Petersburg area and opponent of the proposed annexation, characterized the community atmosphere of Petersburg as a "local Watergate situation" where neighbors were divided against one another and conversations were surreptitiously recorded. She believed that local animosities had been inflamed by the City's handling of the annexation petition. She stressed that the residents of the outlying area considered themselves to be members of the general Petersburg community and were willing to assume their share for local services. She questioned whether the City was capable of efficiently carrying out its present obligations, much less undertake more extensive ones without the compensation of major new revenues.

William Mearig requested to testify a second time to present his views as a private citizen in addition to his capacity as a city official. He said that the proposed annexation offered outlying residents their first chance to participate in the political decisions affecting them locally, even in the absence of a separate election district for the area. He stated that participation in local government in such matters as Coastal Management offered residents more protection than if they remained unorganized and allowed either the State or federal government to impose regulations on them.

In the absence of further public testimony on SJR 40, Chairman Orsini concluded public hearings on the resolution and adjourned the Committee at 6:28 PM.



Published by "Cy" Coyne
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Skagway — Home of the North Wind

SKAGWAY-DYEA-Finnegan's Point-Canyon City-Sheep Camp-Chilkoot Pass-Liarsville-White Pass City-Dead Horse Gulch-White Pass

Volume 14 No. 12 | SKAGWAY, ALASKA 99840 - (since 1963) | January 27, 1978

APPY NEW YEAR

xtend warm greetings for a
ealthy and prosperous New

rust you can live with an ir-
issue, or so, being a bit on
dy side, as a business & vacati
is mandatory.
is feeling much better after
ration and appreciates the
shes, flowers and cards.
ope to increase our editions
ar; give better local coverage;
sent a better paper.

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. PATTY SAID SO!

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EDITORIAL WITH A PLEA! - - - - - - -

AN OPEN LETTER TO

THE STATE LEGISLATURE

SKAGWAY IS AN IMPORTANT GATEWAY & RICH IN HISTORICAL AND OTHER POTENTIALITIES - PAST, PRESENT AND FUTURE.

UNFORTUNATELY IT IS IN AN UNORGANIZED BOROUGH, WITH BUT A SMALL PORTION OF THE AREA BEING AN ORGANIZED CITY.

THE PROBLEMS ARE SO COMPLEX THAT THE PRESENT RECOMMENDATIONS FOR ANNEXING A SMALL PORTION OF THE AREA INTO THE CITY DOESN'T GO FAR ENOUGH; THE NUMBER OF PERSONS LIVING OUTSIDE THE CITY MAKES IT A GROWING PROBLEM TO GET TOGETHER WITH THE CITY AND AGREE ON AN APPROVED PLAN FOR COMMERCIAL AND PERSONAL USE OF THE VALUABLE & NEEDED WATERFRONT OUTSIDE OF THE CITY; PLUS OTHER PROBLEMS OF: MORE VISITORS; A NEW HIGHWAY TO ALASKA HIGHWAY; THE NEW NATIONAL PARK; A SUBSTANTIAL GROWTH AND DEVELOPMENT OF OIL & OTHER MINERALS IN YUKON AND NORTHWESTERN BRITISH COLUMBIA PORTIONS OF CANADA.

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IN SHORT: PLEASE DO NOT LET US BE LOCKED UP IN SUCH A WAY THAT WOULD HINDER THE GREATEST AND BEST USE FOR VISITOR AND COMMERCIAL PURPOSES KEEPING MIND THAT SKAGWAY HAS BEEN AN IMPORTANT GATEWAY FOR CANADIAN VISITORS AND OTHER BUSINESS FOR 79 YEARS, AND THE IMMEDIATE FUTURE PROSPECTS FOR GREATLY IMPROVED VISITOR & BUSINESS USE FROM THIS SOURCE ARE A. THE NEW HIGHWAY, THE EXISTING RAILWAY & INCREASED AIR SERVICE IS SIGNIFICANT AND SHOULDN'T BE TAKEN LIGHTLY.

GOODBYE "PRINCESS P

C.P.Rail announces tha
the last year of the Alas
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Passage to Skagway as the
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ifications prohibitive.
It is a sad day for the
Skagway to learn of this
The PRINCESS LINES ser
de Passage before, during
the KLONDIKE GOLD RUSH of
later named the B.C.C.S(Br
bia Coastal Service) of
Pacific Railway. (Referenc
PRINCESS (Lines) STORY on
ious Canadian Book Stores)
It is regretted that
Pacific will sacrifice the
Yukon missionary work
in an attractive mineral
appeal in the last frontie
western America.
We will miss the office
Ships' Personnel as well as
als of the great Canadian
Railway.

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PRINCESS PATRICIA: Built
Govan, Scotland; Gross Ton
Speed-23.5, Crusing 18 kn
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Princess Patricia (Lady P
Eamsay), daughter of Duke
6/16/49 Day ship on Tri-C
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5/31/63 Converted to Alas
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HEALTH CA

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Mulvihill, local director
Alaska Health Systems Age
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22nd.

F. 591.238

SKAGWAY'S NEWSPAPER (KLONDIKE GOLD RUSH HISTORICAL PARK)

25¢

A LEGISLATIVE PLEA!

Good-bye 'Princess Pat'

Published by "Cy" Coyne
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Volume 14 No. 12 SKAGWAY, ALASKA 99840 - (since 1963) January 27, 1978

HAPPY NEW YEAR

We extend warm greetings for a happy,healthy and prosperous New Year!

We trust you can live with an irregular issue, or so, being a bit on the tardy side, as a business & vacation trip is mandatory.

May is feeling much better after her operation and appreciates the good wishes, flowers and cards.

We hope to increase our editions this year; give better local coverage; and present a better paper.

EDITORIAL WITH A PLEA! - - - - - - -

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GOODBYE "PRINCESS PATRICIA"

C.P.Rail announces that this will be the last year of the Alaska Cruise liner PRINCESS PATRICIA along the Inside Passage to Skagway as the ship's economic prospects make required major modifications prohibitive.

It is a sad day for the Yukon and Skagway to learn of this decision.

The PRINCESS LINES served the Inside Passage before, during and since the KLONDIKE GOLD RUSH of 1898. It was later named the B.C.C.S(British Columbia Coastal Service) of the Canadi

STAN. PATTY SAID SO!

Stan. Patty is a feature writer for The Seattle Times and is an authority on Alaska and adjacent Canada. He should be as his father was a former President of the University of Alaska and mining operator in Yukon.

He wrote a special article on Alaska in the Seattle Times, Sunday, January 8, 1978 and concluded with:

"CITIES(Alaskan) TO WATCH this year: Skagway, for one, with completion of the new highway soon into Carcross and the Yukon Territory, plus growth of the new Klondike Gold Rush National Park, Skagway will blossom."

Mr. Patty stated to this publisher that he expected to be in Skagway this summer and note how the Park Development was doing and ride across the new Highway.

SHOWS MERGE

The Day's of '98 Variety Show & the Soapy Show expect to merge for the summer season of 1978, according to recent reports. The '98 Show is sponsored by the Eagles and Eagles Auxiliarry, and has been off and on for over 50 years, while the "Soapy" Shows is about 5 years old, but which gave a realistic resume' of "Soapy" Smith, Skagway's most famous Gold Rush Character.

The Mighty Moose show is expected to operate agin this year, which will make two star attractions in 1978.

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Pacific Railway. (Reference: THE PRINCESS (Lines) STORY on sale in various Canadian Book Stores).

It is regretted that the Canadian Pacific will sacrifice the awakening Yukon missionary work that resulted in an attractive mineral and visitor appeal in the last frontier in Northwestern America.

We will miss the officers and other Ships' Personnel as well as the officials of the great Canadian Pacific Railway.

PRINCESS PATRICIA: Built 1949 at Govan, Scotland; Gross Tons-6,062; Speed-23.5, Crusing 18 knots; 374 feet long & 56 feet wide; 320 passengers & 90 crew; 152 cabins; Canadian Registry and Crew; Launched 10/5/48 by Princess Patricia (Lady Patricia Ramsay), daughter of Duke of Connaught; 6/16/49 Day ship on Tri-Caity service handling 2,000 passengers & 60 Cars; 5/31/63 Converted to Alaska Cruise Service; 1965-66 & 1966-67 under charter to Princess Cruises, Inc., for winter season Los Angeles-Acapulco.

HEALTH CARE

We were supposed to run a story showing what health care changes should be proposed for Skagway, but, the lateness of this edition precluded doing much about it. Contact Carl Mulvihill, local director of S.E. Alaska Health Systems Agency, who may be able to assist, although next meeting was (or is) at Ketchikan Jan. 21 & 22nd.

MOVE THE CAPITOL

A majority of Alaska's voters said move the Capitol between Anchorage & Fairbanks beeause Juneau is 2 time zones away, foggy most of the time,etc

While applyin-g the principal of using the constitutional convention as reason to buck the move, not enough people give a dam.

An effort is being made to vote on the cost of moving same. Maybe it will make it and maybe it won't.

Recent papers and other media carry stories that it will cost 2½ billion to effect such a move.

Governor Hammond is reported as stating he would set up shop in a tent, if necessary,to affect an early move.

MAYBE THE REAL ANSWER IS MAKE SOUTHEASTERN ALASKA the 51st State.

- - - - - - - - - - - - - - - - - - - -

WHAT'S DOING IN 1978!

1978 is expected to be a big Year in the North with more visitors, business development, more persons riding the Railway, more persons walking over Chilkoot Pass, more freight and more jobs.

The Gram Mine in Yukon,near Anvil, hopes to have a complete feasibility study finalized by April 1st: Millions are reported to have been spent so far

The White Pass & Yukon Railway is reported to have 57,600 advanced passenger reservations.

Hotels should be stocked; Carcross Road section of Klondike International Highway should be completed in late summer; more persons are expected to hike over Chilkoot Pass; more building should be seen and the proposed State & Local port development should be

★★★ BUSINESS DIRECTORY ★★★

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started.
IT SHOULD BE A GREAT YEAR.

NEW ARRIVALS

MASON, Matthew Brian, a son to Terry & Marlein Mason, Dec.13th.,6 Lbs., 10½oz.,at Skagway.

TAYLOR, Mark Lawerence, a son to Paul & Denise Taylor, Dec.15th., at Whitehorse. 8 Lbs-7 oz.

Tele: 983-2291--Skagway, Alaska | Bank Building- Phone: 983-2200

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"JACKET"

Many Sizes & Colors

Igloo Bar &

Igloo Liquor Store

MARIE A. KALSTROM-Proprietor
Skagway, Alaska - PH:2522

Pop its cap.

P E O P L E

Abbie Sparks (Wife of late Vic. Sparks, former painter, and resident) is in Mt. St. Vincent's Nursing Center 4831 35th., SW, Seattle, WA, 98126, and would like to hear from former neighbors.

Saw the Larry McGuaines in San Mateo who wish to be remembered to everyone. They report daughter Sharon husband Otto Steinbronn and two daughters are still in Holland.

Ethyl Villesvik in Olympic Memorial Hospital, Port Angeles, WA., with broken hip.

Spoke with George Villesvik & Bill Dewar who send their best wishes.

Ditto Jackie & Gail Budd from Hansville, WA.

Juliette Meville returned from Maine & Vermont.

Neila & Pat McNamara dropped into hospital to see May.

May(Coyne) is out of hospital & hopes to have continued on her originally scheduled trip, (by the time you read this).

D E D I C A T I O N

The Pioneer Square in Seattle symbolizes the area where many persons took off from headed for the Klondike Gold Fields at Dawson City, Yukon, Canada, via the Skagway and nearby Dyea gateways, from 1897 onward.

It is part of the Klondike Gold Rush Historical National Park.

The National Park Service is making arrangements to dedicate this important take-off spot and hope to finalize arrangements this year, according to Russell E. Dickensen, Regional Director of the National Park Service, Seattle.

Dick Larkin and Bill Feero dropped by and said hello(In Seattle).

Art. Tunley left Anchorage for Los Gatos, CA., and Phoenix.

The Donald Buttles were due to leave for Portland, Ore.

Ms. Elsie Buttles said the Assembly of God Church would like to thank local people for Hallowe'en Trick or Treat contributions for Alaska Youth Village in Juneau which was $130.39 of $250.00 sent that facility.

Peter Herpst of Skagway Band & Chorus has been nominated to "Who's Who in Music", a national organization Bx 2 29, Tuscaloosa, Alabama 35401.

IMPORTANT CITY BUSINESS SINCE JAN. 1st

The Chamber of Commerce is greatly concerned with the impact the pipeline through Canada will have on the City of Skagway.

On January 17, there was a Public HEW (Health, Education & Welfare) meeting. The purpose was to determine interest in establishing a Health Council for Skagway and area. The Health Council would consist of a group of people not actively involved in the medical profession, but attuned to local health needs and priorities.

Sewer and water projects are holding due to the cold weather. Streets and roads are being sanded as the wind permits. The City is aware of the slippery conditions, but the high winds make sanding difficult at times.

N E W C I T Y C L E R K

The Above Pix shows Jim.Arrington, new City Cker, City of Skagway suceeding Dee.Bolton, (who resigned to go into business).

Jim is former projects manager on newly constructed sewer and water projects and has a handle on local problems.

BIRTHS:

Sue & Robert Messegee produced a new voter, Emily Ann, at 1:10 a.m. on January 15th. The Mayor's new daughter weighed in at 9 lbs. 5 oz.

Let's talk...

about state property taxes.

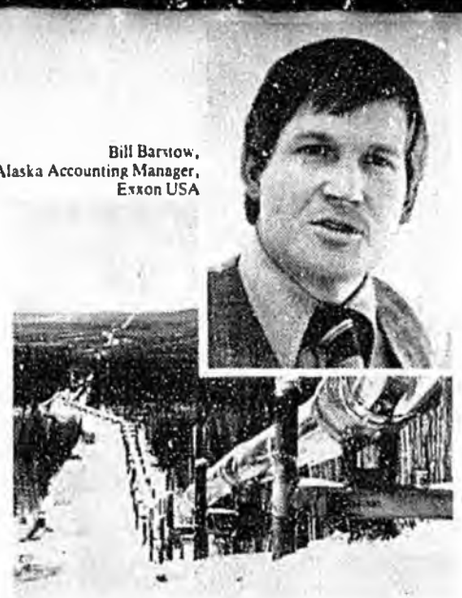
P.S. PARKS-CANADA is expected to carry on the trails from U.S./Canadian Borders at Chilkot and White Passes near Skagway, and, have permanent commemorations at Bennett, B.C., on the White Pass & Yukon Railway, Whitehorse, and Dawson, where it all began, and where the Canadian Government is restoring historical buildings, sites, etc.

P.S. # 2. We are unoficially informed that the Province of British Columbia has taken a step towards co-operating in this permanent Klondike Gold Rush Historical Effort.

SKAGWAY HARDWARE

PHONE 2 2 3 3

HARDWARE-BUILDING SUPPLIES
FURNITURE-FURNISHINGS-
FISHING TACKLE-RIFLES-GUNS



Bill Barstow,
Alaska Accounting Manager,
Exxon USA

Q *I read where the owners of the trans-Alaska pipeline made the highest property tax payment to the State of Alaska that has ever been made to any taxing jurisdiction. Do all businesses in Alaska pay a State property tax?*

A No. Only oil and gas related property in Alaska is subject to property taxes at the State level. Until recent years, property taxes in Alaska were assessed and collected only at the local (municipal) level. This system still applies to all property except petroleum industry properties. The 1973 Special Session of the Legislature enacted what is commonly referred to as the "20-Mill Hardware Tax," which became effective January 1, 1974. Properties taxable under this law include virtually all facilities and equipment used in Alaska for oil and gas exploration, production and pipeline transportation. This special law enabled the State to begin taxing the oil industry for its Prudhoe Bay and pipeline facilities three years before production began.

Q *Are cities and boroughs also allowed to tax oil and gas property?*

A Yes. State and local governments share in taxation and in tax revenues. The municipality in which the property is located levies and collects its own taxes, based on the State assessed value, at the same tax rate as applied to other locally assessed property. Taxes paid to municipalities may be credited against the 20-mill State levy.

Q *How significant is this tax as a source of State and local revenues?*

A With the rapid pace of construction and final completion of the pipeline and the Prudhoe Bay Production facilities, the 20-mill tax, which is 2 percent of value, has quickly become a major revenue source for both the State and the municipalities. For fiscal 1977, the tax amounted to about $169 million, of which approximately $139 million went to the State and about $30 million to local governments. For the 1978 fiscal year, this tax is expected to be the State's largest single source of tax revenue, providing about $200 million to State and local governments.

Q *What effect does the sharing of oil and gas property tax revenue have on local tax rates?*

A When the value of oil and gas property is added to the tax base of a municipality, it permits the municipality to raise a given amount of revenue at a lower tax rate. This tax reduction benefits homeowners and local businesses but does not benefit oil companies since any reduction in municipal tax is offset by a corresponding increase in state taxes. The corresponding increase is due to oil companies being required to pay a combined total state and municipal property tax of 20 mills.

Q *Are there other State taxes that apply only to the Petroleum industry?*

A Yes. Alaska has four taxes which are levied only on oil and gas operations. The oldest of these is the Oil and Gas Properties Production Tax (severance tax). This tax has been increased several times since the discovery of Prudhoe Bay, and in 1977 the legislature increased the tax rate again by approximately 50% for oil and by 150% for gas. The other three taxes—the 20-mill property tax, the Oil and Gas Regulation and Conservation Tax and the Oil and Gas Reserves Tax (which applies only for 1976 and 1977)—were enacted in the past four years. Such a proliferation of state tax legislation on a single industry is unprecedented in this nation's history.

EXXON

MARK LEE RETIRES

Story and photos by Carl Mulvihill
(From: White Pass CONTACT)

Locomotive Engineer Mark H. Lee has recently retired from the railroad after 43 year of service.

Mark began his railroad career in April 1934 working on the maintenance-of-way track crews until he entered

MARK LEE

engine service in July 1937. He was promoted to engineer status effective September 1942. Except for World War II, when Mark served in the U.S. Army, he spent his entire adult life railroading on the White Pass

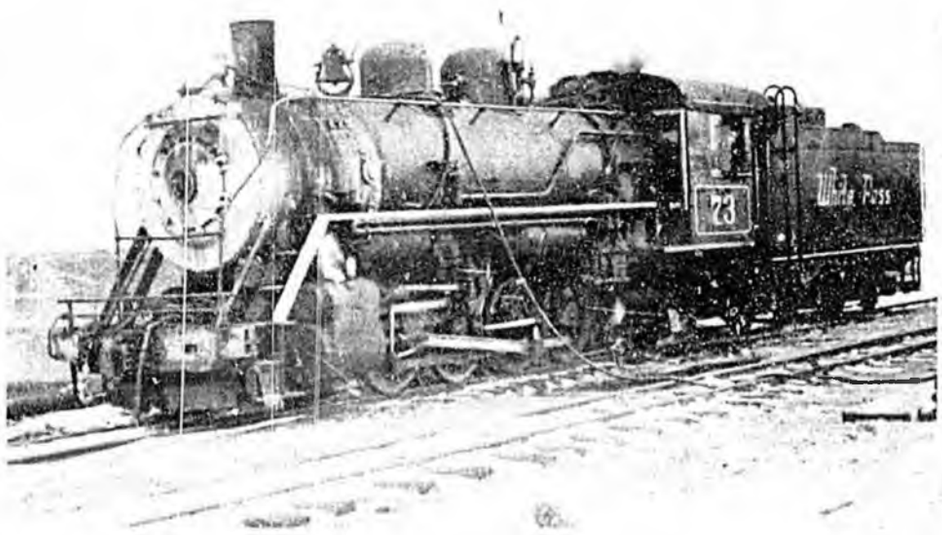
Mark has seen many changes over the years with White Pass as it has grown to meet the demands of the times. Possibly the most dramatic is with the locomotive power itself. When Mark started, the principle road power were the 59-class steam locomotives which could pull a 115 ton train up the "Big Hill" from Skagway. 1938 saw the arrival of the first Mikado which could haul 160 tons [illegible]

more hauling capacity than the 70-class engine, has its biggest advantage in its ability to have several diesel locomotives coupled in tandem and operated by only one engine crew.

Before Mark retired, it wasn't uncommon to see him hiballing up the track, at the head of 5 or 6 diesel locomotive units, which in themselves were probably longer in overall length than some of the entire prewar trains, pulling some 75 cars up the hill with a gross tonnage in excess of 1400 tons.

Mark vividly remembers the old steam engines, particularly after constantly shoveling scoopful after scoopful of coal into the firebox, hour after hour, just to maintain enough steam pressure to climb up the mountain grades. The steam engine cabs were never as comfortable as the modern diesel and Lee recalls during the "Good old days" in the winter, "you froze your butt on one side and roasted it on the other." Mark prefers riding the diesel - but fondly reminices about the steam days.

Mark plans to take it easy for a while, getting lots of rest, and adjusting to a regular life - a real change from the irregular hours of a railroader who can be called for a run any time of the day or night. Mark figures that he is finally going to be able to finish some of his many projects, one of which is his "Liarsville" homestead just north of Skagway.



THOSE WERE THE DAYS

. . . . .

(The author and photographer Carl Mulvihill is a train dispatcher at Skagway and has been acknowledged by many authors as their source of historical information about Skagway and White Pass. Ed.)

grades. The "70's" were the mainstay of the White Pass motive power until the advent of the diesel locomotive in 1954. During this period, when the trains were long and heavy, it was common practice to couple in the train one or more "helper engines" to assist it up the steep grades. Each of the helper engines had its own crew consisting of an engineer and a fireman. The 90-class diesel locomotive, rate at 200 tons, or only 40 tons

ALASKA

LIQUOR

Christine Vaughan, Mgr.

2466

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ACROSS FROM OLD RAILWAY DEPOT:-

MOE's

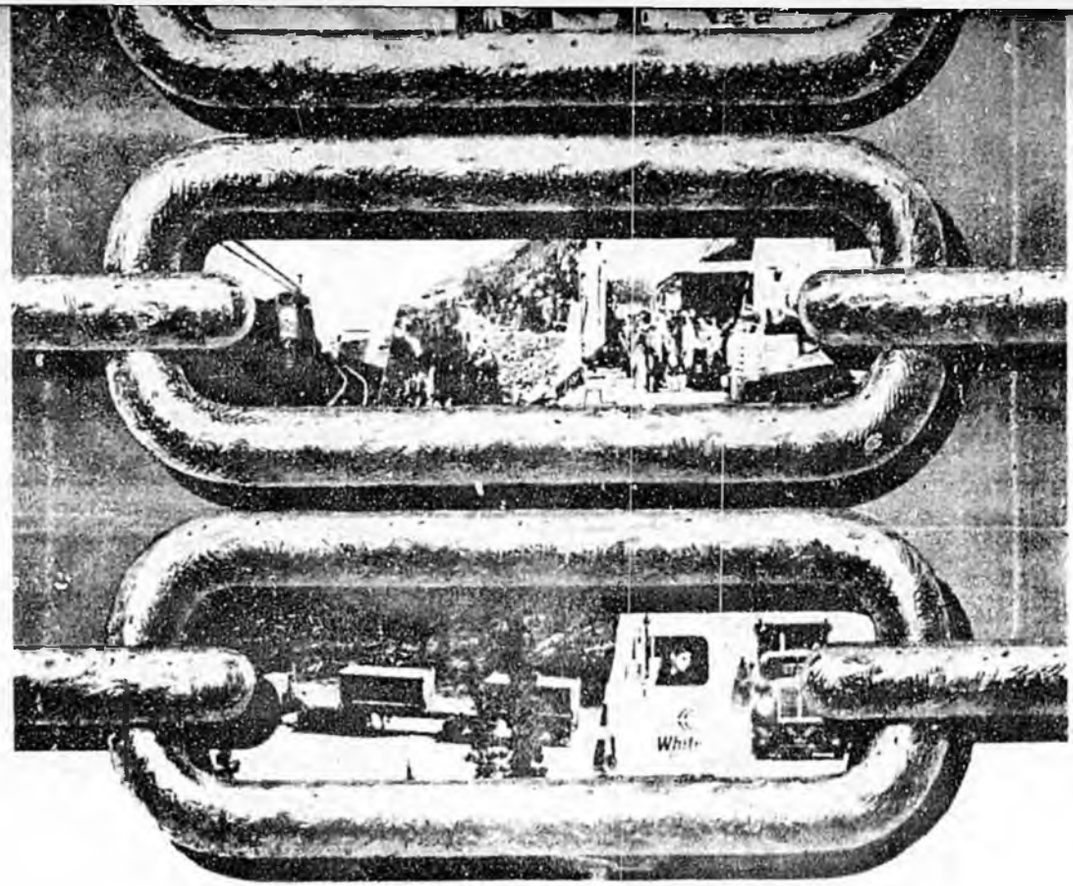
Frontier Bar

and

Liquor Store

Phone: 2238

BROADWAY-Bet 4th & 5th.



The links of the chain

As the successor to the rugged Trail of '98, White Pass has forged communication and transportation links for Northern Canada using ships, trains and trucks. Each link is strong, independent and self-sufficient. Yet, each link looks to the others to complete the chain

The water link between Vancouver and Skagway is provided by two modern container-tanker ships, the M.V. Frank H. Brown and M.V. Klondike. Each week a ship departs from Vancouver for Skagway, to move your freight into the North, and returns with mineral concentrates. The rail link operates up to three trains daily in each direction, hauling freight between Skagway and Whitehorse and returning with minerals destined for markets throughout the world

The highway link utilizes heavy duty trucks specially designed to handle efficiently all types of freight including general supplies, petroleum, bulk chemicals and mineral products

Whether your goods are inbound to the North or outbound for southern Canada you can move them more efficiently and at lower cost through the White Pass chain. We forged these links to serve you and they grow stronger every year.

White Pass

N O R T H W I N D E R S (A Column)

Looks like hot race for Governor; with Hickel-Find & Gov.Hammond on Rep. side--and Croft,Merdes & possibly Bill Egan on the Demo side.

HELP FOR THE BOY SCOUTS:Usually it's the Boy Scouts who help,but, help is needed in properly organizing same.

ALSO, YOUR HELP IS NEEDED to keep the Roller Skating bit going in the Recreation Hall next to the Presby terian Church-the Liability cost floor ed them(and many others)-send your donation to ROLLER SKATING,Box 296, Skagway 99840.

Federal Bureau of Land Management may be able to sell you mineral rights under your property under certain conditions, providing,you don't have them already.Contact them 555 Cordova, Anchorage 99501.

Jesse Carr told state meeting that Labor and Business should have joint committee to resolve common problems such as economic development, Native co-operation;and set realistis goals.

We wonder if City Hall settled on whether to employ outside help to set sewer and water rates,or do it themselves (Any outside firm would not only be costly,but, would have to come to the city for most of the material).

ALASKA MAGAZINE_December issue,has a nice Christmas Story about Skagway.

ELMER RASMUSSEN, former resident and prominent Banker, received the Royal Order of the Northern Star from King Karl of Swedon in San Francisco recently.

Mike Ferrante hopes to wind up local contracts soon.

Food stamps to be increased.

We hear that Bill Sheffield could manage Klondike Hotel via. his Alaska

Joanne Brown is editor of the new ALASKA WOMAN MAGAZINE,6610 Arctic Spur Road,Anchorage 99502.

Plans for more Hostels in Yukon-wish they could assist locally in getting something along this line done.

W/H STAR states living costs in Yukon found 45% more than in Ottawa, which is like saying the cost of living here is 45% higher than Washington (Maybe it is).

Trust Haines will get a petrocham. plant,or something to give them a lift.

Did we mention previously that Atlas Travel moved to Klondike Hotel?

Also, we failed to mention that Dennis Hisman(Sweet Tooth Saloon) also does catering?

SOMEBODY ST LE GEO.WASHINGTON'S DRUMS-was recent headline in Whitehorse Star-having to do with actual person of that name having someone swiping 3 oil drums from the back of a truck!

The highest game ever bowled in Skagway, a 287, was rolled by Tom Curry of Welding and Cycle team in the men's league. Tom will also receive an A.B.C. Century Award for 100 pins over average.

ALASKA TRANSFER COMPANY

CHEVRON FUEL & OIL
Office & Delivery
8 AM. - 4 P.M.

Wanda and Wes. Self.

Tel. 2314

& Yukon chain of Hotels and Reservation complex.

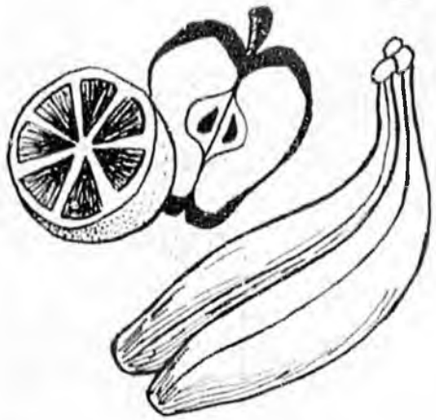
Failed to state Mel Tucker's name when Alaska Visitors held organizing meeting here in November. He has marketing venture in Anchorage and a good guy to know.

Trustees for Alaska wants us to join, but, we feel that this may be an organization which would lock up Skagway and Alaska from progressing. Time will tel just what kind of an organization this is.

Volunteer Firemen says thanks for for donation-they sure need a lot of help both in person-power anddough.

THE FAIRWAY STORE

GROCERIES, MEATS
FRUITS, VEGETABLES,
FROZEN FOODS



PHONE: 2 2 2 0

Legal Notice

NOTICE OF UTILITY APPLICATION

The ALASKA PUBLIC UTILITIES COMMISSION hereby gives notice of the filing of an application (Docket U-77-80) for transfer of Certificate of Public Convenience and Necessity No.181, which authorizes the furnishing of cable television telecommunications service at Skagway, Alaska, from Jack Brown d/b/a SKAGWAY NETWORK TELEVISION to RICHARD G. DEDITUS d/b/a SKAGWAY NETWORK TELEVISION.

The transferee (Deditus)has been granted authority conditionally to furnish similar services at Craig, Klawock, Kake and Hydaburg. The application indicates that the transferee has had 7 years experience with cable television service and that no changes are proposed at present in the existing cable television rates in the transferor's tariff which is on file with the Commission.

More detailed information may be obtained from the transferee whose address is Box 2459, Juneau, Alaska 99803 or from Jack Brown, Box 233, Skagway, Alaska 99840. The complete filing is available for inspection also at the offices of the Alaska Public Utilities Commission, 1100 MacKay Building, 338 Denali Street, Anchorage, Alaska 99501.

Any interested person may file with the Commission by 4:30 P.M. January 30, 1978, a statement of views and specific reasons in favor of, or in opposition to, the transfer of Certificate of Public Convenience and Necessity No. 181 together with written confirmation that the same statement has been mailed or delivered to Jack Brown or Richard G. Deditus.

DATED at Anchorage, Alaska, this 29th day of December,1977.

ALASKA PUBLIC UTILITIES COMMISSION
/s/ J. Lowell Jensen
J. Lowell Jensen
Executive Director

TED STEVENS

United States Senator For Alaska

ALASKA EXCLUDED FROM COAL CONVERSION REQUIREMENT

The House-Senate Conference Committee is continuing to hammer out the differences between the Senate and House versions of the National Energy Policy package. Work is now proceeding on two fronts. One group is working on the non-tax aspects of the package, while a second group just took up the tax-related portions last week.

The second of four non-tax parts, the Coal Conversion bill, was completed last week. The conferees agreed to prohibit new electric power plants and new major fuel-burning installations from burning oil or natural gas. New facilities are defined as those which were not under construction before April 20, 1977. Existing electric power plants and major fuel-burning installations will be prohibited from burning gas after January 1, 1990, and in some cases the Secretary of Energy is authorized to order existing facilities to convert to coal before that date. The Secretary may order existing oil-burning facilities to convert, either in catagories or on a case-by-case basis.

Exemptions from these prohibitions are provided for many cases, including the unavailability of coal or alternate fuel source at reasonable costs, inadequate transportation capacity to bring the coal to the user, process requirements and technical infeasibility of burning coal, incompatibility with environmental regulations, and electric utility reliability factors.

Existing facilities in Alaska were excluded from the conversion requirements in the Senate version. Coal, although plentiful in Alaska, is not yet developed sufficiently to handle the demand if existing facilities are forced to convert. Existing transportation links would be inadequate and the cost of converting the facilities would be extremely high. The impact on consumer costs in Alaska would be severe.

M.V. FAIRWEATHER

The pix shown above shows Westours' new passenger vessel being placed in the Juneau-Skagway service from May 20th., to September 28th, 1978. It will sail from Yankee Cove, 34.5 miles notth of Juneau at 1:30 PM daily for Skagway, and Leave Skagway at 8:00 A.M for Juneau.

The new vessel is 102 foot lo g and will carry 149 passengers; cruising speed-18 knots; 1-way trip about 5½ hours; it will have 747 type seating and 4 stewardesses to make custimers comfortable.

Power is 3 diesel engines generating 2,500 horsepower. Beam is 22 ft.

Skagway School Basket Ball Scores:

Christmas Tournament hosted here December 28-30. Wrangell, Haines and White Horse participated. Skagway played Wrangell for the championship and lost a close one by only three points, 51-48. Wrangell is a Class A school and Skagway is Class B.

January 6 & 7 found the Skagway Cagers at Hoona, where they won both games. The scores were 76-25 & 103-491

Yakatat was here January 16 & 17. Once again, Skagway was victorious in both games - 60-44 on Monday and 56-45 on Tuesday.

THE KLONDIKE HOTEL

Skiing isn't just fun, glamour and excitement.
It's health, fitness and happiness too.

Skiers really know how to live. And knowing how to live is one of the secrets of a long life. To live better . . . to live longer, means taking the simple care to exercise well. Because regular exercise is the only way to keep all of your 600 muscles in shape. Especially the most important one — your heart.

So, check into skiing at a ski area or shop near you. Or hike, or bike or play squash or swing a tennis racket. Join the people going for the good life.

Public Service Advertisement
for the President's Council
on Physical Fitness

"New Luncheon Specials"

SERVED FROM 11:30 A.M. TO 1:30 P.M.
MONDAY THRU FRIDAY

SIZZLING STEAK SANDWICH ON GRILLED FRENCH LOAF WITH FRIES AND GARNISH - $3.69

HOT PASTERAMI ON RYE SERVED WITH KOSHER DILL AND FRIES - $2.79

SUPER DOG, A PLUMP KNOCKWURST ON A BUN WITH SAURKRAUT AND FRIES - $2.19

CHEESEBURGER DELUXE, A QUARTER POUND OF CHOICE BEEF WITH FRIES & GARNI - $2.79

HIGH NOONER, BEEF HAM OR TURKEY PILED HIGH ON A ROLL WITH CHIPS AND KOSHER DILL $1.89

SUPER LOW CAL SPECIALS $2.69 EACH

A)- FRESH GRAPEFRUIT, ORANGE, BANANA AND CHERRIES - CUP OF BOULLION, ONLY 335 CALORIES

B) ROLLED ROAST BEEF - CHEDDAR CHEESE WEDGE - TOSSED GREEN SALAD - CUP OF BOULLION - ONLY 255 CALORIES

C) TOMATOE STUFFED WITH TUNA SALAD - CUP OF BOULLION - ONLY 195 CALORIES

MORNING 7:00 AM
2 EGGS
HAM, BACON, OR SAUSAGE $2.89
$2.89
GRIDDLE CAKES
SAT. THRU TUE
10:00 AM SPECIAL

BONANZA LOUNGE HOURS
11:30 - 1:30 FOR LUNCHS
5:00 TIL ? EVENINGS
CLOSED SUNDAY

UP-COMING SPECIAL EVENTS

Watch for Nickie Bear Night - Coming up soon!

Another "Two Fingers" Tequila party with prizes and suprises for all!!

LADIES CARD DAY
WEDNESDAY'S FROM
1:30 P.M. TO 4:00 PM.
DRINKS HALF PRICE

SPORTS NIGHT

FOR ALL THE AKMI CHAIR O.B.S & YOU RETIRED COACHES; THIS IS YOUR CHANCE COMING SOON!

ENTERTAINMENT SCHEDULE

STARTING JAN. 17 - 1978
DANCE MUSIC BY
"DARRLY GEORGE"
TUE. THRU SAT.

COMING IN FEBRUARY

CRACKERS & HITES
WITH
"DOLCIE"

'TAX LOSS' IS REAL GAIN HERE

by Barbara D. Kalen

Following the somewhat sensational news story of a couple of months ago concerning possible adverse effects financially on Skagway due to the tax loss of property purchased by the Park, the National Park staff, with help from Skagway's City Hall, have worked up an accurate estimate of the tax loss, plus a rundown of income to Skagway due to National Park spending.

The six properties acquired so far, would have paid taxes of $2,178.60. Eight more, expected to be purchased in 1978, will make an additional tax loss of $2,794.49. Another four are planned for purchase in 1979, with a present tax revenue of $2,389.28. The total potential loss by 1980 will come to $7,362.37, which Skagway will not have really lost, as the Federal Grants in lieu of taxes will cover the first five years of ownership, and our Park people still firmly expect to be able to return most of the property to private ownership once it has been restored.

On the plus side, the National Park Service spent, not including land acquisition, $109,600.00 in fiscal 1977. Estimating that half of this (mostly salaries) was spent locally, sales tax revenue would have been $822.00. Indirect tax revenue, calculated on a multiplier effect, estimating that the locally spent money changes hands 3½ times, gives an estimate of another $5,754.00 in local taxes.

So for the year of 1977,

Skagway landmark goes up in flames

—photos by Dedman's Photo Shop, Skagway

by Barbara D. Kalen

Skagway lost a living landmark when an early morning fire gutted the famed "White House" hotel on Dec. 20. The alarm sounded at 4:20 a.m., and the Skagway Volunteer Fire Dept., plus a couple dozen or more helpers, battled for more than four hours before the last ember was out.

Built in the early 1900's by gambler Lee Guthrie, the White House was the finest built home in Skagway, and had the most lavish furnishings. It was also owned by early day druggist Britt, and in the late teens a Mr. Dickensen added a second story to the house. In the 1920's and 30's the White House was owned and operated by Mr. and Mrs. Frank Suffecool, who maintained showplace gardens. Mr. Suffecool was owner of the Alaska Transfer Co.

During World War II, the U.S. Army took over the White House, adding a barracks wing, which was equipped to be used as an emergency hospital, though fortunately it was not need for this purpose. After the war, Nova Warner bought the White House, and he and his wife Wanda lived there, using it as both a family home and a small apartment-hotel complex.

The White House proper contained nine very large rooms, and the barracks had 12 more, plus two small apartments, and there were nine bathrooms.

The fire started in the north end of the barracks building, which was vacant and unheated for the winter. Warners smelled the smoke, located the fire and called in alarm while the fire was still quite small. It spread quickly through the one-story army building, and thence to the big house, and finally burned through nearly all of the roof, gutting the entire second floor of the house, and half the downstairs.

The Warner family lived in the farthest end from the fire, and with help, did manage to remove most of their furniture and personal belongings before the fire and water damaged them. No one was hurt, and only the youngest Warner child, Stewart, was still living at home. They have moved to Joe Herpst's rental house at the end of State St., and are still working at picking up the pieces. Nova works as a longshoreman, and is the local propane gas dealer; his wife Wanda is our postmistress. We all join in extending our sympathy for their loss, and many have helped with the difficult and discouraging salvage job.

The building was uninsured.

was an estimated new money spent in Skagway of $54,800.00, creating a direct tax gain of $822.00 plus an indirect gain of $5,754.00. 1978 appropriations have not yet passed Congress, but it is expected that spending will be considerably more than 1977, which was just a partial year, getting our new National Park established.

NEW FIREFIGHTER HELMETS

Three new style Cairns protective helmets have just been purchased by the Volunteer Firefighters. The new polycarbonate helmets have several features which make them superior to the older style "standard" plastic helmets.

Most prominent is their appearance, which closely resembles a football helmet and gives the firefighter better head protection from falling objects. The new helmet also has a snap-down face shield for added protection , especially for the eyes. One feature the the firefighters really appreciate is the much higher meting point of the new helmets of 450° F. This is more than twice that of the older helmets, thus giving better protection in the high fire temperatures, which are usually in excess of 1000° in a fully involved building.

The winter liner, made from Nomex, a fire-retardant material, contributes by protecting the ears and neck from the intense heat.

The older helmets will gradually be replaced on the first run apparatus, as funds become available from the firefighter benefit programs and donations.

PERSONAL Personal Personal

Dear Norman (wherever you are),

We miss you! Please come home! I guess you're mad at me because I sold your rifle to pay for that last ad. Norman, dear, the children need you. Even Mamma misses you. Just the other day she said, "Where's Norman?" Please come home, Norman, it's been almost six months. Mamma says she'll give you back your bowling ball. She doesn't need it anymore for her wig since she wears it all the time now. You must admit dear, you weren't very nice to laugh at Mamma's wig. Noone else thinks she looks like George Washington.

Surprise, Norman, I bought a new rifle for you and it didn't cost us any money. I saveso much money and time doing our laundry and dry cleaning at the KLOTHES RUSH coin drycleaning and laundry store on 5th and Broadway right next to the Skagway Artist's Co-op. The other day while I did my shopping I had those heavy living room draperies cleaned. It's much cheaper than buying new drapes this year.

Oh, you'll never guess who I saw at the KLOTHES RUSH the other day - Carlton! He's single and doesn't have anyone to take care of him. He just found out about the Bundle Drop Service the KLOTHES RUSH has. He takes all his laundry there, even his bedspreads, blankets, towels, and rugs. They wash it, dry it, and fold it for him and he picks it up the next day. He says they do such a nice job. He even lets them launder his favorite blanket. He has to get that back the same day though since he can't sleep without it.

I'll be saving more time and money as soon as I can quit taking a taxi. Don't worry dear, none of us were hurt when I ran into the Chief of Police's car.

Your loving wife,

Eloise

(Adv.)

CHAMBER OF COMMERCE

met at Klondike Dining Room Dec.7th., with M.P.Taylor presiding. Newly elected president, John O'Daniel,was unable to be present and take office. Hope to install Dec.26th. Treasurer's report was good; more brochures was discussed as was local brochure for visitors after arrival;Gary Danielsom reported on Alaska Visitors Ass'n local efforts indicating 42 members; Information Center-6,000 persons signed register in 1977;Volunteer Fire Dept. was thanked for many things;Bank to expand;Boy Scout to organize;Annexation; and other subjects;Cy.Coyne resigned from Exacutive Board account of absence,and,recommended that Richard Hoffman be considered as he was Sup't of National Park Service and there should be a strong liason situation between the Service and the Chamber.

BANK TO EXPAND

The National Bank of Alaska is planning to expand their local facilities here by taking over the space rented to Chilkoot Agencies; Chilkoot Real Estate & former auto supply & clothing store,which will provide 6 teller windows, new furniture & equipment and what have you.

The local bank is part of a state-wide change,and, it is a pleasure to note that this said state-wide banking system began here in Skagway.

Hugh Hall is local manager and cashier.

ALASKA VISITORS ASS'N

THANKS!

The Publisher wishes to thank the National Park Service for the many Certificates of Appreciation issued locally to the persons and organizations which assisted in the Dedication of the Klondike Gold Rush National Historical Park here June 4,1977, and for other purposes.

THE NORTH WIND and the Publisher received one each,and a glamorous Pix of said publisher taken June 4th.

THE NORTH WIND

Next issue,or two, may be a bit off schedule. We plan on 12 plus issues this year beginning with Volume 15, plus a special summer edition for visitors.

We have had offers to sell this paper,and a new owner may do better with same;but, our view is that it will take a few years to be self-sustaining as we have had to dig in our pocket over the years.

However, we are trying to give more local news and will keep on trying.

SAVINGS
FSLIC
BUILD YOUR STAKE WITH ALASKA'S PIONEER

Skagway Churches

ASSEMBLY OF GOD: 8th & State
Morning Worship at 11 A.M.
Evening Service at 7:30 P.M.
Pastor Micheal L. Roberts-983-2350

SKAGWAY BAPTIST MISSION:
(At Presbyterian Church)
Sunday School - 2 PM
Worship 3 PM
Rev.James Spencer PH: 2503

St.TERESE CATHOLIC CHURCH: 9th & State
Mass 7 P.M.Saturday
11 A.M. Sunday
Father James D. Cronin-983-2271

FIRST PRESBYTERIAN CHURCH: 5th & Main
Sunday School at 9:30 A.M.
Family Worship at 11:A.M.983-2530
Rev. Ralph Weeks

REALTOR

OFFICE MOVED

ANNOUNCING THE REMOVAL

OF OUR OFFICE TO THE

met December 15th., and made further arrangements to make our Community more appealing to visitors;Guests; Ray Pederspn & Frank Wiggins of Westours;Objectives discussed;as were committees:Legislative-Dorothy Shaplin;V.I.P.Barbara Moore, Jodi Bales & Phyllys Lytle; Chamber-Susan Slettevold; Rour operation liason-Dave Stevens;Pcs Pat Committee-Barbara Moore; next meeting Feoruary?;Trying to host various directiors meetings & organization annual meetings;winter sports; folk festivals;P.R.Dept; Lease sternwheeler vessel on Lake Bennett; Gas line impact;Clean Up; Snow Rotary;Street Shows!Charter Fishing;

- -

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32¢ per Board Foot.

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THE NORTH WIND

Box 395, Skagway, Alaska, 99840
Cyril A. "Cy" Coyne - Publisher
PH: (907) 983-2200 - - - - - -

Page size: 10" x 15-7/8 High printing area with three 3¼" columns per page. Photo off-set process; B&W photo (Color OK in some instances).

RATES: Full page-$100.00;½-$52.00; ¼-$27.00; 1/8th-$14.00 for 48 col. inch; 24";12" & 6" respect. Basic column inch is $2.50.

Legal & Classified 35¢ Col.LINE; 6 lines per column. $2.50 Min.

SUBSCRIPTIONS: $2.00 in town; $2.50 U.S.A; CANADA is $3.50 & first class. 12 issues. Monthly, except June-July-August & Sept., twice a month; with Special Summer edition.

Close:15th.,month; Summer 1st & 15th.Summer-SPECIAL EDITION close May 10th. CIRCULATION: 500 to 1,000 per issue; Summer edition 2,000+.

BUSINESS DIRECTORY-12 issues is $28.50.

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BUILDING ON FIFTH AVE.

PHONES: 2200 & 2240 -

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THE NORTH WIND
Cyril A. "Cy" Coyne
Skagway, Alaska 99840

BILL RAY
165 BEHRENDS AVE.
JUNEAU, AK 99801

FIRST CLASS MAIL

F: SJR 38

CITY OF SKAGWAY

GATEWAY TO THE GOLD RUSH OF "98"

P. O. BOX 415 SKAGWAY, ALASKA 99840

February 2, 1978

Senator Joseph L. Orsini
Chairman, Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

Please reference your letter of 23 January 1978 concerning the recommendations of the Local Boundary Commission for annexation of land by the City of Skagway.

The views of all interested citizens of the Skagway community were considered by the City Council in the development of its annexation petition. Similarly, in the development of its recommendation, the Local Boundary Commission offered an opportunity for public participation and all views expressed by the City Council and concerned citizens were given full consideration. Although the boundary descriptions contained in the L.B.C. recommendations differ from those proposed in the City's petition, it is considered that they reflect an equitable compromise. Accordingly, the City Council recommends that the lands as described in the L.B.C. recommendation be annexed to the City of Skagway.

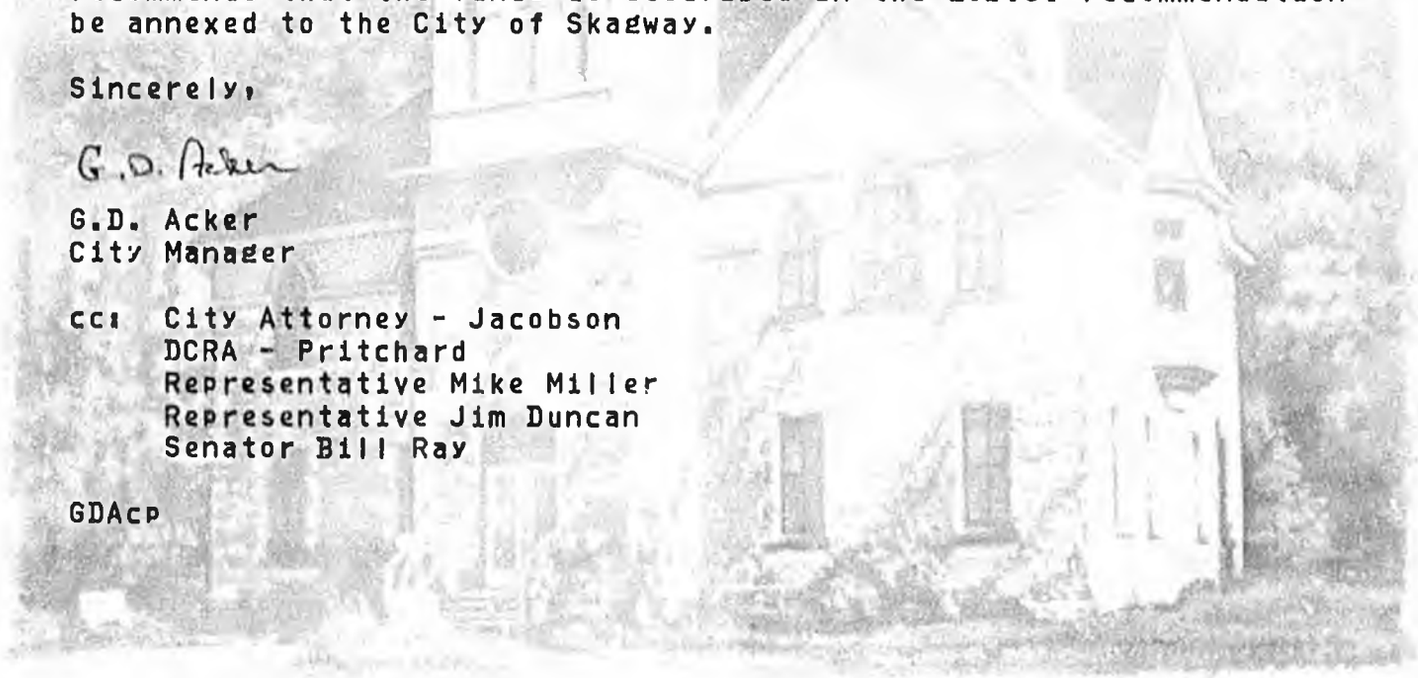
Sincerely,

G.D. Acker

G.D. Acker
City Manager

cc: City Attorney - Jacobson
DCRA - Pritchard
Representative Mike Miller
Representative Jim Duncan
Senator Bill Ray

GDAcp



F: SJR 34

Alaska State Legislature

House of Representatives

Office of the Majority Leader

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

M E M O R A N D U M

February 3, 1978

To: Representative Lisa Rudd
From: Representative Mike Miller

Lisa--

I have advised the city of Skagway that unless they hear otherwise from you or from me, it should not be necessary for them to attend the hearings on the resolutions annulling Skagway's annexation. My understanding is that there is no opposition to the annexation and that the boundary commission will be explaining its annexation recommendations to you. If for any reason you feel my advice to the city was not correct, or if you know of some objection that I'm unaware of, I would appreciate your letting me know.

cc: Senator Orsini, Chairman Community and Regional Affairs Committee

√ 1. Jac
2. F: SJR-~~38~~

COMMENTS BY SKAGWAY CITY MANAGER G.D. AKER RE SKAGWAY

BOUNDARY ANNEXATION RECOMMENDATION (SJR ~~40~~ 38 2-2-78

Aker said that the City had mailed today a letter to the Committee expressing its support of the Boundary Commission's recommendation.

Aker said that this recommendation was an "equitable compromise" between two views which had not been satisfactorily settled at the time of the commission's meetings. Apparently the original petition was drawn up requesting the maximum area last year. The City Council then in office pared down the request to a smaller area but maintained the documentation which supported the larger request. New city elections occured last year and a new City Council was elected which wanted the larger area annexed. It was explained to them that the petition could not be amended by the Commission or the Legislature but only rejected. The Council then agreed to go ahead with the petition as the first City Council had approved. If further land was desired, it was agreed that a new petition would be drawn up. In the meantime, the City was eager to extend its boundaries to the extent outlined in SJR ~~40~~ 38

Aker said that the Boundary Commission was very cooperative with the City in light of the confusion between the two boundary limits. As a result, the City fully supported the Commission's recommendation as presented in SJR ~~40~~ 38

According to Aker, the City does not plan to send a representative to Juneau to testify at the hearings unless we believe that their presence is necessary.

Ben Harding

Official Business

Alaska State Legislature

Senate

Committee on
Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

January 31, 1978

Mr. John R. Edwards
Mayor
City of Skagway
P.O. Box 415
Skagway, Alaska 99840

Dear Mr. Edwards:

On February 7, the Senate Community and Regional Affairs Committee will hold hearings on the recommendations made by the Local Boundary Commission regarding the annexation of land by the Haines Borough SJR 39 and the Cities of Petersburg SJR 40 and Skagway SJR 38.

The Senate C&RA meetings are scheduled for 3:00 P.M. in Room 106 of the Assembly Building and public testimony will be taken prior to Committee action on the recommendations. Comments may also be submitted in writing prior to February 7 by those who wish to testify but are unable to travel to Juneau.

In the event that the hearings are not completed on February 7, further hearings will be held at the same time and place on February 9.

Sincerely,

Joe Orsini

Joe Orsini
Chairman
Community and Regional
Affairs Committee

JO/tb

SJR
39

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE MINUTES

FEBRUARY 7, 1978

Present: Chairman Orsini, Senators Willis, Hackney and Sumner. Wm. K. Mearig; J. R. Floden; Frances G. Westre; David A. Moffat; Gene Owens; Sigvald J. Strandberg; Erick J. Simpson; Sunny A. Hick; Gertrude Lyons; Lars Eide; Ed Lapeyri; James F. Petersen; Annette Smith; Bruce Aronson.

Absent: Senator Ferguson

Chairman Orsini convened the hearings at 3:15 PM. He announced that the Committee would take testimony on SJR 38, 29 & 40 but would take no action on the resolutions that day.

SJR 39 (Proposed Annexation by Haines Borough):

Chairman Orsini asked Sigvald Strandberg, Chairman of the Boundary Commission, to give the circumstances behind the proposed annexation of land on which stood fuel tankds formerly operated by the military. Mr. Strandberg described the action as pro forma in nature to allow the Haines Borough to eliminate a pocket of non-borough land inside its borders. He explained that the final disposition of tank farm property, which would be handled by the General Services Administration, would not be affected by the Borough's action and that the military had not objected to the proposed annexation. Mr. Strandberg also stated that no objections had been made by members of the public during the Boundary Commission's hearings in Haines. No one else wished to testify on SJR 39 and Chairman Orsini closed the hearings on the resolution.

SJR 38 (Proposed Annexation by the City of Skagway):

Mr. Strandberg noted that the City of Skagway originally requested to extend its boundary to the Canadian border and that of the Haines Borough. He noted that this raised the question in the Boundary Commission's opinion of what properly constituted city government versus that of a borough. The Commission therefore recommended a smaller extention of the City's boundaries and informed the City that it could, if conditions warrented, petition the Commission in the future to move its jurisdiction to the Canadian border. The City of Skagway supported this action by the Commission and agreed with the recommendation. Strandberg acknowledged that public testimony by persons residing outside the present City boundaries was opposed to annexations since they believed that they were already paying for municipal services through the sales tax. In response to questions from Committee members, he said that the Commission had not considered the inclusion of the Dyea area into the City of Skagway and that such an action would require separate Commission action.

William Ruddy, an attorney representing the City of Skagway, said that public opposition had been expressed to the proposed annexation but that it was not organized.

In the absence of further public testimony, Chairman Orsini closed the hearings on the resolution.

SJR 40 (Proposed Annexation by the City of Petersburg):

Mr. Strandberg said that public hearings had been held by the Commission in Petersburg January 9 before an overflow crowd with the testimony being broadcast live over the local radio station. On January 16 the commissioners held a telephonic conference and approved a recommendation for the extension of the City of Petersburg boundary.

He explained that the Commission's recommendation called for the city boundary to be extended only over the northern portion of Mitkof Island, an area of approximately 45 square miles. The City had originally petitioned for the annexation of all Mitkof Island, an area of approximately 211 square miles. Mr. Strandberg said that the Commission respected the City's reasons for the larger request, which included concerns about Coastal Management and municipal selection of state lands. He said that this again raised the question of borough versus city government and that the Commission had recommended an area for annexation that would take in almost all residents, but not all the territory, of Mitkof Island. He noted that, in the Commission's view, the natural development of the City of Petersburg lay along Mitkof Highway and that the outlying areas did benefit from municipal services. The incorporation of this area would remove the present tax inequity between the residents of the City and the outlying district. Mr. Strandberg pointed out that the City of Petersburg has a narrow tax base, but a fairly heavy bonded indebtedness. The 2,126 City residents have a bonded indebtedness of $3.7 million against a property valuation of $34 million. Thsi gives the City a debt/valuation ratio of approximately 11% as opposed to a 5.4% ratio for the City and Borough of Juneau and 3% for the City of Ketchikan. He noted that there were considerable private land holdings south of Petersburg along the Mitkof Highway.

In response to questions from Committee members, Mr. Strandberg made the following comments: The City indicated that it would assess one-half, or 7 mills, of the present City mill rate against the residents of the outlying area for the first year after annexation. Petersburg City Councilmen run at large and therefore there would be no council seat per se representing the annexed outlying area. During the public hearings in Petersburg, public sentiment ran about four to one against annexation. The August 26, 1975, election during which City voters rejected annexation was a straw vote on another proposed annexation and for which sketchy data had been gathered in regard to potential tax revenues. Service areas in the unorganized Borough could be established by the Legislature only if the same services could not be provided by annexation to existing local governments.

The vote of the Commission had been three to one for the proposed annexation. Children in the outlying area presently attend City schools which receive tuition payments from the State. The economic future of Petersburg lies fishing and some logging. Industry would find it attractive to locate in the outlying area following annexation.

William Ruddy, the attorney representing the City of Petersburg, and William Mearig, representing the Petersburg city government, testified

jointly. Mr. Mearig stated that the 1975 annexation vote concerned the proposed annexation of West Petersburg, which has now incorporated separately as the City of Kupreanof, and did not pertain to the present recommendation. He noted that the Environmental Protection Agency was requiring the extension of sewer and water facilities to outlying areas. Either the City of Petersburg would provide these services or they would be mandated at the state or federal level. In response to questions from the Committee members, Mearig concurred that Petersburg's economic future lay with fishing and stated that any expansion of fishing facilities would probably occur at the four plants currently within the City's boundaries. Because of environmental and esthetic concerns, little or no development is likely to take place in the Narrows. He commented that strictly speaking it was illegal for the City to provide municipal services to the outlying area.

James Petersen, the attorney representing the plaintiffs in the court suit opposing the proposed anrexation, testified that his clients opposed the annexation on the grounds that insufficient study had been given to the revenue, tax burden, and expense of the action. He stated that the original petition requesting annexation had been hastily put together and that the municipal ordinance had had its first reading with no public input. The second and third readings took place on the same night. Studies were lacking on population density, cost of police protection, cost of water and sewer facilities, and cost of electric power extension. Peterson said that his clients were not opposed to annexation per se and believed that the establishment of a service district (outside of the municipal boundary) could provide a viable solution. He emphasized that it was not only residents of outlying areas who opposed annexation but the residents of the City as well.

Frances Westre testified, as a member of the Petersburg City Council, that the Council had unanimously approved the proposed annexation as being in the best interests of the community of Petersburg and its environs. She said that the apparent haste in acting upon the petition was due to the legal requirement to submit all annexation recommendations to the Legislature by the tenth day of session. She pointed out that Petersburg and Wrangel were jointly studying a proposal for hydroelectric development in the Thomas Bay area that would provide relatively inexpensive power for economic development in the area. Ms. Westre said that Bruce Aronson of the Department of Community and Regional Affairs had originally raised the annexation question in Petersburg several years ago.

Lars Eide read to the Committee a letter he sent on December 12, 1977, to Commissioner of Community and Regional Affairs Lee McAnerney protesting the proposed annexation as contrary to the wishes of the majority of the people of Petersburg. He stated he was part owner of Mitkof Lumber Company which employes approximately 23 persons about 75% of whom lived in the City and 90% of the company's production was exported.

David Moffat, City Manager of Petersburg, said that the impetus for annexation had originated from residents in the outlying areas and that he had heard of little opposition to the proposal from within the City. He noted that, without the existence of the City of Petersburg, it would be unlikely that industries outside city limits would have located in the area. Moffat pointed out that the City has a

significant interest in exercising planning for Coastal Management for Mitkof Island as well as achieving a wider basis for future municipal selection of state land. He also noted that the possibility of a deep water port had been studied for the southern tip of Mitkof Island.

Ed Lapeyri, a resident and General Manager of Mitkoff Lumber Company, a plaintiff in a court suit against the annexation, testified that outlying residents did not receive municipal services for wohich they did not pay. He stated that residents outside city limits paid a 15% surcharge for electricity and a 50% surcharge for water. As for fire protection, the State paid the City $7.50 per capita for residents outside City limits. He submitted to the Committee the following petition signed by 543 residents of the general Petersburg area:

"WE, THE UNDERSIGNED, BEING CITIZENS OF MITKOF ISLAND, BOTH INSIDE AND OUTSIDE THE PRESENT CITY LIMITS OF PETERSBURG, ARE STRONGLY OPPOSED TO THE PROPOSED ANNEXATION TO PETERSBURG AT THIS TIME DUE TO THE METHODS USED BY THE CITY IN DIRECT OPPOSITION TO THE DESIRES OF THE MAJORITY OF THE CITIZENS AND BECAUSE OF ERRORS IN THE FIGURES PRESENTED TO THE LOCAL BOUNDARY COMMISSION AND THE FAILURE BY THE CITY TO PROPERLY RESEARCH AND DOCUMENT THE ECONOMIC CHANGES SUCH ANNEXATION WOULD PRESENT TO THE CITY RESIDENTS AND THOSE IN THE ADJOINING PROPOSED AREAS. WE ARE EXTREMELY CONCERNED IN THE MANNER IN WHICH THE CITY HAS PRESENTED THIS ANNEXATION WITHOUT PROPER PUBLIC INPUT. WE ALSO PETITION THE HOUSE AND SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEES TO HOLD A JOINT HEARING IN PETERSBURG IN ORDER TO OBTAIN THE TRUE FACTS AND PUBLIC INPUT REGARDING THIS PROPOSED ANNEXATION."

Mr. Lapeyri said that these signatures were obtained within three days last week and that every reasonable effort was made to insure that resident adults were the only persons who signed. He told the Committee that of the 543 petition signers, 193 lived outside the City and 350 lived within the City limits.

Mr. Lapeyri charged that during the City Council deliberations on the annexation petition, a show of hands indicated that only 11 of the 98 persons present supported annexation and that, of the 6 who testified in favor of the measure, four were city employees or relatives of Council members. He said that real property valuation for the 1975 proposed annexation was $6.3 million and in 1977 only $6.7 million for a slightly different area. He also cited an unidentified study undertaken by a local private firm that indicated no significant economic development in Petersburg in the future. In response to Committee members' questions he acknowledged that fishing was considerably more important economically to Petersburg than logging which he characterized as "shakey".

Gene Owens, a resident of Petersburg, testified in support of the proposed annexation . He stressed that the State had consistently urged localities to assume local government control in the Unorganized Borough in such matters as Coastal Management planning. Mr. Owens said that the annexation of land on Mitkof Island by Petersburg was consistent with that objective.

John Floden, city engineer for Petersburg, spoke in favor of the annexation recommendation and pointed out that the City had basically proposed a service area concept. He noted that 19% of the population

of Petersburg currently lives outside the city limits. This meant that those inside the city pay 19% more for municipal services than thier just share, while those outside pay 19% less. Mr. Floden said that without the extension of planning and zoning powers to the present outlying areas they were likely to develop in a haphazard manner leading to severe water and sewage problems in the future. There were instances in the outlying area where land was being subdivided into lots too small handle onsite sewage and water. Mr. Floden said that the City's goal in the annexed area would be to maintain large lots so as to prevent the need to establish sewer and water lines to high density residential and commercial dwellings. Additionally the projected linkage of Mitkof Highway with a proposed Stikine Highway could result in unrestrained commercial development of gas stations, drive-ins, etc. along the way unless proper planning and zoning authority existed to control it. In response to Committee members' questions, he said he believed a comprehensive community development plan for Petersburg had been prepared in 1965/66.

Gertrude Lyons, a plaintiff in the court suite against the proposed annexation and a member of the Board of Directors of the Petersburg Indian Association, testified that the increased costs association with the extension of services to outlying areas would work an undue hardship on Native residents of Petersburg who were primarily dependent upon seasonal employment. Ms. Lyons said that the membership of the Petersburg Indian Association was approximately 185 adult persons and that the Association was the combined organization for the Tlingit-Haida Central Council, the Alaska Native Brotherhood, the Alaska Native Sisterhood, and Sealaska Corporation.

Sunny Hicks, a resident of the Petersburg area and opponent of the proposed annexation, characterized the community atmosphere of Petersburg as a "local Watergate situation" where neighbors were divided against one another and conversations were surreptitiously recorded. She believed that local animosities had been inflamed by the City's handling of the annexation petition. She stressed that the residents of the outlying area considered themselves to be members of the general Petersburg community and were willing to assume their share for local services. She questioned whether the City was capable of efficiently carrying out its present obligations, much less undertake more extensive ones without the compensation of major new revenues.

William Mearig requested to testify a second time to present his views as a private citizen in addition to his capacity as a city official. He said that the proposed annexation offered outlying residents their first chance to participate in the political decisions affecting them locally, even in the absence of a separate election district for the area. He stated that participation in local government in such matters as Coastal Management offered residents more protection than if they remained unorganized and allowed either the State or federal government to impose regulations on them.

In the absence of further public testimony on SJR 40, Chairman Orsini concluded public hearings on the resolution and adjourned the Committee at 6:28 PM.

LETTER TO MAYORS OF: HAINES BOROUGH

CITY OF PETERSBURG

CITY OF SKAGWAY

(cc: CITY OF HAINES)

Dear _____:

On February 7, the Senate Community and Regional Affairs Committee will hold hearings on the recommendations made by the Local Boundary Commission regarding the annexation of land by the Haines Borough (SJR 39) and the Cities of Petersburg (SJR 40) and Skagway. SJR 38

The Senate C &RA meetings are scheduled for 3:00 PM in Room ~~100~~ 106 of the Assembly Building and public testimony will be taken prior to Committee action on the recommendations. Comments may also be submitted in writing prior to February 7 by those who wish to testify but are unable to travel to Juneau.

In the event that the hearings are not completed on ~~the~~ Frebruary 7, further hearings will be held at the same time and place on February 9.

Sincerely,

Joe Orsini

Chariman, etc.

cc Kirk Simpson
DC+RA

Official Business

Alaska State Legislature

Senate

Committee on
Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

January 31, 1978

David A. Black
Mayor
Haines Borough
Box H
Haines, Alaska 99827

Dear Mr. Black:

On February 7, the Senate Community and Regional Affairs Committee will hold hearings on the recommendations made by the Local Boundary Commission regarding the annexation of land by the Haines Borough SJR 39 and the Cities of Petersburg SJR 40 and Skagway SJR 38.

The Senate C&RA meetings are scheduled for 3:00 P.M. in Room 106 of the Assembly Building and public testimony will be taken prior to Committee action on the recommendations. Comments may also be submitted in writing prior to February 7 by those who wish to testify but are unable to travel to Juneau.

In the event that the hearings are not completed on February 7, further hearings will be held at the same time and place on February 9.

Sincerely,

Joe Orsini

Joe Orsini
Chairman
Community and Regional
Affairs Committee

JO/tb

cc: City of Haines
City Clerk - Paul Swift
Erick Simpson
Department of Community &
Regional Affairs

SJR

40

Petersburg Alaska
June 2, 1978

F: SJR 40

The Honorable Joe Ossini, Senator
Pouch V
Juneau Alaska

Dear Senator,

This letter is to let you know my opinion on a certain portion of your news letter which you sent to me. It is in regards to a certain sentence of para. 1, page 3, VIZ. "No one guaranteed it would be easy, but with — — — — — — ".

This last sentence states that elected officials should be removed from office if they flout the collective opinion of the the public. I heartily agree with you on this statement.

As you well remember, there were public hearings before the Senate and House Community and Regional Affairs Committees

Concerning the annexation of certain lands to the city of Petersburg. There was testimony that showed that the public was against the annexation by a margin of almost 3½ to 1. The resolution was allowed to die in committee and was not let out on the floor to be voted on by the legislature as a whole. Now, is that a way to preserve a democracy as you so nobely state in the fore part of the same paragraph.

Because of the stand taken by the above mentioned Committees and the flouting of the will of the Majority, the Community of Petersburg is suffering from animosities and divisions created by the inaction of the afore-mentioned Committees. Irreparable harm has been done to the community and it will years for the wounds of this dissension to heal. And, all of this was caused by the flouting

of the opinions of the majority of the electorate by the elected and appointed officials from the city level to the legislative level.

Again, let me state, that I concur wholeheartedly with your statement that elected officials should not flout the opinions of the majority of the electorate. Let us hope that this will not happen again.

Sincerely

Lars Eide
P.O. Box 942
Petersburg Alaska
99833

F: SJR
40

Skagway - generally opposed any annexation in testimony
felt support city, by sales tax

Ruddy - Skag. atty

Petersburg

1/9/78 hearing in Peters. - "well attended & local broadcast"
1/16 telephonic decisional meeting
Initially city wanted all Muthof Ds.
Coast Mgmt
State selectable land
"City" purposes - delivery of services & city jurisdiction
in unorganized boro
7 mill levy (no 14 mill) on new area for 1 yr; review for other tax/svc
Outside residents benefiting from City, but not paying
Six pet holdings outside of City along levy
Pet. "narrow" tax base - $3.4 M assessed 2126 pop GO Bond $ 3.75 M
$1700 debt/cap ~ 11% debt to real

- what Commission can write
- Comm write
- pops
- fun farm
- no dist now
- groups see use
- comm determine?

date: Hearing testimony 4:1 opposed
"windfall" appraisal in '75 (Aug 26, 1975 election)
'79

Comm Strand, Anderson, Hepburn, Dodson (Gall. abs)
Dodson dissented, feeling Comm acted to fast

(2)

state tuition students

Ruddy - Jacobsen is main mover

Mearing - City employee - elec util supt — lives inside — incorp 1910

expansion is down the bay - attractive area

75 elec was for area across channel - organ Kupreanof (3rd class city - geog very large)

Ruddy - support LBC, but would like more

City has been supplying svcs

ind businesses: mill, logging, const/logging restaurant, some retail busn

services - fire, pol, amt, educ, hydropower, w+s

no svc dist

expansion of pres. would prob take place as expan of existing focal. Other poten sites N.T not environ feas.

Self proposed area: 35 pop

Peterson - main concern is lack of information - hasty decision erroneous information - (?)

Initial ordinance - rushed - 80% opposed

Power plant not incl; bulk of CF not incl; bulk of st sales not incl; rec sites not incl; logging open not incl

(3)

no info on svc cost to city -

non-res pay surcharge on elec

no study on pop ~~—~~ density & cost of svc

service dist concept would mitigate some of opposition

Webstre - City Council
- supports annexation; former elec. was opposed due to non-contig area in '75 — mgr support - 6 ment

fire prot. a real problem

W+S are user funded

Other indus possible w/cheaper elec power

OEDP upgrading

Eide - 34 yr res. of Petersburg — owns Pettibone Lumber Co (out of city)

no change in citizen opposition to annex.

- mile of rd w/no residents - rest of area separated

75% of workers in City limits, export products

40 acre Co.

Moffat - City Mgr 1½ yr mgr (in City that long)

residents outside of city generated petition of annex.
a "number of calls"

resolved as a matter of necessity

(4)

the 50% levy covers are already provided

Strandberg - troopers will remain in Petersburg

Outside people wanted annexation, Ahrenson came to them & talked (discouraged them from trying annex. pet.) went to Council & Comm. initiated action

Japanese - city resident & mgr. of Mitkoff Lumber Co.
50-70 people @ ordinance hearing, passed unanimously
98+ people @ LBC hearing ~25% favored annex in testimony
~11% favor on show of hands
water & elec. surcharge - 15% elec, 50% water
fire supt is $7.50 per shift

City sales tax figures are 3x higher than actual (150K)

Petition approx 353 in 193 unit

'75 assess val $6.3M; $6.7=77 (all of Mitkoff Ds)
Survey on future dev of Peters. - not much growth
reduction of boundaries - 15 yes 980
Outside pop of 402
Tenakee ~ 25 engl fish ~ 200

(5) 34 M / 2000 6.5 M / 400 4

cash flow during annex.

Owens - favors annexation due to CZM
lives inside city

Floden - City resident & City Engr
50% (7 miles) will pay for present svc - are proposing
svc. area approach.
if 500+ signatures, that is ~ 1/3 of adult residents

Increase P+Z Comm by 2, these to be from new area

Dangerous sewage extension now in subdivisions now -
future problems
Comp Plan 1965 ±

Lyons - City resident for 5+ generations Peters Indian Assn (185 adults)
oppose A for landship or Native people - mostly unemployed
Hicks - outside - owns Beachcomber Inn
City has problems to overcome prior to annexation
May cost city more than less

People in & out of city are concerned about health
of city - limits to expansion

(6)

Hearing = as a citizen

waive outside members 1 yr residency for membership on council

form separate SE Ak. Coast Pel Group to protect self from state & feds. Let Govt is better protec from st/fed govt.

FOR: Senate Community and Regional Affairs Committee members

PREPARED BY: Ben Harding, Senate C/RA Committee Staff

DATE: February 16, 1978

SUMMARY OF ECONOMIC AFFECTS OF PETERSBURG ANNEXATION

GENERAL

Revenue Gains

High estimate:	$238,600 *
Low estimate:	$138,600 **

(*using sales tax estimate of $150,000 annually)
(**using sales tax estimate of $50,000 annually)

Revenue Losses or Added Expenses

High estimate:	$182,000 *
Low estimate:	$157,000 **

These estimates are based on the following assumptions:

a) No added water and power services to annexed areas (per City policy).
b) No added police, ambulance, or fire services (per City statements that these services are already funded through State revenues sharing).

(*using high estimate for increased administrative costs)
(**using low estimate for increased administrative costs)

FINANCIAL BREAK-DOWN BY CATEGORIES

Revenue Gains

1. Sales Tax Revenues:

High estimate:	$150,000
Low estimate:	$ 50,000

The City has estimated that a sales tax could raise approximately $150,000 annually in new revenues from the annexed area. Annexation opponents contend that this figure is greatly inflated and that a more realistic estimate is closer to $50,000. The City has acknowledged that its estimate is very rough and that it was not able to obtain firm data on which to base its figures.

2) Electricity Rate Increases

$1 a month for residential and commercial users

$2 a month for industrial users

Estimated revenue: $19,000

It is the City's intent that electricity rate increases will equal and offset revenue losses from the elimination of surcharges on water and electricity to users in the previously outlying areas.

3) State Revenue Sharing (using a population increase of 500)

Police	$6,000
Air and Water Pollution	1,000
Parks and Recreation	2,500
Transportation	2,500
Roads (est. 3 miles)	4,500
Health Service	1,000
Regular*	850
Liquor*	1,100
Amusement and games*	150
Gross receipts tax**	1,000
Total Revenue:	$20,600

(*from Department of Revenue estimates)
(**Department of Revenue estimates $2,000 in revenue sharing from gross receipts. However over $1,000 annually appears already to have been inadvertently shared with the City)

4) Property Tax Revenue

7 mills on an estimated $7 million in real and personal property $49,000

Revenue losses of Increased Expenses:

1) New Administrative Costs

High estimate: $50,000 *
Low estimate: $25,000 **

This figure is derived from the assumption that increased administrative responsibilities, such as Planning and Zoning, for the annexed area will require an increase in City administrative personnel.

(*using high estimate of 1 officer and 1 secretary plus office start up costs)

(**using low estimate of 1 secretary/clerk plus office start u costs)

2) Elimination of State Tuition Payments

$97,700

This figure is based on the calculation that 100 students will come from the annexed area. For 1977/78 payments, the Department of Education is using $976.74 per pupil. Currently 115 students from outlying areas (including 5 from Kupreanof) attend Petersburg schools. The City's own loss projection was $47,000 which was calculated on the Department of Education payments per pupil of $443.61. That was the rate of payment used by the State last year. These payments will more than double this year.

3) Other Expenses

a)	Electricity and water extension costs	$ 0 *
b)	Police, ambulance and fire service costs	$ 0 **

(*City plans no extension of power and water service beyond present level)

(**City plans to maintain these services at present level using existing State revenue sharing funds)

BACKGROUND

In its original annexation petition, the City of Petersburg requested the annexation of all Mitkof Island, an area of approximately 211 square miles.

The Local Boundary Commission recommended instead the annexation of the northern end of Mitkof Island, or about 45 square miles. The Commission's rationale was that 211 square miles would have created a territory calling for a borough organization without Petersburg having gone through the borough government process. The Commission believed that a city government provides essentially direct services to its citizens whereas a borough exercises regional responsibilities. As a result, its recommendation provided for the City of Petersburg to annex areas containing virtually all the population of Mitkof Island, but excluded uninhabited or yet-to-be-developed areas.

Following annexation, the City has said that it would increase electricity rate charges by $1 a month for residential and commercial users and be $2 a month for industrial customers. The present surcharges to outlying residents for City water and electricity would then be dropped. The City's intent is that the rate increases would equal the loss of revenue resulting from the elimination of the surcharges.

The City has no plans to extend water or electricity, beyond its present service level, to the annexed area. Police, fire and ambulance services to these areas are projected to remain unchanged and funded through State revenue sharing. (Confirmed in telephone conversation with Petersburg City Manager by Staff)

Other revenue-raising means the City plans to use include: a 7 mill tax levy on approximately $7 million in real and personal property located in the annexed area, a sales tax on transactions under $1,000, and the receipt of increased State revenue sharing funds.

Major revenue losses or increased expenses resulting from annexation include the dropping of State tuition payments, surcharge elimination, and the cost of probable added administrative services.

The proposed annexation has been strongly opposed by plaintiffs in a court suit who charge that inadequate study and planning have gone into the proposal. They cite poor or expensive municipal services and a high bonded indebtedness as evidence of the City's inability to take on added municipal obligations. A petition containing the signatures of 543 Petersburg residents in opposition to the annexation was presented to the Senate Community and Regional Affairs Committee February 7.

ANALYSIS

A major charge made by opponents of annexation is that the City is presently overextended financially and could under no circumstances assume additional financial obligations without the assurance of at least matching revenues. The annexation opponents contend that any new sources of revenue in the outlying area are minor and would be more than off-set by increased expenses.

The City acknowledges that its data on the economic impact of annexation

are fragmentary and based on rough estimates open to challenge. In fact, the attorney for the City wrote to the Boundary Commission that "I am strongly inclined to agree with that assessment about a short-term negative cash flow but similarly inclined to discount its magnitude predicated on the knowledge that many of the general services... have been provided heretofore." The attorney, L.B. Jacobson, further noted, "...nor was I of the opinion that financial viability of an annexation proposal was one of the standards promulgated in (state regulations) or the Alaska Constitution."

A summary economic analysis indicates, however, that the City has a fair chance of breaking even financially in the event of annexation, provided it does not extend to the annexed area any services it is presently not making available. The annexation would reduce somewhat, the City's unusually high (11%) bonded indebtedness to property valuation ratio. It would also increase City valuation by an estimated $7 million in real and personal property from the annexed area. (See attached table to compare Petersburg population and bonded indebtedness with similar Alaskan communities.)

It would appear from testimony presented by a number of city officials at the Senate hearings, however, that the proposed annexation does not directly address the real reasons which impelled the City to request the annexation of Mitkof Island in the first place.

Those reasons are threefold: 1) the desire to plan for the Coastal Management of Mitkof Island, 2) the desire to obtain an adequate land base for later municipal selection of state lands, and 3) the desire to plan for the rational and orderly development of Mitkof Island. None of these objectives is significantly met by the proposed annexation of the northern quarter of Mitkof Island. In fact, from one viewpoint, the recommended annexation only adds to the City's problems without providing any of the benefits which the incorporation of the entire island would entail.

Nevertheless, the Boundary Commission's question, i.e. would the annexation of the 211 square miles of Mitkof Island create a de facto borough government rather than a city?, appears valid.

The implementation of the proposed annexation would not however settle the issue. The City of Petersburg supports the Boundary Commission's recommendation for the smaller area annexation despite its desire to annex all of Mitkof Island. But the City has also expressed the intention to renew its petition next year for the incorporation of all Mitkof Island under the City's jurisdiction. At that time, the same issues and the same arguments of city versus borough government and the need for local regional control will have to be addressed again.

TABLE V

VALUATION, POPULATION AND G.O. BONDED DEBT

CITIES	FULL VALUE DETERMINATION 1-1-77	CIVILIAN POPULATION 7-1-77	G.O. BONDED DEBT 7-1-77	PER CAPITA DEBT	PER CAPITA VALUATION	DEBT % TO VALUATION
CORDOVA	33,047,580	2,406	1,169,200	486	13,735	3.54
CRAIG	5,295,655	467	143,040	306	11,340	2.70
DILLINGHAM	17,140,840	1,269	135,000	106	13,507	.78
EAGLE	1,413,250	145			9,747	
GALENA	2,670,800	631			4,233	
HOONAH	5,332,800	848			6,289	
HYDABURG	1,438,405	380			3,785	
KAKE	2,394,685	679			3,527	
KING COVE	2,863,490	408	393,860	965	7,018	13.75
KLAWOCK	1,025,850	323			3,176	
KENAIA	5,373,975	493	253,000	513	10,901	4.71
NOME	33,747,720	2,585	830,000	321	13,055	2.46
PELICAN	4,639,275	169			27,451	
PETERSBURG	34,048,060	2,126	3,750,000	1,764	16,015	11.01
ST. MARY'S	1,415,000	415			3,410	
SELAWIK	1,250,365	521			2,400	
SKAGWAY	29,850,185	854	627,000	734	34,953	2.10
UNALASKA	16,571,530	510			32,493	
VALDEZ	1,211,561,410	7,483	13,036,000	1,742	161,909	1.08
WRANGELL	37,599,610	3,152	575,000	182	11,929	1.53
YAKUTAT	10,149,240	442			22,963	
TOTAL CITIES	1,458,829,725	26,306	20,912,100	795	55,456	1.43
STATE	17,105,126,829	398,983	530,008,000	1,328	42,872	3.10
MUNICIPAL	14,001,074,809	368,406	519,599,526	1,410	38,004	3.71
STATEWIDE TOTAL	17,105,126,829	398,983	1,049,607,526	2,631	42,872	6.14

Alaska Taxable 1977
(Issued January, 1978)

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE

FEBRUARY 16, 1978

Present: Chairman Orsini, Senators Willis and Hackney. Bruce Aronson; Doug Griffin.

Absent: Senator Sumner and Senator Ferguson

The meeting was called to order by Chairman Orsini at 3:10 PM.

STRANDBERG CONFIRMATION

Chairman Orsini asked if Committee members wished to hold separate confirmation hearings on the reappointment of Sigvald Strandberg to the Local Boundary Commission. Committee members expressed the view that they were familiar with Mr. Strandberg's work on the commission and did not believe that separate hearings would be necessary.

PETERSBURG ANNEXATION (SJR - 40)

Chairman Orsini drew the members' attention to a SC/RA staff study analyzing the economic effects of the recommended annexation of land by the City of Petersburg. He noted that the figures indicated the probability of the City's expenses and new revenue form annexation balancing out, provided the City maintained its present level of services to the annexed area.

Senator Willis noted that the Boundary Commission could have held an advisory election in Petersburg to determine local support for the annexation but that the legislature had no authority to instruct the Commission.

Pending action by the House CRA Committee, Committee members agreed to hold action on SJR 40 unless the members wished the issue to be brought up again for discussion.

COASTAL ZONE MANAGEMENT

Chairman Orsini said that the Guidelines and Standards for the Alaska Coastal Management Program would require a detailed review if the Committee wished to deal specifically with the many points being raised regarding the implementation of the Coastal Management Program.

Senator Hackney said that he was impressed by the Petersburg situation where one of the motivations for annexation was a desire to secure local control over the coastal management of Mitkof Island.

The Committee members expressed their desire to undertake a sectional review of the draft Guidelines and Standards.

OTHER

Chairman Orsini discussed with Committee members the status of CSHB 133 before the House Finance Committee and its Senate counterpart,

CSSB 241.

The Chairman also informed members about the provisions of SB 501 pertaining to binding arbitration and stated that he intended to schedule hearings on the bill within two to three weeks.

Chairman Orsini called an executive session of the Committee to discuss Budget and Audit Committee actions with respect to Coastal Management.

The meeting was adjourned at 4:00 PM.

F 582-42

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU, ALASKA 99801

#D

78 MAR 1 PM 3 05

23014 PETERSBURG ALASKA 31 03-01 300P PST

PMS THE HONORABLE JOE ORSINI, CHAIRMAN

SENATE COMMUNITY AND REGIONAL AFFAIRS

ALASKA STATE LEGISLATURE

POUCH V

JUNEAU "

THE PETERSBURG CHAMBER OF COMMERCE URGENTLY REQUESTS THAT YOUR COMMITTEE SEND THE RESOLUTION REGARDING ANNEXATION ON MITKOF ISLAND OUT OF COMMITTEE FOR CONSIDERATION ON THE FLOOR BEFORE SATURDAY MARCH 4

SINCERELY

LARS EIDE, PRESIDENT.

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: [illegible]440
JUNEAU, ALASKA 99801

#Z

23019 PETERSBURG ALASKA 31 03-01 325P PST

PMS SENATOR JOE ORSINI

POUCH V ALASKA STATE LEGISLATURE

JUNEAU "

REPRESENTATIVE ERNIA HAUGEN

JUST TO LET YOU KNOW, DUE TO THE PRESENT STATUS OF THE

PETERSBURG CITY GOVERNMENT, I DONT FEEL THIS IS THE TIME

TO ANNEX THE SCOW BAY AREA

WARREN MORRISON.

TELEGRAM

ACA ALASKA COMMUNICATIONS, INC.
PHONE: 586-1440
JUNEAU, ALASKA 99801

#E

23024 PETERSBURG ALASKA 19 03-01 415P PST

PMS SENATOR JOSEPH ORSINI

POUCH V ALASKA STATE LEGISLATURE

JUNEAU "

WE OF SCOW BAY DONT WANT TO BE ANNEXED INTO PETERSBURG FOR ANY REASON

MR AND MRS STAN ELENBERGER

MR AND MRS BILL LYONS.

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU, ALASKA 99801

#D

78 MAR 1 PM 1 37

23007 NL PETERSBURG ALASKA 118 03-01 130P PST

PMS SENATOR JOSEPH ORSINI

POUCH V STATE CAPITOL BUILDING

JUNEAU "

REPRESENTATIVE ERNIE HAUGEN

WE ARE EXTREMELY UNHAPPY WITH YOUR APPARENT DISREGARD OF THE PUBLIC OPINION AGAINST THE PROPOSED PETERSBURG ANNEXATION PROCEEDINGS. AS REPRESENTATIVES OF THE 543 SIGNATURES, OVER 300 OF WHICH ARE CITY RESIDENTS, ON THE PETITION WE RECENTLY GAVE YOU WE AGAIN STRONGLY URGE THAT YOU HEED THE VOICE OF THOSE YOU REPRESENT AND DO ALL YOU CAN TO SEE THAT THE ANNEXATION PETITION IS DENIED.

MR AND MRS LARS EIDE

MR AND MRS ED LAPEYRI

MR AND MRS HEINER

MR AND MRS WOOTEN

MR AND MRS BILL LYONS

MR AND MRS ART MCTAGGART

PAUL MCTAGGART

PETE AND SUNNY HICKS

MR AND MRS RAY LEBRUN

MR RAY OLSEN

MR AND MRS TOM HUBBARD

FAYE AND BOB ENNIS.

F: SJR 40

Erling W. Husvik
P.O. Box 297
Petersburg, Ak. 99833

February 23, 1978

Honorable Senator Joseph L. Orsine
Pouch V
Juneau, Ak. 99811

Dear Mr. Orsine;

I would like you and your committee to know that I am against the annexation proposal that has been put forth by the City of Petersburg.

I am a 54 year old resident of Petersburg and a property owner.

The City can not tell me what the annexation will cost me or the people they want to annex now living outside the City.

They say that the election held in 1975 does not mean anything since we were "Voting out of are pocketbooks" and the annexation of Kupreanof were the main issues. If that is so I think the City should get their facts together and hold another election without the fog factor of my Pocketbook and Kupreanof.

The City Manager testified in Juneau that despite the fact that 90% of the people at a recent hearing in Petersburg were against annexation he felt that the City Council speaks for the people. Is that the way to run a Democratic Government?

Sincerely,

Erling W. Husvik

TO BE DISTRI-
BUTED TO
S C/RA MEMBERS

2-27-78

JAMES F. PETERSEN

ATTORNEY & COUNSELLOR AT LAW
319 SEWARD STREET
JUNEAU, ALASKA 99801

THOMAS G. NAVE, ASSOCIATE

(907) 586-3530

February 27, 1978

tor Joseph Orsini, Chairman
.te Committee on Community
. Regional Affairs
om 101, Assembly Building
Juneau, Alaska 99811

Dear Senator Orsini:

On Tuesday of this past week the Petersburg School Board was advised that the amount they will receive from the State of Alaska for payment of non-resident student tuition is $120,400.00. I would specifically call your attnetion to the city attorney's letter of January 11, 1978, where he stated that "the $47,000.00 figure submitted by the City of Petersburg as revenue lost from the state for payment of non-resident student tuition is accurate". As you may recall, the figure that was in their petition was $53,000.00. The present figure is better than 2-1/2 times that which the city estimated in the information they submitted to the Local Boundary Commission.

For your information, I have attached a copy of a letter addressed from the Superintendent of Petersburg Public Schools to the mayor and city council members of Petersburg relating this information.

Yours very truly,

James F. Petersen

JAMES F. PETERSEN

JFP/lm
Attachment

Petersburg Public Schools

D. W. Schultz, Superintendent

P.O. BOX 289

PETERSBURG, ALASKA 99833

RECEIVED
FEB 27 1978

February 21, 1978

Mayor Ted Smith and
City Council Members
Petersburg, Alaska

Dear Mayor Smith & Council Members:

The Nonresident Pupil Tuition Reports for the 1977-78 fiscal year were received on Monday, February 20, 1978. These reports illustrate an abrupt change in the tuition rate and the total entitlement to the school district. Previously we have discussed the annual loss of $53,000 to the district due to annexation. The annual tuition loss with the new tuition rate is $120,400. These reports are attached for your information and consideration.

Thank you.

Sincerely,

D. W. Schultz

D. W. Schultz
Superintendent

F: SJR-40

Senator John L. Rader

POUCH V
JUNEAU, ALASKA 99801
OR
P. O. BOX 2068
ANCHORAGE, ALASKA 99510

February 23, 1978

Mr. John E. Longworth
Petersburg, Alaska 99833

Dear John:

I appreciate very much your very good letter of February 14 concerning the Petersburg annexation.

The only other communication I have received on this was from Ed Lapeyri--I am sure you are aware of his position. Enclosed is a copy of my letter to him.

I have contacted Senator Orsini, who tells me that you were unable to testify before his committee. I am, therefore, sending him a copy of the letter you sent to me. Senator Orsini informed me that he had received some information from you--but I suppose receiving some more would be desirable.

It was nice to see you in Juneau. Give me a call when you're next in town.

Best wishes.

Sincerely,

John L. Rader, President
Alaska State Senate

JLR:na
Enclosure
cc: Senator Joseph Orsini

John E. Longworth
Petersburg, Alaska 99833
February 14, 1978

Senator John Rader
Room 104, Capitol Building
Juneau, Alaska 99811

Re: Local Boundary Commission's Recommendations
Re Area To Be Annexed To Petersburg

Dear Senator Rader:

I am most aware of the tremendous and perplexing problems facing this second session of the Tenth Legislature; therefore, it is somewhat embarrassing for me to have to write to you and request that you take the time to aid and assist us in settling what should be a very local problem in our island community of Petersburg. This is a problem that could have been settled, and should have been settled, without any fanfare, and I have no doubt that it would have been settled had it been presented to the people of the Petersburg area on a timely and reasonable basis.

I have been a resident of Alaska since December of 1940, and a resident residing within the existing boundaries of Petersburg since September of 1941. I served on the local city council at various times and I also served in the first, second, and third sessions of the Alaska Legislature, so I am not totally unfamiliar with government and governmental processes.

As is the case with the great majority of Alaskans, I am violently opposed to the treatment that our state is receiving on the D2 Land issue. Alaskans are being given no opportunity to have any say in determining the settlement of a problem which is purely one involving our own state.

A parallel situation, however in reverse, exists in reference to the petition presented by the city council to the Local Boundary Commission and the Local Boundary Commission's recommendation to the legislature regarding the annexation of land outside of the existing city limits of Petersburg. These things were all accomplished without giving the people of Mitkof Island, and particularly in Petersburg, a chance to express their concerns and views, not even in that most democratic manner--the ballot box.

The city administration and the city council have refused to respond to direct questions as to what the residents, either inside or outside the city, may expect in the way of increased costs of operation of municipal government, increased services, including utilities, and any other impact that this proposed annexation may have upon our community.

The petition prepared by the city administration and under the direction of the city council did have several points which they alleged were the basis for their requesting that all of Mitkof Island be annexed to the City of Petersburg. These were such things as, coastal zone management of the whole area; recreational areas, such as the Three Lakes Recreation Area and the Blind Slough Recreation Areas, the Crystal Lake Hydroelectric Watershed, and several other allegations which would supposedly be beneficial to the community. The recommendations of the Local Boundary Commission to the legislature, however, basically eliminated these things that the City of Petersburg was allegedly seeking by petitioning for this annextion.

I happened to be in Juneau on the 16th of January and stopped by the Department of Community and Regional Affairs office and made inquiry of what decisions the Local Boundary Commission had made. Mr. Pritchard of that office informed me that the Local Boundary Commission had not yet made a decision; however, they were going to have a telephonic conference that afternoon and they would make a decision at that time. He informed me that it would be on a speaker phone in their conference room and I was most welcome to listen in to the decisional meeting as all meetings of the Local Boundary Commission were open to the public. I informed him that I would be happy to listen in on that meeting. I arrived at the appointed time and heard the telephonic conference of the Local Boundary Commission's decisional meeting on the Petersburg matter. When the Local Boundary Commission had held their public meeting on January 9 in Petersburg, they had informed the public, both by the notices posted and at the meeting itself that all written statements or information pertaining to the annexation question had to be submitted by January 5 and that all testimony would be taken on January 9 and then based upon this information, they would arrive at a decision. As it developed in the telephone conference meeting, the city had submitted additional documentation contrary to the notices and public announcement in a lengthy letter from the city attorney. This letter was read in its entirety to the members of the Commission. Apparently this letter and other materials had been sent by Gold Streak by the Department of Community and Regional Affairs to the five commissioners; however, it came out during the conference that two

of the commissioners had not received the material and did not have any of the material in front of them at the time of the telephone conference. The credibility and insufficiency of the information supplied to them was discussed, then by a motion of one of the commissioners, they arbitrarily chopped off seventy-five percent of what the city had requested in their petition and then had a lengthy discussion upon the boundaries of this area, and moved for a vote on the annexation as amended by that motion. Commissioner Gallagher was not in on this conference call and did not partake in the deliberations. Commissioner Anderson from Wrangell and Commissioner Strandberg from Anchorage voted in favor of the annexation, Commissioner Hobson said he really did not know too much about it but would go along with Anderson and Strandberg, and Commissioner Dobson from Fairbanks stated that he thought they had rushed into this matter too quickly and that they had not been supplied adequate or sufficient information upon which they could make a rational decision regarding this petition and voted "No"; so the motion was carried by three of the five commissioners voting in favor of the motion. Needless to say, I was shocked and appalled at the casualness of this meeting which basically was in utter disregard to whatever impact their decision might have upon the community of Petersburg.

The Constitution of the State of Alaska expresses great faith in the area of local government. The residents of the Petersburg area and Mitkof Island are not looking for any exceptions in either state law or regulations. We desire to have our local matters decided through the medium of majority voting, in so doing we are in no way infringing upon others. The city administration and city council of Petersburg suddenly decided that they were going to present an annexation petition to the Local Boundary Commission and to the legislature, and took the attitude that the people of the Petersburg area did not know what was good for them, and that "Big Brother" knows best and that they would ram their decision down our throats.

For the foregoing reasons, I and my fellow Petersburg residents respectfully request that the House and Senate take appropriate action and pass a concurrent resolution rejecting the recommendations of the Local Boundary Commission in reference to the Petersburg annexation. Let me take this opportunity to thank you for taking the time to review my letter, and I know that I express the concerns of the vast majority of the Petersburg residents in making this request to you. Your consideration of preserving the democratic method of conducting government would be appreciated. Thank you.

Yours very truly,

John E. Longworth

JOHN E. LONGWORTH

D1

JAMES F. PETERSEN
ATTORNEY & COUNSELLOR AT LAW
319 SEWARD STREET
THOMAS G. NAVE, ASSOCIATE JUNEAU, ALASKA 99801 (907) 586-3530

February 21, 1978

File
SJR-20

Senator Joseph Orsini, Chairman
Community & Regional Affairs Committee
Room 101, Assembly Bldg.
Juneau AK 99811

Re: Petersburg Annexation
Decisional Meeting of Local Boundary Commission

Dear Senator Orsini:

If you will recall, at the public hearing that you conducted on the Local Boundary Commission's recommendations for the annexation to the City of Petersburg, I requested that each of you review the telephone conference call of the Local Boundary Commission which constituted their decisional meeting on the Petersburg annexation matter. It is recognized that all of you have very busy schedules and may not have had an opportunity to review the tapes of that telephone conference call. For your convenience, I have had my secretary transcribe that tape to facilitate your review of the same. A copy of that transcript is attached hereto, together with two letters which were read into the record, but for ease of transcribing the same we have attached the copies of the letters.

There are several important factors which I believe the Committee on Community and Regional Affairs should consider in reviewing this transcript. Commissioner, Sheila Graham, was not in on this decisional meeting; Commissioner Jim Dobson of Fairbanks did not have the material which had been "Goldstreaked" to him; and likewise Commissioner Edwin Hopson of Nome did not have the materials which had been "Goldstreaked" to him by the Department of Community and Regional Affairs.

I would specifically call your attention to the discussion by Commissioner Dobson beginning on the bottom of page 8 and continuing on page 9 to the effect that the city provided inadequate information and had made inadequate preparation and because of that inadequate preparation and lack of information, any decision at this time by the Local Boundary Commission would be premature, and immediately after

that Commissioner Jo Anderson of Wrangell agreed with Commissioner Dobson in that assessment. At that point, it is interesting to note that a staff member of the Department of Community and Regional Affairs then started participating in the conversation and more-or-less directed the commissioners to approve the annexation, even before they had thoroughly discussed the matter. From page 9 through page 12 there is a lengthy discussion in which this staff member participates, trying to direct a decision upon a description for the annexation, even before the commision members had made a decision as to whether or not they were in favor of any type of annexation. I would call your attention to Mr. Pritchard's statement on page 12 where he states that they (Department of Community and Regional Affairs) are in a "rush to get it in" (to the legislature).

I would also like to direct your attention to the comments by Commissioner Dobson and Commissioner Strandberg appearing on the bottom of page 12 regarding the availability of utilities and services to those areas outside of the existing city limits. From their comments, it is obvious that they anticipate that services and utilities will be provided to these newly-annexed areas; however, this is entirely contrary to the testimony given by the city engineer when he testified at your hearing. The city engineer testified that there would be no expansion of existing services or utilities unless the people in the newly-annexed area paid for them, either by an increase in the general mill levy by the City of Petersburg on real property, or by the creation of local improvement districts and the resulting special assessments.

The concerns of Commissioner Dobson commencing at the bottom of page 8 and continuing on page 9 express the concerns of my clients, that the decision of the city and of the Local Boundary Commission, and the recommended annexation, are based entirely upon inadequate information and preparation, and any decision at this time is premature. For these reasons, the residents of the Petersburg area respectfully request that the legislature pass a concurrent resolution rejecting the recommendations of the Local Boundary Commission in reference to the proposed Petersburg annexation, until such time as addquate information and adequate preparation have been developed to determine the feasibility of such an ambitious annexation. My clients and I express our appreciation for your taking the time to review this letter and the attachments hereto. We feel that they are vital to your decision and, likewise, they should be read in light of the requirements of the Alaska Statutes and the Administrative Code regarding the requirements and the information that should go into making an annexation recommendation. Thank you.

Yours very truly,

James F. Petersen

JAMES F. PETERSEN

JFP/lm
Attachments

K1

DECISIONAL MEETING

LOCAL BOUNDARY COMMISSION

Petersburg Annexation
January 16, 1978

Conference telephone call
Commissioners present:

Sigvald Strandberg
Edwin Hopson
Jim Dobson
Josephine Anderson

Community & Regional Affairs personnel:

Eric Simpson -- assistant
Bill Pritchard -- assistant
Bruce Aronson
Doug Griffin

STRANDBERG: Have you all received the updating information from the City of Petersburg attorneys?

ANDERSON: Yes

HOPSON: I have not, Sig. I have not received that.

STRANDBERG: I see. The mails are a little slow getting over the Brooks Range, I guess, Edwin.

HOPSON: Yea, the Brooks Range is quite high, you know.

STRANDBERG: At any rate, let me, because you don't have it, let me go over what was submitted at our request. It's addressed to Eric Simpson, our staff member. (See attached)

(Two comments were made in the context of reading the letter.)

"...and listening to the tapes of the proceedings at the hearings." Comment: Sheila is not back in Anchorage yet. I tried to contact her this morning, and her secretary said she is returning imminently but not as yet. OK, continuing with the letter.

"...City may issue bond anticipation notes at the time of incurring the deficit according to AS 29.58.070."
Comment: Let me state to my fellow Commissioners he does not mean bond anticipation notes. He means revenue anticipation notes.

So, what is your reaction, fellow Commissioners? Starting with you, Edwin.

SIMPSON: Sig, may we ask a question, please?

STRANDBERG: Most certainly.

SIMPSON: Okay, we have some correspondence here from Lars Eide, Petersburg, postmarked January 10. Sig, the question we have is whether this should be appropriately entered in the record. As you know, we set the date for terminating any correspondence as January 5, the hearing was on the 9th, and this is postmarked the 10th. Do you think this should be entered?

STRANDBERG: Well, I don't see any harm. We're once again for the record quasi-legislative in nature, and we can fact find all we want up until the point we make our decision, so I don't think it will do any harm. I think my fellow Commissioners can handle a letter at this point and balance it against the factual record that we have on hand. Go ahead. Any objections, fellow Commissioners?

? No objection.

STRANDBERG: Good, let's hear it.

SIMPSON: (Letter attached. It was read verbatim.)

STRANDBERG: What is this gentleman's name again?

SIMPSON: Lars Eide E-I-D-E

STRANDBERG: Okay, real good.

PRITCHARD: Mr. Chairman?

STRANDBERG: Yes, who is it?

HOPSON: Sig?

PRITCHARD: No, Bill Pritchard.

STRANDBERG: Go ahead, Bill.

PRITCHARD: I would like to call to your attention and have it on the tape that the following people are present in our conference room this afternoon. Mr. Longworth, a citizen of Petersburg; Mr. Stanley R. Edwards, a legal investigator for James F. Petersen; and Mr. James F. Petersen, an attorney. These people are present this afternoon.

STRANDBERG: Okay, Mr. Longworth. Stanley who?

PRITCHARD: Stanley R. Edwards E-D-W-A-R-D-S

STRANDBERG: All right. RCA isn't coming through very well from the capitol today. And the third gentleman?

PRITCHARD: James F. Petersen P-E-T-E-R-S-E-N

STRANDBERG: Fine, very good. Nice to know who's in the audience.

PRITCHARD: And Mr. Longworth is Mr. John Longworth.

STRANDBERG: John Longworth, yes. Okay, Commissioners, we have before us the record of the City of Petersburg annexation petition...

DOBSON: Sig?

STRANDBERG: Yes, is that you Edwin?

DOBSON: No, Jim Dobson.

STRANDBERG: Oh, Jim. Good, I'm glad you're on the line.

DOBSON: Okay, I've been on the line for some time. What is the deal with the audience?

STRANDBERG: They are sitting in, Jim, as if this were our ordinary public decisional meeting, and they are sitting by a conference phone in Juneau.

DOBSON: I see.

STRANDBERG: For the information of the audience, the remainder of the audience here in Anchorage, Community and Regional Affairs Office is composed of Mr. Palmer McCarter, Director of Local Government Assistance, and Mr. Pat Poland, who is running our tape machine.

DOBSON: One more thing, Sig. I didn't receive...I have not received the Gold Streak from Alaska.

STRANDBERG: I'm surprised. They should have had yours there at the counter. In any event, Jim, it is in hands, and I have just received my copy having been too busy to pick mine up at Alaska Airlines here in Anchorage, and we read it over to Commissioners Anderson in Wrangell and Hopson in Barrow.

DOBSON: How long is it, Sig?

STRANDBERG: It four pages, and I would put you to sleep with it, but let me incapsulate what it states.

DOBSON: Sig, don't bother. I've heard the last part of it, and also it came in today at 11:40. It's over there, and, of course, I didn't have a chance to pick it up yet.

STRANDBERG: I see. What it does, in essence, I still want to go over very briefly, Jim. It affirms the $47,000 figure and differentiates from the $53,000 figure mentioned at the hearing by virtue of the non-resident students that attend Petersburg schools, from Kupreanof across the Narrows. Sales tax revenue--the City is

standing on its estimate having attempted to acquire more refined information from the business sources that would generate retail sales. On short notice many of the business people were unable to respond; others considered the information proprietory in nature and refused to give any more detailed information, and the City reaffirmed the standing policy of the Department of Revenue not to reveal information from individual accounts, of course, which makes sense. We business people appreciate that confidentiality and would understand it even under these circumstances.

Property valuation--the rationale or the basis used by the City, the 1975 estimate by Mr. Earl Simmons, who is the fee appraiser resident here in Anchorage, increased by an inflation factor of 5% per year, that's compounded 5% per year, and then the indication of the personal property valuation. I would say that the City has done the best that it could on these two questions.

The bonded indebtedness--they stand on that figure. Start-up costs--there's a brief discussion of the mechanics of how the City would transition the area insofar as covering the cost incurred in providing the services. And indicates the Petersburg charter (changing tapes) provision authorizing the issuance of revenue anticipation notes to cover any gap until an area proposed for annexation falls into line with the City budgeting time frame. And then, another discussion as to why the utilities were deleted from that levy. They are self-sustaining utilities.

So, basically, what it does is affirm the figures that they have submitted to us already, Jim.

DOBSON: Nothing on the differential factors, taxation.

STRANDBERG: Let me read you that particular paragraph, Jim. (Paragraph #7 of Jacobson letter read.)

Response, please?

ANDERSON: I have none on this particular part.

STRANDBERG: Jim?

DOBSON: No, I don't have any particular response to that.

STRANDBERG: Okay. Edwin?

HOPSON: No, I don't either, Sig.

STRANDBERG: Okay, at this point, let's take a look at the record itself. I'm satisfied with what is before us that the public hearing was--that the petition was in the proper form and the procedures were adequately noted as evidenced by the hearing notice itself and the posting affadivit, and more over by a very well-attended public

hearing in which we received a lot of very intelligent commentary on the part of the City of Petersburg and affected residents. The petition as a whole, of course, seems to indicate a novel, well not really novel, but a comprehensive approach to municipal government in the Petersburg area in that the petition proposes the accommodation of the entire balance of Mitkof Island, portions of which are obviously remote from the road systems, and it's in that context that we look at the petition in terms of a motion on the matter. Are we at this point, Commissioners, ready to take a vote on this petition? Starting with you, Edwin. Do you feel you're ready to vote on this matter today?

HOPSON: I'm undecided.

STRANDBERG: But you are ready to vote on a motion, is that right, Edwin?

HOPSON: Yes, I'm ready to vote on the motion.

STRANDBERG: Okay, Jo, at this point are you content ...

ANDERSON: Are you talking about the entirety of the petition; I mean, the area that is the petition, the entire island?

STRANDBERG: And Jim?

DOBSON: Jo asked a question.

STRANDBERG: I'm sorry.

ANDERSON: Are we speaking of voting on the entire island as being annexed?

STRANDBERG: We're speaking on our readiness to look at the entire proposal at this point.

DOBSON: Well, I think, Sig, what you're really looking at is any motion concerning the annexing of any portion of the entire island. Right?

STRANDBERG: That's correct, Jim. As long as we're content that we have a full record here and have given that the careful contention that is warranted, we can proceed with an idea and invite a motion at this time from the floor. If I might trace on the nature of the motion, let us do it positively. Make a motion in favor of accepting the City of Petersburg's petition with or without any changes. And, again, the floor is open, Commissioners. Do I hear a motion?

DOBSON: I'm waiting for Jo to make a motion.

ANDERSON: Okay, I'm just trying to decide how to make this motion. I would move that we approve the petition for annexation by the City of Petersburg with these reservations--perhaps I'm not wording this right--if the annex be to the fur farm.

STRANDBERG: And I presume, then, what you would propose is an east-west line at that point? Traversing the island, Jo?

ANDERSON: I'm sorry. I didn't understand what you said.

STRANDBERG: Well, If we went out the Mitkof Highway to the fur farm, and stopped then we would draw a line east and west across the Mitkof Island. Is that the sense of your motion?

ANDERSON: Yes, more or less. The map that I have, I don't have good section lines; I can't give you any real definite section lines on this.

STRANDBERG: Okay, it would be the south boundary of that Section 35 in which the fur farm is. Is that correct, Jo?

ANDERSON: Yes, I believe so. I think that the fur farm is included. It would be across from, from what my map, across a little bit above the green point mark. This is on Exhibit C.

STRANDBERG: All right, you're clear. Is there a second to that motion?

DOBSON: I'll second.

STRANDBERG: Okay, of course the floor is open during the course of discussion to any amendment to that motion, and I think we must bring up the point, fellow Commissioners, on the total City proposal to identify why we might on vote limit our attention to the areas outlined by Jo Anderson. And, Jim, would you like to lead forth on this point?

DOBSON: Sure. I would be opposed to the motion on the basis that both the City and the residents in the city and the residents outside the city each of which are not in favor of that particular motion. The city is interested in annexing the entirety of Mitkof Island for reasons this is coastal management and the people outside the city are opposed to the annexation-- some basically because they don't want to be in the city; some primarily because they didn't like, that there wasn't enough information presented to them in a timely fashion. Similarly, the people, most of which testified to the extent they felt like the information wasn't accurate and wasn't timely. From that, it seems that nobody would be in favor of that annexation as proposed except maybe a few Boundary Commissioners.

STRANDBERG: Ed, up in Barrow. How do you feel?

HOPSON: I don't have the map before me, but visualizing on the map, the only question that I have is are you going northeast on the coast there? That's the motion that covers the

STRANDBERG: It's a little less than half the island which it contains in Jo's motion at this point. What is left out of her motion is the remainder of the highway link portion of the island down to the summer recreational area starting on Sumner Straits.

(Tape was changed here. Some words were not audible.)

...and drive straight. It excludes, for instance, the City of Petersburg's hydro plant down on Blind Slough, which is about three

miles beyond where we drove the car when we were down there in Petersburg last week. Ed, any further comments at this point from your prospective?

HOPSON: You asking me?

STRANDBERG: Yes, Ed.

HOPSON: No, I don't have any other comments. That's the only question I have is what the motion covers.

STRANDBERG: Okay, fine.

HOPSON: I think I'm clarified on that point.

STRANDBERG: Right. Now, Jo, I should have let you go first since you made the motion, but let's

ANDERSON: No, there's no second on this motion, so it's dead by lack of a second, is it not?

STRANDBERG: I think, Jo, that Jim seconded it ( ) the conversation, did you not, Jim?

DOBSON: Yes, I did.

STRANDBERG: Yes, okay, so it's properly before us, and go ahead, Jo.

ANDERSON: I'm sorry, I'm not hearing you very well. It's not coming through too clearly. Would you please repeat what you...

STRANDBERG: Jo, if you would go ahead now and speak to your emotions and then I'll follow up as a Commission member myself...my own thoughts.

ANDERSON: All right, fine. My feeling on the motion...the road to the property approximately to the fur farm is about as near urban an area as we can find any place on this island out to the fur farm. We saw the houses were slightly on the...they were getting quite scarce, but there was some housing there. People that I have talked to that were in favor of the annexation and were not necessarily in favor of the whole island felt that this area was more or less urban to this point and that was the reason for my motion.

STRANDBERG: Okay, as chairman, let me take my turn here as a Commissioner, and introduce my thoughts. The southeastern area of Alaska as a whole is largely composed of unorganized borough territory, with city jurisdictions, at least in the smaller communities, assuming most of the local government powers; of course, we have exceptions... the exceptions being the Ketchikan Gateway Borough, the unified Sitka Borough, the unified City and Borough of Juneau, and the Haines Borough. What the City has brought before us here is what at first blush would appear to be a rather ambitious city-type

annexation proposal tempered with a very important provision that a differential taxation in order to attempt to preserve the equities of an annexation so that taxpayers would pay for services reasonably considered to be rendered. The point brought up by the City in support of the larger annexation seems to stem from the fact that the state is finally getting along to the Statehood Act selections of forest lands to which the state has long been entitled. The City, of course, wants to be in line for making some community development related selections from these lands which they are patented to the state to the extent that the state classifies the land as vacant, unappropriated and unreserved or directly identifies them as community development lands.

Secondly, this whole question of coastal zone management which to many of us has appeared for the last year and a half or so is somewhat of a mystery stemming from what the Congress itself is contemplating in terms of coastal zone management. Consequently, some logical spokeman for what happens along the coastal areas in the Petersburg vicinity. I would say that a fundamental problem in Southeastern Alaska is that there are an insufficient number of borough jurisdictions to bond on behalf of interests of communities in relation to prospective entry uses on the coastline. Consequently, the extension of a City jurisdiction coupled with differential taxation may be the best way to go at this juncture because we don't know what the future portends insofar as governmental acitivity on the federal/state level regarding uses of coastal zones.

At this point I'm going to stop and let you other Commissioners respond to what I've just said.

DOBSON: I'll go ahead, Sig.

STRANDBERG: Yea, Jim.

DOBSON: As I understand what you said, you think at the present time possibly this strip annexation along the road leading out of town down Mitkof Island would be the proper thing to do. Is that correct?

STRANDBERG: Jim, I'm thinking that we ought to be careful in this case limiting our scope of attention to an area such as Jo's outlined. In view of the need to have a community such as Petersburg maintain a strong enough voice and what happens in terms of development along the coastline. I know that sounds kind of nebulous at this particular point, but I think there's enough on the record to indicate the good faith of the City to which, incidentally, the citizens themselves in failing that the Boundary Commission in the future can hold them to would warrant our taking a look at expanding this proposal and voting on the entire balance of the island.

DOBSON: Well, I certainly think that the City has done inadequate preparation for us to consider the entire island, but if we were going to vote on anything I think Jo's proposal would be the proper proposal. I

think that the City is going to have to come to the realization that the entire Mitkof Island probably should not follow the same ordinances undoubtedly should not follow the same ordinances that the present City boundaries do. If they selected under another terminology--maybe a borough with a new set of ordinances that are designed to take care of the wilderness areas rather than in terms of planning and zoning, things concerned about coastal zone management and selection of State lands. I don't think that we can realistically at this time given the information that we have in keeping in mind that we're still not sure from the information that the City has been able to provide us whether or not the residents both inside the City and outside the City, are going to financially benefit from this annexation. I think that they're just premature in looking at the whole island.

STRANDBERG: Thank you, Jim. Edwin, comments?

HOPSON: No, no other comments.

STRANDBERG: Okay. Jo, follow up on that discussion?

ANDERSON: Well, what Jim said just furthered my feelings on the whole thing. I agree with the things Jim said. That is my feeling also.

STRANDBERG: Okay. I want to make sure that our record reflects, and it does now, our concern and attentive ear to what the City is proposing in terms of going for the entire island. I know we Commissioners are concerned that the Petersburg community is a whole which I feel takes in all the residents within reach of that road system. These people are finally concerned about their governmental activity that might act to stimulate or discourage development that has to do with their economic position and viability as a community. Consequently, I felt it important that we look at the fact that there is no other local government jurisdiction other than a City of Petersburg in that vicinity right now, and, of course, a City of Kupreanof across the Narrows. Of course, that same situation holds forth down in Wrangell. I think at this point that you are probably right that a further justification would have to be submitted by the City in order to persuade the Commission on the merits of extending the City boundaries that far out ' the balance of the island.

We have before us the motion to make sure now, Jo, th : we have it correctly, and I have the map right in front of me, the master map, and looking on yours, we see the fur farm, and then as you go just below it there's a section line, is that correct?

ANDERSON: My map does not show the fur farm, but I'm sure that you are correct.

STRANDBERG: Fine. Now, the line I'm drawing across the map then on the south section line of 35 and Township 59 South, range 80 East.

PRITCHARD: No, 79 East, aren't we?

STRANDBERG: 1-2-3-4-5-6-7 You're right. 79 East. Range 79 East. What is that--Copper River Mining?

PRITCHARD: Right.

STRANDBERG: All right, now, Bill, are you following me on the map?

PRITCHARD: Yea.

STRANDBERG: All right, now the essence of your motion, Jo, is for the Petersburg City boundary to include all of Mitkof Island north of that southerly section line, the section line just below the fur farm?

ANDERSON: Yes.

STRANDBERG: Okay. Now are there any other problems with the Petersburg boundary in the Wrangell Narrows or Frederick Sound vicinity? Any ambiguities in the legal description? And I'll direct this to Mr. Pritchard.

PRITCHARD: Well, Sig, we have two questions down here. First, let's go west. Are we coming out to the center--is that where you want to come as the original one went of the Narrows, and then following the center of the Narrows?

STRANDBERG: Yes, that's where the City petition goes out to. Is that correct, center of the Narrows?

PRITCHARD: Now on your west side, your extension. What are you going to do on your extension on your west side of the south boundary of T59 S. You're going to extend it how far? It has to be protracted out there.

STRANDBERG: Out to--what would be appropriate? Out to mean low water, I would guess.

PRITCHARD: All right, we're going to mean low water on that then? The extension out to mean low water extends following the mean low water which would be in a northwesterly direction until we come its intersection with the projected center line of Wrangell Narrows.

STRANDBERG: That is correct.

PRITCHARD: Okay. And also note here, Sig, between Sections 31 and 36 we will also put in that little change in there. You see it on the map? 31 and 36?

STRANDBERG: Yes, I do. The range change, William?

PRITCHARD: Yea. Look between 36 and 31 there on 59 South. You see the correction line in there? Don't forget that's in there so we want to be sure to have that in the boundary description. Right?

STRANDBERG: Because you're going to a different range...correct?

PRITCHARD: No, it's just a change that's made. You have some surveyed and unsurveyed territory there...see the little jog there?

STRANDBERG: Okay, I'm following it now.

PRITCHARD: There seems to be a problem up in the north corner, Sig. I was coming along the center line of the Narrows and then coming along to the mean low tide, and the extension of that tide until it intersected the mean low water of the center of the Narrows. Some don't like that description here at all.

STRANDBERG: Well, what would be better?

PRITCHARD: We've got to come ov[illegible]r...You have the maps up there, and I haven't got the Petersburg maps here. You'd better look at it there and give me the boundary up there. I'm getting the boundary description book now.

All right. And I'm trying to see what point along the water the current description utilizes. And I see

DOBSON: Sig?

STRANDBERG: Yes, go ahead.

DOBSON: If I may make a suggestion on this deal. It's very difficult for all of us to agree on an exact boundary over the phone.

STRANDBERG: Nevertheless, Jim, I think we're pretty close, and that's what we'll have to do, so it's clear that we're all voting on the same thing. So that nobody can dispute us.

DOBSON: I think you don't want an exact boundary description. What we need is to vote on the concept of the motion and we're going to have to approve...we should approve the thing in writing. This thing over the phone is very, very difficult.

STRANDBERG: Yea, well, we're facing a time frame problem. We have this answer. And we're going to get quickly to that substance, and I wanted to clear this up while we're on the subject without changing it. I think we're going to have to be careful of Kupreanof boundaries, Bill.

PRITCHARD: Yes, but Kupreanof is not going to bother this at all because we measured that completely out. Don't you remember at the time Kupreanof vs. the boundaries of Petersburg, Sig?

STRANDBERG: Fine. Okay, we're going to go along Wrangell Narrows, what the center line of it? Would that be all right?

PRITCHARD: Okay.

STRANDBERG: I think that would suffice and it wouldn't...and mean low water on Frederick Sound, and I think that the facts of the problem.

PRITCHARD: All right. Sig, are you saying that, of course, we're on a rush on this thing, you see, to the extent of getting it in. We'll write a description. Eric will write a description, bringing it up to that point there. We may have to use along the Narrows, along Frederick Sound, ...

STRANDBERG: A protraction?

PRITCHARD: We may have to use from the old one there going along the mean low water of Frederick Sound in a northwesterly direction to the mouth to the center of the mouth of the Wrangell Narrows.

STRANDBERG: That's adequate. That's perfect. Okay. Very good. I think we have before us then the description and now to the meat of it. Any other comments on the motion, please?

DOBSON: Sig? Jim.

STRANDBERG: Yea, Jim.

DOBSON: When you get ready to call the roll, would you have the clerk call the roll alphabetically?

STRANDBERG: Let me get all your names in front of me. I'm getting the file out here so that I have everybody's in front of me. Okay. Now the other item that we should do is look at our annexation standards and I think that the sense of the motion is that the territory included does meet contiguous to the City, important portions of it, of course, all of the area can benefit from municipal services and important portions of it will benefit specifically from the whole range of services provided by the City of Petersburg. There is likelihood of future growth and development of the City in this territory, I think that's satisfactory. I think it shows that the City in its petition has met those specific tests, so are we ready to vote?

DOBSON: One thing before you vote, Sig. I think we need to really analyze what the City has asked for. They did not ask for this annexation that we're about ready to vote on, and also we do have any financial information to be certain that this is going to benefit the people inside and outside the city, and you also said something about the utilities in the area. We need to really understand that until the utilities themselves are a function of the City, that they do sell these services to the people outside the City and they are available on a pay-as-you-go basis. That certainly would be important even if it was annexed.

STRANDBERG: I'm reading on what you're saying Jim. The utilities services of the City of Petersburg are available to any resident and the utility services we're talking about are those that are fully self-sustaining in nature from the user charges as opposed to any mill rate, and should be distinguished from

DOBSON: What you have to realize is that they are not just available to the City residents...they are available to non-city residents on a 100% basis.

STRANDBERG: That's correct. As to the question of the financial aspects of the proposed annexation...the City has, I think, and I'm just going to say in my judgment, made a fair examination of the financial implications short of actually doing a very extensive fee appraisal of the property in a proposed annexation area. In advance of any kind of an assurance to recover that kind of a cost, which would be obviously several thousands of dollars.

DOBSON: Well, I disagree with that, Sig. I think they did a rushed appraisal of cost benefit ratios and that both of the figures were thrown together. We ask that they come back with some more figures that they gave us very little substantiation to support it.

STRANDBERG: Well, again, Jim, and I don't want to appear that I'm going to debate the thing to death. But, there's only so much that a City can produce in terms of information on that sales tax. I doubt whether they could extract it out of the proprietors even in a court proceeding.

DOBSON: I don't think it's just a question of sales tax. I think it's also a question of lost revenue the City just chose to ignore.

STRANDBERG: Well, we go back to the petition, Jim and we look at their figures, and they reaffirm their $47,000 figure on the school district, and I don't know how they can refine that any better than they have. Or, how we could. ... Are we ready to vote?

Mrs. Anderson

ANDERSON: I vote yes.

STRANDBERG: Mr. Dobson

DOBSON: No

STRANDBERG: Mr. Hopson

HOPSON: I vote yes.

STRANDBERG: Chair votes yes. The motion passes by a vote of 3 in favor, 1 against. Missing and excused, Commissioner Sheila Gallagher, who has been out of town during the month of January.

Anything else, fellow Commissioners? Our direction to our staff is to prepare the recommendations to be presented to the current session of the Legislature to be submitted no later than 9:30a.m. Wednesday of this week.

SIMPSON: Okay, Sig, this is Eric. We don't have to have it in until 4:30p.m. on Thursday.

DOBSON: Right, that's the 19th.

STRANDBERG: All right, fine. Let's modify that then to be sure that the recommendation is logged in by that time that you stated.

SIMPSON: Fine, thank you.

DOBSON: Would you give me a call when you get a chance?

STRANDBERG: Call you? What's your number?

DOBSON: 452-1014

STRANDBERG: 452-1014. Okay, fine Jim. And thank you all. This meeting is now adjourned at 1:50 p.m.

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J F Clark
P M Hoffman
J P Tangen
L G Berry (Anchorage)
C R Rich (Anchorage)
D A Holbrook
J D Miller (Anchorage)
T A Soto
W R Hulen (Anchorage)
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Of Counsel
M E Monagle

January 11, 1978

Eric Simpson
Local Government Specialist
Dept. of Community & Regional
Affairs
Pouch B
Juneau, Alaska 99811

Re: Petersburg Annexation Proposal
L.B.C. Supplemental Information

Dear Mr. Simpson:

This office as legal counsel for the City of Petersburg has been requested by members of the Local Boundary Commission to furnish additional data to supplement the hearing record. This letter constitutes a best efforts basis to furnish that information and it should be mentioned that since a quorum of members were physically present for the hearing, the City of Petersburg waives any objection to the participation in the deliberations by absent member Sheila Gallagher conditioned on her reading of the documentation and listening to the tapes of proceedings at the hearing.

1. Lost School Revenue. The $47,000 figure submitted by the City of Petersburg as revenue lost from the State for payment of non-resident student tuition is accurate. The figure of $53,000 mentioned by the protestants at the hearing is based on the last school year (when enrollment was slightly up), coupled with failure to consider that five of the non-resident students are from Kupreanof in which case the non-resident payment from the State would continue in any event. Miss Curtiss Attorney 5 Jan

2. Sales Tax Revenues. The afternoon of January 10, I resolved to follow through the best I could on the request for additional sales tax data. Unfortunately, I report that my worst suspicions about obtaining hard information were confirmed. I instructed Patty Curtiss, secretary to

the City Manager, to call out to all of the businesses and ascertain an estimate of gross sales tax revenues from each of them assuming that they were subject to the City's jurisdiction and imposing a 5% sales tax with a $1,000 transactional ceiling. She reported back to me mid-morning of January 11, 1978 and advised that her responses fell into three categories. The first category was the "no contacts" where she was unable to contact the proprietor. The second and largest category was composed of those businesses who said they would call back later and one who requested that Patty call them back later. The third category, including the liquor store, flatly refused to divulge any information The City of Petersburg is not in a position to obtain from the Alaska Department of Revenue the gross revenue figures reported by the various enterprises since that is privileged information. I am not sure that that would do too much good anyway, because I doubt if all of them file business license returns. For example, and the only enterprise on which I can furnish concrete data, specifically the Petersburg Consumer's Co-op, does not file a business license return notwithstanding that our litigation with them over the sales tax revealed that they order four or five shipments per year varying in range from $14,000 to $24,000 each. The lumber mill reported that it had no retail sales. The proprietors of the building stores were in the "call-back" category, and Sonny Hicks the owner of the Beachcomber could not be located by Patty. We are unable to furnish any meaningful data on the volume of business in the territory outside of the City to justify either an upward or downward adjustment in the original sales tax revenue estimate of $149,000.

3. Property Valuation. Taxes on the total real property were calculated at a 7 mill levy against $6,790,000 on real property and $250,000 on personal property. As indicated in the earlier submitted "Affidavit re Information Sources", the real property was estimated by the City Clerk's taking and updating an appraisal submitted by Mr. Erroll Simmons in 1975. She used an inflation factor of 5% per year. The personal property valuation was predicated on an estimate of equipment owned by the two major logging companies, Reed Brothers and Olsen & Sons, Ltd. The personal property valuation is conservative. No attempt was made to adjust the real property valuation for senior citizen exemptions and leases of government property which would now be subject to tax.

4. Bonded Indebtedness. The City of Petersburg's figures submitted on a separate sheet reciting the general obligation and revenue bond indebtedness are accurate. There have been no bond issues of either kind since June, 1977.

5. Financial Data Generally. To the extent that the City of Petersburg is remiss in submitting financial data to the Commission respecting the fiscal repercussions of the proposed annexation, the broad brush can be attributed to the fact that the City of Petersburg does not have a finance director, and secondly and more importantly, to me as the City's attorney who did not instruct the City Administratio to be prepared on that issue any further than the documentation submitted. The reasoning for that was in the three annexation matters which I have previously participated or followed, such data was not requested, nor was I of the opinion that the financial viability of an annexation proposal was one of the standards promulgated in 19 AAC 05.010 or the Alaska Constitution. Inasmuch, however, as an annexation proceeding is a quasi-legislative or political act in contrast to a judicial proceeding, the Commission's concern on that issue is at least understandable.

6. Start-up Costs. The Commission is apparently concerned about the possibility that cost of extending general services circa March 1978 when the Alaska Legislature would approve any proposal would create a financial drain on the City of Petersburg's general fund which was unforeseen, unbudgeted, and could not be made up until the 1979 tax levy. I am strongly inclined to agree with that assessment about a short-term negative cash flow but similarly inclined to discount its magnitude predicated on the knowledge that many of the general services, including extra-territorial fire, police protection and ambulance service have been provided heretofore. In the event of annexation approval and the incurrence of a deficit later in calendar year 1978 and the first part of 1979, the City may issue bond anticipation notes at the time of incurring the deficit according to AS 29.58.070. Alternatively, the City of Petersburg, being a home-rule municipality is not limited to the conventional financing procedures enumerated in the statutes and Sec. 14.1(a)(3) of the City Charter expressly authorizes the issuance of revenue or tax anticipation notes. Moreover, that might not even be necessary since the Legislature's prospective approval of the annexation would be known by the end of February 1978, there is ample time for the City to accomodate any additional expenses foreseen as stemming from the additional services in the annexed area prior to formulation of its budget and adoption of such budget by the June 15 date mandated by Statute.

7. Fifty Percent Tax Levy. The differential tax zones as originally proposed drew a close parallel to those utilized in Wrangell's annexation. Subsequently the Council at a meeting on January 3, 1978 determined that it did not want the tax levy pegged to the utility services afforded since they were at least in theory financially self-sustaining. The City accordingly submitted an Addendum dated January 6, 1978 deleting the tie-in of the tax levy to the utility services, and keeping the 50% tax levy for basic general services and administration. This seemingly comports with the question raised in the January 4, 1978 report to the Local Boundary Commission by the Department of Community & Regional Affairs Local Government Assistance Section wherein it stated:

> "The Department raises the question of whether it would be appropriate for the City to collect property tax for the utility functions. The utilities would normally be considered an enterprise function which would be self-supportive from the user rates or surcharges associated with the particular utility."

The first year 50% figure is admittedly somewhat arbitrary and would invoke some isolated cases of unfairness. Working from the general 50% zone as a starting point, it was felt by the Council that it would be appropriate for the newly-enfranchised taxpayers to participate in the adjustments and fine tuning respecting the establishment of differential zones in tax year #2 (1980).

I apologize for not being able to furnish you with better data respecting the projected sales tax revenues, but please advise if you think I may be of further assistance.

Respectfully submitted,

ROBERTSON, MONAGLE, EASTAUGH & BRADLEY

By: L.B. Jacobson

Of Attorneys for the City of Petersburg

LBJ:ss

cc: David Moffat
City Manager

Statement on Annexation - 1977-78

There are many aspects to be considered on annexation of the balance of Mitkof Island to the City of Petersburg before a final decision is made. As the ordinance now reads, if I understand it, I'm absolutely opposed to it.

Firstly, I'm opposed to annexation on a moral basis in that the residents of the area in question do not have any say-so in the process. In fact, even the citizens of the town itself, have no direct vote on the issue. It is a decision of six people on the council controlling the destiny of not only the epople now living inside the present city limits, but also those living without. I am quite sure that if a poll were to be taken, those people living outside of the present city would vote 90% to 95% against annexation. To be not able to control your own destiny, is not the democratic way of life as we have known it in this great land of ours.

Now for the hard facts of the cost of this monstrosity, I'm quite sure that in the final analysis, it will actually cost the present residents of Petersburg more than if the area in question is not annexed.

As I understand it, the schools would lose about $53,000.00 in state funds, which is paid to the schools for those children living outside the city. This is a considerable amount, and if the grapevine telegraph is correct, the present school administration is opposed to the move because of the loss of such a sum.

If we were to be annexed, there are services that must be provided. The two main services involved are water and sewer. Looking at the present high cost of construction, I'm quite sure that these two services can not be provided for less than $7,000,000. And these are the two main services of any city!

Another service that must be provided is fire protection and there is not any way under the sun to give fire protection without an adequate water system, with hydrants located within reasonable distances of all homes. Also there must be a fire engine located within the area involved. Even though the City of Petersburg has the best volunteer fire department in the state, it is impossible to get true protection where the fire engines are located 1½ to 38 miles from the areas to be protected.

While on the subject of protection, let us go into police protection. To be properly policed and patrolled in the area that we are talking about, another police car would be needed, as well as three or four patrolmen. I'm sure that all we could get in the line of patrol, would be one or two tours per night if the police force were not increased and another police car not added to the fleet. Then also, while this area was being patrolled, the City itself would not be having any protection what-so-ever. Now all of these so-called services would be costing you and I, the tax payer, more money.

Now if this business of annexation is to increase the tax base in order for the city to go in debt farther through bond issues, then I'm very much opposed to

annexation which I'm sure all clear thinking citizens of Petersburg would also be. It must be realized that all bond issues must be re-paid and the only way to repay those debts is by higher taxation. It must be very clear that the residents of Petersburg are hgghly incensed and opposed to paying more taxes.

In another area of services that are rendered, let us take the hospital for instance. From what I've been made to believe, it is on a paying basis. Perhaps it is not making a huge profit but nevertheless it is paying its own way. I'm quite sure that the Scow Bay residents who use this facility pay for the care given them and that because of the added revenue that is brought in, they help support and make this a going and profitable operation.

Now we will go into the operation of the power and light department. If we are to be annexed, the city will lose the surcharge that is added to our monthly bill. This alone will amount to a considerable amount of monies when added up at the end of the year. It must be remembered that the power lines from the Blind Slough hydroplant go through this area. Also if the area is annexed, I would presume that the city would put in street lighting of sufficient luminosity that we would have a well lighted street at all times. Personally, I would hate to pay for the capital expenditure plus the cost of energy on this operation.

It has been noted by some people that we would not receive all of the services and that we would be taxed only in proportion to the services that we receive. If so, what services will we receive? And also, will the taxes be arbitrarily set on these services? And will the taxes to pay for the administration and clerical work of these services be in proportion to the taxes paid by the city residents. If, for instance, we do not receive sewer or water, will we be taxed for administration of those services within the present city?

As another item of interest, it might be well to remember that the businesses that are bringing <u>new</u> monies into the area at all times, are the businesses that would be hardest hit by these taxes. With the timber industry in its present unsettled state, it would be almost criminal to saddle an industry with new taxes. Something like this might be the "straw that broke the camel's back" and there would be 40 to 50 men on unemployment rolls. And if that should happen there would be no monies coming in with which to pay taxes.

Again let me impress upon your the loss of state school funds, the added capital costs and maintenance of the services if and when provided. Also bear in mind that those people living outside of the present city limits did so at their own choosing, which is the great Americam way of life. Let us have a democracy where people control their own destiny and way of life. This is a moral issue concerning the very roots of democracy.

Lars Eide

Lars Eide, P. O. Box 842, Petersburg, Alaska

OK

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE

FEBRUARY 16, 1978

Present: Chairman Orsini, Senators Willis and Hackney. Bruce Aronson; Doug Griffin.

Absent: Senator Sumner and Senator Ferguson

The meeting was called to order by Chairman Orsini at 3:10 PM.

STRANDBERG CONFIRMATION

Chairman Orsini asked if Committee members wished to hold separate confirmation hearings on the reappointment of Sigvald Strandberg to the Local Boundary Commission. Committee members expressed the view that they were familiar with Mr. Strandberg's work on the commission and did not believe that separate hearings would be necessary.

PETERSBURG ANNEXATION (SJR - 40)

Chairman Orsini drew the members' attention to a SC/RA staff study analyzing the economic effects of the recommended annexation of land by the City of Petersburg. He noted that the figures indicated the probability of the City's expenses and new revenue form annexation balancing out, provided the City maintained its present level of services to the annexed area.

Senator Willis noted that the Boundary Commission could have held an advisory election in Petersburg to determine local support for the annexation but that the legislature had no authority to instruct the Commission.

Pending action by the House CRA Committee, Committee members agreed to hold action on SJR 40 unless the members wished the issue to be brought up again for discussion.

COASTAL ZONE MANAGEMENT

Chairman Orsini said that the Guidelines and Standards for the Alaska Coastal Management Program would require a detailed review if the Committee wished to deal specifically with the many points being raised regarding the implementation of the Coastal Management Program.

Senator Hackney said that he was impressed by the Petersburg situation where one of the motivations for annexation was a desire to secure local control over the coastal management of Mitkof Island.

The Committee members expressed their desire to undertake a sectional review of the draft Guidelines and Standards.

OTHER

Chairman Orsini discussed with Committee members the status of CSHB 133 before the House Finance Committee and its Senate counterpart,

CSSB 241.

The Chairman also informed members about the provisions of SB 501 pertaining to binding arbitration and stated that he intended to schedule hearings on the bill within two to three weeks.

Chairman Orsini called an executive session of the Committee to discuss Budget and Audit Committee actions with respect to Coastal Management.

The meeting was adjourned at 4:00 PM.

Minutes S/CRA 2-16-78

Strandberg Confirmation

Chairman Orsini asked if Committee members wished to hold separate confirmation hearings on the reappointment of Sigvald Strandberg to the Local Boundary Commission. Committee members expressed the view that they were familiar with Mr. Strandberg's work on the commission and did not believe that separate hearings would be necessary.

Petersburg Annexation (SJR-40)

Chairman Orsini drew the members' attention to a SC/RA staff study analyzing the economic effects of the recommended annexation of land by the City of Petersburg. He noted that the figures indicated the probability of the City's expenses and new revenue balancing out, provided the City maintained its present level of services to the annexed area.

drop ?

Senator Hackney made reference to mail from the Petersburg area and questioned whether Committee members would be able to obtain a clearer view of the situation by holding hearings locally.

Senator Willis noted that the Boundary Commission could have held an advisory election in Petersburg to determine local support for the annexation. that the elected representatives from the Petersburg area strong supported annexation and he respected their position ns.

Pending action by the House CRA Committee,
/the Committee members agreed to hold action on SJR 40 unless a member wished the issue to be brought up again for discussion.

Coastal Zone Management

Chairman Orsini said that the Guidelines and Standards for the Alaska Coastal Management Program would require a detailed review if the Committee wished to deal specifically with the many points being raised regarding the implementation of the Coastal Management Program.

Senator Hackney said that he was impressed by the Petersburg a situation where one of the motivations for annexation was a desire to secure local control over the coastal management of Mitkof Island.

The Committee members expressed their desire to undertake a sectional review of the draft Guidelines and Standards.

Other

Chairman Orsini discussed with Committee members ~~on~~ the status of ~~H~~ CSHB 133 before the House Finance Committee and ~~of~~ its Senate counterpart, CSSB 241.

The Chairman also informed members about the provisions of SB 501 pertaining to binding arbitration and stated that he intended to schedule hearings on the bill within two to three weeks.

The meeting was adjourned at 4:00 PM ~~and~~ Chairman Orsini called an executive session of the Committee to discuss coastal management.

Budget and Audit Committee actions with respect to

F, 55R-40

Ed Lapeyri
Post Office Box 89
Petersburg, AK 99833
February 18, 1978

Senator Joseph Orsini, Chairman
Community & Regional Affairs Committee
Room 101, Assembly Bldg.
Juneau, AK 99811

Re: Local Boundary Commission's Recommendations
Re Area To Be Annexed To Petersburg

Dear Senator Orsini:

I am a resident, registered voter, taxpayer, property owner and citizen of the City of Petersburg.

The City of Petersburg petitioned the Local Boundary Commission of the State of Alaska to annex to said City of Petersburg all of Mitkof Island, an additional area of approximately two hundred eleven square miles, an area one hundred times larger than the existing area of said city. The Local Boundary Commission in turn recommended to you that a portion of the area petitioned for be annexed to the City of Petersburg. I have reviewed the petition and all exhibits attached to the petition as a concerned citizen and taxpayer of the City of Petersburg. The recommendations of the Local Boundary Commission, based upon the information contained in said petitions and exhibits and the testimony in favor of the annexation or any expansion of the existing boundaries of the City of Petersburg would be ill-founded and based on substantially erroneous information and projections which will cause irreparable harm and injury to the City of Petersburg and its citizens.

I have spent a considerable amount of time reviewing, analyzing and verifying the information and projections contained in the petition, exhibits and the presentation made by the five people speaking in favor of the annexation at the public hearing held by the Local Boundary Commission in Petersburg on January 9, 1978. That data in brief summary is erroneous and misleading in the following particulars:

1) House-to-house survey of the population to be annexed is 437. The city utilized a figure of 514, which is 15% off. This figure has been further reduced by the change of boundary recommended by the Local Boundary Commission to 402, this figure is now 20% off.

2) City figures given at the public hearing indicated a $1.00 per month increase in power rates after annexation takes place. The actual figures show the increase will be $2.26 per month. The city's figure is 126% in error.

3) It would take approximately three million dollars in retail sales under $1,000 each to generate the $150,000 in sales tax revenue as the city engineer stated at the public hearing. City ordinance stipulates that sales tax can be charged only on sales up to $1,000 on any one sale. Any amount above $1,000 on any single sale is tax exempt.

4) I personally interviewed the business establishments outside the existing city limits who would be subject to sales tax in the event of annexation, I find that the amount collected would not exceed $50,000. Again, the city's figures are off by 300%

It was obvious to the public that the city's facts and figures as presented at the public hearing were erroneous to the extent that the Local Boundary Commission requested the city for more accurate figures. I have tried to obtain these new figures but have been denied access to this information. In fact, the city attorney instructed city employees not to discuss any matters pertaining to annexation with the public.

On the 26th day of August, 1975, an election was held in the City of Petersburg and included in said election was an annexation proposal to expand the existing boundaries of the City of Petersburg. Said proposition was strongly defeated by the voters of the City of Petersburg with 279 voting <u>against</u> annexation and only 73 voting <u>for</u> annexation.

I attended the public hearing on the 9th of January, 1978, and the participants, by a show of hands, indicated that they were clearly opposed to any proposed annexation. I personally counted the people in the council chamber, excluding Boundary Commission members, and there were 98 people in the council chamber and additional people in the hallway who were coming and going. Of the 98 people in the chamber room, 11 indicated approval of the proposed annexation or expansion of the city boundaries and the remainder indicated disapproval. Of the 11 people indicating approval, at least 5 were city employees and council members. The majority of the people who testified <u>against</u> annexation at this meeting were residents from <u>within</u> the city limits.

The notice of the public hearing given by the Local Boundary Commission stated that all written materials were to be submitted by January 5, 1978; however, the proponents of the boundary change submitted additional written materials on

the night of the hearing and, as stated previously, continued to submit undisclosed materials after that time. At the conclusion of the hearing, the chairman announced that the evidence was all in and that the Commission would make its decision on the evidence which had been submitted. The additional information submitted to the Commission since that time is contrary to that announcement and deprives the citizens of Petersburg of substantial rights.

I also attended the hearing on the ordinance pertaining to the petition to be submitted to the Local Boundary Commission. There were 75 people who attended that hearing, which was held on November 21, 1977. To the best of my recollection, of the 75 people who attended the hearing on the ordinance, only one person, a city employee, testified in favor of the ordinance. The public input on the annexation question before the city council, the Local Boundary Commission, and the actual election returns, all make it clear that the overwhelming majority of the citizens of Petersburg are presently opposed to any expansion of the existing boundaries of the City of Petersburg. Any recommendation for such expansion of the boundary would make a mockery of the public hearings and the public input on said issue and, as previously stated, will cause irreparable harm and injury to the residents and citizens of the City of Petersburg.

The two remaining required readings and the public hearing of the proposed ordinance, Ordinance #381 of the City of Petersburg, without any public notice, were all accomplished on the same night, November 21, 1977. The whole thing was accomplished within hours, including "Goldstreaking" the petition to the Department of Community and Regional Affairs.

After we learned of the recommendation of the Local Boundary Commission, we circulated petitions in Petersburg and in three days time we obtained 543 signatures of the adult residents of Petersburg. For your information, the normal voter turnout in Petersburg for a general election is approximately 500 people.

I respectfully request that you and your fellow legislators show to the people of Petersburg that the wishes of the people should not and cannot be ignored, and that you pass a Concurrent Resolution rejecting the recommendations of the Local Boundary Commission on the Petersburg annexation.

Very truly yours

Ed Lapeyri

ED LAPEYRI

Gl

F: SJR 40

John E. Longworth
Petersburg, Alaska 99833
February 14, 1978

Senator Joseph Orsini, Chairman
Community & Regional Affairs Committee
Room 101, Assembly Building
Juneau, Alaska 99811

Re Local Boundary Commission's Recommendations
Re Area To Be Annexed To Petersburg

Dear Senator Orsini:

I am most aware of the tremendous and perplexing problems facing this second session of the Tenth Legislature; therefore, it is somewhat embarrassing for me to have to write to you and request that you take the time to aid and assist us in settling what should be a very local problem in our island community of Petersburg. This is a problem that could have been settled, and should have been settled, without any fanfare, and I have no doubt that it would have been settled had it been presented to the people of the Petersburg area on a timely and reasonable basis.

I have been a resident of Alaska since December of 1940, and a resident residing within the existing boundaries of Petersburg since September of 1941. I served on the local city council at various times and I also served in the first, second, and third sessions of the Alaska Legislature, so I am not totally unfamiliar with government and governmental processes.

As is the case with the great majority of Alaskans, I am violently opposed to the treatment that our state is receiving on the D2 Land issue. Alaskans are being given no opportunity to have any say in determining the settlement of a problem which is purely one involving our own state.

A parallel situation, however in reverse, exists in reference to the petition presented by the city council to the Local Boundary Commission and the Local Boundary Commission's recommendation to the legislature regarding the annexation of land outside of the existing city limits of Petersburg. These things were all accomplished without giving the people of Mitkof Island, and particularly in Petersburg, a chance to express their concerns and views, not even in that most democratic manner--the ballot box.

The city administration and the city council have refused to respond to direct questions as to what the residents, either inside or outside the city, may expect in the way of increased costs of operation of municipal government, increased services, including utilities, and any other impact that this proposed annexation may have upon our community.

The petition prepared by the city administration and under the direction of the city council did have several points which they alleged were the basis for their requesting that all of Mitkof Island be annexed to the City of Petersburg. These were such things as, coastal zone management of the whole area; recreational areas, such as the Three Lakes Recreation Area and the Blind Slough Recreation Areas, the Crystal Lake Hydroelectric Watershed, and several other allegations which would supposedly be beneficial to the community. The recommendations of the Local Boundary Commission to the legislature, however, basically eliminated these things that the City of Petersburg was allegedly seeking by petitioning for this annextion.

I happened to be in Juneau on the 16th of January and stopped by the Department of Community and Regional Affairs office and made inquiry of what decisions the Local Boundary Commission had made. Mr. Pritchard of that office informed me that the Local Boundary Commission had not yet made a decision; however, they were going to have a telephonic conference that afternoon and they would make a decision at that time. He informed me that it would be on a speaker phone in their conference room and I was most welcome to listen in to the decisional meeting as all meetings of the Local Boundary Commission were open to the public. I informed him that I would be happy to listen in on that meeting. I arrived at the appointed time and heard the telephonic conference of the Local Boundary Commission's decisional meeting on the Petersburg matter. When the Local Boundary Commission had held their public meeting on January 9 in Petersburg, they had informed the public, both by the notices posted and at the meeting itself that all written statements or information pertaining to the annexation question had to be submitted by January 5 and that all testimony would be taken on January 9 and then based upon this information, they would arrive at a decision. As it developed in the telephone conference meeting, the city had submitted additional documentation contrary to the notices and public announcement in a lengthy letter from the city attorney. This letter was read in its entirety to the members of the Commission. Apparently this letter and other materials had been sent by Gold Streak by the Department of Community and Regional Affairs to the five commissioners; however, it came out during the conference that two

of the commissioners had not received the material and did not have any of the material in front of them at the time of the telephone conference. The credibility and insufficiency of the information supplied to them was discussed, then by a motion of one of the commissioners, they arbitrarily chopped off seventy-five percent of what the city had requested in their petition and then had a lengthy discussion upon the boundaries of this area, and moved for a vote on the annexation as amended by that motion. Commissioner Gallagher was not in on this conference call and did not partake in the deliberations. Commissioner Anderson from Wrangell and Commissioner Strandberg from Anchorage voted in favor of the annexation, Commissioner Hobson said he really did not know too much about it but would go along with Anderson and Strandberg, and Commissioner Dobson from Fairbanks stated that he thought they had rushed into this matter too quickly and that they had not been supplied adequate or sufficient information upon which they could make a rational decision regarding this petition and voted "No"; so the motion was carried by three of the five commissioners voting in favor of the motion. Needless to say, I was shocked and appalled at the casualness of this meeting which basically was in utter disregard to whatever impact their decision might have upon the community of Petersburg.

The Constitution of the State of Alaska expresses great faith in the area of local government. The residents of the Petersburg area and Mitkof Island are not looking for any exceptions in either state law or regulations. We desire to have our local matters decided through the medium of majority voting, in so doing we are in no way infringing upon others. The city administration and city council of Petersburg suddenly decided that they were going to present an annexation petition to the Local Boundary Commission and to the legislature, and took the attitude that the people of the Petersburg area did not know what was good for them, and that "Big Brother" knows best and that they would ram their decision down our throats.

For the foregoing reasons, I and my fellow Petersburg residents respectfully request that the House and Senate take appropriate action and pass a concurrent resolution rejecting the recommendations of the Local Boundary Commission in reference to the Petersburg annexation. Let me take this opportunity to thank you for taking the time to review my letter, and I know that I express the concerns of the vast majority of the Petersburg residents in making this request to you. Your consideration of preserving the democratic method of conducting government would be appreciated. Thank you.

Yours very truly,

John E. Longworth

JOHN E. LONGWORTH

D1

LIST ING OF BUSINESSES OUTSIDE PRESENT PETERSBURG CITY LIMITS BUT WITHIN PROPOSED ANNEXATION BOUNDARIES:

McGill's Trailer Court
Burrell's Trailer Court
Big Jim's Cafe
Mike's Welding
Billiken Transfer
Lyndon Transfer
Norheim Building Supply
Scow Bay Building Supply
Petersburg Consumers Cooperative
Cow Bay Liquor Store
Beachcomber Inn
Mitkof Lumber Company
Foss Alaska Dock
Mountain Point Sales and Service (gas station)
Homer Construction
Olson Logging (however, offices are within city limits)

Ben Harding
2-9-78

F: SJR

40

PETERSBURG INDIAN ASSOCIATION, Petersburg, Alaska
February 8, 1978

Dear Senator Rader:

I am on the Board of Directors of the Petersburg Indian Association and have been a resident of the City of Petersburg all my life and have been authorized by unanimous vote of the Board to appear and protest to the Legislature any extension of the boundaries of Petersburg. The members of the Petersburg Indian Association are strongly opposed to the recommendations of the Local Boundary Commission to the Legislature of the State of Alaska concerning the extension of the boundaries of the City of Petersburg.

The Petersburg Indian Association was formed because of the various Alaska native groups, including the Tlingit-Haida Central Council, the Alaska Native Brotherhood, the Alaska Native Sisterhood, and Sealaska Corporation, which had programs to be administered within the Petersburg area. The Petersburg Indian Association is a combination and serves and represents all Alaska native programs administered in the Petersburg area. There are approximately one hundred eighty-five (185) adult members in the Petersburg Indian Association, all of whom are residents residing in the existing City of Petersburg.

The Petersburg Indian Association has reviewed the petition submitted by the City of Petersburg to the Department of Community and Regional Affairs for the annexation or expansion of the existing city limits of Petersburg and the recommendations of the Local Boundary Commission to the Legislature. The Petersburg Indian Association is strongly opposed to any expansion of the existing city limits of Petersburg.

The existing tax base for the City of Petersburg, including real property taxes, sales taxes, and utility charges is extremely high and before any of the existing utilities are expanded to additional areas, and before any additional police and fire protection services are expanded to additional areas, it appears to the Petersburg Indian Association that steps should be made to improve and reduce the charges to the existing residents within the present city limits of the City of Petersburg. The cost of expanding utilities and services to any additional areas could only be met by additional taxes far and above these which would be generated through the annexation of the additional area.

I was employed for eight (8) years as a dispatcher for the City of Petersburg Police Department, having left that position approximately one (1) year ago. In reviewing the petition of the City of Petersburg for additional areas to be annexed I noted the number of emergency medical treatment calls that they attributed to

areas outside the existing city limits. Based upon my own observations and experience, by far the vast majority of these calls would have been to the Petersburg Municipal Airport or to the float plane charter services operated in and out of Petersburg, bringing injured or sick persons from other areas to receive treatment at the Petersburg hospital.

The existing fire equipment is inadequate to serve outlying areas without the addition of water lines and hydrants as the present tank trucks or pumper trucks would not be sufficient to fight any major fire without fire hydrants being located in the immediate vicinity.

If police protection is to be afforded in the additional annexed area it will require that at least one additional squad car be added to the existing police force and at least four (4) officers, one for each shift and one as a relief officer. The existing bonded indebtedness of the City of Petersburg is the highest per capita in the State of Alaska. It would seem apparent that if additional services and utilities are afforded to areas outside the existing city limits, that the only way this could be accomplished would be by incurring additional bonded indebtedness which would place an undue burden and hardhip on the taxpayers and residents of the City of Petersburg. This is particularly true of our native residents who for the most part are employed on a seasonal basis, which severely limits their income and ability to pay any additional taxes or utility charges.

Before any additional areas are added to the City of Petersburg, the Petersburg Indian Association and myself feel that definite steps and improvements should be made within the city limits to reduce the taxes and improve existing services and utilities, particularly the electric utility services which, in my opinion, are the highest in the State. Presently people outside of the existing city limits of Petersburg pay a surcharge on top of their electric service charges for being rendered that service by the city; however, if these areas are included in the city this surcharge would be lost, and the only way that this could be made up is by adding to the already high electric service charges being taxed on the residents of the City of Petersburg.

For these reasons, the Petersburg Indian Association respectfully requests that the Senate and the House of Representatives pass a concurrent resolution rejecting the recommendation of the Local Boundary Commission.

Respectfully,

Gertrude B. Lyons

Gertrude B. Lyons

SENATOR JOE ORSINI
SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
ALASKA STATE SENATE
CAPITOL BUILDING
JUNEAU, ALASKA 99811

DEAR SENATOR ORSINI,

PLEASE ACCEPT THIS ENCLOSED XEROX COPY OF A LETTER TO REPRESENTATIVE LISA RUDIS FOR TESTIMONY CONCERNING THE ANNEXATION PETITION FOR THE CITY OF PETERSBURG, WHICH IS BEFORE YOUR COMMITTEE.

I HOPE THIS LETTER IS RECEIVED IN SUFFICIENT TIME TO BE ENTERED ON THE PUBLIC RECORD AND THANK YOU FOR YOUR CONSIDERATION.

RESPECTFULLY,

Timothy Koeneman

TIMOTHY KOENEMAN
P.O. BOX 1324
PETERSBURG, ALASKA 99833

REPRESENTATIVE LISA RUDD
HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
ALASKA STATE LEGISLATURE
POUCH V
JUNEAU, ALASKA 99811

REF: CITY OF PETERSBURG ANNEXATION PETITION.

DEAR REPRESENTATIVE RUDD,

PRIOR TO PRESENTING MY VIEWS ON THE CITY OF PETERSBURG ANNEXATION PETITION I DESIRE TO PRESENT SOME COMMENTS CONCERNING MY RESIDENTIAL STATUS. FROM JUNE 1971 THROUGH SEPTEMBER 1973 I RESIDED WITHIN THE PRESENT PETERSBURG CITY LIMITS. FROM OCTOBER 1973 THROUGH SEPTEMBER 1974 I WAS ATTENDING SCHOOL IN OREGON (OCT- APR) AND WORKING IN KETCHIKAN (APR-AUG). FROM NOVEMBER 1974 TO THE PRESENT I HAVE RESIDED ON PROPERTY ADJACENT TO SANDY BEACH ROAD WHICH IS APPROXIMATELY 500 FEET OUTSIDE THE PETERSBURG CITY LIMITS. MY FAMILY UTILIZES CITY AND STATE ROADWAYS; THE SCHOOL SYSTEM SWIMMING POOL, FOR WHICH WE PAY ENTRY CHARGES; LOCAL BUSINESSES, AND PAY SALES TAXES; SUPPORT THE COMMUNITY WITH VOLUNTEER HELP, IN THE LITTLE NORWAY FESTIVAL AND PETERSBURG VOLUNTEER FIRE DEPARTMENT; AND DO NOT BELONG TO THE GROCERY COOPERATIVE, WHICH CONTAINS MANY PETERSBURG CITY RESIDENTS AND DOES NOT

PROVIDE SALES TAXES TO THE CITY.

I CONCUR WITH THE CONCEPT OF ANNEXATION, PARTICULARLY ANNEXATION OF THE SANDY BEACH AREA. IT IS NOT LOGICAL THAT TWO GOVERNMENTAL UNITS (CITY AND STATE) SHOULD EXIST IS SUCH A CLOSE KNIT COMMUNITY. HOWEVER, THE MEANS THE CITY ADMINISTRATION HAS UTILIZED TO REALIZE ANNEXATION IS NOT, IN MY VIEW, IN THE BEST INTEREST OF RESIDENTS OR "NON-RESIDENTS." MY PRIMARY CONCERN IS THE APPARENT LACK OF FISCAL RESPONSIBILITY EXUDED BY THE CITY ADMINISTRATION. I AM AWARE OF NUMEROUS UNSUBSTANTIATED RUMORS ELUDING TO FISCAL RESPONSIBILITY AND OFFER ONLY THE ENCLOSED HEADLINES OF THE PETERSBURG PILOT, VOL 5., NO. 5, 1/1/78 FOR SUPPORT "AD HOC COMMITTEE HEARS ITS FIRST TESTIMONY - CITY LOAN DELINQUENT". MANY INDIVIDUALS MAINTAIN THE CITY IS ATTEMPTING TO EXPAND ITS BONDING BASE IN AN ATTEMPT TO RECTIFY EXISTING FISCAL PROBLEMS. I HAVE NO WAY EVALUATE THE TRUTH OR THAT STATEMENT. I DO NOT HAVE TOTAL TRUST IN WHAT SOME CITY OFFICIALS ARE PRESENTING, AND IT IS BECOMING MORE APPARENT THAT CITY RESIDENTS EXPRESS SIMILAR DISTRUST (SEE PETERSBURG PILOT, PAGE 2 - LETTER TO EDITOR BY REV. BATEMAN-COOPER; PAGE 4 - AD HOC COMMITTEE EXPLAINS PURPOSE; PAGE 7 - COUNCIL FUMBLES BALL AGAIN; PAGE 9 - COUNCIL APPROVES FORMATION OF AD HOC COMMITTEE). IT IS INTERESTING

TO NOTE THAT THE (PREVIOUS) CITY MANAGER DAVID MOFFAT HAS BEEN ASKED TO RESIGN, AND THE CITY COUNCIL IS APPARENTLY NOT REPRESENTING THE VOTING CONSTITUENT IN SOME ACTIONS. ESPECIALLY IN PETITIONING ANNEXATION IS SUCH A MANNER THAT THE ELECTORATE, AND THOSE INDIVIDUALS BEING ANNEXED, HAS BEEN DENIED THE OPPORTUNITY TO EXPRESS THEIR VIEWS THROUGH THE VOTING PROCESS.

MY PERSONAL DISTRUST HAS OCCURRED FROM SPECIFIC INTERACTIONS WITH CITY OFFICIALS. I REQUESTED, AND WAS GRANTED, WATER AND ELECTRICAL SERVICES FROM THE CITY. MY WATER RATES ARE TWICE THOSE CHARGED FOR LIKE IN-CITY SERVICE. MY ELECTRICAL RATE INCLUDES AN APPARENTLY ARBITRARY (MY VIEW) "SURCHARGE" WHICH IS NOT APPLIED FOR LIKE IN-CITY SERVICE. THE ELECTRICAL LINES SERVICING MY RESIDENCE AND ADJACENT "OUTSIDE" NEIGHBORS ARE TECHNOLOGICALLY INFERIOR TO THOSE UTILIZED WITHIN THE CITY LIMITS. DURING THE PAST YEAR THESE LINES HAVE BEEN RESPONSIBLE FOR THE DESTRUCTION OF THE ELECTRIC MOTOR AND COMPRESSOR OF MY CHEST FREEZER (REPLACEMENT COST $467.00) PLUS TWO OTHER FREEZERS AND ONE FURNACE MOTOR OF MY NEIGHBORS. NEITHER MYSELF OR MY NEIGHBORS RECEIVED RESTITUTION FOR REPLACEMENT OF DESTROYED APPLIANCES WHEN WE COLLECTIVELY PETITIONED THE CITY. THE CITIES POLICIES ARE SUFFICIENTLY VAGUE TO FACILITATE PLACEMENT

OF RESPONSIBILITY AS EXTERNAL TO THE CITY. THE ELECTRICAL LINES REMAIN IN PLACE, EVEN THOUGH THE CITY REALIZES THE INFERIORITY OF THE LINES (WM. MEARIG, ELECTRICAL SUPERVISOR, PERSONAL CONVERSATION), THUS THE "OUTSIDE" RESIDENTS ACTUALLY PAY MORE FOR INFERIOR SERVICES. THE CITY ADMINISTRATION HAS NOT PRESENTED SHORT OR LONG TERM PLANNING DOCUMENTS (TO INCLUDE FISCAL ESTIMATES) TO INFORM THE "OUTSIDE" RESIDENTS OF FACILITIES OR SERVICE IMPROVEMENTS THEY MIGHT EXPECT TO RECEIVE FROM ANNEXATION --AND THE ASSOCIATED PROPERTY TAXES. NEITHER HAVE DOCUMENTS ESTIMATING ADDITIONAL COSTS TO CITY RESIDENTS BEEN PRESENTED.

IN CLOSING, I AGREE WITH THE CONCEPT OF ANNEXATION BUT DISAGREE WITH THE MEANS EMPLOYED IN THE PETITION IN QUESTION. IT IS APPARENT TO ME THAT THE CITY ADMINISTRATION HAS NOT DEMONSTRATED FISCAL RESPONSIBILITY, OR ELECTORATE RESPONSIBILITIES. IT IS DIFFICULT TO SUPPORT ANNEXATION WHICH HAS BEEN PRESENTED BY AN ADMINISTRATION WHICH ITSELF IS IN A HIGH STATE OF UNREST. IT IS DIFFICULT TO SUPPORT ANNEXATION WITHOUT THE OPPORTUNITY TO VOTE ON THE ISSUE ITSELF. IT IS DIFFICULT TO SUPPORT ANNEXATION WITHOUT A PLANNING DOCUMENT IDENTIFYING THE IMPACTS OF THE ISSUE WITH PARTICULAR EMPHASIS ON FISCAL

ISSUES.

THANK YOU FOR THE OPPORTUNITY TO PRESENT MY THOUGHTS. I TRUST THIS COMMUNICATION WILL ARRIVE IN SUFFICIENT TIME TO BE INCLUDED IN THE PUBLIC RECORD.

RESPECTFULLY,

Timothy Koeneman

TIMOTHY KOENEMAN
P.O. BOX 1324
PETERSBURG, ALASKA 99833

C.C: SENATOR JOE ORSINI, CHAIRMAN
SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
JUNEAU.

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE MINUTES

FEBRUARY 7, 1978

Present: Chairman Orsini, Senators Willis, Hackney and Sumner. Wm. K. Mearig; J. R. Floden; Frances G. Westre; David A. Moffat; Gene Owens; Sigvald J. Strandberg; Erick J. Simpson; Sunny A. Hick; Gertrude Lyons; Lars Eide; Ed Lapeyri; James F. Petersen; Annette Smith; Bruce Aronson.

Absent: Senator Ferguson

Chairman Orsini convened the hearings at 3:15 PM. He announced that the Committee would take testimony on SJR 38, 29 & 40 but would take no action on the resolutions that day.

SJR 39 (Proposed Annexation by Haines Borough):

Chairman Orsini asked Sigvald Strandberg, Chairman of the Boundary Commission, to give the circumstances behind the proposed annexation of land on which stood fuel tankds formerly operated by the military. Mr. Strandberg described the action as pro forma in nature to allow the Haines Borough to eliminate a pocket of non-borough land inside its borders. He explained that the final disposition of tank farm property, which would be handled by the General Services Administration, would not be affected by the Borough's action and that the military had not objected to the proposed annexation. Mr. Strandberg also stated that no objections had been made by members of the public during the Boundary Commission's hearings in Haines. No one else wished to testify on SJR 39 and Chairman Orsini closed the hearings on the resolution.

SJR 38 (Proposed Annexation by the City of Skagway):

Mr. Strandberg noted that the City of Skagway originally requested to extend its boundary to the Canadian border and that of the Haines Borough. He noted that this raised the question in the Boundary Commission's opinion of what properly constituted city government versus that of a borough. The Commission therefore recommended a smaller extention of the City's boundaries and informed the City that it could, if conditions warrented, petition the Commission in the future to move its jurisdiction to the Canadian border. The City of Skagway supported this action by the Commission and agreed with the recommendation. Strandberg acknowledged that public testimony by persons residing outside the present City boundaries was opposed to annexations since they believed that they were already paying for municipal services through the sales tax. In response to questions from Committee members, he said that the Commission had not considered the inclusion of the Dyea area into the City of Skagway and that such an action would require separate Commission action.

William Ruddy, an attorney representing the City of Skagway, said that public opposition had been expressed to the proposed annexation but that it was not organized.

In the absence of further public testimony, Chairman Orsini closed the hearings on the resolution.

SJR 40 (Proposed Annexation by the City of Petersburg):

Mr. Strandberg said that public hearings had been held by the Commission in Petersburg January 9 before an overflow crowd with the testimony being broadcast live over the local radio station. On January 16 the commissioners held a telephonic conference and approved a recommendation for the extension of the City of Petersburg boundary.

He explained that the Commission's recommendation called for the city boundary to be extended only over the northern portion of Mitkof Island, an area of approximately 45 square miles. The City had originally petitioned for the annexation of all Mitkof Island, an area of approximately 211 square miles. Mr. Strandberg said that the Commission respected the City's reasons for the larger request, which included concerns about Coastal Management and municipal selection of state lands. He said that this again raised the question of borough versus city government and that the Commission had recommended an area for annexation that would take in almost all residents, but not all the territory, of Mitkof Island. He noted that, in the Commission's view, the natural development of the City of Petersburg lay along Mitkof Highway and that the outlying areas did benefit from municipal services. The incorporation of this area would remove the present tax inequity between the residents of the City and the outlying district. Mr. Strandberg pointed out that the City of Petersburg has a narrow tax base, but a fairly heavy bonded indebtedness. The 2,126 City residents have a bonded indebtedness of $3.7 million against a property valuation of $34 million. Thsi gives the City a debt/valuation ratio of approximately 11% as opposed to a 5.4% ratio for the City and Borough of Juneau and 3% for the City of Ketchikan. He noted that there were considerable private land holdings south of Petersburg along the Mitkof Highway.

In response to questions from Committee members, Mr. Strandberg made the following comments: The City indicated that it would assess one-half, or 7 mills, of the present City mill rate against the residents of the outlying area for the first year after annexation. Petersburg City Councilmen run at large and therefore there would be no council seat per se representing the annexed outlying area. During the public hearings in Petersburg, public sentiment ran about four to one against annexation. The August 26, 1975, election during which City voters rejected annexatio was a straw vote on another proposed annexation and for which sketchy data had been gathered in regard to potential tax revenues. Service areas in the unorganized Borough could be established by the Legislature only if the same services could not be provided by annexation to existing local governments.

The vote of the Commission had been three to one for the proposed annexation. Children in the outlying area presently attend City schools which receive tuition payments from the State. The economic future of Petersburg lies fishing and some logging. Industry would find it attractive to locate in the outlying area following annexation.

William Ruddy, the attorney representing the City of Petersburg, and William Mearig, representing the Petersburg city government, testified

jointly. Mr. Mearig stated that the 1975 annexation vote concerned the proposed annexation of West Petersburg, which has now incorporated separately as the City of Kupreanof, and did not pertain to the present recommendation. He noted that the Environmental Protection Agency was requiring the extension of sewer and water facilities to outlying areas. Either the City of Petersburg would provide these services or they would be mandated at the state or federal level. In response to questions from the Committee members, Mearig concurred that Petersburg's economic future lay with fishing and stated that any expansion of fishing facilities would probably occur at the four plants currently within the City's boundaries. Because of environmental and esthetic concerns, little or no development is likely to take place in the Narrows. He commented that strictly speaking it was illegal for the City to provide municipal services to the outlying area.

James Petersen, the attorney representing the plaintiffs in the court suit opposing the proposed annexation, testified that his clients opposed the annexation on the grounds that insufficient study had been given to the revenue, tax burden, and expense of the action. He stated that the original petition requesting annexation had been hastily put together and that the municipal ordinance had had its first reading with no public input. The second and third readings took place on the same night. Studies were lacking on population density, cost of police protection, cost of water and sewer facilities, and cost of electric power extension. Peterson said that his clients were not opposed to annexation per se and believed that the establishment of a service district (outside of the municipal boundary) could provide a viable solution. He emphasized that it was not only residents of outlying areas who opposed annexation but the residents of the City as well.

Frances Westre testified, as a member of the Petersburg City Council, that the Council had unanimously approved the proposed annexation as being in the best interests of the community of Petersburg and its environs. She said that the apparent haste in acting upon the petition was due to the legal requirement to submit all annexation recommendations to the Legislature by the tenth day of session. She pointed out that Petersburg and Wrangel were jointly studying a proposal for hydroelectric development in the Thomas Bay area that would provide relatively inexpensive power for economic development in the area. Ms. Westre said that Bruce Aronson of the Department of Community and Regional Affairs had originally raised the annexation question in Petersburg several years ago.

Lars Eide read to the Committee a letter he sent on December 12, 1977, to Commissioner of Community and Regional Affairs Lee McAnerney protesting the proposed annexation as contrary to the wishes of the majority of the people of Petersburg. He stated he was part owner of Mitkof Lumber Company which employes approximately 23 persons about 75% of whom lived in the City and 90% of the company's production was exported.

David Moffat, City Manager of Petersburg, said that the impetus for annexation had originated from residents in the outlying areas and that he had heard of little opposition to the proposal from within the City. He noted that, without the existence of the City of Petersburg, it would be unlikely that industries outside city limits would have located in the area. Moffat pointed out that the City has a

significant interest in exercising planning for Coastal Management for Mitkof Island as well as achieving a wider basis for future municipal selection of state land. He also noted that the possibility of a deep water port had been studied for the southern tip of Mitkof Island.

Ed Lapeyri, a resident and General Manager of Mitkoff Lumber Company, a plaintiff in a court suit against the annexation, testified that outlying residents did not receive municipal services for wohich they did not pay. He stated that residents outside city limits paid a 15% surcharge for electricity and a 50% surcharge for water. As for fire protection, the State paid the City $7.50 per capita for residents outside City limits. He submitted to the Committee the following petition signed by 543 residents of the general Petersburg area:

"WE, THE UNDERSIGNED, BEING CITIZENS OF MITKOF ISLAND, BOTH INSIDE AND OUTSIDE THE PRESENT CITY LIMITS OF PETERSBURG, ARE STRONGLY OPPOSED TO THE PROPOSED ANNEXATION TO PETERSBURG AT THIS TIME DUE TO THE METHODS USED BY THE CITY IN DIRECT OPPOSITION TO THE DESIRES OF THE MAJORITY OF THE CITIZENS AND BECAUSE OF ERRORS IN THE FIGURES PRESENTED TO THE LOCAL BOUNDARY COMMISSION AND THE FAILURE BY THE CITY TO PROPERLY RESEARCH AND DOCUMENT THE ECONOMIC CHANGES SUCH ANNEXATION WOULD PRESENT TO THE CITY RESIDENTS AND THOSE IN THE ADJOINING PROPOSED AREAS. WE ARE EXTREMELY CONCERNED IN THE MANNER IN WHICH THE CITY HAS PRESENTED THIS ANNEXATION WITHOUT PROPER PUBLIC INPUT. WE ALSO PETITION THE HOUSE AND SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEES TO HOLD A JOINT HEARING IN PETERSBURG IN ORDER TO OBTAIN THE TRUE FACTS AND PUBLIC INPUT REGARDING THIS PROPOSED ANNEXATION."

Mr. Lapeyri said that these signatures were obtained within three days last week and that every reasonable effort was made to insure that resident adults were the only persons who signed. He told the Committee that of the 543 petition signers, 193 lived outside the City and 350 lived within the City limits.

Mr. Lapeyri charged that during the City Council deliberations on the annexation petition, a show of hands indicated that only 11 of the 98 persons present supported annexation and that, of the 6 who testified in favor of the measure, four were city employees or relatives of Council members. He said that real property valuation for the 1975 proposed annexation was $6.3 million and in 1977 only $6.7 million for a slightly different area. He also cited an unidentified study undertaken by a local private firm that indicated no significant economic development in Petersburg in the future. In response to Committee members' questions he acknowledged that fishing was considerably more important economically to Petersburg than logging which he characterized as "shakey".

Gene Owens, a resident of Petersburg, testified in support of the proposed annexation . He stressed that the State had consistently urged localities to assume local government control in the Unorganized Borough in such matters as Coastal Management planning. Mr. Owens said that the annexation of land on Mitkof Island by Petersburg was consistent with that objective.

John Floden, city engineer for Petersburg, spoke in favor of the annexation recommendation and pointed out that the City had basically proposed a service area concept. He noted that 19% of the population

of Petersburg currently lives outside the city limits. This meant that those inside the city pay 19% more for municipal services than thier just share, while those outside pay 19% less. Mr. Floden said that without the extension of planning and zoning powers to the present outlying areas they were likely to develop in a haphazard manner leading to severe water and sewage problems in the future. There were instances in the outlying area where land was being subdivided into lots too small handle onsite sewage and water. Mr. Floden said that the City's goal in the annexed area would be to maintain large lots so as to prevent the need to establish sewer and water lines to high density residential and commercial dwellings. Additionally the projected linkage of Mitkof Highway with a proposed Stikine Highway could result in unrestrained commercial development of gas stations, drive-ins, etc. along the way unless proper planning and zoning authority existed to control it. In response to Committee members' questions, he said he believed a comprehensive community development plan for Petersburg had been prepared in 1965/66.

Gertrude Lyons, a plaintiff in the court suite against the proposed annexation and a member of the Board of Directors of the Petersburg Indian Association, testified that the increased costs association with the extension of services to outlying areas would work an undue hardship on Native residents of Petersburg who were primarily dependent upon seasonal employment. Ms. Lyons said that the membership of the Petersburg Indian Association was approximately 185 adult persons and that the Association was the combined organization for the Tlingit-Haida Central Council, the Alaska Native Brotherhood, the Alaska Native Sisterhood, and Sealaska Corporation.

Sunny Hicks, a resident of the Petersburg area and opponent of the proposed annexation, characterized the community atmosphere of Petersburg as a "local Watergate situation" where neighbors were divided against one another and conversations were surreptitiously recorded. She believed that local animosities had been inflamed by the City's handling of the annexation petition. She stressed that the residents of the outlying area considered themselves to be members of the general Petersburg community and were willing to assume their share for local services. She questioned whether the City was capable of efficiently carrying out its present obligations, much less undertake more extensive ones without the compensation of major new revenues.

William Mearig requested to testify a second time to present his views as a private citizen in addition to his capacity as a city official. He said that the proposed annexation offered outlying residents their first chance to participate in the political decisions affecting them locally, even in the absence of a separate election district for the area. He stated that participation in local government in such matters as Coastal Management offered residents more protection than if they remained unorganized and allowed either the State or federal government to impose regulations on them.

In the absence of further public testimony on SJR 40, Chairman Orsini concluded public hearings on the resolution and adjourned the Committee at 6:28 PM.

Official Business

Alaska State Legislature

Senate

Committee on
Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

January 27, 1978

Mr. Sigvald Strandberg
Chairman
Local Boundary Commission
7235 Blackberry
Anchorage, AK 99502

Dear Mr. Strandberg Sig

Further to your telephone conversation this morning with my Administrative Assistant, I would like to invite you and any other members of the Local Boundary Commission to attend the hearings which the Senate Community and Regional Affairs Committee will be holding in regard to your recommendations on the proposed annexations by the Cities of Skagway and Petersburg and the Haines Borough.

The committee meeting is scheduled for 3:00 P.M. in Room 100 of the Assembly Building Tuesday, February 7, 1978.

I look forward to seeing you and any other Commission members who wish to attend at that time.

Sincerely,

Joe Orsini

Joe Orsini
Chairman
Community and Regional
Affairs Committee

JO/tb

Official Business

Alaska State Legislature

Senate

Committee on
Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

January 31, 1978

Mr. John R. Edwards
Mayor
City of Skagway
P.O. Box 415
Skagway, Alaska 99840

Dear Mr. Edwards:

On February 7, the Senate Community and Regional Affairs Committee will hold hearings on the recommendations made by the Local Boundary Commission regarding the annexation of land by the Haines Borough SJR 39 and the Cities of Petersburg SJR 40 and Skagway SJR 38.

The Senate C&RA meetings are scheduled for 3:00 P.M. in Room 106 of the Assembly Building and public testimony will be taken prior to Committee action on the recommendations. Comments may also be submitted in writing prior to February 7 by those who wish to testify but are unable to travel to Juneau.

In the event that the hearings are not completed on February 7, further hearings will be held at the same time and place on February 9.

Sincerely,

Joe Orsini

Joe Orsini
Chairman
Community and Regional
Affairs Committee

JO/tb

HB
72

Testimony of Russell Cahill
State Historic Preservation Officer
H.B. 72
February 14, 1977

House Bill 72 is good legislation. It complements and implements existing heritage and cultural laws which have evolved since the Alaska Legislative Council, Legislative Affairs Agency, issued its important study in January, 1970: Historic Preservation In Alaska. It fills a needed gap in the legislation which has followed since that time.

To date only seven municipalities--Anchorage, Eagle, Ketchikan, Klukwan, Nome, Skagway and Sitka, on their own initiative, have created "local frameworks" for historical districts. H.B. 72 would make this a reality for every municipality in Alaska; a very positive forward step.

This is pragmatic legislation because it provides a method of funding through State loans. The National Trust for Historic Preservation has stated that preservation in Alaska and Hawaii is a virtual impossibility without substantial public subsidy. This critical consideration is recognized in H.B. 72.

In addition to the obvious merits of preserving our historic past and unique cultural roots as stated in Section 1 (Intent) there are some pragmatic considerations which are becoming more and more evident. We have learned much of the necessity to slow down depletion of energy and nonrenewable resources. Saving and recycling old neighborhoods is an important conservation measure. Utilization of historic buildings, structures and districts is not only wise conservation, eliminating waste and unnecessary duplication, but it will enhance pride of ownership, and broaden, rather than diminish the tax base. Historic District planners now give early attention not only to the aesthetic, historic and social values but to the beneficial economic components. Usually they find that restoration, and certainly stabilization, are not only less expensive, but are more viable than destruction and rebuilding. In a recent statement on Pioneer Square in Seattle, it was pointed out that historic preservation there, in an area so blighted that it was first considered for mass demolition, "has benefitted all the citizens of Seattle. It is sound economics. . . instead of being a wasting liability to the City and a tax write-off for a few landholders, is now a real benefit to the economy. New stores and businesses spring up overnight, all creating jobs and paying taxes. Tourists, once warned to avoid this district, come to Seattle just to see it." Indeed, soon this will be the interpretation center for tourists coming to restored Skagway and the Klondike Gold Rush National Park.

The great recent increase in public interest in historic preservation has probably been motivated more by the economic and conservation sense than by the esoteric. It is important, too, to realize that of 12,000 historic properties now on the National Register--1,000 are historic districts. Yet, of the 65 National Register properties in Alaska only Eagle, Hope and Skagway are municipal historic districts.

With passage of House Bill 72, Alaska would have a State program for municipal historic districts equaled by only a few states.

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2525

GEORGE M. SULLIVAN, MAYOR

PLANNING DEPARTMENT

March 7, 1977

Senator Joseph L. Orsini
M/S 3100, Pouch V
Juneau, Alaska 99811

Dear Senator,

The Historical Landmarks Preservation Commission, created in November 1975, was asked to assist the Municipality in the identification of buildings, sites, objects and structures associated with the history and pre-history of Anchorage. Our Commission concurs wholeheartedly with House Bill #72 and urges its adoption.

House Bill #72 is a most purposeful piece of legislation. First, it recognizes that there are historic districts within Alaska's cities and that such districts are extraordinary in sense of the historic fabric of a community. Second, it provides financial incentives through the Revolving Fund Loan concept which would be of great assistance to Anchorage and other communities across the State. The definition of a historical district as conceived in House Bill Number 72 (i.e., structures of "the early territorial period before 1920") would definitely encompass areas of the Municipality of Anchorage, including sections within and outside the townsite of which dates from 1915.

In addition, we also ask your support for Senate Bill #10 which will provide funding for the purpose of cataloging the photograph collection and developing a guide on location and providing access to Alaska photographs.

As these bills come before you for action, please give them your most serious consideration.

Sincerely,

Katharine C. Crittenden

Katharine C. Crittenden, Chairwoman
Historical Landmarks Preservation Commission

KCC/mw

cc: George M. Sullivan, Mayor
Michael Carberry
Mr. Russ Cahill

LEE SHARP said CVB of Juneau supports CS HB 72

Restoration of hist bldg get new bldg tax break; tear down & ~~rec~~ rebuild → no tax break

$ ~ 3/4 M available in matching fed loan

what are rights of property owners in hist. districts

authority, in the same as it is now

I N D E X

1. CSHB 72

2. Fiscal Note

3. Letter from Municipality of Anchorage, Mayor George Sullivan, Supporting HB 72

4. Letter from the Anchorage Historical Landmarks Preservation Commission, supporting HB 72

5. Notice of proposed changes in the regulations of Department of Natural Resources regarding National Register of Historic Places

6. Petition opposing HB 72

(7)

FISCAL NOTE

I. REQUEST
Bill/Resolution No. H.B. 72
Title Historical Districts
Requested by Mike Miller Date 2/24/77

II. FISCAL DETAIL
Agency Affected Division of Parks
Program Category Affected Natural Resources Management and Environmental Conservatio
Budget Request Unit(s) Affected Statewide Programs (Parks and Recreation)

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES		-0-				
200 TRAVEL		1.8 additional per year				
300 CONTRACTUAL		-0-				
400 COMMODITIES		-0-				
500 EQUIPMENT		-0-				
600 LAND & STRUCTURES		-0-				
700 GRANTS, CLAIMS, ETC.		-0-				
TOTAL		1.8				

FUNDING (Thousands of Dollars)

GENERAL FUND		1.8				
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Travel expenses for additional work by State Historic Sites Advisory Committee. One additional meeting per year.

IV. DATE 2/24/77 PREPARED BY Russell W. Cahill
AGENCY Division of Parks
PHONE 274-4676

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 10/76)

Municipality of Anchorage

POUCH 6 650
ANCHORAGE, ALASKA 99502
(907) 274 2525

GEORGE M. SULLIVAN,
MAYOR

OFFICE OF THE MAYOR

(13)

January 28, 1977

The Honorable Lisa Rudd,
Chairwoman of House Community
and Regional Affairs Committee
The House of Representatives
Pouch V
Juneau, Alaska 99811

Regarding House Bill No. 72: Historical Districts

Dear Representative Rudd:

It was recently brought to our attention that along with others you are sponsoring the subject bill on establishment of Historical Districts. I have also been informed that the Anchorage Historical Landmarks Preservation Commission has reviewed the bill and endorses it.

Our community is under tremendous pressure for development in areas where some of our older buildings are located. We are very much interested in trying to preserve these landmarks of our past. Just last week, the Municipality entered into a contract with an historic preservation specialist, Mr. Michael Carberry, to conduct a survey of our older structures. Your bill should help us considerably in attempting to establish an historic district encompassing these treasures of our past.

The Municipal Administration endorses the proposed bill and would like to support any efforts you are making to get it approved by the legislature.

Sincerely,

D. J. Weiford

for George M. Sullivan,
Mayor

CMS:pl

cc: Samuel Coxson
Katharine Crittenden

Enclosures:10

(13)

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2525

GEORGE M. SULLIVAN,
MAYOR

PLANNING DEPARTMENT

HISTORICAL LANDMARKS PRESERVATION COMMISSION

January 28, 1977

The Honorable Lisa Rudd,
Chairwoman of House Community
and Regional Affairs Committee
The House of Representatives
Pouch V
Juneau, Alaska 99811

Regarding House Bill No. 72: Historical Districts

Dear Representative Rudd: Lisa!

The Municipality of Anchorage Historical Landmarks Preservation Commission is pleased to announce that in their regular meeting of January 25, 1977 House Bill Number 72 pertaining to creation of Historical Districts was formally and unanimously endorsed.

As you may be aware, our community is currently struggling to preserve some of our older landmarks and attempting to establish a district. These efforts are being conducted under dynamic circumstances where development pressures are forcing the replacement of older homes and buildings by high rise structures on a daily basis.

It is gratifying to the Commission that our State legislators are cognizant of our situation. We deeply appreciate your support. Your proposed Bill will aid us immeasurably in our activities in Anchorage.

As a result of your efforts, the lives of countless future residents and visitors of Alaska should be enriched through experiencing the fascinating historical and cultural foundations of our community.

Sincerely,

Katharine C. Crittenden

Katharine C. Crittenden, Chairwoman
Historical Landmarks Preservation Commission

KC:pl

cc:Mayor Sullivan/Samuel Coxson

Enc:10

(5)

NOTICE OF PROPOSED CHANGES IN THE REGULATIONS

OF THE DEPARTMENT OF NATURAL RESOURCES

Notice is hereby given that the Department of Natural Resources, Division of Parks, under authority vested by AS 41.20.020, proposes to adopt regulations in Title 11, the Alaska Administrative Code, and implement requirements of 36 CFR 60.1[illegible] by adding Chapter 16.200-300.

The National Historic Preservation Act of 1966 directed the Secretary of the Interior in cooperation with the various states to expand and maintain a National Register of Historic Places in which are listed districts, sites, buildings, structures, and objects important in local, state, and national history. By letter of January 24, 1967, the Governor of Alaska directed state participation in this program. Entry in the National Register does not affect a property's ownership or owner's rights, but does provide recognition of historical significance, basic eligibility for federal grants, and certain tax incentives, and insures that any federally funded or licensed action which may affect property listed in the National Register is reviewed for its impact on the historical values. The properties are nominated to the National Register by the states directly for private and non-federal properties, and by federal agencies for properties on federal lands. 36 CFR 60 requires state historic preservation officers to notify property owners at least once in writing when the state intends to nominate their property to the National Register of Historic Places and to afford owners reasonable opportunities to review nominations prior to presentation of the nomination to state review boards.

The Department of Natural Resources proposes to adopt regulations as part of the Alaska Administrative Code, 11 AAC 16.200-300, which will establish procedures for notifying property owners that the state intends to nominate their property to the National Register.

These regulations will provide that: (1) a property owner will be notified in writing as soon as it has been determined that his property may be a candidate for the National Register and request permission to visit the site under study; (2) a statement of all intended nominations will be sent to the Clearinghouse, Office of the Governor, for circulation to concerned public agencies; (3) no later than thirty days prior to the date it is anticipated the nomination will be presented to the state review board, the completed nomination will be forwarded to the property owner by certified mail and that an accompanying letter will request the owner's comments as to the historical significance of the property proposed for nomination; (4) responses to request for comments described in (2) and (3) be presented to the state review board prior to the time revelant nominations are considered; (5) property owners will be notified by certified mail of the action the state review board takes with respect to their properties; and (6) in the case of historic districts with multiple ownerships nominated to the National Register of Historic Places, the requirements of (1), (3), and (5) above for notice to individual property owners may be met by published notice and at least one public information meeting held within or immediately adjacent to the proposed historic district.

Notice is also given that any person interested may present written statements or arguments relevant to the action proposed to the Division of Parks, 619 Warehouse Avenue, Suite 210, Anchorage, Alaska 99501, before 4:30 p.m. on May 19, 1977.

Copies of the proposed regulations may be obtained by writing to the Division of Parks, 610 Warehouse Avenue, Suite 210, Anchorage, Alaska 99501.

The Division of Parks, upon its own motion or at the instance of any interested person, may thereafter adopt proposals substantially as described above without further notice or may decide to take no action on them.

DATE: April 14, 1977

Russell W. Catlin

(6)

COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

LISA RUDD, CHAIRMAN

HOUSE OF REPRESENTATIVES

JUNEAU, ALASKA.

* WE, THE UNDERSIGNED, OPPOSE HB72. IT WOULD ALLOW ANY PROPERTY TO BE INCLUDED WITHIN AN HISTORIC DISTRICT ONLY BECAUSE OF ITS PROXIMITY TO STRUCTURES SELECTED AS HISTORIC. THIS DESIGNATION COULD EVENTUALLY HAVE AN ADVERSE EFFECT UPON DEVELOPMENT OF THE NON-HISTORIC PROPERTY. NO APPOINTIVE BODIES SHOULD HAVE THE RIGHT TO TAKE BINDING ACTION AFFECTING PRIVATE PROPERTY WITHOUT STRICT ADHERENCE TO PROFESSIONALLY ACCEPTED STANDARDS FOR ESTABLISHING HISTORIC SIGNIFICANCE. POSSIBLY UNQUALIFIED PERSONS COULD, IN THEIR ZEAL, ADVERSELY AFFECT THE RIGHTS OF OTHERS. WE URGE NO ACTION BE TAKEN ON HB72.

* SEE ATTACHED LIST OF SIGNATURES.

(Ref. Nola Campbell - 277-4008

Janet Goetz - 277-2072)
(Getz)

WE THE UNDERSIGNED give our permission to have our names appear on the attached telegraphic message to the Alaska State Legislature re House Bill No.72.

	NAME	Date		NAME	Date
1.	Harland W. Davis	10-26-77	26.	John S. Sewes	2/11/77
2	Douglas D. Williams II	2/10/77	27.	Wm. J. Wilcox	2-11-77
3.	Vince E. Hicks	2/10/77	28.	Peter [illegible]	77
4.	John M. Stern, Jr.	2/11/77	29.	[illegible]	2-11-77
5.	Francis H. Sullivan	2/11/77	30.	Roderick S. Cooper	
6.	T. M. Gallivan		31.	Ralph S. Hanson	
7.	Dennis O'Brien	2-11-77	32.	Paul J. Mangle	
8.	Raymond A. Nesbett	2-11-77	33.		
9.	Jeff G. Adams	2/11/77	34.		
10.	Janet C. Goetz	2/11/77	35.		
11.	Ralph H. Campbell	2/11/77	36.		
12.	Richard W. Adams	2/11/77	37.		
13.	[illegible]		38.		
14.	[illegible]		39.		
15.	[illegible]		40.		
16.	Elizabeth Nobles	2/11/77	41.		
17.	Dale Stuckrad		42.		
18.	[illegible]	2/11	43.		
19.	[illegible]		44.		
20.	Franklin C. Lanstrom	2/11/77	45.		
21.	[illegible]	2-11-77	46.		
22.	[illegible]	2/11/77	47.		
23.	[illegible]	2/11/77	48.		
24.	[illegible]	2/11/77	49.		
25.	[illegible]	2/11/77	50.		

HARLAND W. DAVIS
ATTORNEY AT LAW
610 WEST 2ND AVENUE, SUITE 100
ANCHORAGE, ALASKA 99501
277-0111 • 274-4251

WE THE UNDERSIGNED give our permission to have our names appear on the attached telegraphic message to the Alaska State Legislature re House Bill No.72.

	NAME	Date		NAME	Date
1.	HARLAND W. DAVIS	10 FEB.'77	26.	JOHN S. SWISS	
2	J. DOUGLAS WILLIAMS	11	27.	MORRIS S. BOLINGER	
3.	Alma E. H[illegible]s		28.	PATRICIA A. HIEBERT	
4.	JOHN M. S[illegible]N JR.		29.	A. G. HIEBERT	
5.	ELAINE G. SWISS		30.	RODERIC S. CARPENTER	
6.	F.M. SWALLING		31.	ROLPH S. HANSON	
7.	DENNIS[illegible] O'BRIEN		32.	PAUL J. NANGLE	
8.	RAYMOND A. NESBETT		33.		
9.	JESS G. ADAMS		34.		
10.	JANET C. GOETZ		35.		
11	NOLA H. CAMPBELL		36.		
12.	RICHARD W. ADAMS		37.		
13.	D. H. CUDDY		38.		
14.	PATRICIA A. HOUSTON		39.		
15.	CLYDE C. HOUSTON		40.		
16.	ELIZABETH JOHNSON		41.		
17.	MYRTLE STALNAKER		42.		
18.	ALLEN L. JEWELL		43.		
19.	GEORGIA M. BOLINGER		44.		
20.	FRANKLIN C. LANDSTROM		45.		
21.	JEAN M. DONATELLO		46.		
22.	EVELYN E. MARTIN		47.		
23.	JOHN [illegible]. GOETZ		48.		
24.	BETTY M. CARPENTER		49.		
25.	ESTHER BYRNES		50.		

HARLAND W. DAVIS
ATTORNEY AT LAW
810 W 8th AVENUE, SUITE 100
ANCHORAGE, ALASKA 99501
[illegible]

HB
83

BRUCE ARONSON D/CRA ——— CON
SHEILA GALLAGHER LBC.
ANNETTE SMITH H C/RA
BOB SPEED H/JUD

SHEILA GALLAGHER IS SENDING
A WRITTEN IN OPPOSITION

Oxford Publications
STOCK No 753 1/3
MADE IN U.S.A.

FORM 02-001BC
FOR BRIEF COMMUNICATIONS-
MAY BE HANDWRITTEN

F: HB 83
HB 87 am

MEMORANDUM

State of Alaska

DEPT.
DIV.
SEC.

TO: Senator Joe Orsini, Chairman
Senate C&RA Committee

DATE : 5/29/78

FROM: Hugh Malone

SUBJECT:

I would appreciate any help you could give in scheduling HB 83 and 87 before your committee.

Thank you.

Hugh

motor

CSHB 83 5-11-78

Sadler

[fiscal arts d)ebate

(1) fiscal note

$5,000 ebate

mandatory

(2) minors / employment d)

minimum

(3) →

5-9-77

NOTE FOR HB 83 FILE

Boundary Commission does not like the advisory vote concept since the members believe that annexation proposals bring out opponents, not supporters, of the measures.

Shiela Gallagher pointed out in H C/RA that the Commission already does prepare written reports and that the additional information required by the bill could lead to a greater, not lesser, possibility for law suits.

bfh

also Judiciary referral
ck for date

~~3718~~
3882 Paper Speed
276-7614 Shiela Gallagher

HB
87

mtg to

F.S.-28 Keith Arnold AOGA

Bruce Aronson D C/RA CON

Annette Smith if C/RA ——

Ted Poerns Anch. Mun. CON

Bob Speed H/Fbks ——

Jim Rolfe AKDLL ~

Dave Stearns - 5-25-78

Lance Ucuka with Provide Oil

Company ~~Private~~ Problems.

Phil Wall - Dept of Rev.

Tom Williams - " " " , Petr. Division 276-1363

For Testimony:

Bruce Aronson C/RA

Dave Stearns

Jim Rolfe

Hugh Malone

Don Poerns

STOCK No. 253 1/3

MADE IN U.S.A.

6-5-78

NOTE FOR CSHB 87 am FILE

Jodine Reposa, Department of Revenue, Petroleum Division, (276-1363) gave me the following data on the state's revenue from the 20 mill oil and gas property tax:

In 1978, the gross, statewide 20 mill tax will come to $221,544,476.30. However, many boroughs have not yet set their mill rates, so from that figure will have to be subtracted the municipal credits when they're determined. Of the $221.5 million, $141.3 lies within organized boroughs and $79.8 million in the unorganized borough.

In 1977, the statewide gross 20 mill tax was $169.8 million. $107.8 was within boroughs and $62.0 million lay in the unorganized borough. There were $30.3 million in municipal credits which gives a $139.5 million net tax.

bfh

bfh

F: CSHB 87 Am

GIVEN TO S C/RA
6-2-78
LARRY DAVIS
EXXON

Comments on CS for House Bill 87

Currently, under AS 29.63.030(a) a home rule or general law borough may establish a service area to provide a special service (e.g., fire protection). Such services are services not provided on an areawide basis within the borough or within the borough area outside cities; but they may also be services that are at a higher or different level than the services provided on an areawide basis or in the borough outside cities. Under subsection (b), the borough assembly may levy taxes and assessments in service areas to finance the special services.

A home rule or general law borough presently may, under Sec. 29.53.010, levy:

(1) An areawide property tax to provide for functions carried out areawide, which area may include cities as well as the area outside of cities, and

(2) a property tax limited to the area outside cities to pay for functions which are limited to areas outside cities.

Section 29.48.210 provides that revenue collected by the borough on an areawide basis is to be spent on general administrative costs and on areawide functions. Any revenue

collected in the area outside cities can only be expended on general administrative costs and functions which render service to the area outside cities.

These taxing powers and what is to be done with the revenues might be restated as follows:

(1) A borough assembly can establish a special district and can cause property taxes to be paid on property in that special district, but the tax revenue must be spent on the special service provided for that special district. For example, if it is a fire district, then the revenue has to be spent for providing fire protection in that special district area.

(2) A borough assembly can levy a property tax boroughwide to pay for functions that are boroughwide (and it makes no difference whether property is in or outside of a city) so long as the function is boroughwide.

(3) A borough assembly can levy a property tax limited to the area outside cities, but the tax revenue has to be spent for functions limited to the area outside cities.

There is equity, logic and sense to these present taxing powers and limitations on spending: the party being taxed gets the benefit of the service because the tax money collected can only be spent on services which apply to and benefit the one paying the tax.

CS for HB 87 would seek to radically change this by providing the mechanism to upset the fundamental principle that the one who pays the tax ought to obtain the benefit. Section 2 of the bill adds new section AS 29.73.070 and would permit taxes imposed and collected on a boroughwide basis to be appropriated by the borough assembly as "grants" to special districts and to cities to pay for the functions that a special district or a city provide. The amendment to AS 29.63.090(b) (which is section 1 of the bill) blatently goes so far as to provide that the borough assembly may even finance by "appropriations" all of the cost of special service in the special district with revenue from boroughwide revenue, thus making it possible to set up a special district to provide a special service but pay for that service with boroughwide revenue instead of tax money from property in that district.

To carry out this scheme, Section 29.53.010 (section 5 of the bill) is amended to permit a borough to impose an areawide (i.e., boroughwide) property tax for (appropriations" to special districts and for "grants" to cities and special districts

in addition to the present power which is limited to the imposition of an areawide (i.e., boroughwide) property tax to pay for areawide functions.

It is rather obvious that the Kenai Peninsula Borough is one which has the fact pattern which most closely could apply this radical and patently inequitable tax scheme. A very large part of the property tax value in the Borough belongs to oil companies in the form of industrial plants lying in the Borough but outside cities and some of the special districts. The platforms and much of the equipment are either in the Inlet itself or on the west side which is relatively inaccessible. Union Oil has just completed construction of a large new plant at the present site of its existing plant.

The values of oil industry properties have always been a very high percentage of the total Borough valuation and, indeed, this valuation has jumped significantly in 1978 as the result of Union's new plant and it will jump significantly in 1979 and 1980 as other oil company property comes onto the tax rolls. Just recently, there was an announcement by Pacific Alaska LNG of its plans to begin construction in July 1979 for a large gas liquefaction plant in the industrial area of the Kenai Borough.

With oil industry valuation in the Borough, but lying outside cities, being so great and to become even greater in the near future it takes little imagination to see how the tax scheme contained in this bill could cause the oil industry property to become a major financing vehicle for cities and special districts which could not be accomplished under present law.

For example, assume that the total value in the Borough is $1 billion of which the oil industry's share is $800 million which lies outside cities. Assume the boroughwide tax rate is 5 mills, which produces $5,000,000 of revenue from all taxpayers to the Borough. Assume further that City X in the Borough has a city tax rate of 15 mills (in addition to the Borough rate of 5 mills) which provides City X directly with $750,000 based on $50 million of value in the city ($50 million X 15 mills).

If the Borough rate is raised to 6 mills, an additional $1,000,000 will be received, but $800,000 of it will be mainly from the oil industry. Taxpayers in City X will have paid $50,000 of the $200,000 paid by non-oil company taxpayers. However, this bill would provide the means whereby City X could get a "grant" of money from the Borough. Suppose that "grant" was $200,000. The result would be that taxpayers in City X would have paid an extra $50,000 to the Borough when

the rate went from 5 mills to 6 mills, but it would receive $200,000 for a net gain of $150,000. The city tax rate could thus be reduced to 12 mills to provide for receipt of $500,000 ($50 million X 12 mills) and City X still would end up with a total of $750,000. Under such a scheme, the oil industry and other Borough area taxpayers would have financed tax reduction for City X taxpayers but without receiving any benefit for it.

This same type of scheme could work for special districts too. Here, a borough assembly could set up a special district but not endow it with taxing powers which is the method under present law to pay for the service. Rather, the assembly could give the special district a "grant" which might come from the $1,000,000 referred to above, or the assembly could even establish a special areawide tax rate to cover the "appropriation" to the special district, as provided for in this bill.

The tax scheme in this bill blatently violates the fundamental tax principle that the taxpayer is entitled to benefit from the tax he pays. This scheme is simply designed to tax industry property and, through "grants" and "appropriations", finance city and special district functions which provide no benefit to the party supplying the tax funds.

To permit such a scheme in the law would be a tax inequity of the highest order and would be inconsistent with efforts by

the State of Alaska to attract industry to the state. This is a good example of a tax proposal which, in conjunction with a lot of others proposed in the past few years, has made investors wary of investment in Alaska. The bill would once again change the "rules of the game" from normal, equitable tax rules to specially contrived rules.

FORM 02-001BC
FOR BRIEF COMMUNICATIONS
MAY BE HANDWRITTEN

F: HB 83
HB 87

MEMORANDUM

State of Alaska

DEPT. _____
DIV. _____
SEC. _____

TO: Senator Joe Orsini, Chairman
Senate C&RA Committee

DATE : 5/29/78

FROM: Hugh Malone

SUBJECT:

I would appreciate any help you could give in scheduling HB 83 and 87 before your committee.

Thank you.

Hugh

5-9-78

NOTE FOR HB 87 FILE

1. This bill would enable the Kenai Peninsula Borough to tax oil properties, or to receive revenue from oil taxes, ~~within~~ FOR the City of Kenai.

It is strongly supported by Malone and the Kenai Borough. The City of Kenai may oppose it.

The Municipality of Anchorage is concerned about it since Ted Berns believes that the language involving "special uses" in service areas could be construed to mean almost anything, which could result in the Municipality being forced into holding referendums on a number of issues, such as roads, parks & rec, or a civic center.

Bruce Aronson in D C/RA opposed to the bill.

bfh

also Judiciary referral
ck for date

3582. Page or Spread

5-11-78

NOTE FOR CSHB 87 am FILE

BRUCE ARONSON, D C/RA, said yesterday that his department views the bill as the worst piece of municipal legislation this session.

It would do the following: it would allow the Kenai Peninsula Borough to institute an area wide property tax, the proceeds of which would be funneled to the City of Kenai to cover various city service expenses associated with its proximity to the oil and gas industries, but which lie outside the city's boundary.

Bruce called this a "dirty" procedure for taxation. He said the obvious way to resolve Kenai's problem, i.e. through the city annexing the area, had been rejected since the outlying residents were opposed. However, what the legislation would create would be a system whereby residents of a borough would be taxed to provide a specific service to a specific area or city and from which the taxed areawide residents would receive no benefits. For this reason, the bill has been dubbed "borough revenue sharing."

Malone is personally very interested in the bill and testified extensively at the H C/RA hearings on it.

Bruce said that D C/RA would strongly oppose the bill when it came before this committee for hearings.

(Question: would the enactment of this legislation cut the ground from the idea of service areas, since the bill would tax areawide to provide for local services? Thus, a populous urban area could outvote the rural area in a borough and thereby set up areawide wide taxes that would be allocated only to the urban area.)

bfh

F: HB 87

TELEGRAM

ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU, ALASKA 99801

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PMS THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

JUNEAU

THE SOLDOTNA CITY COUNCIL STRONGLY URGES FAVORABLE CONSIDERATION OF HB87

LORRAINE KNIGHT MAYOR

F: HB 87

In short, this is a nice, neat way to impose a large borough tax on the remaining commercial and oil industry property with all functions of government (i.e., city, special district and borough) being paid for by the borough taxes. Such a plan also effectively gets around an annexation problem to reach the large industry properties in the borough.

One of the problems with this whole scheme, from a political standpoint, is that if the borough tax is raised significantly (for example, suppose it went from 5-mills to 12-mills), the amount of tax paid to Kenai borough becomes a credit against the 20-mill "hardware" tax imposed at the state level on oil and gas producing equipment and pipelines. Thus, as the Kenai borough takes more in taxes with respect to property taxable under the 20-mill hardware tax, the less revenue the state receives.

Politically, it is difficult to see how anyone outside the Kenai Borough would agree to such a scheme, because the people outside Kenai have everything to lose and nothing to gain by permitting the state, in effect, to subsidize homeowners at the expense of state revenue. This is probably one of the strongest arguments why such a scheme as this would not be acceptable.

The foregoing discussion perhaps cynically assumes that voters in Kenai would agree to take property taxes off their homes. This may or may not be what the author has in mind but it certainly would be a rather powerful force to reckon with if these changes ever became a law.

DC/RA

HB
94

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Senator Joe Orsini
Chairman

House Bill No. 94 — Miles
Prime Sponsor

Resolution No. ____

This Bill is currently in the Senate Community and Regional Affairs Committee for consideration. Your response, as prime sponsor, to the following questions will serve to hasten Committee action on this Bill.

1. What is the need for your proposed legislation; what is the goal you are trying to accomplish?

Avoid future problems between ASHA & Regional Housing Authorities by giving decisional jurisdiction to local govt.

2. Are there any other viable ways of accomplishing this same goal?

Mandate the supremacy of one or the other agency ... but then this limits local input.

3. Persons or groups you know of who are supporting the legislation.

- ASHA
- Dept. Commerce & Econ. Dev.
- Roger Lange

4. Persons or groups you know of who are opposing the legislation.

None (passed House unanimously)

5. Can you foresee any new problems that might be caused as a result of enactment of your bill?

No ... save a possible resolution occasionally presented to a local govt, putting local decision makers on the spot.

6. What is the earliest time you would like the Senate Community and Regional Affairs Committee to consider your bill?

As soon as possible.

131-103

HB
110

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Senator Joe Orsini
Chairman

House Bill No. 110

Hugh Malone
Prime Sponsor
ph 3720

_____ Resolution No. _____

This Bill is currently in the Senate Community and Regional Affairs Committee for consideration. Your response, as prime sponsor, to the following questions will serve to hasten Committee action on this Bill.

1. What is the need for your proposed legislation; what is the goal you are trying to accomplish?

ALLOW ALL LOCAL CITY COUNCILS TO SIT AS BOARDS OF ADJUSTMENT (SEE BILL — EQUAL TREATMENT BY LAW —

2. Are there any other viable ways of accomplishing this same goal?

NO

3. Persons or groups you know of who are supporting the legislation.

BESIDES MYSELF, THE KENAI PENINSULA CITIES OF SOLDOTNA & KENAI

4. Persons or groups you know of who are opposing the legislation.

I KNOW OF NONE.

5. Can you foresee any new problems that might be caused as a result of enactment of your bill?

THERE ARE NONE

6. What is the earliest time you would like the Senate Community and Regional Affairs Committee to consider your bill?

3:00 PM THURS FEB 3

Alaska State Legislature

House

JUNEAU ALASKA

March 17, 1977

Sen. Joe Orsini
Chairman
Senate Community and Regional
Affairs Committee

Dear Sen. Orsini:

HB 110 - Municipal Planning and Zoning Powers is in your committee. Due to time constraints, I realize you may not be able to hold a hearing on the bill. Should the legislation come up, please call.

Thank you.

Sincerely,

Hugh Malone

HM:ls

H 10

HB

116

Possibly superseded
By SB 562

Oxford Pendaflex
STOCK No. 753 1/3

• • •

MADE IN U.S.A.

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Senator Joe Orsini
Chairman

House Bill No. 116 am — Rudd, Prime Sponsor

Resolution No. _____

This Bill is currently in the Senate Community and Regional Affairs Committee for consideration. Your response, as prime sponsor, to the following questions will serve to hasten Committee action on this Bill.

1. What is the need for your proposed legislation; what is the goal you are trying to accomplish?

   The goal of HB 116 am is to insure that the classification of state lands for recreational trails conforms with municipal planning.

2. Are there any other viable ways of accomplishing this same goal?

   Not that I can think of.

3. Persons or groups you know of who are supporting the legislation.

   Municipality of Anchorage and Alaska Conservation Society

4. Persons or groups you know of who are opposing the legislation.

   Department of Natural Resources represented by Pat Conheady do not oppose the bill but neither do they feel it is necessary.

5. Can you foresee any new problems that might be caused as a result of enactment of your bill?

   No, it will only help to clarify the law mandating coordination between the state and the municipality regarding classification of state land for recreational trails..

6. What is the earliest time you would like the Senate Community and Regional Affairs Committee to consider your bill?

   as soon as possible.

5/6/77

Joe

Talked to Jed Smith regarding HB1160M + asked him if he had any problems with this bill. He said the only reason he objected to this bill was because it was totally unnecessary. He commented that it provided nothing new because the State already checks with municipalities before they classify recreational trail land.

He said if we wanted to move on it fine — no real harm done.

Paul

HB
133

See Also CSSB 241
For Senate Version
of Land Bill

Oxford Pendaflex
STOCK No. 753 1/3
MADE IN U.S.A.

Municipal Name	Approximate* Area in Acres	STATE OWNED LAND WITHIN Municipal Boundary (Tentatively Approved & Patent)			State Selected Land within Municipal Boundary (Only Selected or Proposed)			Maximum④ Vacant Unappropriated Unreserved by Date	10% of Maximum Vacant Unappropriated Unreserved	Existing④ Vacant Unappropriated Unreserved as of 12/31/77	10% of existing Vacant Unappropriated Unreserved	Lands Lost To ANCSA	
		General 6(b)	Trust School, Univ. Mental Health	Community Grant 6(a)	General Selections① 6(b)	Trust School, Univ. Mental Health	Community Grant 6(a)					Minimum	Maximum
Bristol Bay Borough	729,922	19,386②			205,500			19,380. 6/30/65	1,940	2,922⑤	290	78,500	82,830
City & Borough of Juneau	1,664,631	4,160	11,829	3,145	9000	200	23,661⑥	4,359 6/30/71	440	1,655	165		
City & Borough of Sitka	1,884,786	249	3,182	1,522	0	0	5,695 6,960⑥	1,491 12/31/77	149	1,491	150		
Fairbanks North-Star Borough	5,177,436	1,443,888②			1,493,677			934,035 12/31/69	93,405	628,934	62,890		
Haines Borough	628,467	15,847②			127,249		2,631⑥	10,804 6/30/74	1,080	1,474	150		
Kenai Peninsula Borough	10,168,341	1,943,968②			661,555			1,557,781 6/30/65	155,780	409,764⑤	40,980		
Ketchikan Gateway Borough	842,409	4	12,430	4204	0	6,257	24,430⑥	4,146 6/30/68	415	4,113	410		
Kodiak Island Borough	3,142,029	623,997②			198,600			505,970 6/30/67	50,610	159,582⑤	15,960	300,000	350,000
Matanuska-Susitna Borough	15,445,936	4,076,592②			6,076,224			3,552,088 6/30/68	355,210	821,433④	82,145		
Municipality of Anchorage	1,376,476	229,476	1806 HN 2294 Sc 6,200 Un. 10,300 total	73	240,000③	7,765 HN 550 Sc 8315 total	0	208,615 6/30/67	20,865	6,720	670		
North Slope Borough	59,297,495	4,155,739②			2,198,485			6,447 6/30/74	645	6,447	645		

☒ Acreage in this category was not computed

① This column includes only those lands that the state can reasonable expect to receive title to from its General Selections, D-2 Proposals, etc.

② This includes lands granted under 6(a), Community Grant

③ This figure does not include those lands granted under P.L. 94-204 under Recreation & Public Purposes.

Campbell Tract	3,892 + (xx) to be added later
Pt. Campbell	1,282
Pt Woronzoff	325
Goose Lk.	19.9
Total	5,519.9ac.

⑤ This figure shows impact from native village selections based upon a maximum impact figure as if affects State General Grant Land.

⑥ This figure represents acreage that the State has nominated for possible selection. Subject to Forest Service Approval.

④ "VUU" means "vacant, unappropriated, unreserved lands." VUU land is General Grant land (tentatively approved or patented to the State by the United States under Section 6(a) or 6(b) of the Alaska Statehood Act) which:

(A) has not been set aside by statute for one or more particular uses or purposes; or

(B) has not been approved for patent to a municipality under AS 29.18.190-200; or

(C) is unclassified or, if classified under AS 38.05.3 is classified for agricultural, grazing, commercia industrial, private recreation, residential, utility, or open-to-entry purposes.

Alaska Division of Lands 5/1/80

Alaska Advocate F: CSHB 133

Washington:

In a decision that could dramatically affect Native land ownership on Kodiak and nearby islands, the U.S. Circuit Court of Appeals in Washington, D.C., has overturned a lower court ruling that 11 challenged villages are eligible for land benefits, under the Native Claims Settlement Act.

Initially the U.S. Bureau of Indian Affairs found the villages eligible, but that decision was overturned by the secretary of the interior after a hearing before an appeals board.

The Natives sued in district court in Washington and Judge Gerhard Gesson found that congressional hearings critical of the implementation of the act had an unfair influence on the secretary's decision. Granting a summary judgment, he ruled all the challenged villages eligible.

Officials at the U.S. Department of Interior and the state attorney general's office were reluctant to discuss the details of the circuit court's recent decision overturning Gessell's ruling, since a copy of the decision had not arrived yet in Alaska.

However, they said they understood that essentially the circuit court sent the case back to the district court for consideration of each village's claim for eligibility.

Seven of the 11 challenged villages are in the Koniag region. Two are in Cook Inlet, and one in the Bering Straits and Aleut regions. Together, the villages would be eligible for more than 750,000 acres of land.

OSHB 133

Anchorage Daily News, Wednesday, April 26, 1978—17

Land grant legislation in 5th version

JUNEAU (AP) — The fifth version of a so-called "compromise" bill to grant Alaska municipalities nearly one million acres of state land has won Senate Resource Committee approval.

But the legislation still has two committees to go through before reaching the floor, and if the bill's history is any indication, it is likely to undergo further changes there.

Four different versions of the legislation were drafted during consideration by House lawmakers. And before passing the bill out of committee Monday, the Senate Resources panel approved substantial changes in the House bill. The changes almost assure that the bill will end up in a free conference committee.

The biggest change was to delete a formula drafted by Rep. Russ Meekins, D-Anchorage, which gave several municipalities, including Anchorage, considerably more land.

The Resources panel rejected the formula and the resulting acreage allotments in the House bill. Instead, the committee decided to return to an earlier version which at one time reportedly had the approval of all municipalities except the North Slope Borough.

However, the Resources panel voted to stick with the House allotment for the North Slope Borough — 89,850 acres — and at the urging of Resources Chairwoman Kay Poland, D-Kodiak, agreed to hike Kodiak's acreage from 45,200 in the House bill to 56,000 acres.

Under the Resources bill several of the municipalities would get less land than under the House bill.

Anchorage Times Friday, May 12, 1978

Senate Panel Identifies Acreage For Anchorage

By DON HUNTER
Times Staff Writer

A state Senate committee has identified some 10,000 to 16,000 acres of state land available for selection by Anchorage under a years-old promise, says an Anchorage legislator.

Sen. Joe Orsini, R-Anchorage, Thursday said the Senate Community and Regional Affairs Committee arrived at the figure during a hearing earlier this week.

A bill to accomplish the land transfers is now in Orsini's committee.

Under legislation approved several years ago, boroughs and cities across the state are entitled to select 10 percent of the vacant, unrestricted and unappropriated state land within their boundaries.

Under the 10 percent formula, Anchorage is entitled to some 20,865 acres.

The regional affairs committee is working to resolve disputes between some local governments, including Anchorage, and the state administration over the amount of suitable state land available for selection within their boundaries. Anchorage earlier had contended that only about 8,400 acres of appropriate state lands are available here.

State officials, said Orsini, had contradicted that claim, contending that up to a quarter-million acres of land was available for selection to meet Anchorage's 20,000-acre entitlement.

Municipal and state officials faced off on the issue before the committee Tuesday, Orsini said.

The committee had the two sides "go over it item by item and concept by concept," he said.

The 10,000 to 16,000 acres of available land identified by the committee Tuesday includes some 5,000 to 8,000 acres of trust land, but not the 5,000-acre Campbell tract, Orsini said.

The Campbell tract is federal land scheduled for joint management by the federal, state and local governments under restrictions that limit its use to a specific park plan. Earlier, the tract was included in Anchorage's entitlement by the Senate natural resources committee, an action strongly protested by the municipality.

Orsini said the regional affairs committee determined that the tract "has fairly severe restrictions" and that it "wouldn't be suitable to include it with the generally more suitable land."

Another question integral to resolution of the lands issue is whether municipalities that are unable to select their entitlements should receive cash in lieu of lands.

So far, the committee has conducted hearings on land in Anchorage and Kodiak, Orsini said. Next week, the body will take up questions over land selections in Southeast.

After the measure leaves the regional affairs committee, it will be considered by the senate finance committee before reaching the Senate floor. There, a floor fight may develop over differing versions of the measure.

"We're trying to get a bill out of this committee that will be acceptable to everybody," Orsini said.

F: CSHB 133

5-22-78

~~THE CITY AND BOROUGH OF JUNEAU~~	~~LEE SHARP~~
THE CITY AND BOROUGH OF SITKA	CITY MANAGER'S OFFICE ✓
KETCHIKAN GATEWAY BOROUGH	CITY MANAGER'S OFFICE ✓
NORTH SLOPE BOROUGH LOBBYIST	KIM HUTCHINSON 586-1776 ✓
KENAI PENINSULA BOROUGH	MAYOR'S OFFICE ✓
HAINES BOROUGH	MAYOR'S OFFICE ✓
BRISTOL BAY BOROUGH	MAYOR'S OFFICE ✓

The Senate Community and Regional Affairs Committee will be taking up a committee substitute for SCS CSHB 133 "MUNICIPAL LAND SELECTION". The meeting is scheduled for Thursday May 25, 3:00 PM. 100 ASSM B. BLDG.

3520
APOC 4864

Ben, All of the above have been notified.
Thanks

2-5/24

HCR 135-

Original sponsors: Parr, Brown and Cowper

IN THE HOUSE BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

SENATE CS FOR CS FOR HOUSE BILL NO. 133 (C&RA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE SECOND SESSION

A BILL

For an Act entitled: "An Act relating to selection and transfer of state land to municipalities; and providing for an effective date."

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

* Section 1. STATEMENT OF PURPOSE. The purposes of this Act are to remove uncertainties in the existing municipal land selection law of the state; to provide for an immediate, final determination and settlement of municipal land entitlement; to provide for the completion of rational ownership patterns for sound land management; to provide for expeditious patent of land to municipalities to fulfill their respective entitlements; and to provide payment for land within certain municipalities which are unable to receive full entitlement rights in appropriate vacant, unappropriated, unreserved land.

* Sec. 2. AS 29.18 is amended by adding new sections to read:

ARTICLE 3A. GENERAL GRANT LAND.

Sec. 29.18.201. DETERMINATION OF ENTITLEMENT OF BOROUGHS AND UNIFIED MUNICIPALITIES. The general grant land entitlement of each of the municipalities in this section is the amount set out opposite each:

(1) Municipality of Anchorage -- 44,893 acres;

(2) City and Borough of Juneau -- 13,600 acres;

(3) City and Borough of Sitka -- 9,200 acres;

(4) Bristol Bay Borough -- 1,940 acres;

(5) Fairbanks-North Star Borough -- 112,000 acres;

(6) Haines Borough -- 1,080 acres;

(7) Kenai Peninsula Borough -- 155,780 acres;

(8) Ketchikan Gateway Borough -- 9,200 acres;

(9) Kodiak Island Borough -- 50,600 acres;

(10) Matanuska-Susitna Borough -- 355,210 acres;

(11) North Slope Borough -- 89,850 acres.

Sec. 29.18.202. DETERMINATION OF ENTITLEMENT FOR CITIES. (a) The general grant land entitlement of a city eligible to receive general grant land under the former provisions of secs. 190 - 200 of this chapter repealed by this Act is 10 per cent of the maximum total acreage of vacant, unappropriated, unreserved land within the boundaries of each city at any time between the initial date of eligibility under former secs. 190 - 200 of this chapter and the effective date of this Act.

(b) Within six months of the effective date of this Act, the director shall determine the entitlement for each city eligible to receive general grant land under (a) of this section and certify that entitlement to the city.

Sec. 29.18.203. STATUS OF ENTITLEMENTS. (a) General grant land entitlements provided in secs. 201 and 202 of this chapter constitute vested property rights which shall be fulfilled as provided in sec. 204 or sec. 207 of this chapter, but no municipal selection vests any interest in or right to receive a particular tract of land except as provided by sec. 204 of this chapter.

(b) General grant land entitlements vested under secs. 201 and 202 of this chapter may be exercised at any time before the date which is two years after the expiration of the state's right to make selections under secs. 6(a) or (b) of the Alaska Statehood Act (P.L. 85-508); however, the time limitation imposed by this subsection does not apply

(1) to payments in lieu of land under sec. 207 of this chapter; or

(2) to the portion of an entitlement which cannot be satisfied by that date because of a shortage of appropriate available land.

Sec. 29.18.204. FULFILLMENT OF LAND ENTITLEMENTS. (a) The acreage of each municipality's land selections under former secs. 190 - 200 of this chapter for which patent has been issued before the effective date of this Act shall be credited toward fulfillment of the entitlement of that municipality.

(b) All approved selections under former secs. 190 - 200 of this chapter for which patent has not been issued to a municipality on the effective date of this Act shall be reviewed by the director within nine months of the effective date of this Act. Any approved selection of land which was vacant, unappropriated or unreserved on the date of selection is valid as of the date of the approval under the former secs. 190 - 200 of this chapter, and a patent shall be issued to the municipality within three months after approval by the director of a plat of survey. The acreage shall be credited toward fulfillment of the municipality's entitlement. No municipality is entitled to receive patent under this chapter to more than its entitlement determined under sec. 201 or 202 of this chapter. Any prior approval by the director of municipal selections for land which was not vacant, unappropriated or unreserved on the date of selection shall be rescinded, and patent may not be issued except when disposal to a third party by sale or lease has occurred. Transfers of land to municipalities under this chapter are subject to AS 38.05.321. Classification actions as reflected upon the land status records of the Department of Natural Resources are determinative of land classification status for purposes of this chapter.

(c) All municipal land selections under former secs. 190 - 200 of this chapter not approved as of the effective date of this Act shall be recognized by the director as representing the priority interests of the

municipalities, and the selections shall be given first consideration under (e) of this section unless the municipality indicates different priorities.

(d) On the effective date of this Act and for five years thereafter, no classification of a parcel of general grant land in excess of 3,200 acres under AS 38.05.300 shall be effective, unless otherwise required by law, if the municipality in which the parcel is located, within 30 days after receipt of notice of the proposed classification, advises the director in writing that it does not consent to the classification and indicates the reasons for its nonconsent.

(e) Each eligible municipality and the director shall jointly consider which vacant, unappropriated, unreserved land, including federal land of interest to a municipality which may be selected by the state as general grant land, located within the boundaries of the municipality, is appropriate for municipal selection and approval by the director to fulfill any remaining municipal general grant land entitlement. The joint consideration made by the parties shall include a cooperative land planning process which will, in addition to the normal objectives of such a process, seek to identify both local and state interests in tracts of vacant, unappropriated and unreserved land remaining within the municipality. Adjacent tracts shall be considered simultaneously except when such simultaneous consideration would cause significant delay or expense. Once a tract has been jointly considered, it may be selected by a municipality.

(f) Each selection shall be approved or disapproved for patent by the director under (g) of this section within nine months of its selection by a municipality, and a patent shall be issued to the municipality within three months after approval by the director of a plat of survey.

(g) In reviewing a municipal selection, the director shall consi-

der the state's responsibilities for developing and protecting values which are of greater than local concern, including development which will have statewide impact, and critical environmental concerns. Land considered appropriate for municipal selection is land that is suitable and appropriate for an identifiable present or future municipal use or for disposal to private use by the municipality by sale or other means. A selection by a municipality of land which is primarily of local concern shall be approved. When the interests of the state may be protected through the conveyance of title that is less than a fee title, the municipality, at its option, may accept the title in acre-for-acre fulfillment of its entitlement. Specific state responsibilities to be considered, if those responsibilities have not been authorized or delegated by the state to a municipality, include air quality; water, minerals and energy; timber; agriculture; fish and wildlife and their habitat which is of greater than local concern; public recreation, natural, historical, and archaeological areas of greater than local concern; transportation facilities of greater than local concern; communications; and public safety. Specific municipal interests to be considered include

(1) [land suitable for] residential, commercial and industrial needs; and

(2) other responsibilities of the local government, including but not limited to, support of municipal services; education; local transportation; private recreation; public recreation, natural, historical and archaeological areas of local concern; and other responsibilities authorized or delegated by the state to the municipality.

(h) Every decision of approval or disapproval of a municipal selection by the director under (f) of this section shall include a written explanation of the decision based upon the criteria of (g) of

this section. Before issuing any decision to disapprove a selection, the director shall notify the affected municipality in writing, by certified mail, of his reasons for the proposed decision. The municipality shall have 30 days from receipt of the proposed decision to respond to the director in writing enumerating the reasons for which the municipality believes the proposed decision to be in error. After receipt of the municipality's statement of reasons, or after expiration of the period in which the municipality may respond to the proposed decision, the director shall, within 30 days, affirm, modify or reverse his proposed decision in writing and give written notice of his decision to the municipality. The decision of the director constitutes final administrative action in the matter.

(i) A municipality may appeal an adverse decision by the director to the superior court in accordance with AS 44.62.560 - 44.62.570.

Sec. 29.18.205. SCHOOL, UNIVERSITY AND MENTAL HEALTH LAND. (a) If the entitlement determined in sec. 201 of this chapter [or certified by the director under sec. 202(b) of this chapter] results in a per capita entitlement for the municipality of less than one-half acre, the municipality may select vacant school, university or mental health land within the municipality in partial fulfillment of its land entitlement under this chapter. School, university or mental health land may be selected notwithstanding the fact that these lands are not unappropriated and unreserved within the meaning of this chapter and secs. 190 and 200 of this chapter, repealed by this Act, but each selection of school, university or mental health land by a municipality must be vacant, unappropriated, or unreserved land as defined in this chapter, except that it need not be general grant land.

(b) The acreage of school, university or mental health land, if any, within a municipality may not be included in the determination of

entitlement under sec. 201 or 202 of this chapter.

(c) Land conveyed under this section will be credited against a municipality's remaining land entitlement under this chapter.

(d) Within six months after a request by a municipality for selection of school, university, or mental health land, the director shall identify state general grant land of approximately equal value to the land requested by the municipality, and shall propose the replacement land for the concurrence of the appropriate board. If a proposal by the director is rejected by the board, the director shall meet with the board as often as necessary to determine the type and amount of equal value replacement land that would be required to obtain the board's concurrence, and shall propose the replacement land for consideration by the board. The replacement land shall thereafter be managed for the purposes for which the land selected by the municipality was acquired by the Territory and State of Alaska.

(e) The notice and review provisions of AS 38.05.305 and 38.05.345 are applicable to the designation of other state land as school, university or mental health land in replacement of land selected under this section. The provisions of AS 38.50 and AS 38.05.032 do not apply to such designations under this section. The provisions of AS 38.05.-030(a), 38.05.030(e), and 38.05.035(a)(13) which require the approval of the respective trust board before disposal of lands by the director do not apply to selections of school, university or mental health land by a municipality under this section.

(f) For purposes of determining the per capita entitlement under (a) of this section, the resident population of the municipality shall be determined as of the effective date of this Act by the commissioner of the Department of Community and Regional Affairs and reported to the director.

Sec. 29.18.206. SELECTION AND CONVEYANCE PROCEDURE. (a) All municipal selections shall, whenever possible, be made in reasonably compact tracts, taking into account the use capabilities of a tract and its relationship to surrounding land uses. A selection filed by a municipality which has not been approved by the director may be relinquished at any time. An approved selection may be relinquished by a municipality if the relinquishment is approved by the director. An approved selection relinquished by a municipality increases the remaining entitlement of the municipality on an acre-for-acre basis.

(b) By August 1 of each year the director shall certify to each municipality having an entitlement under secs. 201 and 202 of this chapter the acreage of patented selections, approved selections not yet patented, pending municipal land selections neither approved nor disapproved by the director, and the remaining entitlement of the municipality.

(c) If land selected by a municipality is unsurveyed at the time of approval, the director shall survey, or may approve the municipality's survey of, the exterior boundaries of an approved selection without interior subdivision, and shall issue patent in terms of the exterior boundary survey. The cost of the survey shall be borne by the municipality. If land selected by a municipality has been surveyed at the time of its selection, the boundaries shall conform to the public land subdivisions established by the approved survey.

(d) The director may approve municipal selections of land which has been tentatively approved or patented to the state by the federal government, but he may not issue patent to a municipality until the land has first been patented to the state. After approval of a selection by the director, but before patent to a municipality, the municipality may execute conditional leases and make conditional sales only with the

Sec. 29.18.207. PAYMENT ~~IN LIEU OF~~ for land DEFICIENCY [LAND]. (a) There is established within the general fund the Alaska municipal land account for the following purposes:

(1) providing payment to municipalities for a deficiency of land [which it has selected and which is not] physically suitable for the purposes described in sec. 204(g)(1) of this chapter; or

(2) providing payment to municipalities for certain lands selected by the state and conveyed to a Native corporation under the provisions of the Alaska Native Claims Settlement Act.

(b) A municipality shall receive payment for its deficiency land from the account established in (a) of this section. A municipality is eligible to receive payment for deficiency land [land] if, on January 1, 1981, the amount of land which it has selected and for which approval has been given by the director constitutes approval of an entitlement that amounts to less than one-third acre per capita of appropriate vacant, unappropriated, unreserved land [which meets the standard of] sec. 204(g)(1) of this chapter. A municipality entitled to payment under this subsection may receive an amount not to exceed $ 1000 per acre for a number of acres equal to one-third acre per capita for the number of residents of the municipality on July 1, 1978, less any appropriate vacant, unappropriate, unreserved land selected by the municipality before January 1, 1981, which is physically suitable for the purposes described in sec. 204(g)(1) of this chapter. No payment may be made to a municipality under this subsection in excess of $9,000,000 or of three-quarters of all sums appropriated by the legislature to meet the requirements of this subsection, whichever is lower.

(c) If a municipality selected vacant, unappropriated, unreserved land on or before December 18, 1971, to which the state had received tentative approval or patent, and such land was also selected by a Native corporation organized under the Alaska Native Claims Settlement Act (P.L. 92-203), and title to that land is ultimately vested in that Native corporation, the municipality may, at its option, request payment [in lieu of] for land from the account established in (a) of this section. The acceptance of payment under this subsection by a municipality con

stitutes a relinquishment of any other right, title or claim to the land by that municipality. The total payment to a municipality under this section may not exceed $1,000 per capita for each person resident in the municipality on July 1, 1978, ~~as determined by the Department of Community and Regional Affairs and reported to the director. An annual payment to a municipality under this subsection may not exceed payment in satisfaction of an entitlement of 1,000 acres per year.~~

(d) The governor shall annually submit to the legislature a request for an appropriation to the account for the municipalities which are eligible to receive payments under (b) of this section or which have elected to receive payments under (a) of this section. The request for appropriation shall distinguish between amounts necessary to make payments for deficiency land under (b) of this section and those required to make payments in lieu of land under (c) of this section.

(e) For purposes of fulfilling entitlements under this section, the legislature is authorized to appropriate

(1) not more than $4,000,000 per fiscal year, and not more than $12,000,000 in total, for the purpose of paying entitlements under (b) of this section;

(2) not more than $1,000,000 per fiscal year, and not more than $8,000,000 in total, for the purpose of paying entitlements under (a) of this section.

(f) If an annual appropriation is not sufficient to meet the amount due to all municipalities which have elected to accept payment in lieu of land under (b) or (a) of this section, the governor shall apportion the appropriation among the municipalities in proportion to the payment calculated for each municipality for that year. When a distribution of payments is made under (a) of this section, the remaining entitlement of a municipality to which payment is made shall be reduced in an amount equal to the number of acres for which payment was received. An appropriation made under this section is in addition to other grants and entitlements authorized to municipalities.

consent of the director. Conditional sales and conditional leases made before the effective date of this Act do not require the consent of the director.

(e) Nothing in this chapter affects a valid existing claim, location or entry under the laws of the state or the United States whether for homestead, mineral, right-of-way or other purposes. Nothing in this chapter affects the rights of an owner, claimant, locater or entryman to the full use and enjoyment of the land so occupied.

Sec. 29.18.207. PAYMENT IN LIEU OF DEFICIENCY LAND. (a) There is established within the general fund the Alaska municipal land account for the purpose of allowing eligible municipalities to receive payment in lieu of deficiency land for entitlements provided in secs. 201 and 202 of this chapter.

(b) A municipality may obtain payment in lieu of deficiency land only in accordance with (c) or (d) of this section.

(c) If on January 1, 1981 the amount of land selected by a municipality for which approval has been given by the director constitutes an approval of an entitlement which is less than one-third acre per capita of appropriate vacant, unappropriated, unreserved land which is physically suitable for residential, commercial or industrial development in accordance with sec. 204(g)(1) of this chapter, the municipality shall receive payment in lieu of the deficiency land from the account established in (a) of this section. A municipality receiving payment under this subsection is entitled to an amount not to exceed a payment of $1,000 per acre for a number of acres equal to one-third acre per capita of land multiplied by the number of residents of the municipality on July 1, 1978 as determined by the Department of Community and Regional Affairs and reported to the director, less any appropriate vacant, unappropriated, unreserved land selected by the municipality

before January 1, 1981, which is physically suitable for the purposes described in sec. 204(g)(1) of this chapter. No payment may be made to a municipality under this subsection in excess of $9,000,000 or of three-quarters of all sums appropriated by the legislature to meet the requirements of this subsection, whichever is lower.

(d) If a municipality selected vacant, unappropriated, unreserved land on or before December 18, 1971, to which the state had received tentative approval or patent, and such land was also selected by a Native corporation organized under the Alaska Native Claims Settlement Act (P.L. 92-203), and title to that land is ultimately vested in that Native corporation, the municipality may, at its option, request payment in lieu of land from the account established in (a) of this section. The acceptance of payment under this subsection by a municipality constitutes a relinquishment of any other right, title or claim to the land by that municipality. The total payment to a municipality under this section may not exceed $1,000 per capita for each person resident in the municipality on July 1, 1978, as determined by the Department of Community and Regional Affairs and reported to the director. [An annual payment to a municipality under this subsection may not exceed payment in satisfaction of an entitlement of 1,000 acres per year.]

(e) The governor shall annually submit to the legislature a request for an appropriation to the account for the municipalities which are eligible to receive payments under (c) of this section or which have elected to receive payments under (d) of this section. The request for appropriation shall distinguish between amounts necessary to make payments for deficiency land under (c) of this section and those required to make payments in lieu of land under (d) of this section.

(f) For purposes of fulfilling entitlements under this section, the legislature is authorized to appropriate

(1) not more than $4,000,000 per fiscal year, and not more than $12,000,000 in total, for the purpose of paying entitlements under (c) of this section;

(2) not more than $1,000,000 per fiscal year, and not more than $8,000,000 in total, for the purpose of paying entitlements under (d) of this section.

(g) If an annual appropriation is not sufficient to meet the amount due to all municipalities which have elected to accept payment in lieu of land under (c) or (d) of this section, the governor shall apportion the appropriation among the municipalities in proportion to the payment calculated for each municipality for that year. When a distribution of payments is made under (d) of this section, the remaining entitlement of a municipality to which payment is made shall be reduced in an amount equal to the number of acres for which payment was received. An appropriation made under this section is in addition to other grants and entitlements authorized to municipalities.

Sec. 29.18 208. AUTHORIZATION FOR LAND EXCHANGES. The director, with the concurrence of the commissioner, and any municipality are authorized to exchange land or interests in land when it is in the public interest. Land or interests in land exchanged under this section must be of approximately equal value, including the non-monetary value of public benefits. Exchange procedures shall comply with applicable law and municipal ordinances. The notice and review provisions of AS 38.05.305 and 38.05.345 are applicable to exchanges of land under this section. The provisions of AS 38.50 do not apply to exchanges of land under this section.

Sec. 29.18.209. PUBLIC PURPOSE AND EXPANSION NEEDS. (a) Consistent with the best interests of the state, if a municipality does not contain and cannot reasonably acquire sufficient nonfederal land within

its boundaries to meet its legitimate needs for public or private settlement or development, it shall be the policy of the state to selec federal land reasonably necessary to meet the needs of the municipality and to make the land selected available to the municipality under AS 38.05.315 or (b) of this section.

(b) Where state land is the most logical location for demonstrated municipal expansion for nonpublic settlement and development purposes, and when an exchange of land under sec. 208 of this chapter is not possible or is not in the public interest, it is the policy of the state to sell or lease the land at public auction. The state may contract with a municipality to act as its agent in an auction of state land under applicable statutes. When a municipality acts as the agent of the state in an auction, the municipality may retain from the proceeds of the auction the expenses which the director determines to be necessary and reasonable.

(c) Nothing in this chapter limits or impairs the authority of the director to transfer land to municipalities, without limit or consideration, for public purposes in accordance with AS 38.05.315. If there is a remaining entitlement of the municipality, land transferred under AS 38.05.315 shall be credited toward fulfillment of the entitlement.

Sec. 29.18.210. ELECTION OF BENEFITS. (a) A municipality which on the effective date of this Act is engaged in litigation, or which becomes engaged in litigation, regarding a claim to state land under former secs. 190 - 200 of this chapter shall elect either to obtain the benefits provided in secs. 201 - 212 of this chapter or to pursue the litigation and thereby waive any claim to entitlement under secs. 201 - 212 of this chapter. An election shall be made by filing a motion for dismissal with prejudice in the court in which the litigation is pending. If the claim involves a municipality identified in sec. 201 of

this chapter, the municipality shall file its motion for dismissal within 60 days of the effective date of this Act. If the claim involves a municipality not listed in sec. 201 of this chapter, the municipality shall file its motion for dismissal within 60 days after receiving the certificate of entitlement provided by the director under sec. 202(b) of this chapter. Failure of the municipality to file a motion for dismissal during the time period provided in this subsection shall be considered a waiver of entitlement under secs. 201 - 212 of this chapter.

(b) A municipality which was eligible to file land selections under the former secs. 190 - 200 of this chapter and which does not enter into litigation over a claim to rights under those sections before the expiration of the time period within which it could make an election under (a) of this section shall be considered to have elected to receive benefits under secs. 201 - 212 of this chapter and to have waived any claim which might have been raised under former secs. 190 - 200 of this chapter.

(c) The provisions of secs. 201 - 212 of this chapter do not affect the rights, if any, of any party to litigation regarding the former AS 29.18.190 - 29.18.200 or 29.18.420, which litigation is maintained by a municipality that has elected not to obtain the benefits provided by secs. 201 - 212 of this chapter.

Sec. 29.18.211. ADMINISTRATION. The commissioner may adopt regulations in accordance with the Administrative Procedure Act (AS 44.62) necessary to carry out the purposes of secs. 201 - 212 of this chapter.

Sec. 29.18.212. DEFINITIONS. In secs. 201 - 212 of this chapter, unless the context otherwise requires,

(1) "appropriate vacant, unappropriated, unreserved land" means vacant, unappropriated, unreserved land which meets the criteria for municipal selection under sec. 204(g) of this chapter;

(2) "approved selection" means a municipal land selection which has been approved in writing by the director for transfer of patent to a municipality;

(3) "director" means the director of the division of lands, Department of Natural Resources, or his designee;

(4) "general grant land" means land patented or tentatively approved to the state from the United States under secs. 6(a) or (b) of the Alaska Statehood Act;

(5) "mental health land" means land granted under Title II, sec. 202 of P.L. 84-830, as amended before or after the effective date of this Act;

(6) "municipal land selection" means a request by a municipality, filed in writing with the director under authority of secs. 190 - 200 of this chapter repealed by this Act or under secs. 201 - 212 of this chapter for vacant, unappropriated, unreserved general grant land within its municipal boundaries in partial fulfillment of its municipal entitlement;

(7) "municipality" means a home rule or general law city or organized borough of any class, and includes unified municipalities established under AS 29.68.240 - 29.68.440;

(8) "patent" means a document, issued by the director to a municipality for a previously approved selection, which conveys and quitclaims all the right, title and interest of the state without reservation or condition except as may be required by law;

(9) "remaining entitlement" means the general grant land entitlement determined in accordance with sec. 201 or 202 of this chapter, reduced by the total acreage of approved selections, including both patented and unpatented parcels;

(10) "school land" means those rectangular sections 16 and 36

within each township surveyed on or before January 3, 1959, and confirmed and transferred to the State of Alaska upon its admission under sec. 6(k), Alaska Statehood Act, 72 Stat. 339, and any other land designated solely for school revenues;

(11) "university land" means all sections 33 reserved to the university under 38 Stat. 1214, as amended (48 U.S.C. 353) and all land granted to or reserved for the benefit of the university;

(12) "vacant, unappropriated, unreserved land" means general grant land as defined in (4) of this section, excluding minerals as required by sec. 6(i) of the Alaska Statehood Act, which

(A) has not been set aside by statute for one or more particular uses or purposes;

(B) has not been approved for patent to a municipality under secs. 201 - 212 of this chapter or former secs. 190 - 200 of this chapter repealed by this Act; or

(C) is unclassified or, if classified under AS 38.05.-300, is classified for agricultural, grazing, commercial, industrial, private recreational, residential, utility or open-to-entry purposes, or where classified in accordance with an agreement between a municipality and the state providing for state management of land of the municipality.

* Sec. 3. AS 38.05.321 is repealed and reenacted to read:

Sec. 38.05.321. RESTRICTION ON SALE, LEASE OR OTHER DISPOSAL OF AGRICULTURAL LAND. (a) The sale, lease or other disposal of state land classified as agricultural land transfers only rights for agricultural purposes, and all other interests in the land remain with the state unless otherwise required by law.

(b) State land classified as agricultural land which has been selected by a municipality under AS 29.18.190 - 29.18.200 or 29.18.204-

(e) may be approved by the director for patent under AS 29.18.204(f); however, only rights in the land for agricultural purposes may be transferred and all other interests in the land will remain with the state. Agricultural land approved for patent to a municipality under AS 29.18.-204(f) shall be credited, acre for acre, toward fulfillment of that municipality's entitlement under AS 29.18.201 or 29.18.202. If the director later determines it to be in the best interests of the state to transfer some or all of the additional rights in that approved or patented agricultural land, those rights shall pass without consideration to the municipality in which the land is located. The provisions of sec. 69(c) of this chapter apply to transfer of rights, other than agricultural rights, transferred by the director under this section.

(c) The provisions of this section do not apply to state land classified as agricultural land which has been selected by a municipality under the provisions of AS 29.18.190 - 29.18.200 if the selection is an approved selection before April 1, 1978 and is otherwise valid under AS 29.18.204(b).

* Sec. 4. (a) The general grant land entitlement of a municipality incorporated after the effective date of this Act is 10 per cent of the total acreage of vacant, unappropriated, unreserved land within the boundaries of the municipality on the date of incorporation of that municipality.

(b) Within six months of the date of incorporation of a municipality which is incorporated after the effective date of this Act, the director shall determine the entitlement of each municipality eligible to receive general grant land under (a) of this section and certify the entitlement to the municipality.

* Sec. 5. Consistent with the best interests of the state, in the selection of general grant land it is the policy of the state to make available the maximum land area from which municipalities may fulfill land entitlements

under AS 29.18.201 - 29.18.212.

* Sec. 6. AS 29.18.190, 29.18.200, and 29.18.420 are repealed.

* Sec. 7. REPORT. Within 30 days after the convening of each regular session of the Eleventh and Twelfth Legislatures and the first regular session of the Thirteenth Legislature, the director of the division of lands shall report to the legislature on the implementation of AS 29.18.201 - 29.18.212 in sec. 2 of this Act.

* Sec. 8. This Act takes effect July 1, 1978, except that AS 29.18.207, added by sec. 2 of this Act, takes effect January 1, 1981.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER / 323 E. 4TH AVENUE – ANCHORAGE 99501

May 19, 1978

The Honorable Joesph Orsini
Chairman
Senate Community and Regional Affairs Committee
Pouch V
Juneau, AK 99811

Dear Joe:

Following the completion of testimony before your committee on the Municipal Land Selection Bill (SCS CSHB 133), I felt it appropriate to forward some comments from the Administration based upon information brought out at the hearings, as well as discussions with the representatives of individual municipalities.

As I suggested at the hearings, and as has been echoed by several of the municipalities, we feel that it is important that the Senate Resources Committee Bill be used as the "mark-up vehicle." While your committee may wish to make several amendments to the legislation, the Resources Committee Substitute represents the most finely honed version to date and is certainly the most suitable version upon which to build at this time.

In reviewing the May 5, 1978 letter to you from Theodore D. Berns of the Anchorage Municipality, I believe several comments on the suggested amendments in Exhibit D of that letter are appropriate. With respect to suggested amendments nos. 3 and 5, Ted is addressing the need to clarify the difference between land that is merely "vacant, unappropriated, unreserved," and land which is vacant, unappropriated, unreserved which is actually appropriate for municipal ownership. In other words, there might be mountaintops, glaciers, and coastlines which are by definition vacant, unappropriated, unreserved, yet are clearly not appropriate for municipal ownership. The State supports a clarification of this issue, but we would do so in a slightly different manner than the language suggested in Exhibit D of Ted's letter.

10-J2LH

We suggest that the definitions section (29.18.212) be amended by the addition of a new definition no. (1) which would read:

> (1) "Appropriate vacant, unappropriated, unreserved land" means vacant, unappropriated, unreserved land which meets the criteria for municipal selection under Section 204(g) of this chapter;

In referring to Section 204(g) the definition incorporates the specific municipal criteria found in that subsection and therefore clearly differentiates between all vacant, unappropriated, unreserved land and land in that category which is actually appropriate for municipal ownership. By using this new definition, the suggested amendments nos. 3 and 5 in Exhibit D of Ted's letter may be changed to merely refer to this definition. Specifically, with respect to suggested amendment no. 3 on page 2, line 28 (SCS CSHB 133) the language would read:

> "or to that portion of an entitlement that cannot be satisfied by such date due to a lack of appropriate vacant, unappropriated, unreserved land."

The intent of suggested amendment no. 5 may then be manifested by adding on page 9, line 1, between the words "the" and "vacant," the word "appropriate."

Ted's suggested Amendment no. 4 on page five, at line 12, is acceptable to the State and we would not object to its inclusion in the bill. Likewise, with respect to suggested amendment no. 1 on page 1, at line 17-18, the State would not object to this deletion.

Suggested amendment no. 2 on page 1, at line 24, which would increase Anchorage's entitlement by 115 percent, causes us concern. While we again question, as has Senator Hackney, when the continual spiral of increases for municipal entitlements in this legislation will end, our specific concern here is that the 240,280 acres of selected land cited as being within the Anchorage Municipality is incorrect. That figure, as brought before your committee, includes substantial "double filed" acreage--land which has been filed on for selection by the State at different times or under different selection entitlements. While an exact determination of the degree of double filing would be a very time consuming effort, our best estimate of this double filing, giving Anchorage the benefit of any doubt, is approximately 72,000 acres. Reducing the 240,000 figure by 72,000 acres leaves approximately 168,000 acres of state

selected land. Ten percent of this total yields a figure of 16,800 acres. When added to Anchorage's existing entitlement of 20,865 acres, a more correct total of 37,665 acres is obtained.

Although not listed in Exhibit D of Ted's May 5 letter, Anchorage has requested that language found in Section 29.18.210(c) of the House bill (CSHB 133 (Finance) am) be reinserted in the Senate version (page 12, lines 8-11). This language, which refers to land conveyed to the State under Section 12(d)(2) of Public Law 94-204 is acceptable to the State provided that the ultimate entitlement for Anchorage is not in excess of the 37,665 acre figure addressed above.

With respect to Section 29.18.207, concerning payments in lieu of land, I have indicated several times that the Administration feels that the cumulative total of payments to all communities under this section should not total more than 20 million dollars. At present it appears that only the municipalities of Anchorage and perhaps Kodiak will qualify for payments under this section. I also understand that these municipalities are amenable to amendatory language, probably in Subsection (f), which would limit the total amount of in lieu revenue payments any one municipality could receive to a maximum of 10 million dollars. If language is included in that subsection which limits the total cumulative payments to all municipalities under this act to a total of 20 million dollars, and limits the total cumulative payments any one municipality can receive under this act to 10 million dollars, the Administration can support this section. Our suggested language is as follows:

> Once the total of cumulative in lieu revenue payments to a municipality under this section has reached 10 million dollars, there exists no obligation on the part of the State to provide further in lieu revenue payments to that municipality for any of its remaining entitlement. Once the total accumulative in lieu revenue payments to all municipalities under this section has reached 20 million dollars, there exists no obligation on the part of the State to provide further in lieu revenue payments for any remaining entitlement of any municipality.

The purpose of this language is to ensure that the artificially inflated entitlements of communities, where appropriate state land for municipal selection may not exist, do not return to haunt the State for additional revenue payment in the future. The remaining entitlements would, however, remain effective should additional appropriate land be received by the State within a municipality.

A major problem which we have all wrestled with throughout consideration of this legislation has been that of the trust lands. Your suggestion that appropriate trust lands be made available for municipal selection without the need for concurrence of the respective trust board has considerable merit in that it would significantly speed up the conveyance process. There are, however, two corollary considerations which must be addressed. First, if the trust boards are not to be formally approached for their approval, trust land selected by a municipality should be treated no differently than general selection lands selected by a municipality. That is, they should be subject to the same processes found in subsections (e) through (i) of Section 204. Second, while there may be a requirement to identify other lands of equal value for exchange with the municipally-selected trust lands, no specific time limit for identification or culmination of an exchange should be given. If the trust boards do not have approval authority, the rapidity of the conveyance process would simply outstrip the capability of the Department of Natural Resources to formally execute exchanges. Specific identification and accounting of all trust lands conveyed to municipalities would of course be kept for the execution of exchanges at a later time.

I would like to take this opportunity to thank you for your diligent and detailed review of this legislation. If I can supply any further information please do not hesitate to let me know.

Sincerely,

Mike

MICHAEL C. T. SMITH
Assistant Commissioner

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2525

GEORGE M. SULLIVAN, MAYOR

OFFICE OF THE MUNICIPAL ATTORNEY

May 5, 1978

Senator Joseph Orsini, Chairman
Senate Community & Regional
Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

On May 2, 1978, the Anchorage Assembly adopted Resolution AR 78-61 (copy attached as Exhibit A) dealing with SCS CS HB 133, presently before your Committee. In this resolution, the Assembly, together with the Municipal Administration, point to the inequitable treatment received by Anchorage under the present version of HB 133. The following is a brief summary of the major points:

With respect to land entitlement figures, at least seven, and probably more, of the municipalities listed on pages 1-2 of the bill have had their entitlements substantially increased over a literal application of the 10% VUU formula contemplated by existing law. For example, one municipality has been increased from 25 acres to 9,200, another has gone from 440 acres to 13,600 acres, and another has been adjusted from 645 acres to 89,850 acres. Anchorage, on the other hand, has remained at its 10% figure of 20,865 acres even though this entitlement results in by far the lowest per capita entitlement of any local government in the state.

SCS CS HB 133 also deleted language that would have prevented the area known as the "Campbell Tract" (approximately 5,000 acres) from being deducted from the Anchorage entitlement if that land eventually is transferred to the Municipality. Use of the Campbell Tract is restricted, by federal act, to a specific park plan that contemplates management by the state and federal governments as well as the Municipality. Any change in use from that listed in the federally recognized plan, even for such things as necessary expansion of local roads, may well require approval by the Congress. To my knowledge, no other municipality has had

land that is so restricted and encumbered counted against its land selection entitlement. Anchorage should not be forced to decide whether to reject a transfer of the Campbell Tract in order to prevent using a major part of its remaining entitlement for land that is subject to severe use restrictions.

In the Senate Resources Committee, a great deal of rhetoric was addressed to the point that Anchorage should not be entitled to receive any payments in lieu of land under A.S. 29.18.207 in the proposed legislation. The Committee reviewed figures from the Alaska Division of Lands (ADL) attempting to create the impression that there is ample available land to meet the Anchorage entitlement of 20,865 acres. As discussed later in this letter, subsequent investigation has revealed that these figures are, at best, misleading, and in fact, have been acknowledged to be in error by ADL staff. The figures presented by the State speak in large part to land for which the State does not even have tentative approval or lands that are otherwise clearly not presently available for local selection. Of the small amount of land that might be available for selection by Anchorage, most is clearly inappropriate and therefore unavailable for municipal use under the criteria advanced by the State on pages 4-5 of SCS CS HB 133. (See Exhibit B)

The figures advanced by ADL to the Senate Resources Committee are an attempt to create the illusion of adequate, appropriate state land in Anchorage that would, I can assure you, disappear once the bill is enacted into law. The simple fact is, as anyone who is even remotely familiar with Anchorage land clearly knows, the Municipality cannot expect with any assurance to obtain any appreciable amount of its entitlement in the form of land in the forseeable future. It is, however, the Municipality's position, as stated in the Assembly's Resolution, to accept any appropriate state land within the Municipality in partial satisfaction of its entitlement.

It is the position of the Municipality that Anchorage be entitled to payment in lieu of land for any portion of its entitlement that cannot be satisfied through a timely transfer of appropriate state land. Hollow promises concerning various types of land that "might" be available "sometime" for use by the Municipality are unacceptable. It is my belief that a majority, if not all, municipalities in the state support the in lieu payment schedule in SCS CS HB 133 as at least a small attempt to achieve equity for Anchorage taxpayers in a final settlement of the land selection program.

Based on the attached analysis (Exhibit B) of appropriate state land in Anchorage, it is anticipated that Anchorage might eventually request payment in lieu of land for up to 12,500 acres of entitlement. This would mean that Anchorage would receive approximately $16,875,000 in payments over approximately four

years under the present entitlement figure of 20,865 acres. In the Resources Committee, great concern was expressed over any payment to Anchorage. However, that Committee added language to the bill that may result in payment to Kodiak Island Borough of up to $26,000,000 based on a legal argument concerning the Native Claims Act (ANCSA) which is tenuous at best. The logic of such action is difficult to fathom.

The State Administration has indicated that it will not accept an in lieu payment system that would commit the State to payment of over approximately $20,000,000. Apparently this figure is advanced as the Administration's "bottom line" regardless of the time period over which municipalities are willing to accept payment. Again, the logic of this position is difficult to understand when the value of state land to be transferred to other municipalities under the bill could be over one billion dollars ($1,000,000,000.). (See attached analysis, Exhibit C). The Administration apparently either believes that Alaska land does not readily translate into money (a position so naive it cannot be accepted) or (more likely) that by attempts to frighten the Legislature with large dollar figures and veiled threats of veto, it can force Anchorage legislators to accept less than an equitable settlement for their municipality.

One other alternative that has received some discussion is to force Anchorage to select state land in other boroughs or in the unorganized borough in satisfaction of its entitlement. Although it is conceivable that such a plan could have merit, it would clearly force the Municipality into a speculative gamble on the availability of suitable land not already subject to selection by other boroughs or native claims. The potential administrative expense and land management problems that such a proposal would entail are substantial. The Municipality could not know beyond mere speculation what land it might receive or what the costs associated with such land might be. Although the Assembly's resolution did not specifically address this option, as the Municipal Attorney, I would be forced to advise against such an uncertain solution to an equitable settlement for Anchorage.

Attached to this letter as Exhibit D, are suggested specific amendments to SCS CS HB 133 together with brief explanations of the reasons for such amendments. It should be noted that Anchorage has not and does not begrudge other boroughs their relatively large entitlements under the proposed bill. Certainly no one would argue that all of the circumstances existing when the land selection program was started exist today. Consequently, it could be argued that it would be in the best interests of Anchorage to propose a simple repeal of the old program. The sale of state land could then be used to fund local government programs on some sort of equitable, per capita basis. The Municipality has not taken such a position and has instead agreed to work toward an equitable settlement of the old land selection program. With this

in mind, I urge your committee and all Anchorage legislators to adopt the attached amendments to SCS CS HB 133.

If you have any questions concerning the above, please contact me at 264-4237. Thank you for the opportunity to comment on this legislation.

Sincerely yours,

DEPARTMENT OF LAW

Theodore D. Berns
Municipal Attorney

TDB:ah

Enclosures

cc: All Anchorage Legislators

Exhibit "A"

Submitted by: Chairman of the Assembly
at the request of the Mayor
Prepared by: Department of Law
For Reading:

ANCHORAGE, ALASKA
AR NO. 78-61

A RESOLUTION REQUESTING EQUITABLE TREATMENT OF ANCHORAGE IN SETTLEMENT OF THE MUNICIPAL LAND SELECTION PROGRAM.

WHEREAS, the Alaska Legislature has had House Bill 133 entitled, "An Act relating to selection and transfer of state land to municipalities; and providing for an effective date" under consideration, and the Senate Resources Committee has recently reported out SCS CSHB 133 for further consideration by the Senate Community and Regional Affairs Committee; and

WHEREAS, the intent of the present version of HB 133 is to provide for an immediate, equitable settlement of municipal land entitlements under the municipal land selection program existing pursuant to AS 29.18.190 - .200; and

WHEREAS, land entitlements confirmed under HB 133 have been substantially adjusted upward for several municipalities other than Anchorage from the actual figure of ten percent (10%) of state vacant, unappropriated and unreserved land within local boundaries as contemplated by AS 29.18.190 - .200; and

WHEREAS, Anchorage has been denied any similar adjustment of its land entitlement notwithstanding the fact that the Municipality is already scheduled to receive by far the lowest per capita land entitlement of any local government in the state; and

WHEREAS, there exists no justification in law or fact for such inequitable and discriminatory treatment of Anchorage in the settlement of disputes over the municipal land selection program; and

WHEREAS, there is a serious shortage of appropriate and available state land for municipal selection in the Anchorage area as well as a shortage of funds available for land acquisition and other land related needs of municipal residents; and

WHEREAS, HB 133 provides for payment in lieu of land to municipalities such as Anchorage that are unable to obtain sufficient, appropriate state land to meet their entitlements; and

WHEREAS, such in-lieu payments are desperately needed to assist in meeting the land related needs of the Municipality but are threatened by the discriminatory and inequitable treatment of the land entitlement established for Anchorage in HB 133;

NOW, THEREFORE, the Anchorage Assembly in conjunction with the Municipal Administration hereby resolves:

Section 1. That the position of Anchorage with respect to HB 133 is to accept every available acre of appropriate state land within the Municipality in partial satisfaction of its land entitlement; and

Section 2. That Anchorage residents are entitled to equitable, nondiscriminatory treatment with respect to other municipalities in the upward adjustment of land entitlement figures under HB 133 over the entitlements authorized by a strict application of AS 29.18.190 - .200; and

Section 3. That land, such as the area commonly known as the Campbell tract, that is subject to preexisting federal or state restrictions on use or management not be counted toward the Municipality's land entitlement, and that the Municipality

be required to count against its entitlement only land that is appropriate for municipal selection, and subject exclusively to municipal control.

Section 4. That Anchorage be entitled to payment in-lieu of land for any portion of its land entitlement that cannot be satisfied through a timely transfer of appropriate state land, and that such payment, as a minimum, follow the payment scale and other payment provisions expressed in SCS CSHB 133; and

Section 5. That the Governor and Legislature be reminded that both the total and per capita dollar value of state lands to be transferred to many other municipalities under HB 133 far exceeds the amount that could possibly be awarded to Anchorage as payment in-lieu of land, and that equity demands the Administration's support for funding any in-lieu payment system established by HB 133.

Section 6. That the Senate Community and Regional Affairs Committee address the inequities and discriminatory treatment of Anchorage under the present SCS CSHB 133 and that all Anchorage legislators make the expeditious passage of an acceptable version of HB 133 a matter of highest priority for the present legislative session.

Passed and approved by the Anchorage Assembly, this _____ day of _____, 1978.

_____
Chairman

ATTEST:

_____
Municipal Clerk

"A"

EXHIBIT B

ANCHORAGE LAND STATUS

It should be noted that the following figures are the result of a cooperative effort between municipal staff and ADL personnel to determine the status of government owned land in Anchorage. Data and records at both the State and local level is at best imprecise. However, the figures below represent the best possible estimates to date.

State Land

Trust Lands
(not presently available
for selection)

Mental Health	1,806 acres
School	2,294
University	6,200
TOTAL:	10,300

It should be noted that a great deal of these trust lands would probably not be suitable for land exchanges under the proposal contained in SCS CS HB 133.

Vacant, Unappropriated,
Unreserved Lands 6,720 acres

Of the 6,720 acres identified by the State as VUU on maps presented to the Municipality, analysis has shown that probably no more than 1,700 acres that would meet the criteria for local selection and use outlined on pages 4-5 of the proposed bill.

Selected from the Federal
Government (No Tentative Approval) 240,280 acres

Virtually all of these lands are located east of Chugach State Park. There is presently no way of knowing for certain whether all or part of this land would be available or appropriate for local selection under the proposed bill.

Municipal Land

Patented or Approved	4,253 patent
To Anchorage	2,475 TA
	6,728 acres

Under AS 29.18.204(b) of the proposed bill, some or all of the 2,475 acres of TA land could be rejected as inappropriate for local selection. There is no way to know at this time precisely how many acres could be affected.

It should also be noted that state records show another 9,770 acres of municipal selections for which TA has not been received. This figure, however, includes over 5,000 acres of Campbell Tract and other lands that apparently do not meet VUU criteria. As noted above, from data supplied by the State and from working with ADL staff, it appears that only up to 1,700 acres of VUU land would be available to Anchorage in addition to land for which TA or Patent has been received.

Summary Of Lands
Available To Anchorage

Patent	4,253
TA	2,475
To be selected	1,700
	8,428 acres
Entitlement under SCS CS HB 133	20,865
-	8,428
Remaining Entitlement	12,437 acres

EXHIBIT C

ANALYSIS OF SCS CS HB 133

Assume: Average land values equal $1,500 per acre

Population figures are from revenue sharing data

Value of Land Transferred to
Municipalities Under SCS CS HB 133

1. Kenai Peninsula Borough

Entitlement	=	155,780 acres
Land value	=	$233,670,000
Population	=	24,611

Per capita value = $9,495

2. Fairbanks North Star Borough

Entitlement	=	112,000 acres
Land value	=	$168,000,000
Population	=	60,227

Per capita value = $2,789

3. Mat-Su Borough

Entitlement	=	355,210 acres
Land value	=	$532,815,000
Population	=	16,724

Per capita value = $31,859

4. Ketchikan Gateway Borough

Entitlement	=	9,200
Land value	=	$13,800,000
Population	=	11,490

Per capita value = $1,201

5. Kodiak Borough

Entitlement = 56,500
Land value = $84,750,000
Population = 7,901

Per capita value = $10,726

6. Bristol Bay Borough

Entitlement = 1,940
Land value = $2,910,000
Population = 1,311

Per capita value = $2,219

7. City and Borough of Juneau

Entitlement = 13,600
Land value = $20,400,000
Population = 20,465

Per capita value = $997.

8. Haines Borough

Entitlement = 1,080
Land value = $1,620,000
Population = 1,924

Per capita value = $842.

EXHIBIT D

SUGGESTED AMENDMENTS TO SCS CS HB 133

1. Page 1, lines 17-18: Delete "to assist in meeting costs of acquisition of land to meet public needs."

   Although this would no doubt be a legitimate use of in lieu payments, actual expenditures of funds should be left to the decision of local elected officials. Other boroughs have for years sold land received from the state and have used the proceeds for public purposes without restrictions. Anchorage should be allowed the same flexibility with respect to any in-lieu payments received under HB 133.

2. Page 1, line 24: Delete "20,865" and insert "44,893."

   The state has selected 240,280 acres of land in Anchorage but has not yet received tentative approval. Consequently, the figure was not included in the 20,865 acres listed in SCS CS HB 133. Since the bill fixes and thereby cuts off entitlements, it is only fair for Anchorage to be credited with at least 10% of the above-described state selected land.

3. Page 2, line 28: Add "or to that portion of an entitlement that cannot be satisfied by such date due to a shortage of appropriate available state land."

   This amendment would allow municipalities such as Anchorage more time to fill their entitlements with appropriate state land should it become available in the future. In Anchorage, for example, it is possible that land controlled by the Army or Air Force could become available in the future and be used to fill part of any remaining entitlement for which in lieu payment had not been reviewed.

4. Page 5, line 12: Add after the period-

   "Land deemed appropriate for municipal selection shall be land that is suitable and appropriate for an identifiable present or future municipal use or for disposal to private use by the municipality by sale or other means."

   This language would protect municipalities from possible abuse of the broad criteria expressed in subsections (g) and (h) on pages 4 and 5. The intent of the language is to minimize disputes with the state over the type of land that is appropriate for local selection and management.

5. Page 9, line 10: Add after the period-

"In certifying a municipality's remaining entitlement and available vacant, unappropriated, unreserved land under this subsection, only land meeting the criteria for local selection and use under 204(g) of this chapter shall be considered."

The purpose of this amendment is to eliminate ambiguity in applying the payment in lieu of land formula. Since only VUU land meeting the criteria of 204(g) can be approved for transfer to municipalities, it is only consistent to use these lands in applying the in lieu payment formula.

6. Page 10, Line 13: "Except as provided in (g) of this section," (Comment)

This language has the effect of possibly allowing Kodiak Island Borough to receive up to $26,000,000 in in lieu payments. Kodiak's claim is based on a legal theory concerning lands selected under the Native Claims Act (ANCSA) over which there is no doubt considerable disagreement. It is by no means clear that Kodiak will not be able to obtain many of the disputed lands for which payment might be claimed under this section. If, as the State Administration indicates, the dollar impact of the bill must be limited to less than full compensation for all municipalities entitled to in lieu payment, any per capita limit should be applied evenly to all municipalities.

F. C>HB-133

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC
PHONE: 586-6440
JUNEAU, ALASKA 99801

20002 NL KENAI ALASKA 50 05-24 0945A ADT

PMS SEN JOSEPH ORSINI

JUNEAU

WE WISH TO AFFIRM OUR SUPPORT OF SCS-CH-HB133, MUNICIPAL LAND SELECTION AS PRESENTLY WRITTEN.

MAYOR VINCENT O REILLY, CITY OF KENAI

COLE, HARTIG, RHODES, NORMAN & MAHONEY
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
SUITE 201
717 K STREET
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WEV W. SHEA

OF COUNSEL:
G. KENT EDWARDS

KODIAK OFFICE:
KODIAK PLAZA, BOX 503
KODIAK, ALASKA 99615
(907) 486-3143
(907) 486-3144

May 8, 1978

REPLY TO: Anchorage

The Honorable Joseph Orsini
State Senator
Chairman, Community & Regional
Affairs Committee
State Senate
Pouch V
Juneau, AK 99811

Re: Municipal Land Selection Bill
CSCSHB 133
Our File 101-28

Dear Senator Orsini:

The Kodiak Island Borough, in its consideration of the subject legislation, is of the opinion that the bill, properly presented, could offer a fair and equitable solution to the Borough's unique dilemma. It was with the assurances that the Kodiak Island Borough's problems would be resolved that support was forthcoming for the bill, both last term and again this term of the legislature.

The Borough has received some criticism from the Department of Natural Resources, Division of Lands, and individual legislative members claiming that the Borough had agreed to certain provisions; i.e., 1) on the amount of the land entitlement; and 2) the manner and method by which the Borough would be compensated for its land entitlements.

As you are aware, the Borough could only support the general concept envisioned in the legislation. At such time as it might be determined that the bill was not fair or equitable to the Kodiak Island Borough residents, the Borough would necessarily need to obtain amendments or even oppose the bill if it would be detrimental to the Borough's interests.

With regard to the amount of land entitlement, the Borough accepted the entitlement as prepared by the Division of Lands, subject, however, to the opportunity to review the State's maps and figures. After review, the Borough claimed over 60,000 acres, whereas the State only authorized 45,200 acres. By the Division of Lands' own figures, the Borough was able to convince the State that the entitlement was at least 50,600 acres, and it has since been agreed in the Senate Resources Committee that 56,500 acres was a satisfactory compromise.

In addition, the Borough was led to believe that the State administration was supportive of in-lieu payments when it could be shown that satisfactory land was not available. More than anywhere else within the State, the State administration was aware of the land conflict problems present in Kodiak. They are also aware that it could be argued morally, if not legally, that the State was responsible in part for that problem.

All this is to say, as you and your fellow legislators know, that, as more facts are developed and the legislation advanced, every party must review its position to determine whether it can continue to support particular legislation. The Kodiak Island Borough has acted, and continues to act, in an atmosphere of openness and fairness, and is desirous of the passage of legislation this term which would not only protect its citizens, but provide fair compensation for those lands which, because of land selection conflicts, may not be available to the Borough. Short of these assurances, the Borough would recommend that the legislation <u>not be passed</u>.

COMMENTS

From the beginning, the Borough has stressed the unique problem of Kodiak with regard to the land selection conflicts brought about in part by the State's failure to adjudicate Borough selections at the time they were received and, secondly, because of the problems raised by the Alaska Native Claims Settlement Act. Prior to the passage of the Claims Act in December, 1971, the Borough had made some 27 land selections, encompassing 38,187.70 acres. Of this amount, 9,807.5 acres were tentatively approved to the Borough and 2,120.67 acres were patented to the Borough. It should be noted that all the land selected by the Borough had been previously tentatively approved to the State by the federal government.

Of further note is the fact that some 25,966.45 acres of the remaining land selected by the Borough from the total 38,187.70 acres have been top-filed by individual native groups under the Alaska Native Claims Settlement Act. Some 7,459 acres of land were selected in the Bells Flats area, a portion of which has since been quit-claimed to individual residents of Kodiak and on which homes have been constructed. Also, some 6,440 acres of land were selected in the Monashka Bay area for the purposes of developing the water supply for the residents of Kodiak. Tens of thousands of dollars have been expended on that particular tract of land in planning and developing that watershed.

As you are aware, the individual native groups have been authorized, under the Alaska Native Claims Settlement Act, to select tentatively approved lands in their areas. As a result, and in order to satisfy their entitlements, the native groups have top-filed on those selections previously made by the Borough and from recent communications with the Bureau of Land Management, it appears that most, if not all, of those native selected lands will be transferred to the individual native groups. As a result, and in order to protect its third party interests, the Borough has determined that it is necessary to file administrative appeals in these conflict areas. To date, none of the appeals has extended beyond the administrative level; however, at such time as an adverse administrative decision is received, the Borough must then consider whether an appeal to the appropriate Court is required. If such a decision is made by the Borough to file an appeal, it is submitted that the question of legality of particular provisions of the Alaska Native Claims Settlement Act might arise, which could place a cloud on any land transferred to the native corporations by the Bureau of Land Management or an injunction to prevent such transfer.

The Borough has consistently stated that it would do everything in its power to avoid the necessity of litigating these problems. It fully repects the native groups' needs and rights and wishes to assist in the implementation of the Alaska Native Claims Settlement Act. The Assembly does, however, recognize its fiduciary obligation to all of its citizens, and when faced with the reality of what it feels are established third party interests in the tentatively approved lands, and the fact that these lands and interests may be thwarted, it must act to ensure that its interests are protected.

AS 29.18.207(g)

For those lands selected by the Borough prior to the Native Claims Settlement Act and in which title is ultimately placed in the native groups, the Borough has recommended that § 29.18.207(g) be adopted. For the total 25,966.45 acres of land and utilizing the formula under § 29.18.207(c), the fiscal note would be approximately $24 million. However, the Borough is attempting to resolve the issue of the Monashka Bay lands which would release some 4-6,000 acres from that figure. You will note that, under § 29.18.207(f) we have made an exception of our (g) paragraph in order that the $250 per capita would not limit recovery under that particular paragraph.

AS 29.18.210

In our testimony before the Senate Resources Committe, we requested that § 29.18.211 be amended to reflect that the lands under .208(g) would not apply. I note that .211 in the Senate Resources Bill is now .210 in the final version, and that that particular language is not present. In the event that Kodiak does not receive a fair and equitable amount for the lands which it loses under .208(g), the Borough would require that those particular lands be exempted under the election of benefits clause. There is some question whether, in the event the Borough would be required to litigate the individual land conflicts against the native corporations, former AS 29.18.190-29.18.200 would be an issue.

State Compensation

Some questions have been raised by individual legislators and the administration as to why the State should compensate the Borough for those lands which the Borough had selected and to which, ultimately, title is received by the native corporations. It should be noted that these lands were selected prior to the Alaska Native Claims Settlement Act and were obvious lands which were needed by the Borough and which were given great priority. Because of the State's failure to adjudicate the Borough selections, and because

the State's offer to Congress permitting the native groups to select tentatively approved lands, the whole problem of land selection conflicts arose. Again, the Borough does not fault the administration in its actions to resolve the Alaska Native Claims Settlement Bill which was then stalemated in Congress. Certainly, the action by the administration helped to resolve a serious problem, resulting in a break in the logjam and the final passage of the bill. However, it should be further noted that the Borough and the State had entered into a management agreement, whereby the State was acting as a trustee for those lands selected by the Borough. In fact, the State classified lands, at the request of the Borough, and also held timber and land sales at its request. It could be argued that the State owed a moral, if not a legal, duty to protect the Borough's interests with regard to those lands.

As the Borough argued in the Resources Committee, in the event satisfactory legislation is not passed by the legislature this term, the Borough must consider filing a lawsuit against the State under a contract theory for compensation for those lands which were lost by virtue of the native selections. That suit would bring in issue the Borough-State agreement, rights under AS 29.18.190-29.18.200, and the Alaska Native Claims Settlement Act. Assuming that the Borough does have a legal argument and would be successful in that litigation, the measure of damages would probably be in the form of money, based upon the value of the lands lost. Therefore, it would seem that, if the legislature agrees that the State does have a moral or legal obligation to the Borough, and recognizing the need to resolve the land conflict problems, and in order not to cause hardship to the native corporations, who obviously must receive their lands, compensation to the Borough in money for those particular lands would seem to be an equitable solution.

It is noted that the bill, as passed by the Senate Resources Committee, contains, in Section 7 on page 16, that AS 29.18.207 enacted in Section 2 of the Act would not take place until July 1, 1982. The Borough would express its concern regarding this section. If the Borough is to agree to withhold its rights of litigation, it can be argued that it should be compensated immediately or within a reasonable time for this forbearance.

Mr. Tubbs, land consultant for the Kodiak Island Borough, and I will be present at the Community and Regional Affairs Committee meeting on May 11th and will be happy to provide facts regarding the Borough's position and to answer any questions which you may have regarding the Borough's position on the bill.

Yours truly,

COLE, HARTIG, RHODES,
NORMAN & MAHONEY
Counsel for Kodiak Island Borough

By: Robert L. Hartig
Robert L. Hartig

RLH:kh

cc: Client

MANAGEMENT AGREEMENT

This agreement made and entered into this 17 day of [illegible], 1965 between the State of Alaska, Department of Natural Resources, Division of Lands, hereinafter referred to as the State and the Kodiak Island Borough, organized and existing pursuant to the laws of the State of Alaska, hereinafter referred to as the Borough.

WITNESSETH:

WHEREAS, Title 7 - Article 2 - Sec. 07.10.150, Alaska Statutes vests the Borough with the authority to select certain of those state-owned lands which lie within the Borough boundaries, and,

WHEREAS, the aforementioned statute further provides that the Borough is vested with the authority to manage, lease or sell the lands so selected, and,

WHEREAS, the Borough does not at this time have the financial ability nor the manpower to initiate and maintain an efficient land management program, and,

WHEREAS, the State, through the Division of Lands, does maintain the staff capability and is willing to enter into an agreement for the management of Borough selected lands, NOW THEREFORE,

The Borough does by these presents delegate to the State the authority to manage Borough selected lands and the State, through the Division of Lands, agrees to accept management authority over said lands upon the following terms and conditions to wit:

1. All lands disposed of by the State, pursuant to this agreement, shall first be subjected to a land use plan and such plan shall, prior to becoming final, be reviewed jointly and agreed upon by the Borough and the State.

2. Prior to disposal by the State of any lands selected pursuant to Section 6(b) Public Law 85-503, General Grant lands, the Borough shall first be afforded the opportunity to select the same for its use or disposal in accordance with the terms of this agreement.

3. Upon selection of eligible lands by the Borough, the State shall, without delay, note the same on the records to be maintained by the Division of Lands, and the State shall periodically thereafter make an accounting to the Borough revealing acreage entitlement, acreage selected, acreage disposed of and such other information as shall be deemed necessary for the purpose of keeping the Borough properly informed.

4. All leases, sales or other disposals which are made by the State on behalf of the Borough pursuant to this agreement shall be made only with consent of the Borough and shall be conducted in accordance with the Alaska Land Act (Title 38, A.S.) and the regulations promulgated by the State pursuant thereto. All lands which have been selected by the Borough, as herein provided, and which the Borough may wish to sell, lease or otherwise dispose of shall be sold, leased or disposed of in accordance with the provisions of this agreement for so long as the agreement shall remain in full force and effect.

5. All monies received by the State from the sale, lease or other disposal of Borough lands shall be deposited with the Department of Revenue, State of Alaska. Upon request of Borough Assembly and certification by the Director that payment is in order, the monies so deposited shall be transferred to the Borough. The State shall, during the month of January of each year that this agreement is in effect, render an accounting of all monies received from disposals conducted during the course of the year. Concurrent with the final accounting the State shall withhold survey, appraisal and other appropriate direct management costs, exclusive of overhead costs, from the total receipts.

6. To preserve the principle and integrity of sustained yield forest management and protection, those forest and grazing lands selected by the Borough shall remain under the direct management of the Division of Lands with all revenues from such forest and grazing lands or forest products being transferred to the Borough at the same time and in the same manner as stipulated in Item #5 of this agreement.

Nothing in this agreement shall prevent, through mutual agreement, the reclassification of any lands subject to this contract as provided in the Classification regulations of the Division of Lands, State of Alaska.

This agreement shall remain in full force and effect until such time as it may be cancelled or modified by mutual agreement between the parties. This agreement may also be cancelled by one party provided it gives the other party one (1) year notice of such cancellation.

KODIAK ISLAND BOROUGH

By _____
President of the Assembly

By _____
Borough Chairman

ATTEST:

_____
Borough Assembly Clerk

STATE OF ALASKA

By _____
Director, Division of Lands

CONCURRED:

_____
Commissioner, Department of Natural Resources

APPROVED AS TO FORM:

_____
for Attorney General, State of Alaska

ADDENDUM TO
LAND MANAGEMENT AGREEMENT

WHEREAS, the Kodiak Island Borough and the State of Alaska Department of Natural Resources Division of Lands entered into a Land Management Agreement dated June 17, 1965, and

WHEREAS, the parties hereto desire to amend said Agreement by adding thereto a new paragraph to be entitled Paragraph 7.

NOW, THEREFORE, it is hereby agreed by and between the parties hereto that the Land Management Agreement be and the same is hereby amended by adding thereto Paragraph 7 to read as follows:

"7. In the event that specific parcels of Borough selected lands, adjudicated by the Alaska Division of Lands to be eligible for patent to the Borough, are desired by the Borough for exclusive Borough use and/or management, the same, upon proper notice to the Division shall be patented to the Borough and the management thereof, including subsequent disposal, shall no longer be subject to this Agreement.

When lands have been patented to the Borough as provided in this Section, the Borough agrees that, prior to any disposal of such borough lands, where the same lie adjacent to or are interspersed with State-owned lands, the proposed program of disposal will be subject to joint review between the Borough and the Division, and likewise, State-owned land disposals will be subject to such joint review."

In all other respects the original agreement will remain the same.

KODIAK ISLAND BOROUGH

By _____
Presiding Officer

By _____
Borough Chairman

LANDS SELECTED PRIOR TO DECEMBER 18, 1971

Selection Number	Acres Selected	Acres Tentatively Approved to Borough	Acres Patented to Borough	Acres of Borough Selections on State Tentatively Approved Land Involved in Native Selections	Remarks
1	16.51	16.51	16.51	0	
2	46.26	46.26	46.26	0	
3	15 ±	-	-	0	Within 2 miles of Kodiak
4	175.12	175.12	175.12	0	
5	3.59	3.59	3.59	0	
6	159.75	159.75	159.75	0	
7	15.85	15.85	15.85	0	
8	210.06	177.57	170.36	0	
9	39.29	39.29	19.85	19.44	Port Lions area
10	69.61	69.61	0	0	
11	17.84	17.84	17.84	0	
12	7,199.	7,459.	788.4	7,459.	Bells Flat area
13	387.88	387.88	387.88	0	Within 2 mile limit
14	58.01	0	0	58.01	Port Lions
15	14,331.	0	0	8,900.	Shuyak
16	0.17	0.17	0.17	0	Within 2 mile limit
17	4.85	4.85	4.85	0	Within 2 mile limit
18	202.51	202.51	202.51	0	Within 2 mile limit
19	110.78	110.78	110.78	0	Within 2 mile limit
20	0	0	0	0	Not applicable to AS 29.18.199
21	0.92	0.92	0.92	0	Within 2 mile limit
22	250.	120.	0	250.	Chiniak
23	11,451.52	0	0	6,440.	Monashka Bay
24	310.	0	0	0	Within 2 mile limit
25	2,000.	0	0	2,000.	Chiniak
26	840.	800.	0	840.	Chiniak
27	0.184	-	-	0	Not applicable
	38,187.70	9,807.5	2,120.67	25,966.45	

LANDS SELECTED AFTER DECEMBER 18, 1971

28	2,611.	0	0	965.
29	2,330.	0	0	2,330.
30	5,750.	0	0	5,750.
31	2,590.	0	0	1,680.
32	2,940.	0	0	2,090.
33	1,735.	0	0	820.
34	2,500.	0	0	1,220.
35	2,020.	0	0	2,020.
36	540.	0	0	540.
37	2,490.	0	0	1,940.
38	1,925.	0	0	0
39	1,655.	0	0	0
40	1,920.	0	0	1,920.
41	22,545.	0	0	0
Total:	53,551.	0	0	21,275.
Total From Above:	38,187.70	9,807.5	2,120.67	25,966.45
Grand Total:	91,738.70	9,807.5	2,120.67	47,241.45

Note: Total tentatively approved lands to State on Kodiak Island are in the amount of 623,937.12 acres.

F: CSHB 133

UNITED STATES DEPARTMENT OF AGRICULTURE
FOREST SERVICE
P.O. Box 1628, Juneau, Alaska 99802

5450
May 9, 1978

Members of the
Alaska State Legislature

Reference is made to the Chugach Natives, Inc. proposal of March 13, 1978 (enclosed) to select-exchange 150-200 thousand acres of the Chugach and Tongass National Forests.

Because of the pending State and local community land selections totaling 247,596 acres and the remaining 100,000 acres of land which could be selected for community development, expansion, and recreation purposes, the Forest Service Environmental Analysis Report concluded that all selection and exchange proposals that can significantly affect these selections of National Forest areas must be discussed with the State and local community leaders affected. Similarly, I believe it is essential that recreation, aquaculture, timber, mining, and other user or interest groups which could be affected by this proposal should also have the opportunity to review and comment on the proposed selections and exchanges.

The Forest Service response to the Chugach Natives, Inc. proposal and our suggestions for achieving the necessary public involvement in accord with the requirements of the National Forest Management Act, National Environmental Policy Act, and other laws, are embodied in the enclosed May 3 letter to Mr. G.R. Andersen, Jr. and May 5 letter to the Federal-State Land Use Planning Commissions for Alaska (LUPC).

In our May 5 meeting in Anchorage, convened by the LUPC and including representatives of the Chugach Natives, Inc., State of Alaska, Forest Service, and other parties, we agreed to proceed with the Environmental Impact Statement processes described in the May 3 and May 5 letters. Additionally, the LUPC, Chugach Natives, Inc., and State of Alaska will explore other alternatives for selection-exchange outside the

Chugach and Tongass National Forests. The Forest Service has also agreed to provide at any time the best available information on the impacts of the proposed selections-exchanges for State, LUPC, Congressional or other hearings which may be convened in advance of the issuance of the June and July Environmental Impact Statements.

As the Environmental Impact Statement processes move forward, the Forest Service will keep State/community leaders and other interested parties informed and involved. If you have any questions or suggestions regarding our planned actions relating to the Chugach Natives, Inc. proposals, Forest Supervisor Clay Beal, Chugach National Forest, Pouch 6606, Anchorage, Alaska 99502, or I would appreciate receiving them. I am sure the LUPC, State, and Chugach Natives, Inc. also would welcome your suggestions.

Your interest in this matter is appreciated.

Sincerely,

JOHN A. SANDOR
Regional Forester

4 Enclosures

UNITED STATES DEPARTMENT OF AGRICULTURE
FOREST SERVICE
P.O. Box 1628
Juneau, Alaska 99802

1950
5430
May 5, 1978

Ms. Esther Wunnicke and Mr. Walt Parker
Joint State Federal Land Use Planning Comm.
of Alaska
733 W. Fourth Ave.
Anchorage, AK 99501

Dear Chairpersons:

This is in follow-up to the April 25 meeting in the Federal-State Land Use Planning Commission (LUPC) offices in Anchorage concerning the Chugach Natives March 13, 1978 12(c) land exchange and the related 12(b) and 14(h) 8 selection proposals. Forest Supervisor Clay Beal and Jim Calvin of my office participated in that meeting. It was agreed to meet again on May 5 at which time the Forest Service and other agency positions on these selection and exchange proposals would be discussed.

In view of the pending State and local community land selections totaling 247,596 acres and the remaining 100,000 acres of land still to be selected for community development, expansion and recreation purposes all selection and exchange proposals that can significantly effect these selections must be discussed with the State and local community leaders. Similarly, recreation, aquaculture, timber, mining and other users or interest groups should have the opportunity to consider the environmental, social, economic and other impacts of the proposals made. Accordingly, full public disclosure and discussion of the proposals (and alternatives) is essential. The enclosed April 7 letter from Mr. D. L. Finney of Louisiana-Pacific Corporation indicates potential contractual violations may also be involved. I understand SEALASKA and other native communities and corporations are concerned with the proposals and would want to be informed and involved in further discussion of these proposals.

Our suggestion for achieving the necessary public involvement is outlined in my enclosed May 3 letter to Mr. G. R. Andersen, Jr., President of Chugach Natives, Inc. Because of our prior commitments on processing the pending State selections I could not agree to delaying approval of State of Alaska Land Selections (my Feb. 8, 1978 letter also enclosed). Our position remains the same on this point.

We would be pleased to discuss alternative actions for resolution of the issues and dealing with the proposals Chugach Natives, Inc. have made. As to the possibility of an out-of-court settlement, reference to that is included in the March 13, 1978 proposal by Chugach Natives, Inc. and I understand discussions have been held with Guy Martin and others of the U.S. Department of Interior. Insofar as National Forest lands become involved in such negotiations, I believe it is essential Forest Service and the office of General Counsel at the Washington and Regional levels be involved. Similarly the State, local communities and user-interest groups should be given the opportunity to study and react to actions which will effect them.

We recognize the time requirements involved with the Environmental Impact Statement process. However, with the status of our land management planning on both the Tongass and Chugach National Forests, draft statements covering the proposals can be completed in June and July. We are reordering manpower and funding priorities insofar as possible to process the Chugach Natives, Inc. proposal. If two or three of your staff would be available for work with our Chugach and Alaska Planning Team Staffs we could cover salary costs during the May - July period.

We look forward to working with you on this and related matters.

Sincerely,

JOHN A. SANDOR
Regional Forester

Enclosures

Louisiana-Pacific Corporation

Ketchikan Division

Post Office Box 6600
Ketchikan, Alaska 99901, U.S.A.
Telephone: 907-225-2151
Telex: 099-55-251
Answer back: KAYPULPCO KET

April 7, 1978

Mr. John Sandor, Regional Forester
U. S. Forest Service
Box 1628
Juneau, Alaska 99801

Dear John:

We have just recently learned that the Chugach Natives, Inc. have asked for withdrawals to be made in the Tongass National Forest as a possible solution to their land selection problems under A.N.C.S.A.

We wish to put the Forest Service on notice that we protest any further native selections on any area in the Tongass that would cause a reduction in the annual allowable cut.

We also wish to put you on notice that we view any withdrawals in the Ketchikan working circle as a possible violation of our Long Term Timber Sale Agreement No. A10fs-1042. We are undertaking an investigation of our legal position concerning this possible violation.

We also wish to go on record as viewing the Chugach Natives, Inc. proposal to enter the Tongass as one which is highly controversial, will have a large and lasting effect on the environment, and for which there needs to be an environmental impact statement written.

As we are able to further investigate our legal rights under our timber sale agreement we will notify you of any further action on our part.

Sincerely,

D. L. Finney, Manager
Forestry & Government Affairs

hr
cc: J. Watson

RECEIVED
APR 12 1978
USFS REGION 10
TIMBER MANAGEMENT

RECEIVED
APR 1 [illegible]
REGIONAL FORESTER
FOREST SERVICE
JUNEAU, ALASKA

P.O. Box 1628, Juneau, Alaska 99802

5450

FEB 8 1978

Mr. G. R. "Bob" Andersen, Jr.
President
Chugach Natives, Inc.
912 East 15th Avenue
Anchorage, Alaska 99501

Dear Mr. Andersen:

Thank you for your letter of January 23, regarding the Chugach Natives, Inc. land selection needs.

Your letter specifically requests that we delay approval of State of Alaska land selections until final markup and related Congressional action by both Houses of Congress. We received the State of Alaska's land selection proposals on December 23, 1977, and have a commitment to act on those adjacent to established communities where the need for land is the greatest by February 23 - 60 days following receipt of those proposals. Other outlying selections are to be addressed shortly thereafter and approvals or disapprovals transmitted to the State by mid-March. Because of this commitment and the fact that the Alaska Native Claims Settlement Act does not specify Chugach Natives, Inc. selection rights on the Chugach National Forest, I have decided that I cannot comply with your request. You may appeal my decision in accord with the administrative appeal regulations (copy enclosed). If you wish to discuss this with me and my staff and representatives of the State of Alaska, I will be pleased to do so.

Because of the interest of the Congressional Delegation in this matter as well as that of the State, I have provided copies of this exchange of correspondence to them.

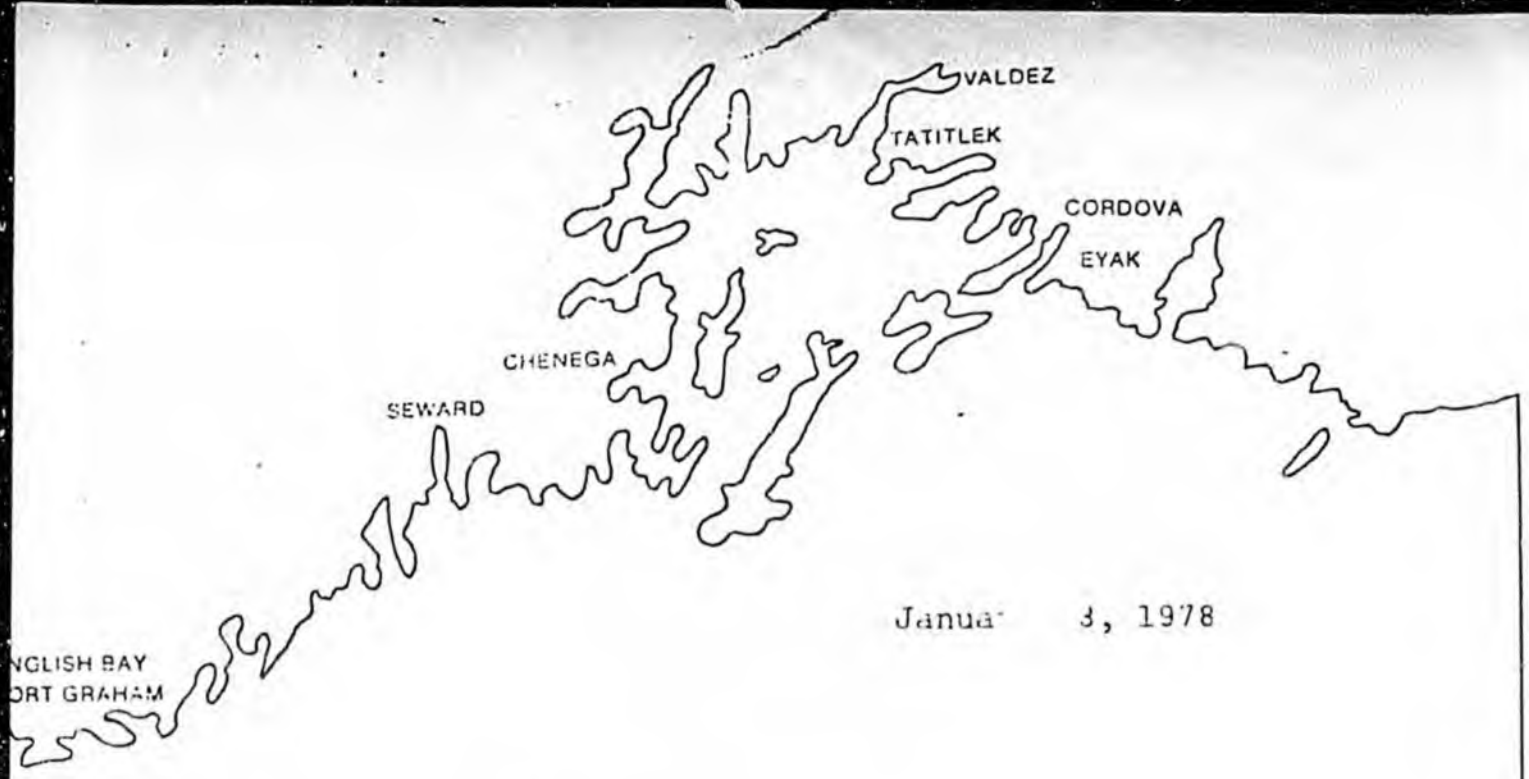
Sincerely,

JOHN A. SANDOR

JOHN A. SANDOR
Regional Forester

Enclosure

cc: Senator Mike Gravel
Senator Ted Stevens
Representative Don Young
Alaska Department of Natural Resources
WO



Janua 3, 1978

Mr. John Sandor, Regional Forester
U. S. Forest Service
P. O. Box 1628
Juneau, Alaska 99801

Dear Mr. Sandor,

In December the State of Alaska filed for a large portion of its entitlement under section 6(a) of the Alaska Statehood Act. Prior to this submission staff from our office met with Commissioner LeResche and his Forest Selection Team in an attempt to persuade them to delay making certain of these selections until the land ownership pattern in some areas was closer to finalization.

Although this specific request was refused, the Commissioner was appreciative of our position. He understands well that during final mark-up on D-2 and even afterwards major decisions on land ownership and implementation of the ANCSA will be made. Some of these could radically alter the existing and anticipated patterns in the Chugach National Forest.

Therefore, Chugach requests that you delay your approval of any of the State's December land selections within the Chugach National Forest until final mark-up on D-2 and any other ANCSA-related amendments is completed by both houses of Congress. At that time we would like to confer with you on the impacts of the State's selections upon our land holdings.

Respectfully yours,

G. R. Andersen

Chugach

G. R. "Bob" Andersen, Jr.

UNITED STATES DEPARTMENT OF AGRICULTURE
FOREST SERVICE
P. O. Box 1628, Juneau, Alaska 99802

5450

May 3, 1978

Mr. G. R. Andersen, Jr.
President
Chugach Natives, Inc.
912 East 15th Avenue
Anchorage, Alaska 99501

Dear Bob:

This is in follow up to the April 25 meeting in the Joint Federal-State Land Use Planning Commission (LUPC) offices in Anchorage concerning your March 13, 1978 section 12(c) land exchange and the related 12(b) and 14(h)8 selection proposals. Forest Supervisor Clay Beal and Jim Calvin of my office participated in that meeting.

It was agreed to meet again on May 5 at the same location, and we were asked to present at that time our agency's position on these selection and exchange proposals.

In the light of pending State land selections totaling 247,596 acres and the remaining 100,000 acres of land still to be selected for community development, expansion and recreation purposes, all selection and exchange proposals that can significantly affect these selections must be discussed with the State and local community leaders. Similarly recreation, timber, aquaculture, mining, and other users or interest groups also should have the opportunity to consider the environmental, social, economic and other impacts of the proposals made.

There are also other Native land selections and exchange proposals under consideration which must be taken into account. For example, your proposals for selections on the Tongass National Forest could significantly affect pending and proposed urban and Regional corporation exchanges. Also, although we have not yet confirmed this, your suggestions of possibly selecting lands on Prince of Wales Island could be of concern to the Native villages on that island, as well as the Louisiana Pacific Corporation, which has the long-term timber sale contract that includes timber on that island. As to other areas that could be considered for selection on the Tongass National Forest by the Chugach Natives, Inc., Goldbelt, Inc., Shee Atika, Inc., and Kootznoowoo, Inc. (Angoon), are also looking at alternative opportunities for selection-exchange off Admiralty Island. Thus, proposals for selections on the Tongass National Forest must, in all fairness, be referred to these and other communities and corporations for comment.

Although you report general support of the Sierra Club and other members of the Alaska Coalition for your selection-exchange proposal on the Tongass and Chugach National Forests (providing you do not export the timber to be harvested), not all conservation or environmental groups may do so. Accordingly, we are obligated to contact these organizations for their reactions to these proposals.

Fortunately, the Tongass Land Management Plan is at a stage where your proposal can be promptly incorporated into the Tongass Draft Environmental Impact Statement to be issued in June. Similarly, the development of the Southcentral Area Guide is well underway and the Chugach National Forest Land Management Plan is also in the process of being updated. The available information from these processes and the previously completed Wrangell Mountains Area Guide, along with information available from the Land Use Planning Commission and other agencies, will enable us to issue a draft environmental impact statement on the Chugach National Forest proposals in July.

We and our counsel have concluded that the 1976 National Forest Management Act and the National Environmental Policy Act clearly requires public involvement and the applications of the environmental statement process on decisions of this magnitude. It is our finding that decisions on the proposal submitted constitute major Federal actions and are likely to be controversial. Alternatives to the proposals must be identified and addressed with full public participation before approval or disapproval can be recommended or taken. We clearly recognize the need for prompt action on your March 13, 1978 proposals. As noted above, the Tongass Land Management Plan Draft Environmental Impact Statement to be issued in June will incorporate your proposals covering that Forest. Also, the Chugach National Forest, Alaska Planning Team and other personnel can complete the Draft Environmental Impact Statement for the Chugach National Forest proposals in July. We see an excellent opportunity for strong involvement of the LUPC staff, State of Alaska departments, University of Alaska personnel and other public and private agencies in this effort.

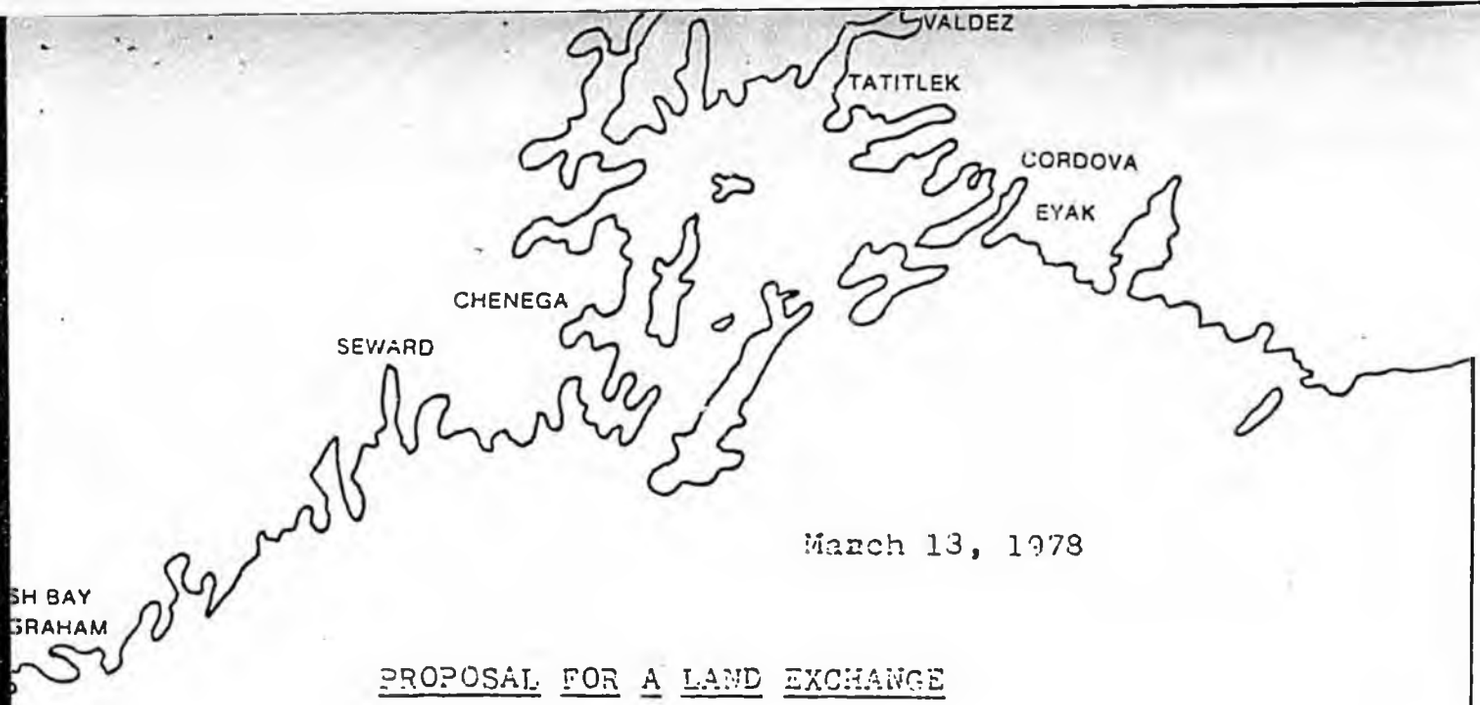
As noted in my letter of April 20, we would appreciate receiving as soon as possible, the specific areas of the Tongass you propose for selection or exchange. These could then be addressed in the draft environmental statement being prepared for the Tongass Land Management Plan. Meanwhile, as we pointed out in our February 8, 1978 letter, we are obligated to proceed with the process of approving State and local community land selections.

We would be pleased to respond to further questions regarding our position or our proposed course of action in this matter.

Sincerely,

JOHN A. SANDOR
Regional Forester

cc: Jt. Federal-State Land Use Planning Comm.
Alaska Dept. of Natural Resources
Senator Stevens
Senator Gravel
Congressman Young
Tongass and Chugach communities
OGC (Portland)
Washington Office



March 13, 1978

PROPOSAL FOR A LAND EXCHANGE

I. Background:

1. Chugach was unable to select any of its section 12(c) entitlement of approximately 350,000 acres from the statutory section 11 withdrawals within its region. Two of our five villages were totally on state selected and tentatively-approved lands, while the other three villages are located within the Chugach National Forest. Therefore, from the very beginning Chugach realized that all of its lands would have to be selected from so-called "deficiency" areas.

2. Prior land appropriations to the state of Alaska and the reservation of the C hugach National Forest, along with the withdrawal of proposed D-2 system lands, virtually exempted the rest of the coastline in the Chugach Region from selection by the regional corporation. Nearly all of the Secretary's deficiency withdrawals for Chugach therefore had to come from inland areas.

3. The Chugach Region is perhaps the smallest in the state of Alaska, with less than 10 million acres within its boundaries. Yet it has without question the most rugged terrain and the highest percentage of snow and ice cover of any region in Alaska. Thus, it was lands of thisscharacter which were eventually withdrawn by the Secretary of the Interior for Chugach's deficiency.

4. Chugach's deficiency withdrawals clearly did not meet the requirement of section 11(a)(1)(A) of the Act, in that they were not"of a character similar to those on which the village is located". Incidentally, all of the five Chugach villages are located on the coastline around the Gulf of Alaska, and the Chugach people have always had a direct dependence on the sea for their dependence and their culture.

Chugach

5. In 1975 Chugach filed litigation against the Secretary, charging, among other things, that the deficiency withdrawals made for the Region were inadequate and in violation of the Secretary's statutory mandate.

6. On January 18, 1977, Chugach withdrew this claim against the Secretary in order to reach an out-of-court settlement of the requirements for compactness and contiguity pertaining to its land selections.

7. Therefore, although the litigation over this issue has ended, it is widely acknowledged that Chugach received both a poor land settlement, when compared with that of the other corporations, and an unjust land settlement with respect to the law.

II. Specific Selection Problems:

A land area equivalent to that in 55 whole townships was withdrawn for selection by the Chugach Regional Corporation. Chugach's 12(c) entitlement is roughly the equivalent of 15 whole townships, or about 350,000 acres.

Of all the lands withdrawn, the approximate equivalent of 30 whole townships, or in excess of 46% of the entire withdrawn area, was covered by either glaciers or ice fields. Of the 35 townships remaining, 14 ice-free ones were within a "dual" D-2/regional deficiency withdrawal in the southern part of the proposed Wrangell Mountains National Park. This left only 21 townships from which "reasonable" land selections could be made. Of these, Chugach wasn't informed that three of them were available for regional deficiency selection until after the selection deadline had expired. Of the 18 townships remaining for possible selection, 2.25 not covered by ice in the Nellie Juan area were discovered to be improperly withdrawn, as they were included in a wilderness study area pursuant to PLO 3665 in 1964.

This left only 15.75 townships, approximately, which were still available for filing on by Chugach, or roughly the equivalent of the Corporation's 12(c) entitlement. By not selecting, or rather not identifying as priority selections, most of the lands within the so-called Ice Worm Peak withdrawal area, Chugach forfeited its earlier "blanket" selection thereon. This reduced the number of townships not covered by ice which were still available for priority selection by Chugach by two more, or now down to 13.75. Finally, I would venture that no more than six or seven of these remaining withdrawal areas which are suitable for selection consist of lands which are not entirely impassable because of their precipitous terrain.

III. Proposal:

We are approaching all possible parties of interest at this time for their support in principle of Chugach's proposed exchange of lands in the Bremner River withdrawal area for alternate selections elsewhere. Additionally, we are seeking comments on the "in-lieu" areas proposed below, and suggestions for other areas. Legislation pending before the Congress to implement section 17(d)(2) of the ANCSA offers an appropriate vehicle into which we can incorporate the terms and conditions of the proposed exchange.

IV. General Areas Where Chugach has an Interest in Acquiring In Lieu Lan

A. Chugach National Forest lands-
1. western Prince William Sound copper belt (ie. Latouche, Knight and Naked Islands). - max. 90,000 acres

2. Bering River coal fields - max. 54,000 acres

B. Yakataga Forelands - max. 75,000 acres
Chugach would be quite interested in obtaining coastal lands between Cape Yakataga and Icy Bay which are now selected by or tentatively approved to the state. This would mean that other federal lands would have to be made available for state selection which the state rates more desirable than the Yakataga lands. Any 3-way trade would also have to be exempt from the section 6(i) restriction in the Statehood against deeding subsurface estate to other parties.

C. Tongass National Forest lands-

D. Cash payment in lieu of some acreage

E. Surplus or Excess federal holdings

F. Others

V. Chugach Concessions:

A. Receive no conveyance of lands in the Ice Worm Peak, Nellie Juan and Keystone Glacier regional deficiency areas.

B. Receive no conveyance of lands within the Controller Bay regional deficiency area (would involve amending CNI/DOI Agreement in CNI v. Andrus (No. 75-2113 Dist of Columbia).

C. Receive no conveyance of lands within the Bremner River watershed, and possibly only along the Copper River in the entire Bremner River regional deficiency area.

VI. Special Terms and Conditions:

A. Amend the partial agreement reached by Chugach and DOI in CNI v. Andrus to allow Chugach to receive conveyance to less than all of the priority selection area which it has identified in the past in the Icy Bay Withdrawal.

B. Amend the same Agreement to allow Chugach to take conveyance to none of its priority selections in the Controller Bay withdrawal area.

C. Include a special provision allowing Chugach to reinstate its now relinquished 12(c) selections in all of the Carbon Mountain withdrawal area. This would only be done after we are assured of obtaining 14(h)(8) lands from the Chugach National Forest. As it stands we were forced to relinquish some of our 12(c) filings in order to make valid 14(h)(8) selections on unappropriated lands.

F: CSHB 133

KETCHIKAN GATEWAY BOROUGH
344 FRONT STREET
KETCHIKAN, ALASKA 99901

May 15, 1978

The Honorable Joseph Orsini, Chairman
Senate Community & Regional Affairs Committee
Alaska State Senate
Pouch V
Juneau, Alaska 99801

Re: Municipa' Entitlement Legislation

Dear Senator Orsini:

Your committee office has advised me that the Committee will be accepting testimony from Southeast Alaska municipal officials on the municipal entitlement bill this Tuesday afternoon. Our meeting schedule precludes my being in Juneau for this hearing, therefore; I am hoping that you will accept and consider this written statement.

The Ketchikan Gateway Borough is extremely anxious to have the municipal entitlement question resolved as rapidly as possible. The bill before you now is very similar to the bill agreed upon early last legislative session. Ketchikan was a party to that agreement and remains firm to our basic support of the legislation.

Ketchikan has a land problem; a problem of land for community expansion. Ketchikan has the highest density use of land of any community within the entire State as we are virtually landlocked, surrounded entirely by National Forest Lands. The State is making a selection of approximately 23,000 acres within our Borough, the majority of which is adjacent or near the present roaded system. These forest selections and the Mental Health lands bounding the City limits are those lands into which the community must expand. If these lands are available for community expansion, they will be so utilized without regard to suitability for such purposes because this is all the land there is and all the land there ever will be in the future.

The "magic acreage" municipal entitlement figure to be included in this legislation simply will be arbitrary in Southeast. A figure of 9,200 or 11,000 acres of community expansion lands for eternity is just a guess. It may be necessary to select 30,000 acres to have 9,200 acres of usable land or there may not be 9,200 acres of usable land in eventual State ownership from which to make our municipal selections. This is information we just don't have today and will take years and be very costly to determine.

There must be an entitlement figure listed at some point and the Southeast boroughs should have entry into the difference (lands in State ownership) if through a legitimate determination process, additional land is needed for community expansion purposes. This flexibility must be written into the legislation. Basically, the State should not be in the land ownership business in Southeast as there are virtually no large State interests in land in Southeast other than to hold land for community needs. This is supported by the State's acceptance of the Borough's recommendation for withdrawal of forest lands with only very minor changes by the State. Therefore, it would be in the best interests of the State and the Ketchikan Gateway Borough that language be included in the municipal entitlement legislation to insure the entry of our Borough into the remaining State lands at such a time in the future that there is an identified need for additional land for community expansion purposes.

I hope these comments will be helpful in your deliberations. Your endeavors toward passage of this legislation are appreciated.

Sincerely yours,

KETCHIKAN GATEWAY BOROUGH

Judith A. Slajer

Judith A. Slajer
Borough Manager

JAS:gb

F: CSSB 133

THE CITY AND BOROUGH OF JUNEAU

CAPITAL OF ALASKA
155 SOUTH SEWARD ST. JUNEAU, ALASKA 99801

DATE: May 23, 1978

FILE NO. CSHB 133

SUBJECT: Land Availability in the Juneau Area

Joseph Orsini, Chairman
Senate Community and Regional Affairs Committee
Pouch V - State Capitol Building
Juneau, Alaska 99803

Dear Senator Orsini,

The following is in response to your request for the municipality's estimation of acreage which is or could be made available in the City and Borough of Juneau and how much is developable. After reviewing the matter with our planning staff, we have concluded that the differences between the figures which were ultimately developed at the hearing on May 16, 1978 are not so significantly at variance from our estimates as to warrant pursuit of the differences. Below is a table which sets forth the figures as I understood them at the hearing and with which our plainning staff has only insignificant differences.

Type	Total Acreage	Developable Acreage	
		Inc. Goldbelt Topfiling	Exc. Goldbelt Topfiling
Mental Health	11,480 (to 12,690)	5,700	5,700
Prior 6(a) selections TA	2,925	1,650	1,650
University	440	200	200
6(b) patented or TA	4,160	780	780
6(b) not TA	9,000 (aprox)		
New 6(a) selections (not TA)	23,618	12,650	8,650
Total: selected, TA, patented	51,623		
Total developable: selected, TA, patented		20,980	
Total developable: selected, TA, patented, less Goldbelt topfiled			16,980

FORM NO. CBJ 7

Of the approximately 4 000 developable acres which have been topfiled by Goldbelt, we estimate that well over 2,000 of those would become available to the state for selection if Goldbelt receives its first priority choices in other areas outside the City and Borough of Juneau. This would increase the 16,980 acres to over 19,000 acres.

As was mentioned at the hearing, the City and Borough withdrew its selection of an area in the Eagle River area. It is estimated that there were well over 2,000 developable acreas in that selection. The withdrawal came after the State National Forest selection team suggested to the City and Borough that it consider whether it wanted to withdraw its Eagle River nomination. Shortly after the state's suggestion, the assembly received a substantial amount of input from conservation oriented groups to drop the nomination. Pursuant to an assembly decision, the nomination was dropped; however, it was fully understood that the parcel could be nominated in the future after more study and planning. Thus, while the state has not counted this particular nomination as part of its developable acreage, it nevertheless does have potential for future selection and would raise each of the developable acreage figures by something in excess of 2,000 acres each.

Please bear in mind that the City and Borough of Juneau is interested not only in developable land but in land which will serve community recreation needs and will provide protection for our watershed. Part of the approximately 9,000 acres of unapproved 6(b) selection may be of interest to the municipality either for recreation or for watershed protection purposes. Also, the Eaglecrest selection of almost 4,000 acres is classified as undevelopable yet it is obvious the community has a great interest in acquiring this "undevelopable" land.

The concept of allowing municipalities to satisfy their entitlement out of developable land is one which has been recently suggested. The City and Borough of Juneau has never taken the position that its entitlement should be satisfied only from developable land. We have always anticipated that if we receive a fair entitlement under the bill, part of the entitlement would be met with land which was not developable. We believe that 28,000 acres is a fair entitlement and that certainly nothing less thant 24,000 should be placed in the bill for Juneau considering its population, area and the special position it occupies, along with some other southeast communities, under section 6(a) of the Statehood Act. We would not expect a "developable lands only" restriction to apply to the City and Borough of Juneau

under the conditions of the more reasonable entitlement suggested. We would, under such circumstances, be looking at well in excess of 50,000 acres out of which to satisfy our entitlement.

I realize that there is some feeling that there must be an end to communities coming in and asking for more land. Please consider the following. When Senate Bill 241 was first introduced, it was the product of all the large communities involved except the North Slope Borough and the three large southeast boroughs. Juneau, Ketchikan and Sitka were not even invited to discuss the land settlement problem, and in fact, to my knowledge, were not even aware that discussions were taking place which would affect them as adversely as was proposed in SB 241. By the time the southeast communities became aware of the discussions and "agreements" the die had been pretty well cast. As you will recall, the state gave the three southeast communities 32,000 acres to divide among themselves and the three communities were told to take it or leave it. Those can hardly be called the conditions under which an "agreement" was reached. Juneau has consistantly requested acreage greater than the 13,600 acres proposed except last year when it agreed to such acreage if the bill could be passed during the last session. Since last year, both Anchorage and Kodiak who were parties to the original agreement, have come in asking for substantially increased entitlements in either acres or dollars. If these communities are given increases, why should a reasonable entitlement be denied to the City and Borough of Juneau which has been requesting an increase all along and which is not asking for an entitlement which will permit it to go into the in lien fund or otherwise receive dollars as with Kodiak and Anchorage.

I should also point out that the Meekins formula has not been entirely taken out of the bill. The acreage for the North Slope Borough is what was produced by the Meekins formula. If some form of equity is being done for the North Slope Borough I strongly suggest that the same can be done for the City and Borough of Juneau. I urge you to increase Juneau's entitlement as requested above.

Very truly yours,

Gerald L. Sharp
City/Borough Attorney

GLS/sm

cc: Senators Willis, Ferguson, Hackney and Sumner

F: C514B
133

Alaska State Legislature

House of Representatives

Office of the Speaker

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

M E M O R A N D U M

TO: Senator Joe Orsini

FROM: Hugh Malone

DATE: June 1, 1978

As you are well aware, there has recently been considerable interest concerning the state's "trust lands."

The need to resolve, or reconcile, complex state land management programs, provide municipalities with valuable and accessible local lands, and to help insure a more adequate return of revenue from state lands - to support those services as designated by the trusts - is most crucial.

The future of our "trust lands": mental health, school and university; lands granted to territorial Alaska by the Federal government; will be profoundly shaped by a variety of pending legislation, if enacted. Presently, a number of bills, i.e., HB 133 (state land selections by municipalities), HB 720 (homesites), and SB 159 (an act relating to state land) deal, to differing degrees, with the "trust lands" issue. HB 477 and SB 562 may become involved in this as well.

Like youself, I agree that fundamental changes are needed in our "trust lands" program, but, because of the burgeoning number of approaches to this problem, coupled with the complexity fc the issue, I'm deeply concerned with the prospect of passing confusing, if not contradictory legislation.

I would urge you to review all pertinent bills; its necessary that all concerned parties be aware of the differing proposals. The need to pass comparable, or uniform legislation - as it pertains to this issue - is no less important than solving the issue itself - if long run legal and administrative complications are to be avoided.

Hugh G

F
C541
133

OUZINKIE NATIVE CORPORATION

P.O. BOX 89

OUZINKIE, ALASKA 99644

June 2, 1978

RE: Senate CS for CS for House Bill No. 133

Dear Senators:

We have just been informed of the miniciple land selection Bill CSCS HB # 133 that has been introduced by Parr, Brown, and Cowper. This action, we believe, is one of the most logical pieces of legislature proposed by the State since the passage of the Alaska Native Claims Act.

It is the Ouzinkie Native Corporation's position that we support State Compensation to municipalities for lands which had been tentatively approved to the State of Alaska, and of which lands have been selected and will eventually be conveyed to Village Corporations, under the Alaska Native Claims Settlement Act.

Compensation to the municiple government by the State, would, in our opinion, resolve much of the friction that has been created between the municiple governments and Village Corporations on the legalities of ownership of land.

F: CSSB
84 (

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER / 323 E. 4TH AVENUE - ANCHORAGE 99501

April 14, 1978

The Honorable Joseph Orsini
Chairman, Senate & Community
Regional Affairs Committee
Pouch V
Juneau, AK 99811

Re: Municipal Land Selection Regulations

Dear Joe:

As you know, despite agreement last year by the State and almost all municipalities concerning the municipal land selection question, manifested originally in CSHB 133, that legislation has had a very checkered and sporadic history. Because settlement of this issue is of critical importance to both the State and the municipalities with respect to future land and resource management, particularly land disposals, both the State and the municipalities are concerned that the issue be settled in the very near future. While we would still prefer that appropriate legislation be enacted, the State is looking at the alternative of individual settlements with each municipality under existing law to address this matter if legislation presently before the Senate Resources Committee is not adopted this session.

Attached is a copy of draft regulations, as sent to each municipality, which would serve as the basis for any such settlements. These regulations will be needed whether or not the present legislation is enacted and, as discussed in the attached cover letter to each municipality, we are requesting a review of these regulations at this time to ensure that they meet with municipal approval and can serve as the basis for individual settlements should pending legislation not be enacted.

10-J2LH

If you have any questions concerning these regulations, please do not hesitate to ask.

Sincerely,

Mike

Michael C. T. Smith
Assistant Commissioner

Enclosures

DRAFT REGULATIONS
IMPLEMENTING
AS 29.18.190 - .200

11 AAC _____. DETERMINATION OF ENTITLEMENT FOR MUNICIPALITIES. (a) The general grant land entitlement of a municipality in existence on January 1, 1978 and which is eligible to receive general grant land under the provisions of AS 29.18.190 - .200 is 10 per cent of the maximum total acreage of vacant, unappropriated, unreserved land within the boundaries of each such municipality at any time between the initial date of eligibility under AS 29.18.190 - .200 and January 1, 1978.

(b) The general grant land entitlement of a municipality created subsequent to January 1, 1978 and which is eligible to receive general grant land under the provisions of AS 29.18.190 - .200 is 10 per cent of the total acreage of vacant, unappropriated, unreserved land within the boundaries of each such municipality on the date such municipality first becomes eligible for a land entitlement under AS 29.18.190 - .200.

(c) The general grant land entitlement of a municipality which enlarges its boundaries by annexation shall, upon the effective date of such annexation, be increased by an amount equal to 10 per cent of the vacant, unappropriated, unreserved land within such annexed area on the effective date of annexation.

(d) The general grant land entitlement of a municipality which is created by the unification, merger or consolidation of two or more municipalities pursuant to AS 29.68.030-.440 shall be the sum of the entitlements of each of the constituent municipalities at the time of such unification, merger, or consolidation.

(e) The general grant land entitlement of a borough containing one or more cities of any class within its boundaries shall be 10 per cent of only that vacant, unappropriated, unreserved land within the borough but outside the boundaries of each city within the borough.

(f) The general grant land entitlement of a city which is subsequently formed within a borough shall be 10 per cent of the vacant, unappropriated, unreserved land

within the boundaries of the city, and the borough's land entitlement shall be reduced by such amount.

(g) The director shall annually determine the entitlement for each municipality eligible to receive general grant land under (a) and (b) of this section and certify that entitlement to the municipality.

Authority: AS 29.18.190
AS 29.18.200
AS 38.05.035

11 AAC _____. STATUS OF ENTITLEMENTS. (a) No municipal selection vests any interest in or right to receive a particular tract of land except as provided by sec. ___ of this chapter.

(b) General grant land entitlements determined under secs. _____ of this chapter may be exercised at any time before the date which is two years after the expiration of the State's right to make selections under secs. 6(a) or (b) of the Alaska Statehood Act (P.L. 85-508).

Authority: AS 29.18.190
AS 29.18.200
AS 38.05.035

11 AAC _____. FULFILLMENT OF LAND ENTITLEMENTS.

(a) The acreage of each municipality's land selections under AS 29.18.190 - .200 for which patent has been issued before the effective date of these regulations shall be credited toward fulfillment of the entitlement of that municipality.

(b) All approved selections under AS 29.18.190 - .200 for which patent has not been issued to a municipality on the effective date of these regulations shall be reviewed by the director within nine months after the effective date of these regulations. Any approved selection of land which was vacant, unappropriated or unreserved on the date of selection is valid as of the date of the approval, and a patent shall be issued to the municipality within three months after approval by the director of a plat of survey. The acreage shall be credited toward fulfillment of the municipality's entitlement.

(c) Any prior approval by the director of municipal selections for land which was not vacant, unappropriated or unreserved on the date of selection shall be rescinded, and patent

may not be issued except when disposal to a third party by sale or lease has occurred.

(d) Transfers of land to municipalities under AS 29.18.190 - .200 are subject to AS 38.05.321 regarding the preservation of the State's agricultural land base. Classification actions as reflected upon the land status records of the Department of Natural Resources are determinative of land classification status under this chapter.

(e) All municipal land selections under AS 29.18.190-200 not approved as of the effective date of these regulations shall be recognized by the director as representing the priority selection interests of the municipalities, and such selections shall be given first consideration under (f) of this section unless the municipality indicates different priorities.

(f) Each eligible municipality and the director shall jointly consider which vacant, unappropriated, unreserved land, including federal land of interest to the municipality which may be selected by the state as general grant land, located within the boundaries of the municipality, is appropriate for municipal selection and approval by the director to fulfill any remaining municipal general grant land entitlement.

(1) The joint consideration made by the parties may include a cooperative land planning process which will, in addition to the normal objectives of such a process, seek to identify both local and state interests in tracts of vacant, unappropriated and unreserved land remaining within the municipality.

(2) Adjacent tracts shall be considered simultaneously except when such simultaneous consideration would cause significant delay or expense.

(3) Once a tract has been jointly considered, it may be selected by a municipality.

(g) Each selection must be approved or disapproved for patent by the director under (h) of this section within nine months of its selection by a municipality, and a patent shall be

issued to the municipality within three months after approval by the director of a plat of survey.

(h) In reviewing a municipal selection for approval or disapproval, the director shall consider the state's responsibilities for developing and protecting values which are of greater than local concern, including development which will have statewide impact, and critical environmental concerns.

(1) Specific state responsibilities to be considered, if such responsibilities have not been authorized or delegated by the state to a municipality, include air quality; water; minerals and energy; timber; agriculture; grazing; fish and wildlife and their habitat; public recreation, natural, historical, and archaeological areas of greater than local concern; access to public land and water; transportation; communications; and public safety.

(2) Specific municipal responsibilities to be considered by the director include residential, commercial and industrial needs; support of municipal services; education; local transportation; private recreation; public recreation, natural, historical and archeaological areas of local concern; and other responsibilities authorized or delegated by the state to a municipality.

(3) A selection by a municipality of land which is primarily of local concern shall be approved.

(4) When the interests of the state may be protected through the conveyance of title that is less than a fee title, the municipality, at its option, may accept the title in acre-for-acre fulfillment of its entitlement.

(i) Every decision of approval or disapproval of a municipal selection by the director under of this section shall include a written explanation of the decision based upon the criteria of (h) of this section.

(1) Before any decision to disapprove a selection becomes effective, the director shall notify the affected municipality in writing, by certified mail, of his reasons for the proposed decision.

(2) The municipality shall have 30 days from receipt of the proposed decision to respond to the director in writing enumerating the reasons for which the municipality believes the proposed decision to be in error. Any decision disapproving a selection to which the municipality makes no timely response to the director shall automatically become final on the thirty-first day after receipt by the municipality of THE PROPOSED DECISION.

(3) Upon timely receipt of the municipality's statement of reasons, the director shall, within 30 days, affirm, modify or reverse his proposed decision in writing and give written notice of his decision to the municipality. The decision of the director, or the failure of THE MUNICIPALITY to respond to the director within 30 days after receipt of the proposed decision, constitute final administrative action in the matter.

(h) A municipality may appeal an adverse decision by the director to the superior court under AS 44.62.560-44.62.570.

(k) No municipality is entitled to receive patent pursuant to this chapter to more than its entitlement as determined under sections _____(a) or (b) of this chapter.

Authority: AS 29.18.190
AS 29.18.200
AS 38.05.035
AS _____

11 AAC _____. SELECTION AND CONVEYANCE OF AGRICULTURAL OR GRAZING LANDS. (a) State land classified as agricultural or grazing land which has been selected by a municipality under AS 29.18.190 - 29.18.200 may be approved by the director for patent; however, only rights in the land for agricultural or grazing purposes may be transferred, and all other interests in the land will remain with the state. Agricultural or grazing land approved for patent to a municipality shall be credited, acre for acre, toward fulfillment of that municipality's entitlement under AS 29.18.190 - .200. If the director later determines it to be in the best interests of the state to transfer some or all of the additional rights in that approved or patented agricultural or grazing land, those rights shall be conveyed without

consideration to the municipality in which the land is located.

(b) The provisions of this section do not apply to state land classified as agricultural or grazing land which has been selected by a municipality under the provisions of AS 29.18.190-29.18.200 if the selection is an approved selection before the effective date of these regulations.

Authority: AS 29.18.190
AS 29.18.200
AS 38.05.035
AS _____

11 AAC _____. SCHOOL, UNIVERSITY AND MENTAL HEALTH LAND. (a) A municipality may select vacant school, university or mental health land within the municipality in partial fulfillment of its land entitlement under AS 29.18.190 - .200. School, university or mental health land may be selected notwithstanding the fact that these lands are not unappropriated and unreserved within the meaning of this chapter and secs. 190 and 200 of AS 29.18.190 - .200. Each selection of school, univeristy or mental health land by a municipality must be of vacant, unappropriated, or unreserved land as defined in this chapter, except that it need not be general grant land.

(b) The acreage of school, university or mental health land, if any, within a municipality shall not be included in the determination of entitlement under secs. ___ - ___ of this chapter.

(c) Upon receipt of a selection by a municipality of school, university or mental health land, the director shall determine whether the land selection should be approved. The decision of the director shall be based upon the criteria of sec. _____ of this chapter, and shall follow the procedures set out in sec. _____ of this chapter. Land approved for selection under this section will be credited against a municipality's remaining land entitlement under this chapter.

(d) No selection of school, university or mental health land may be approved by the director under this section without the concurrence of

(1) the state Board of Education, for school land;

(2) the Board of Regents of the University of Alaska, for university land; or

(3) the members of the Mental Health Land Board specified in AS 38.05.035(13), for mental health land.

(e) Prior to the approval under (d) of this section of a municipal selection of school, university or mental health land, the director, with the concurrence of the respective board, shall designate appropriate state general grant land of approximately equal value as school, university or mental health replacement land, and shall remove the trust classification from the selected MUNICIPAL land. The replacement land shall thereafter be managed for the purposes for which the land selected by the municipality was acquired by the Territory and State of Alaska.

Authority: AS _____

11 AAC _____. SELECTION AND CONVEYANCE PROCEDURE.

(a) All municipal selections of state land pursuant to this chapter shall be made by submission of a form approved by the director for this purpose, and shall be signed by a municipal officer whose authority to sign such selection forms on behalf of the municipality shall be on file with the director.

(b) All municipal selections shall be made in reasonably compact tracts, taking into account the use capabilities of a tract and its relationship to surrounding land uses.

(1) A selection filed by a municipality which has not been approved by the director may be relinquished at any time.

(2) An approved selection may be relinquished by a municipality if the relinquishment is approved by the director.

(3) An approved selection relinquished by a municipality shall increase the remaining entitlement of the municipality on an acre-for-acre basis.

(c) A municipality may maintain selections for not more than 110 per cent of its remaining entitlement. Municipal selections for general grant land which was withdrawn under sec. 11(a)(2) and selected under sec. 12 of the Alaska Native Claims

Settlement Act (43 U.S.C. 1601 et seq., P.L. 92-203) is not included in the limitation of this subsection.

(d) Municipal selections may be filed only upon lands patented or tentatively approved from the United States to the State.

(e) If land selected by a municipality is unsurveyed at the time of approval, the director shall survey, or may approve the municipality's survey of, the exterior boundaries of an approved selection without interior subdivision, and shall issue patent in terms of the exterior boundary survey. The cost of the survey shall be borne by the municipality. If land selected by a municipality has been surveyed at the time of its selection, the boundaries shall conform to the public land subdivisions established by the approved survey.

(f) The director may approve municipal selections of land which had been tentatively approved or patented to the state by the federal government, but he shall not issue patent to a municipality until the land has first been patented to the state.

(g) Borough selections of state land inside the boundaries of any city contained within the borough shall not be approved until each such city has received approval or patent to its entire general grant land entitlement, unless such city shall approve in writing of the borough's selection.

(h) Prior to approval of a municipal land selection, the director shall give public notice of his proposed action pursuant to AS 38.05.305 and AS 38.05.345.

(i) After approval of a selection by the director, but before patent to the municipality, the municipality may execute conditional leases and make conditional sales only with the consent of the director. Conditional sales and conditional leases made before the effective date of these regulations do not require the consent of the director.

(j) Nothing in this chapter shall affect a valid existing claim, location or entry under the laws of the state or the United States, whether for homestead, mineral, right-of-way or other purposes. Nothing in this chapter shall affect the

rights of an owner, claimant, locater or entryman to the full use and enjoyment of the land so occupied.

11 AAC _____. LAND EXCHANGES. (a) The director, with the concurrence of the commissioner, and any municipality may exchange land or interests in land when it is in the public interest.

(b) Land or interests in land exchanged under this section must be of approximately equal value, including the non-monetary value of public benefits. Exchange procedures shall comply with applicable law and municipal ordinances.

Authority: AS _____
AS _____

11 AAC _____. OTHER LAND TRANSFERS. Nothing in this chapter limits or impairs the authority of the director to transfer land to municipalities, without limit or consideration, for public purposes in accordance with AS 38.05.315. If there is a remaining entitlement of the municipality, land transferred under AS 38.05.315 shall be credited toward fulfillment of that entitlement.

Authority: AS 38.05.315
AS 38.05.035

11 AAC _____. DEFINITIONS. In secs. ___ - ___ of this chapter, unless the context otherwise requires,

(1) "approved selection" means a municipal land selection which has been approved in writing by the director for transfer by patent to a municipality;

(2) "commissioner" means the Commissioner in the Department of Natural Resources, or his designee.

(3) "director" means the director of the division of lands, Department of Natural Resources, or his designee;

(4) "eligible municipality" means a municipality which on the date of eligibility contains vacant, unappropriated unreserved state general grant land within its boundaries.

(5) "general grant land" means land patented or tentatively approved to the state from the United States under secs. 6(a) or (b) of the Alaska Statehood Act;

(6) "mental health land" means land granted under Title II, sec. 202 of P.L. 84-830, as amended;

(7) "municipal land selection" means a request by a municipality, filed in writing with the director under authority of AS 29.18.190 - .200, for vacant, unappropriated, unreserved general grant land within its municipal boundaries in partial fulfillment of its municipal entitlement;

(8) "municipality" means a home rule or general law city or organized borough of any class, and includes unified municipalities established under AS 29.68.240 - 29.78.440;

(9) "patent" means a document, issued by the director to a municipality for a previously-approved selection, which conveys the quitclaims all the right, title and interest of the state without reservation or condition except as may be required by law;

(10) "remaining entitlement" means the general grant land entitlement determined in accordance with secs. ___-___ of this chapter, reduced by the total acreage of approved selections, including both patented and unpatented parcels;

(11) "school land" means those rectangular sections 16 and 36 within each township surveyed on or before January 3, 1959, and confirmed and transferred to the State of Alaska upon its admission under sec. 6(k), Alaska Statehood Act, 72 Stat. 339; lands selected in lieu thereof; and any other land designated solely for school]ir]pses pr revenues;

(12) "university land" means all sections 33 reserved to the university under 38 Stat. 1214, as amended (48 U.S.C. 353) and all land granted to or reserved for the benefit of the university;

(13) "vacant, unappropriated, unreserved land" means general grant land as defined in (5) of this section, excluding minerals as required by sec. 6(i) of the Alaska Statehood Act, which

(A) has not been set aside by statute for one or more particular uses or purposes;

(B) has not been approved for patent to a municipality under secs. ___ - ___ of this chapter or previously under AS 29.18.190 - .200; or

(C) is unclassified or, if classified under AS 38.05.300, is classified for agricultural, grazing, commercial, industrial, private recreational, residential, utility or open-to-entry purposes.

Authority: AS 38.05.035
AS 29.18.190
AS 29.18.200

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE MINUTES

May 2, 1978

Present: Senators Hackney, Willis Sumner and Orsini; Pat Conheady, Department of Natural Resources; Jack Chenoweth, Legislative Affairs Agency; Ben Marsh, Cook Inlet Air Resources; Janet Pursley, Cook Inlet Air Resources; Karla Pursley, Cook Inlet Air Resources.

Absent: Senator Ferguson

Senate Bill 599, SCR 103 and CSHB 133 were before the Committee.

SENATE BILL 599

Jack Chenoweth, Legislative Affairs Agency, stated that since the coastal management regulations are prepared by the Coastal Policy Council and are not defined by the Coastal Management Act as part of the program, they need not be presented to the Legislature for approval. He also stated that, if the Legislature were not required to approve them, they are no more or less than any other set of regulations that are adopted by any other state agency and are therefore subject to any resolution put in by a member or by the Administrative Regulation Review Board.

Chairman Orsini stated that his interpretation of a conversation with Jack Chenoweth earlier lead him to believe that there were possible legal ramifications to adopting the resolution that formally approves the regualtions, and thereby not being able to disapprove them in the future.

Mr. Chenoweth stated that he could not say that there were no legal ramifications but the regulations are not obligated to come before the legislature for approval.

The Committee concluded that either with or without Legislative endorsement the regulations would take effect. The Committee agreed to see the Federal Coastal Zone Officials at Tursday's C&RA meeting if they were available.

CS FOR HOUSE BILL 133

Chairman Orsini stated that since other committees have insufficiently addressed the Anchorage land situation involving this bill that this Committee would have to go more deeply into it. He also stated that this version of the bill is roughly comparable to the version that came out of House C&RA with the exception of monetary possibilities and slightly changed acreages. Pat Conheady, Department of Natural Resources stated that some additions added from the House Finance Committee were still in the bill and that the most important of those was the availability of trust lands for selection. He also stated that the Department thinks this is a good provision. Mr. Conheady, stated that trust lands would enable the state in those communities which do not have suitable land to obtain their entitlement. Senator

Sumner stated that Anchorage had selected 20,000 acres of land on the basis that trust lands were not available for selection, and it wound up, in terms of usable land, with around 14,000. He expressed concern as to whether Anchorage was facing a situation similar to Kodiak's. He stated that he felt Mr. Hartig who has represented Kodiak, should come and talk to the Committee. Chairman Orsini asked Mr. Conheady if it would make any difference if the state had a law like this if the Beirne Initiative passes. Mr. Conheady replied that it would be good to have one to protect the municipalities' rights to selection land first before the Beirne Initiative.

Mr. Conheady stated that the fiscal note would be different from that of the House version of this bill because DNR is involved in the selection process in the Senate version and is not in the House version.

He also stated that the Department probably would not have the lands transferred by November but would have identified what lands they were looking at.

Chairman Orsini asked Mr. Conheady if the letter sent to Senator Tillion on April 19 outlining certain acreagea available was still valid. Mr. Conheady replied that it was. Chairman Orsini stated to Mr. Conheady that if the Committee finds reasons to believe that those figures are not valid that his credibility with this Committee will have suffered. Mr. Conheady replied that he believed the letter to be valid to the extent of his knowledge.

The meeting was adjourned at 4:00.

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE MINUTES

May 9, 1978

Present: Senators Orsini, Willis, Ferguson and Hackney; Jim Rolle, Alaska Municipal League, Mike Smith, Department of Natural Resources; Mitch Gravo, Municipality of Anchorage, Ted Berns, Municipality of Anchorage; B.A. "Bud" Dowling, Municipality of Anchorage; Ron Swanson, Department of Natural Resources; Royce Weller, Hugh Malone's Staff; Lee Sharp, City and Borough of Juneau.

Absent: Senator Sumner

The meeting was called to order at 3:15. SCS CSHB 133 was the bill before the Committee.

SCS FOR CS FOR HOUSE BILL 133

Chairman Orsini stated that the meeting was to get the correct data about land availability to make a policy decision on the bill. There was, for example, a dispute over how much acreage was available to the Municipality of Anchorage. One provision of the bill would allow, a municipality to select trust land where general land was not available. Chairman Orsini stated that he wanted to determine specifically to everyones satisfaction just what land was available and suitable for municipal expansion and utilization and also meet the various criteria involved in municipal land selection.

Chairman Orsini stated that in a letter to Senator Clem Tillion dated April 19 and a letter to Senator Orsini dated May 5 there was substantially a large difference in the total acreages available. Mike Smith, Department of Natural Resources explained that the letter of April 19 was hurriedly put together and that he basically agreed with the Municipality of Anchorage on the figure of 10,300. Acres of state-owned trust lands lying within the municipality.

Ted Berns and Bud Dowling, Municipality of Anchorage, gave a presentation with maps showing the Committee how they derived the 1,700 acres from 6,720 with the selection of being for municipal purposes. This is land they felt was appropriate for local management and control.

Mr. Berns brought out that there is presently approximately 9,000 acres that had been identified for municipal selection and stated that records indicate another 9,700 acres as available for selections on top of the TA'd and patented that the municipality already has. He state, however, that from what the municipality has been able to determine most would be land that would either not meet VUU criteria under the present bill and therefore would have to be rejected or is in the area known as the Campbell Tract (which is 5,000 of the 9,000 acres). The Municipality does not feel would be appriate to count the Campbell tract against the Anchorage entitlement, since much of the tract is under strict federal use conditions. The Municipality was also concerned that the land designated for municipal selection at Point Woronzoff was also in fact under restricted use conditions since it lay within the landing path of the Anchorage International Airport. Mr. Smith disagreed but concurred

in the need for both the State and the Municipality to look further into the matter.

Mr. Berns stated that Anchorage has, or could receive patent to about 8,400 acres under the present land selections. Mr. Smith agreed with this.

Chairman Orsini asked Mr. Berns and Mr. Smith if they agreed that construction such as the University and other types of public facilities could take place on all or part of Campbell tract. They both agreed that only about 1200/1500 acres along Tudor Road could be developed in such a way.

Chairman Orsini asked Mr. Berns if any of the 10,300 acres trust lands available would not be desirable. Mr. Berns stated that it was fair to say that most of the mental health land, or about 8,000 acres, was going to be highly desirable land. He mentioned, however, that some of this acreage was tied up in legal suits with the Eklutna Natives. He believed that about 3-4,000 acres would ultimately be available.

The outcome of acreages agreed upon by the Municipality and the Department of Natural Resources:

1,700 - VUU
4,200 - Patented Now
2,450 - TA
4 to 5,000 - Trust Land
3 to 4,000 - Tied up in Court Decisions

16,400 acres

As Anchorage reviewed it's land entitlement, Mr. Smith asked that it keep in mind that a major portion of Fort Richardson and Elmendorf AFB lands are likely to be turned over to the State sometime in the future. These lands would be extremely valuable and very suitable for municipal purposes.

Chairman Orsini stated that CSHB 133 would be brought up again Thursday and that the Committee would go into detail on the Kodiak situation.

The meeting was adjourned at 4:40 p.m.

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE MINUTES

May 11, 1978

Present: Senators Orsini, Willis and Hackney; Ronald Kuczek, Cook Inlet Air Resources Management District; Dale P. Tubbs, Kodiak Island Borough; Bob Hartig, Kodiak Island Borough; Ron Swanson, Department of Natural Resources; Mike Smith, Department of Natural Resources; Tom Hanna, Department of Environmental Conservation; Jerry Reinwand, Department of Environmental Conservation.

Absent: Senators Ferguson and Sumner

The meeting was called to order at 3:05 with CSHB 133 and CSHB 190 before the Committee.

SCS FOR CS FOR HOUSE BILL 133 (KODIAK)

Chairman Orsini summarized the land situation in Kodiak. He stated that Kodiak contends the State was negligent in transferring land to the Borough, which the Borough had received as tentatively approved land. When ANCSA was enacted, the State allowed the transfer of the tentatively approved borough land to Native corporations as part of the settlement. These lands were of prime quality and the Borough states that no other comparable lands are now available to the Borough in exchange for those it lost under ANCSA.

Bob Hartig, Representing the Kodiak Island Borough, stressed that Kodiak's concern did not center around the amount of its land entitlement, since there was sufficient acreage available, but around its quality. Kodiak would be willing to take these lands of lesser quality if it could be compensated monetarily for the prime lands the State took from it. Otherwise the Kodiak Borough would be forced to exercise its fiduciary responsibility and file suit in court challenging the State's action and ultimately calling into question not only the present municipal land selection bill but also ANCSA.

Mr. Hartig and Dale Tubbs, Kodiak Island Borough, went over maps of Kodiak island and outer islands and explained to the Committee members what lands were selected, which were top-filed and where were involved in court suits involving village selections under ANCSA.

Mr. Hartig stated that Kodiak is confident that it can obtain at least 10,000 additional acres and possibly as much as 26,000. He summed up Kodiak's land possibly land entitlement break-down as follows: 4,000 acres already in hand; 18.000 acres tied up in village selection litigation; 32,000 acres that could be selected from state-owned lands; and possibly 15,000 acres currently under Coast Guard ownership. This would bring Kodiak's maximum selection possibility to 76,000 acres.

Mr. Hartig stated that he could not over-emphasize the importance of financial compensation for the land taken by the State since it would eliminate the need to initiate litigation between Natives and non-Natives on Kodiak. He also stated that, without the provision of payment in lieu of land, Kodiak would see no need for the land selection bill.

Mike Smith, Division of Lands, Department of Natural Resources, replied that the State had no control over the enactment of ANCSA and noted that without ANCSA there would actually be 26,000 fewer acres available to Kodiak for selection. Yet Kodiak is requesting, in effect compensation for 26,000 acres when there was no guarantee that Kodiak would have received these acres if there had been no ANCSA. Mr. Smith stressed that the Governor will only agree to a maximum payment of $20 million under HB 133, and that there still remains one community in Alaska where there is not enough land, physically, to meet its municipal entitlement.

Chairman Orsini stated that the Committee would look at the bill again Tuesday on the Southeastern situation.

CS FOR HOUSE BILL 190

Jerry Reinwand, Department of Environmental Conservation, stated that the bill does two things: it gives the districts a method for seeking approval with definite time restraints and if the Department rejects it the Department would give them the reasons why the program was rejected and the districts could make the adjustments to meet the approval of the State. He stated that the Department does not have any problem with delegating authority or approving the Cook Inlet Air Resources District program but has never received an application to do this. He stated that he would be very happy to have the CIARMD run the permanent program up in the Cook Inlet area. But he stressed that he did want to make sure that the CIARMD not give away more than 50% of the air quality increment than it already has to so to allow for additional growth to take place in the Kenai area. He wanted to make sure that in issuing industry permits that the CIARMD apply tougher standards so that the 50% air quality increment could be reserved for future industrial use.

Mr. Reinwand stated that he does not see any need for the bill personally but if it is the desire of the Committee the Department would not oppose it as long as the amendments that are suggested in the letter that Commissioner Mueller sent on April 15 are incorporated.

Ronald Kuczek, Cook Inlet Air Resources Management District, stated that the district hadn't applied because it has repeatedly tried to find out what we needed in seeking approval to run its resources control program and the information that was returned to the CIARMD was never satisfactory. He also stated that the Department said on an informal basis that approval probably would not be granted because of certain programs that the district had not implemented, but neither which the state intended to carry out.

Mr. Reinwand agreed that in the past CIARMD probably had been discouraged for approval but now the Department would accept an application.

The Committee took up a proposed draft committee substitute for HB 190 which had been prepared by the CIARMD and reviewed by DEC Commissioner

Ernst Mueller in a letter to the Committee dated April 13, 1978. The proposed committee substitute was discussed in detail with Mr. Kuszek and the DEC representatives, and final language was agreed to by the DEC and the CIARMD.

Chairman Orsini stated that the bill would be drafted with the revised amendments as agreed by both the Department and CIARMD and it would then be brought back to the Committee for signature and passed out.

The meeting was adjourned at 5:20 p.m.

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE MINUTES

May 16, 1978

Present: Senators Orsini, Willis, Hackney and Sumner; Ron Swanson, Dept. of Natural Resources; Mike Smith, DNR, Division of Lands; Jack Chenoweth, Legislative Affairs Agency; Natalie Alton, Senator Rader's Staff; Royce Weller, Hugh Malone's Staff; Gerald L. Sharp, City and Borough of Juneau.

Absent: Senator Ferguson

The meeting was called to order at 3:08.

SCS FOR CS FOR HOUSE BILL 133 (SOUTHEAST)

Chairman Orsini stated that the Committee had received a letter from the Ketchikan Gateway Borough, and had not heard from Sitka, apparantly because Sitka felt satisfied with its pending entitlement.

Chairman Orsini stated that today's meeting was to try and identify what kind of land is available in the Southeast portion of the state, where severe terrain problems existed. He said that much of the land available was not suitable for development.

The members of the Committee received a hand-out from the Department of Natural Resources indicating what type of land to be selected, as well as total acreages and developable acreages for Juneau and Ketchikan. Mr. Smith explained that the hand-out was put together hastily to fill a request by Chairman Orsini for a break-down of the acreages of developable land in Southeast Alaska. He noted that only the second column of the hand-out should be used.

Lee Sharp, City Attorney for C&B of Juneau, stated that he did not concur with the figures in the hand-out. He stated that the City and Borough's inventory shows that there are approximately 12,690 acres of mental health lands in the borough but the Department's figure is 11,500, which had recently been increased from an earlier figure of just over ?,000 acres.

The Committee, Mr. Smith and Mr. Swanson reviewed the land situation in Ketchikan and Sitka. Mr. Sharp stated that Juneau would be very interested in receiving non-developable land for recreational purposes, such as Eagle Crest, in addition to developable or community settlement land. He pointed out that this could mean a substantially higher entitlement for land available.

Mr. Sharp stated that Juneau submitted to the state a suggested 65,000 acres either for local or state ownership and for local purposes. He stated that the Borough felt that about 20 to 30,000 would be high priority. Mr. Sharp also stated that Juneau had not prioritized their selection of land as of yet.

Mr. Sharp gave a brief background of how the state lands were to be divided in the three Southeastern communities. In the original version of the bill the State gave the 3 southeastern communities a total of

32,000 acres to be divided among them. At that time it was decided that 9,200 acres could go to Sitka, 9,200 to Ketchikan and 13,600 to Juneau. He stated that two things have changed since last year. The National Forest selections have been made in the Southeast, and the State has selected significantly larger acreages in the region than had been expected last year. In Wrangell and Petersburg, both much smaller communities than Juneau, Mr. Sharp noted that the State had selected 16,500 and 12,000 acres respectively. On the basis of population and future need, Mr. Sharp estimated that Juneau would require 60,000 acres but would request 24-28,000. In that respect, he noted that the 24,000 acres currently available for Juneau selection. included 6,000 top-filed acres by the Goldbelt Native Corporation. Mr. Sharp stated that there was another selection pending of approximately 15,000 acres on Gold Creek Road. He though, however, only about 9,000 would be approved. He said that most of this land is probably not developable yet it would be an additional 9,000 acres that would be available for Juneau to meet its entitlement. He stated that it is land of Borough concern because of its recreation potential and its water shed. Mr. Smith stated that the State was not sure Juneau could get this land.

Jack Chenoweth and the Committee discussed the possibility of mandating various trust lands in the bill to go directly to a municipality in trade for other equal value land as opposed to the current bill which says that the concurrence of the trust boards must be obtained before a land exchange could take place.

Chairman Orsini noted that state-owned trust lands might be made available only to those municipalities which could not fulfill their entitlements through vacant, unappropriate, unreserved state land.

Mr. Smith expressed concern that the North Slope has yet to indicate what acreage it would like. He stated that the only formal comments the North Slope has made to his knowledge was by Senator Ferguson before the Senate Resources Committee that "89,000 acres is enough for now". Chairman Orsini stated that he discussed this with Senator Ferguson and Kim Hutchinson, representing the North Slope Borough. He had asked Mr. Hutchinson if the 89,000 acres would be sufficient for the North Slope. Chairman Orsini said Mr. Hutchinson replied in Senator Ferguson's presence that 89,000 was sufficient and if the North Slope got that amount it would be satisfied.

Mr. Smith also commented that there were two sections of the bill, 201 and 202 that set out entitlement for boroughs and cities respectively. A municipality receives its land entitlement under either 201 or 202, not both. He stated that some of the language later on it the bill refers to "Sec. 201" AND "202" and suggested that it should say, "Sec. 201" OR "202".

Mr. Smith stated that the Department would like to see the Committee use the SCS for CSHB 133 as the mark-up bill.

The meeting was adjourned at 4:30.

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE MEETING

May 23, 1978

Present: Senators Orsini, Hackney, Willis and Ferguson; Tom Singer, House Permanent Fund; Pat Conheady, DNR; Annette Smith, House C&RA; Jack Chenoweth, Legislative Affairs Agency, Royce Weller, Hugh Malone's Staff; Representative Dick Eliason, Richard Engen, Division of State Libraries and Museums.

Absent: Senator Sumner

The bills before the Committee were CSHB 133, HB 766 and SB 580. The meeting was called to order at 3:08.

SENATE BILL 580

Richard Engen, Division of State Libraries and Museums, stated that this bill would increase the present grant and aid program for assistance to the Public Libraries Association throughout the state from $250 a year on a reimbursable basis to a $500 grant for purchase of library materials.

He stated that it eliminates much of the paper work now required by statute. He explained that his office has to submit invoices on a reimbursable basis and this would be eliminated through the grant provision of the bill. He also stated that the bill removes the restriction from purchasing religious materials which is in the original statutes.

Senator Hackney moved to increase the $500 grant amount to $1,000. There were no objections. Senator Hackney then moved to pass the bill out with a "DO PASS" recommendation.

HOUSE BILL 766

Chairman Orsini went through the proposed recommendations for the bill. He stated that there was a CS for increasing the $250,000 to $400,000 and adding certain conditions to the increase.

Representative Eliason stated that the bill was introduced at the request of the borough Administrator of Sitka. He stated that small contractors in rural areas and smaller communities of the state who have ample equipment and the experience to handle a number of municipal jobs are falling short of other contractors from out of the community and even out of te state because of the difficulty in establishing a bond.

Senator Ferguson moved that the Committee adopt a CS for HB 766 including the recommendations by Chairman Orsini and pass it out with "INDIVIDUAL RECOMMENDATIONS".

CS FOR HOUSE BILL 133

Jack Chenoweth, Legislative Affairs Agency, went over the proposed committee substitute for CSHB 133 and explained section by section

changes in the bill and new language that had been put into it. As a result of committee discussion, a revised work draft of the proposed committee substitute was requested.

Chairman Orsini stated that CSHB 133 would be scheduled for Committee action Thursday.

The meeting was adjourned at 4:00.

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE MEETING

May 25, 1978

Present: Senators Orsini, Willis, Hackney and Sumner; Roger Allington, City and Borough of Juneau; Stuart H. Bowdoin, Bristol Bay Borough; Phil R. Holdsworth, S.E. Conference; Richard M. Burnham, Attorney, General's Office; Floyd Johnson, Division of Emergency Services, Jim Rolle, AML; Pat Conheady, Department of Natural Resources; Jack Chenoweth, LAA; Don Berry, Municipality of Anchorage; Annette Smith, H/C&RA; Royce Weller, Hugh Malone's Staff

Absent: Senator Ferguson

The meeting was called to order at 3:04. The bills before the Committee were HB 941 and CSHB 133.

HOUSE BILL 941

Richard Burnham, Assistant Attorney General representing the State in the litigation over the Highway complex in Anchorage, stated that that agreement may not have been entered into in good faith. He moved that there was an affidavit form filed in the AG's office giving the Municipality of Anchorage notice that it was doubtful that the Commissioner of the Department of Highways had the authority to dispose of the land on which the complex is located. He also stated that the Department of Administration appraised the land in 1973 at 3 1/2 million dollars. The next spring an appraiser, presumably hired by the Municipality and approved by the Commissioner, appraised the property at 1 million dollars. It was on the second appraisal that the lease purchase agreement was made. He stated that he did not feel that this was in the best interest of the state to lose 2 1/2 million dollars between two appraisals. Senator Orsini pointed out that he was assuming the first appraisal was correct and the second appraisal incorrect.

Floyd Johnson, Division of Emergency Services, Department of Military Affairs, stated that the division would need a supplemental appropriation for rent due to the Municipality of Anchorage if this bill were to pass. He stated that the supplemental would require $92,467 and asked that the bill be amended to require the Municipality and his agency to sit down in good faith and negotiate a new 3 year rental sublease agreement. He told the Committee that his agency can get 50/50 matching monies from the federal government for construction of emergency operation center, that it would take about 2 to 3 years to get this money committed, and any relocation of his office would be complicated by the need to move the division's complex communication system. He stated that it would take around $100,000 to make a move to another location, preferably to another downtown location, even if one were available.

Don Berry, Municipality of Anchorage, supplied the Committee with a letter from the Assistant Municipal Attorney.

Senator Willis moved to pass out HB 941 with "INDIVIDUAL RECOMMENDATIONS".

CS FOR HOUSE BILL 133

Roger Allington, City and Borough of Juneau, asked the Committee to take a second look at the 13,600 acreage allotment for Juneau and restore at least the amount of 19,584 acres which came out of the Senate Resources version. He stated that the city was in need of the land specifically in Juneau because of the need to relocate persons now living in hazardous downtown slide areas. Mr. Allington noted that an allotment of 24,000 acres for Juneau would be more appropriate for the Municipality's needs.

Stuart Bowdoin, Bristol Bay Borough, stated that his borough was in support of the bill. He stated that the Borough was in dire need of the land and would take about anything that becomes available.

Phil Holdsworth, Southeastern Conference, stressed the need for Southeastern communities such as Petersburg, Wrangell and Skagway to have access to trust lands which now hem them in and restrict any future growth.

Jim Rolle, Alaska Municipal League, stated that the League does not feel that access to trust lands should be based on population and urged that cities, as well as boroughs, also be eligible for trsut lands and deficiency payments.

Pat Conheady, Department of Natural Resources, opposed the increase of the Anchorage allotment to 44,893 and referred to a letter of May 19 from the Director of the Division of Lands, Mike Smith. According to Mr. Conheady, a correct allotment figure for Anchorage would be 37,665 acres. He discussed the section of payment for land deficiency and supported the need for cities to have access to trust lands, particularly in Southeastern.

Mr. Conheady expressed concern regarding the January 1, 1980 deadline for determining land deficiency payments, the State was not sure when the 6A selections would be made and available for municipal selection.

Senator Sumner moved that the amendments be passed and pass out SCS for CSHB 133 with "INDIVIDUAL RECOMMENDATIONS".

The meeting was adjourned at 4:10 p.m.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER / 323 E. 4TH AVENUE – ANCHORAGE 99501

May 8, 1978

Senator Joe Orsini
Pouch V
Juneau, AK 99811

Dear Joe:

In response to your request the following is a list by Municipality of the amount of vacant, unappropriated, unreserved state land that existed at the time each municipality became eligible. This date is the date of incorporation or January 1, 1964, which is the date of the original passage of the Mandatory Borough Act, whichever is later.

Municipality	Date	VUU	10% VUU
Bristol Bay Borough	1/1/64	0	0
City & Borough of Juneau	1/1/64	4,148.	415
City & Borough of Sitka	1/1/64	180.	20
Fairbanks North Star Borough	1/1/64	470,136.	47,015
Haines Borough	8/29/68	1,097.	110
Kenai Peninsula Borough	1/1/64	1,402,614.	140,260
Ketchikan Gateway Borough	1/1/64	4.	0
Kodiak Island Borough	1/1/64	218,828.	21,885
Matanuska-Susitna Borough	1/1/64	3,129,271.	312,930
Municipality of Anchorage	1/1/64	16,346.	16 35
North Slope Borough	7/1/72	6,007.	605

Hopefully this information will be useful to you.

Sincerely,

Mike

MICHAEL C. T. SMITH
Assistant Commissioner

10-J2LH

WHAT SENATE RESOURCES DID TO CSHB 133 (FINANCE) am

The following municipalities had their land allotments decreased:

Municipality of Anchorage	20,865 acres (from 90,863 acres)
City and Borough of Juneau	13,600 acres (from 19,584 acres)
City and Borough of Sitka	9,200 acres (from 11,593 acres)
Bristol Bay Borough	1,940 acres (from 2,898 acres)
Haines Borough	1,080 acres (from 3,985 acres)

The following municipality had its land allotment increased:

Kodiak Island Borough	56,500 acres (from 45,200 acres)

The land allotments of the remaining municipalities were left unchanged.

Senate Resources restored paragraphs (g) and (h) of AS 29.18.204, which were stripped from the House Finance Committee version of the bill on the House floor. These two paragraphs restored to the director of the Division of Lands the authority to "consider the state's responsibilities for developing and protecting values which are of greater than local concern" and requiring the director to provide written explanation for his approval or disapproval of a municipal selection

Sec. 29.18.207 PAYMENT IN LIEU OF LAND goes into effect July 1, 1982, whereas the rest of SCS CSHB 133 would take effect immediately. This three year delay was intended to give the State the time to clear up title of ownership to presently contested lands, allowing in principle the municipalities a greater land pool to select from.

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HB
134

Alaska State Legislature

House

JUNEAU ALASKA

MEMORANDUM

TO: Chairman, Judicial Committee

FROM: Rep. Charles Parr

RE: HB 134

DATE: February 2, 1977

This bill was introduced by me. The Fairbanks North Star Borough reported difficulty in enforcing ordinances, particularly zoning ordinances. The maximum fine of $500 in the present statute proved inadequate for violations. A statement from Borough Attorney, James Nordale this date is as follows:

> John Carlson, Borough Mayor and I discussed HB 134. We would be pleased to have the whole bill passed. We are especially interested in seeing the fine increased to $1000. This should enable us the opportunity to make people adhere to the ordinances. We are not as concerned about increasing the jail sentence from 30 days to 60 days. The city might (BE INTERESTED IN INCREASING THE NUMBER OF DAYS FROM 30 TO 60) We are in support of HB 134 as it is now written.

ab

House Judiciary Committee
February 2, 1977

The meeting was called to order at 3 p.m. by Chairman, Gardiner. Members present were Gardiner, Dankworth, Eliason, Specking and Brown. Members absent were Miles and Rudd.

HB 35 Relating to Construction Contractors HB 35

Mr. Duncan testified as to the intent of this bill for which he is a sponsor. Discussion, during which questions were asked of Mr. Duncan, followed.

Sharon Andrew, Director of Occupational Licensing from the Department of Commerce, and Richard Dunham from the Alaska Dump-truckers Association, testified in support of the bill.

Mr. Specking moved that HB 35 be moved out of committee. There was no objection, so this was done.

HB 134 Penalties for Violation of a Municipal Ordinance HB 134

Mr. Parr, who is sponsor for this bill, was not here to testify, but he had provided written testimony for the committee members.

As discussion on this bill began, it became apparent that the committee did not feel that they had the necessary information to come to a decision on this bill. Mr. Specking desired to obtain information as to what types of ordinances would carry a fine of $1,000 if they were violated, i.e. "Who's going to get fined $1,000 vs. $500 and for what? Mr. Dankworth felt that it was necessary for the committee to get an opinion as to how the various municipalities feel about this bill.

It was decided that any further consideration of this bill would wait until further input had been provided to the committee.

The meeting was adjoured at 3:45.

House Judiciary
February 10, 1977

The meeting was called to order at 3 p.m. by Chairman, Gardiner. Members present were Gardiner, Miles, Rudd, Brown, Eliason and Specking. Mr. Dankworth was absent.

HB 134 Penalties for violation of a municipal ordinance HB 134

Marilyn Miller from the Municipal League was here to present a letter from Lee Sharp, Juneau City and Borough Attorney.

Several amendments were agreed upon for the bill. (Line 10: delete "knowing and willful"; Line 12: change imprisonment from "60" to "30" days.)

There was a motion to move the bill out of committee. There was no objection, so this was done.

HB 90 Estrays HB 90

Rep. Ose, who is sponsor for this bill, was here to explain the intent of the bill.

Dr. F.S. Honsinger who is the State Vetenarian with the Division of Agriculture for the Department of Natural Resources came to speak in support of the bill.

Rick Barrier testified that the Court System is basically in favor of the bill, but that it needed some "cleaning up".

The committee felt that the intent of this bill is good. However, they objected to the way the bill was written and felt that a mojor redrafting was necessary. Mr. Specking agreed to meet with Mr. Ose and a drafter to make this bill more workable.

The meeting was adjourned at 4 p.m.

THE CITY AND BOROUGH OF JUNEAU
CAPITAL OF ALASKA
155 SOUTH SEWARD ST. JUNEAU, ALASKA 99801

DATE: February 10, 1977

FILE NO.

SUBJECT: Comments on House Bill 134

Don Berry, Executive Director
Alaska Municipal League
204 Franklin Street
Juneau, Alaska 99801

Dear Don:

You had previously asked that I provide you with comments on the implications of House Bill 134 or to present my comments to the committee. I'd intended to do the latter, however, it appears now that I have a conflicting engagement. Following are off the cuff comments on the bill.

The bill makes two changes in the present statutory language. First, it raises the maximum penalty from the current $500 and/or 30 days imprisonment to $1,000 and/or 60 days imprisonment. This change needs no comment. The second change is the new requirement that would have the effect of preventing a municipality from imposing a penalty for the violation of an ordinance unless the violation were both knowing and willful. Presently, it is up to the local legislative body in adopting an ordinance to determine the level of culpability required to constitute a violation of the ordinance. The proposed bill would withdraw this authority from municipalities.

Courts very often divide punishable offenses into two basic catagories. First are those which are malum in se, that is, wrong in themselves. The second category is labeled malum prohibitum and constitutes those offenses which are statutory in origin. This latter category includes such things as parking, zoning, sanitation, and tax code violations. In the former category are the crimes involving moral turpitude, crimes which have been recognized as common law crimes or the traditional crimes which are deemed infamous and which have always included guilty knowledge as an element of the offense. Larceny and assault and battery are examples. When a statute or ordinance is silent as to whether guilty knowledge required for a conviction under a statute which prohibits acts which are malum in se, the courts impose the common law requirement of guilty knowledge which is often cast in terms of "knowing and willful." Thus, the courts have already worked out a system which requires the presence of the "knowing and willful" element for those violations

which have traditionally required such guilty knowledge. The courts also recognize that there are many violations of statutes and ordinances which are regulatory in nature and for which the state must be able to prosecute on the mere fact that the acts constituting the violation have been committed without reference to whether the person committing the violation intended to violate the law. For example, it is necessary for the municipality to be able to prosecute people who park automobiles in such a manner as to block traffic. This is not a malum in se violation but rather is one which is statutory in origin. If a person parks a vehicle in such a manner as to block traffic but does so without the knowledge that it is a violation of the ordinance or if he does so not realizing that the vehicle will be blocking traffic, such a person could not be punished under the proposed bill as it could not be shown that there was a "knowing and willful" violation of the ordinance. While a substantial part of the prosecutorial effort of some municipalities may be in the traditionally criminal area in which knowing and willful violation is an essential condition of the offense, the greater portion of the ordinances adopted by a municipality are of the malum prohibitum type which have traditionally never required the level of guilty knowledge which is an element of the traditional or common law crime. One of the effects of this bill would be to make ignorance of the law an excuse. The bill would make the prosecution of the violation of most ordinances extremely difficult, if not impossible. The bill would not change the present court-made law as it relates to prosecutions for acts which are malum in se.

There are numerous state statutes which deal with malum prohibitum acts and which do not require a "knowing and willful" violation before such acts can be punished. I am not able to discern why the state should be able to enforce its sanitation regulations without having to prove a knowing and willful violation while a municipality must prove a knowing and willful violation of its sanitation code before it can be enforced.

As to the crimes which are malum in se, many communities have adopted the Model Penal Code language. The Model Penal Code defines four different levels of culpability which are acting purposely, knowingly, recklessly, or negligently. The Model Penal Code was promulgated to overcome many of the ambiguities and outmoded concepts of the common law. Thus, a community which has turned to the Model Penal Code for guidance may have to engage in a substantial revision of its

code inasmuch as its code is based on concepts and definitions of levels of culpability which do not include "willfully."

The "knowing and willful" language in the bill will not add anything to the law as it commonly exists in the malum in se arena. It will, however, impose such a burden on municipalities and the prosecution of malum prohibitum type ordinances as to practically eliminate their enforcement. It would seem that so long as the local elected legislative body is authorized to declare what acts shall not be permissible in its community, it should not be denied the authority to establish the level of culpability required. A state mandated heart full of malice should not be the touchstone of a violation of a municipal regulatory ordinance.

GLSmmb

Very Truly Yours,

Gerald L Sharp

City and Borough Attorney

CHARLIE PARR

ALASKA LEGISLATURE

S. R. Box 50599
Fairbanks, Alaska 99701
456-5029

Pouch V
Juneau, Alaska 99811
465-3797

MEMORANDUM

TO: Senator Orsini

FROM: Representative Charles Parr CP

RE: HB 134

DATE: January 30, 1978

I introduced this bill to help solve a problem reported by the Fairbanks North Star Borough Assembly, i.e., that the existing maximum penalty for violation of a borough ordinance is insufficient deterrent. The problem is especially acute in planning and zoning areas, as a violator can make more profit than he can lose in fines.

A statement by the Borough Attorney on February 2, 1977 follows:

> John Carlson, Borough Mayor, and I discussed HB 134. We would be pleased to have the whole bill passed. We are especially interested in seeing the fine increased to $1000. This should enable us the opportunity to make people adhere to the ordinances. We are not as concerned about increasing the jail sentence from 30 days to 60 days. The city might. We are in support of HB 134 as it is now written.

The Ketchikan Gareway Borough Assembly has also endorsed the bill. A copy of the resolution is enclosed.

sg

enclosure

F. CSHB 134

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

rec'd 1-30-78

Senator Joseph Orsini, Chairman
Community and Regional Affairs Committee
Alaska State Senate

Dear Senator Orsini:

We would like to take this opportunity to support CSHB 134.

It is our belief that this act would allow more flexibility to a municipality in determining its local law enforcement programs.

Sincerely,

Tim Rolle
Executive Director

Joe:

Rep. Parris A.A called & wanted to know the status on CSHB 134 (Increase the fine from $500 to $1000 for violation of a municipal ordinance).

I told him we had this bill up for consideration once already but Rep Parr did not show up to testify on the bill, so we tabled it.

He asked if we were going to take it up again & I said I would check with you.

Paul

LM:2/14/77

Voting "yes": Hanger
Watt
Salazar
Davidson
Laurance
Elkins
Kouni
McBride
Johnson
Voting "no": Simpson
Absent: Zastrow

6 4/7 votes required for passage

Effective date: 2/22/77

K E T C H I K A N G A T E W A Y B O R O U G H

RESOLUTION NO. 248

A RESOLUTION OF THE ASSEMBLY OF THE KETCHIKAN GATEWAY BOROUGH, ALASKA, EXPRESSING TO THE LEGISLATURE OF THE STATE OF ALASKA, THE ASSEMBLY'S SUPPORT OF HOUSE BILL NO. 134, RELATING TO PENALTIES FOR VIOLATION OF A MUNICIPAL ORDINANCE; DIRECTING THE CLERK TO SEND COPIES OF THIS RESOLUTION TO THE MEMBERS OF THE ALASKA LEGISLATURE; AND ESTABLISHING AN EFFECTIVE DATE.

THE ASSEMBLY OF THE KETCHIKAN GATEWAY BOROUGH, ALASKA, RESOLVES, as follows:

Section 1. The Alaska Legislature is requested to adopt House Bill 134, "An Act relating to penalties for violation of a municipal ordinance." The Assembly fully supports increasing penalties for knowing and willful violation of ordinances.

Section 2. The Clerk is directed to send copies of this resolution to the members of the Alaska Legislature.

Section 3. This resolution is effective immediately.

ADOPTED this 22nd day of February, 1977.

BOROUGH MAYOR

ATTEST:

BOROUGH CLERK

Approved as to form:

Borough Attorney

SB 63, HB 110 & CSHB 134

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTTEE

March 22, 1977

Present: Senators Willis, Hackney, Ferguson and Sumner

Absent: Chairman Orsini

At 3:05 the hearing was begun by Vice-Chairman Willis. He asked for comments on SB 63, and Senator Ferguson moved that the bill be passed on "individual recommendation". The motion was approved and was passed out.

Vice-Chairman Willis asked for comments on HB 110, and Senator Ferguson moved that the bill be passed. There was no objection and the bill was passed out with the unanimous "do pass" vote.

CSHB 134

Committee Substitute for House Bill 134 was introduced and the Committee felt that Representative Parr, sponsor of the bill should be present to testify. Senator Sumner suggested that the bill be tabled until Rep. Parr is present. Senator Ferguson moved that the bill be tabled, and there were no objections.

Senator Sumner asked if the Committee had any objection to acting on SCR 13 and SCR 14 which was tabled after the hearing of March 15, 1977. Senator Willis stated that he felt more information was needed before action should be taken, and that it was agreed among Committee members to wait until March 29th when requested information had been received. Vice-Chairman Willis stated that he desired a better understanding of the issue.

Senator Sumner concurred with the Vice-Chairman.

The meeting was adjourned at 3:25 p.m.

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

January 31, 1978

Present: Chairman Orsini, Senators Willis, Hackney and Sumner; Jim Christopher, Alaska Wreckers Assoc. and Alaska Towers Conference; Gerald Sharp, City Borough of Juneau; Bruce Aronson, Community and Regional Affairs; Steve A. Mizera, Republican Caucus.

Absent: Senator Ferguson

The meeting was called to order by Chairman Orsini at 3:00 P.M.

CSHB 187:

Chairman Orsini noted that CSHB 187 had been before the committee last year.

James Christopher, Chairman of the Alaska Towers Conference, President of the Alaska Wreckers Association, and co-owner of Alaska Towing and Wrecking in Anchorage, testified in support of CSHB 187. Mr. Christopher pointed out that currently wrecking operators had asked the State Attorney General's Office for an opinion as to which law should be complied with and were told that it would be preferable to have the statutes changed along the lines of CSHB 187. Mr. Christopher also noted that the $1.50 daily storage fee was sent in the late 1950's and was unrealistic in view of cost increases since that time. He said that current storage charges for vehicles in Seattle were $5.00, in Portland $4.50, and in Spokane $4.00. Although no court cases have resulted so far from this situation, Mr. Christopher said that wrecking operators in Alaska were concerned that without the enactment of CSHB 187 they could be held in violation of either the statutory storage fee or the tariff set by the Alaka Transportation Commission.

Mr. Christopher asked whether language could be added to the bill that would include the contents as well as the vehicle itself as subject to liens. He stated that this was another area of legal ambiguity. Senator Hackney suggested that appropriate language to cover this situation could be added. To prevent delay, Chairman Orsini recommended that the bill be considered as written and that separate legislation be drawn up if necessary to deal with the other issues raised by Mr. Christopher. Senator Sumner commented that the hearings so far indicated to him that CSHB 187 was more properly a bill for the Commerce Committee to take up than Community and Regional Affairs. The other Committee members agreed.

Lee Sharp, representing the City and Borough of Juneau, spoke in support of CSHB 187 as drafted. He said that discussion so far had tended to confuse the statutory issue of the amount

a wrecking operator could recover on his lien with the regulatory question of the amount the public could be charged for the towing and storage of motor vehicles. CSHB 187 rightfully addressed the statutory issue and not the regulatory. He said the City and Borough of Juneau was concerned that wrecking operators were reluctant to tow and store abandoned vehicles, as requested by the municipality, because they could not statutorily recover more than $1.50 a day in storage charges from their liens. Since this resulted in a loss of money to the wreckers, the municipality was encountering difficulties in having wrecked and abandoned vehicles removed from public view.

This completed public testimony. Chairman Orsini called for a vote. CSHB 187 received 1 Do Pass and 3 No Recommendations.

CSHB 134

Chairman Orsini asked for a motion to bring CSHB 134, which had been tabled by the Committee last year, back before the Committee members. In the absence of the bill's sponsor, Representative Charles Parr, to explain the provisions and purpose of the bill, no motion was forthcoming. CSHB 134 remained tabled.

SENATE COMMUNITY & REGIONAL AFFAIRS
COMMITTEE MEETING

June 9, 1978

Present: Senators Orsini, Ferguson, Sumner and Willis

Absent: Senator Hackney

The Senate Community and Regional Affairs Committee met directly after session this day and passed out CSHB 134 with "INDIVIDUAL RECOMMENDATIONS" and CSHCR 125 am (C&RA) with a 'Letter of Intent' that passed out with "INDIVIDUAL RECOMMENDATIONS".

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Senator Joe Orsini
Chairman

CS House Bill No. 134 — Judiciary Committee-Hohman
Prime Sponsor

_____ Resolution No. ___ _

This Bill is currently in the Senate Community and Regional Affairs Committee for consideration. Your response, as prime sponsor, to the following questions will serve to hasten Committee action on this Bill.

1. What is the need for your proposed legislation; what is the goal you are trying to accomplish?

2. Are there any other viable ways of accomplishing this same goal?

3. Persons or groups you know of who are supporting the legislation.

4. Persons or groups you know of who are opposing the legislation.

5. Can you foresee any new problems that might be caused as a result of enactment of your bill?

6. What is the earliest time you would like the Senate Community and Regional Affairs Committee to consider your bill?

HB
147

CSHB 147, CSHB 188 & CSHB 84

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMUNITY

April 28, 1977

Present: Chairman Orsini, Senators Hackney, Sumner and Willis; Bruce Erinson, Dept. of C&RA; Marge Gorsuch, League of Women Voters; Patty Ann Polley, Division of Elections; and Ed Hildebrand, Elections Official.

Absent: Senator Ferguson

Chairman Orsini began the hearing with an explanation of the proposed CS for HB 147. He stated that the difference between the Committee substitute and the original bill is the clarification of the discrepancy with respect to villages having disapproving authority regarding the construction of a public project by the state as manifested in the bill. The villages do not have the authority to disapprove a public project because they are unincorporated communities. Otherwise, Senator Orsini stated, Section 1 of the bill is the same.

With regard to Sec. 2, Senator Orsini pointed out that this section pertains to the hiring of Alaska residents for construction and pre-construction projects, including engineering studies, surveys and consulting.

To emphasize the problem with the practice of hiring "outside" professionals, Senator Orsini made referen e to a memo dated Sept. 9, 1975, from the Governor to the Department Commissioners stressing his concern over the hiring of outside agencies when there are agencies within the state who can do the job.

Chairman Orsini added that he wrote to all the Commissioners a year ago asking them what their position was regarding Alaska hire, and the response was not very supportive. The Department of C&RA did provide the committee with a list of outside agencies who had entered into a contract with the Department of C&RA, the contracts consisting primarily of impact studies on the state.

Senator Orsini stated that it was his contention that the 1972 amendments to AS 36.10.010 were intended to be broader than has been interpreted by the Attorney General's Office. The intent of Sec. 2 of the SCS CSHB 147 was to insure that

contracts for services that may eventually lead to public construction, such as planning studies, impact assessments, and feasibility studies, would also be covered by the resident preference concept.

Bruce Erinson, Dept. of C&RA, provided the following for the committee to consider. He asked who would provide review of a proposed public project in a borough or city that did not have a planning commission. Chairman Orsini understood this to mean that the municipality should have some sort of review and approval if they don't have a planning commission that perhaps the Council or Assembly could act as a planning commission. Mr. Erinson suggested deleting the words "the planning commission of" on page 1, line 15. The members agreed on this change to the proposed SCS for CCHB 147. Senator Sumner moved that SCS CSHB 147 as amended pass with a "do pass". There were no objections.

Chairman Orsini then explained that HB 84 is not in the Senate CRA Committee, but in the Finance Committee. His intention is to divide the "housekeeping" changes of the election code from the controversial issue of registering on election day.

Senator Orsini asked Ed Hildebrand, Elections Official, Juneau, to testify on CSHB 188 and CSHB 84. He stated that he objected to registering and voting on the same day due to the additional cost for extra people working at the polls and because of the added confusion that would be inevitable at the polls. Senator Sumner asked how residency would be determined at the polls if registration did occur on election day. Mr. Hildebrand stated that the only way would be a challenge or question ballot, which would later be investigated before the final canvass was conducted. Senator Orsini asked how registration takes place at this time, and Mr. Hildebrand explained that when a person signs the registration certificate they are attesting to the fact that they are residents of the state. He added that the form requires the residence and mailing address of the voter, then the registration goes back to the state and goes through the registrations listing which then goes down for each precinct and is distributed out to the precinct workers. That is one of the reasons why the poll workers are chosen from the precinct so they can tell whether a person resides in that place or not.

Senator Orsini then asked for comments. He asked Mr. Hildebrand what he thought of the polls being open for another hour. He added that he had called the municipal clerk in Anchorage, and she had stated that the Municipal Association

is opposed because no matter how long the polls are open there are always people who wait until the last minute. Senator Sumner stated that whoever wants to vote can get there by 8:00.

Mr. Hildebrand also commented in regards to AS 15.13.060(c). He suggested that each candidate for municipal office file the name and address of the campaign treasurer with the commission not later than the date of filing the declaration of candidacy or his nominating petition and shall file a duplicate of the commission's filing with the municipal clerk not later than the last day on which he would file the declaration of candidacy and nominating petition. He stated that he would like to see this filing in the hands of the municipal clerk in addition to the commission.

Marge Gorsuch from the League of Women Voters then testified in regards to Section 10. She stated that the issue is not whether the name of the campaign treasurer is filed but rather if the candidate is filing his campaign financing report. The League believes there should be some mechanism for making the public aware of the non-compliance of candidates before they vote. She offered wording to this effect, but Senator Orsini stated that at this time, the Committee would not address this issue.

Ms. Gorsuch stated that she had no objection to HB 84. She felt that there should be a standard time that the polls are open throughout the state so the voter wouldn't be confused. She added that an additional hour probably wouldn't increase voter turnout, and the League of Women Voters doesn't take a strong position on this issue, but they did not want to leave the decision up to the discretion of the municipality.

The League supports the election day registration. According to Ms. Gorsuch, the voter registration system will encourage maximum voter participation. Ms. Gorsuch referred to other states who have election day registration, and used the following statistics to support the League's position: Minnesota, 68%-75% voter increase: Wisconsin, 62%-65%; and Maine, 61%-65% voter increase. She added that many people don't get around to registering otherwise.

She stated that the major critisizm against this concept is fraud. There has been no fraud in the states of Minnesota, Wisconsin, Maine or North Dakota documented. She added that there was some confusion because of heavy voter turn-out, but no fraud reported. She stated that if there was concern over fraud, then those who registered and voted on election day, could have their ballots designated as question ballots and the question ballot would be put in a separate category

to be checked and counted later. Some concern exists that this would hold up the returns of the election, but the League feels it is more important to give the people a chance to vote. She also stated that when a person registers to vote, they swear under oath that they live at their address, and could perhaps also sign an additional statement that they are voting only once and are subject to penalty if violating that statement.

She stated that in answer to Mr. Hildebrand's concerns regarding the extra cost, that a bill has been introduced, providing a subsidy which would initiate the system. The League does not feel that the extra expense is a valid objection, but that the issue is whether or not people have a right to vote.

In regards to the confusion at the polls expressed by Mr. Hildebrand, Ms. Gorsuch pointed out that at the present time, registration is going on during an election although the voter registration is not effective until 30 days hence.

Her final statement was in regards to the fraud which might occur, and she stated that they would question the validity of this argument, as opposed to the democratic right to vote.

Senator Orsini then asked Ms. Gorsuch if she attributed the percentage of voter increase in those other states totally to registration at the polls and for no other reason, and Ms. Gorsuch said she would find out for sure if there were any other possibilities for the voter increase. She added that she feels this is a very effective method and that she has been very impressed with the number of people who register at the polls even though at the present time, they cannot vote.

Senator Hackney then stated that he is not opposed to people voting but that it is so easy for people to register now, that all they have to do is exert themselves a little ahead of time, and that's not an imposition on the voter.

Regarding HB 188 and HB 84, Senator Orsini pointed out that the intent was to incorporate those proposed amendments by the Lt. Governor's Office into CSHB 188, take out the issue of the registration on election day and put that into CSHB 84.

Patty Ann Polley, Director of the Division of Elections stated that Sec. 6 of CSHB 188 could be changed by making a "sliding scale" in regards to the number of registration

officials per number of voters. She suggested perhaps three officials per 250-500 voters. She concurred with Sections 7, 8, 9 and 10 and stated that sec. 11 could perhaps state that both the voter and official could drop the ballot into the ballot box.

In regards to CSHB 84, she stated that they are opposed to registration on election day. She stated that people will put off registering until then and then confusion will certainly result at the polls. People have enough trouble now finding out which precinct to vote in, and often end up at the wrong places. They would have no way to cancel a registration from another state, so a voter could have an absentee ballot from a previous state, walk into the polls with an Alaskan drivers license that they've had for 30 days and vote. She went on to give instances of fraud and dual registration, and the time involved in investigating registration. She stated that if people register on election day, they would probably never be checked out.

Senator Orsini asked how often fraud occurs and she answered that about 100 occur per year.

(3)

DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

Out of State Contracts
FY 75 thru FY 77

FY	CONTRACTOR	DOLLAR AMOUNT	DESCRIPTION
76	Robert R. Nathan, Inc. Washington, D.C.	$ 8,846	Report on effect of Federal poverty guidelines as applied to programs in Alaska
76	The Jacobs Company Chicago	325,000	Juneau Indemnification - base year a[illegible]ss
76	The Jacobs Company Chicago	20,000	Coordination of Juneau Indemnification Assessment efforts
76	Dornbusch and Company California	35,000	Develop management guide for OCS related industrial Development study
77	The Jacobs Company Chicago	20,500	Update and reprint appraiser's Cost Manual for Alaska assessors
77	Rudolph and Peck Seattle	10,000	Design and graphics for Gulf of Alaska OCS booklet
77	Woodward, Clyde & Wright San Francisco	50,000	Study Marine facility development in Kodiak
77	Cramer, Chin & Mayo Seattle	60,000	Study OCS impact - Kodiak

of ALASKA

OFFICE OF THE GOVERNOR

TO: All Commissioners

DATE : September 9, 1975

FROM: Jay S. Hammond
Governor

SUBJECT: State Contracts

I have been receiving disturbing communications from the business community indicating a distress with what some believe to be a flagrant disregard for utilization of talent to be found within Alaska. There, of course, have been instances of contracts going to "outsiders". The current headliner is the Tourism Advertising Contract.

While there may well be justification in most if not all such instances for utilizing the services of outside agencies, I want this Administration to bend every effort to improve upon the utilization of Alaskan agencies for such contractual activities.

Specifically, this Administration is being criticized for failure of State agencies to respond to letters of inquiry regarding such contracts without even calling for bids or proposals from Alaskans.

While aware that little can be done regarding contracts already tendered, a number of members of the business community want to know how to approach the problem and "make the bureaucratics at least consider the spectrum of services that are located around the State." I am advised that some members of the business community have considered forming an association in order to combat what they feel to be a severe deficiency on the part of the State Administration.

Henceforth, I would ask that all agencies increase their diligence in responding to inquiries from within the State and bend every effort possible to utilize Alaskan talent when such is available.

JSH/mlp

02-001B (REV. 08-73)

MEMORANDUM State of Alaska

RECEIVED
Department of Law
Juneau, Alaska
APR - 1 1977
AM PM
1 2 3 4 5 6 7 8 9 10 11 12 1 2 3 4 5 6

TO: Dickerson Regan
Assistant Attorney General
AGO-Juneau

DATE: March 24, 1977

FILE NO:

TELEPHONE NO:

FROM: Hal P. Gazaway HPG
Assistant Attorney General
AGO-Anchorage

SUBJECT: CSHB No. 147
Coordination of Public
Projects With
Municipalities

The Division of Aviation has informally expressed some concern as to the applicability of CSHB No. 147. The concern expressed has been whether or not proposed AS 35.30.020 would require formal subdivision plats for the Division of Aviation lands included in state airports.

In an attempt to resolve that question I have reviewed the bill and have certain questions of my own. They are as follows:

1. The definition "public project" appears to be out of order. That definition goes from the specific to the general to the specific. Furthermore, that definition does not indicate whether or not airports are to be included in the definition of public projects. Generally they would be considered public projects.

2. This is an amendment of the title dealing with public works. But the majority of the provisions involve coordination by the Department of Highways. I would suggest a section governing coordination by the Department of Highways and a second section dealing with coordination by the Department of Public Works. Although this would be duplication of effort, it would clarify what appears to in its present form to be an incomplete amendment of the statutes. However, with the impending consolidation of the two agencies this problem might soon be mute.

3. As far as the Division of Aviation is concerned to the extent projects are constructed under the aid to developing airports program administered by the Federal Aviation Administration coordination with the municipality is presently required. See 49 U.S.C.A. 1716(c)(1), (3); (d)(1); (f)(2). The proposed bill, however, would require such coordination in those instances where the airport is not one covered by the ADAP program. However, those non ADAP projects are in

communities that do not have planning commissions and in many instances are not municipalities as such but are no more than settlements or unincorporated villages. Therefore, there would be a considerable question in those instances with whom the Division of Aviation would be required to coordinate.

4. In its present form the bill is so vague as to be meaningless as to what constitutes a public project. In the instance of airports, would a pulbic project be where (a) new airport is designed and constructed, (b) construction of a taxiway, (c) the addition of an apron, (d) the addition of a runway extension, and (e) the resurfacing of a runway. In its present form the bill does not provide guidelines as to when a project is a public project requiring such coordination. In its present form the bill would require coordination with the municipality for any project. The question is should coordination be required for example when a runway extension project or resurfacing project of the runway at Emmonuk is contemplated. The necessity of the supplemental project would far exceed any technical knowledge or expertise on the part of any municipal entity that might be in existence in that community. The requirement might well be imposed due to factors totally unknown to such community. Yet as I read the proposed bill such coordination would be mandated and possibly subject to veto by the municipality.

In practice some aspects of the statute could very well be unenforceable due to federal preemption of aviation. Were they to be applicable to airports the proposed AS 35.30.010(a) and AS 35.30.020 could be unenforceable due to federal pre-emption. The standards for airport construction are set forth in detail in 14 C.F.R. To the extent the review of a municipal planning commission or zoning ordinance conflicts with these requirements the federal regulation would probably govern. I base my conclusion on the following line of cases:

1. Federal preemption of airspace Alleghany Airlines, Inc. v. Village of Cedarhurst, 132 F.Supp. 871 (1955), 238 F.2d 812 (1956).

2. Invalidated maximum altitude ordinance American Airlines, Inc. v. City of Auborn, 297 F.Supp. 207, aff'd. 407 F.2d 1306 (969) cert. denied 396 U.S. 845 (1969).

3. Invalidated noise abatement ordiance American Airlines, Inc. v. Town of Hempstead, 272 F.Supp. 226, aff'd. 398 F.2d 369, cert. denied 393 U.S. 1017. Burbank v. Lockhead, 411 U.S. 624 (1973).

4. Regulation of navigable airspace U.S. v. New Haven, 367 F.Supp. 1338 (1973) aff'd 469 F.2d 452 (1974).

However, the issue is not that clear inasmuch as some aspects of aviation have not been preempted:

1. Entire field of air commerce not preempted Braniff Airways v. Nebraska, 347 U.S. 590; Colorado v. Continental Airlines, 372 U.S. 714.

2. Airport regulation Aircraft Owners Asso. v. New York, 305 F.Supp. 93 (1969).

3. Airport construction Windsor v. Ronan, 329 F.Supp. 1286, 1290-91 aff'd. 481 F.2d 450; Boston v. Volpe, 464 F.2d 254, 259.

4. Authority of municipality to enact ordinace banning taxing-off and landing of aircraft reorganized and not preempted by federal and state control of airspace. Garden State Farms, Inc. v. Boublis, 136 N.J. Super. 1, 343 A.2d 832 (1975).

This is not meant as an objection to the desirability of encouraging public agencies, in particular, the Department of Highways and Division of Aviation, from holding public hearings to gain input as to their projects effect upon any given community. But, merely to point out in the present form the bill does not adequately address certain problems raised by imposing such requirements upon an agency which constructs projects in communities so small as to not even have post offices. An agency whose projects are subject to detailed federal regulation. Furthermore, so many of the airport projects requiring substantial expenditures of public funds are ones which have little if any impact upon the municipality or the inhabitants of that community off of the airport. If such a bill is to be passed by the legislature, I would suggest that these questions and issues be clarified and guidelines established.

cc: Paul Wild, Chief
Lands and Leasing
Division of Aviation

Wendell P. Miller
Technical Service Coordinator
Engineering Section
Division of Aviation

Municipality of Anchorage

MEMORANDUM

DATE: February 7, 1977

TO: Ted Berns, Legal — 274-2525

FROM: Tom Nelson, Planning

SUBJECT: House Bill No. 147

This is just a brief outline of our concern over actions taken by the Alaska State Highway Department that do not comply with Municipal land use regulations such as the Zoning Ordinance and Subdivision Regulations which everyone else must and do comply with. Specific cases of Highway Department actions that have created problems and conflicts will be presented at a later date when more time is available to gather the information together.

The primary cause of most land use problems created by the Highway Department is the creation of non-conforming lots following land acquisition for additional right-of-way. In several instances the Highway Department acquired a portion of a lot or tract and left the owner with a relatively useless parcel. In doing so, resulting land use patterns are ignored. Thus, access problems develop; either normal access is shut off on the front of the lot and thence, alleys become thoroughfares, or every little non-conforming lot remaining has its own access onto the arterial being up-graded. The end result is additional traffic circulation and safety problems.

In several instances the Highway Department has split lots, but filed no plat, thus leaving no record after land was taken. Land is subdivided without filing a plat. The Highway Department may know better, but as long as they can ignore local land use regulations they'll try to get by with it.

These types of actions present problems to land owners and developers. Tax inequities result when owners are taxed for useless land, and Municipal government loses tax revenue when relief is given to the owner because of the non-conformity--all or most of which could have been prevented through adherence to local regulations. In addition, developers are severely limited by problems with access and setbacks for structures.

Another problem that has arisen in regard to highway projects is the Highway Department's source of gravel materials. They have had a practice to buy gravel from private landholders. The private landholder in that case is responsible for getting a Special Exception to extract gravel. However, the Highway Department may not always inform the landholder of that when entering an agreement for the gravel. If the Highway Department decides to extract gravel itself, it can presently do so, without any regulations on such operations. This may be a possibility in the Eagle River/Chugiak area where the Highway Department plans to utilize gravel resources for the construction of Minnesota Drive Extension. In such an instance there is no way the neighboring residents could be protected from noise, dust, traffic, or hazards from such activity.

The purpose of having Special Exceptions, platting procedures, along with all the other land use regulations is to "protect the health, safety and welfare of the public." This responsibility is entailed to the Anchorage Municipality, yet little protection can be offered from actions taken by the Highway Department.

These problems also create unnecessary and costly administration problems with requests for zone changes and variances, not to mention the litigation that has been leveled against the Municipality.

These problems will continue until the Highway Department is forced to abide by the same rules as everyone else. It is this department's firm belief that the Highway Department does not deserve to have any privilege status in regard to local land use regulations. As with other State agencies, if there is a clearly demonstrated over-riding State interest, a waiver from the local compliance requirements may be granted by the governor.

Dave Doris, a member of the Platting Board, is quite familiar with the practices of the Highway Department here in Alaska and similar problems in other states. I would suggest having him testify on this Bill. He would strongly support our stand and has indicated a willingness to help.

PUBLIC WORKS/HIGHWAY PROJECTS--PLANNING

Current Law

AS 35.10.020, as amended by the Ninth Legislature, requires that the construction of a "public works" be commenced only after consultation with municipal planning and zoning authorities and compliance with local planning and zoning ordinances. However, this statute is ambiguous in terms of its affect on highway construction projects and the Department of Highways. The construction or modification of a state highway often poses serious problems for municipal planning programs and should therefore be commenced only after consultation with local planning authorities. Of course, if an overriding state interest in a highway project is demonstrated, a state agency should possess the ability to override local planning and zoning ordinances. This, however, does not detract from the need to incorporate local planning and zoning review into the design and construction of state highway projects.

Proposed Bill

The proposed legislation would clarify the scope of AS 35.10.020 to require consultation with municipal planning authorities and compliance with local planning and zoning ordinances prior to the construction of "any building,

structure, public works, or highway project and prior to commencement of extraction activities in a municipality". In addition, the bill would maintain the state's present authority to override local planning and zoning ordinances to serve overriding state interests in construction projects.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K – STATE CAPITOL
JUNEAU 99811

April 14, 1977

Honorable Joseph Orsini
Chairman
Senate Community &
Regional Affairs

Re: CSHB No. 147 am - Coordination of Public Projects with Municipalities

Dear Chairman Orsini:

Enclosed is a memorandum sent to us by Hal Gazaway, the Assistant Attorney General who handles the legal work for the Division of Aviation, Department of Public Works.

We have compared CSHB 147 and CSHB 147 am and see that Mr. Gazaway's comments apply as well to the amended version of the bill, except the amended bill clarifies what local body need be contacted in rural locations.

Please note Mr. Gazaway's comment that the bill may be unconstitutional in part as it applies to aviation facilities.

Very truly yours,

AVRUM M. GROSS
ATTORNEY GENERAL

By: Dickerson Regan
Assistant Attorney General

DR:jeh

cc: Bud Saylors
Dept. of Public Works

TO: Joe Orsini DATE: April 13, 1977

FROM: Paul Conger RE: CSHB 147 am

Guess who I saw again, and wants us to move on a bill in our Committee, Ted Berns. Ted is quite interested in CSHB 147 am, basically because it would eliminate alot of potential lawsuits. He stated that this bill would provide that before the State could come in and start condemning alot of property for the purpose of constructing a highway, ~~that~~ they would have to check with the local planning authority to determine if this construction would cause any hardship on the municipality.

Ted relayed the following example which has prompted this bill. Approximately eight years ago when the Spenard Highway was widened in the Anchorage area, the state was condeming property right and left to provide for the expanded highway. The state condemned a substantial amount of this one property owner's land and paid him for this land. However, this individual retained a strip of property that is currently situated along the highway. The State did pay him a "remainder compensation" because this "strip" of property would be worth less because of the highway running by it.

Now, apparently, this guy wants to develop this strip adjoining the highway for commercial purposes. He applied to the city and the city rejected his request because this area in question is zoned as a residential area. Now the individual is suing the city to a tune of 1/2 million, because the city is depriving him of utilizing this land for commercial purposes.

Ted's point is that if the state would have checked with the city before they initiated buying the land, then they would have been informed that this abutting area was "residential" and they could have just gone ahead and purchased this additional strip of land from the property owner and they, the city, could have certified that this "strip" could not be used for commercial purposes and would have avoided the litigation that has arisen.

PC/js

HB
187

Ben Harding / Senate C&RA

House Judiciary
February 23, 1977

The meeting was called to order at 7 p.m. by Chairman, Gardiner. Members present were Gardiner, Dankworth, Miles, Specking, Rudd and Brown. Mr. Elaison was absent.

HB 67 Uniform Land Sale Act HB 67

Mr. Dankworth mentioned that he had heard from the Anchorage realtors that they don't necessarily go along with the offered amendments #1 and #2. In protecting them, these amendments don't really change the bill. There was some discussion about this, after which the two amendments were adopted by the committee.(Amendments proposed by the Dept. of Commerce and Econ.Dev.)

Mr. Specking moved that the bill be moved out of committee. There was one objection, but the motion carried and the bill was moved out of committee

HB 187 Liens for towing and storage of motor vehicles HB 187

Larry Veneble, from the Alaska Carriers Association, was here to testify in favor of the bill. He suggested that the committee amend the bill to illiminate the fixed charge of $1.50 per day. He also suggested that section 2 be deleted.

Following a brief discussion, Mrs. Rudd moved that sections 2 and 3 be deleted. The motion carried.

Mr. Brown moved that the bill be moved out of committee. The bill will be moved out after the committee substitute has been drafted.

HB 112 Appropriation for capital improvements within the court system HB 112

Mr. Brown suggested that the amount on line 14 be reduced to $60,000. He felt that the Finanace Committee would then reduce this figure even further. There was a motion made to this effect.

Mrs. Rudd requested that the bill include a committee report to explain that it is the committee's intent that the site selection committee's funds come out of the $60,000.

Mr. Brown moved that the bill be moved out of committee. The motion did not carry. Mr. Dankworth was especially highly opposed to the bill. A somewhat heated discussion followed. The bill was tabled until further notice.

F: CSHB 187

TO: Senator Orsini DATE: April 22, 1977

FROM: Paul Conger RE: CSHB 187

Ben Benediktsson, Managering Director, Alaska Carriers Association, Anchorage, recently came into the office to discuss CSHB 187, "An Act relating to liens for towing and storage of motor vehicles". He stated that this bill is attempting to remove a conflict that currently exists in the law.

The conflict is as follows: Presently, AS 28.10.515(a) (Towing and Storing Lien) provides that a person who is in the business of towing and storing motor vehicles can charge no more than $1.50 a day for the storage of a vehicle. In 42.10.310(a) (deals with ATC and adherence to tariffs) states that the "carrier cannot receive a greater or lesser rate for a service provided... than those specified in the tariff..." Currently the tariff that the ATC has deemed reasonable is $3 a day.

So Title 42, in compliance with the tariff ok'd by the ATC, says they cannot charge a storage fee that is any more or less than $3 a day. At the same time, Title 28 says they can charge no more than $1.50 a day.

So what this bill is doing is removing the $1.50 provision in Title 28 and making the storage fee subject to the tariff that is filed by the Carrier with the ATC. In other words, increasing the storage fee to $3 a day, an amount that the ATC says is reasonable.

Also, Benedicksson, said he would be in Juneau next week, and would check with me upon arrival, in the event that you wanted to take up this bill next week.

PC/js

1-25-78

RE CSHB 187

Ben Benediktsson, Managing Director for the Alaska Trucking Association came by to discuss CSHB 187 this morning. He gave the following background:

Alaska statutes are currently contradictory on towing and storage charges and put the wrecking operator in a Catch 22 situation.

AS 28.10.515 (a) currently allows a storage charge of $1.50 a day. This is insufficient. Washington State, for example, charges $3.50. However, the Alaska tariff schedule calls for $3.00 storage charge. When the wrecking operator attempts to sell impounded vehicles he must swear a statement out at the Division of Motor Vehicles that he followed state laws. Yet no matter which law he follows he has technically committed perjury. Benediktsson said that DMV told him the other day that they had 128 potential perjury cases on their hands.

DMV has never attempted to press perjury charges because they understand the problem, but the Alaska Trucking Association would like to clear up the ambiguity in the law by removing the reference to $1.50 storage charges and allowing the $3.50 tariff rate to stand.

According to Benediktsson, CSHB 187 is essentially a housekeeping measure to remove a potential source of vexation. (He noted in that regard that approximately 10,000 vehicles a year a towed and stored by wrecking operators in Alaska.)

He asked that when the bill comes up before the CRA committee that he be notified enough in advance to allow him to bring Jim Christopher of Alaska Towing and Wrecking in Anchorage to the committee meeting to testify as an expert witness.

Ben Harding

J 1. Joe
2. F: CSHB 187

DMV COMMENTS REGARDING CSHB 187

I spoke to Vern Roberts, Director of the Division of Motor Vehicles, regarding CSHB 187. Roberts said that DMV supported CSHB 187 since the present statutory ceiling of $1.50 per day for vehicle storage was unrealistic.

Roberts said that he had spoken with the Attorney General's Office and with the Alaska Trucking Association regarding the bill and they all supported the measure.

He pointed out that the $1.50 a day storage charge worked a genuine hardship on wrecking operators who were forced to charge less than commercial rates for automobile parking.

The removal of the statutory ceiling would allow the tariff rate to determine the charge. Roberts believed that this would mean the rate would go to around $3 a day.

He commented, however, that some objection might be raised by those who feared that large storage charges could possibly accumulate on vehicles whose owners were absent for long periods of time. As an example he cited a pipeline worker who left for a six-week assignment. Roberts believed though that such instances would constitute a very small percentage of the towing and storage operations.

Ben Harding

1-26-78

CSHB 187 & CSHB 134

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

January 31, 1978

Present: Chairman Orsini, Senators Willis, Hackney and Sumner; Jim Christopher, Alaska Wreckers Assoc. and Alaska Towers Conference; Gerald Sharp, City Borough of Juneau; Bruce Aronson, Community and Regional Affairs; Steve A. Mizera, Republican Caucus.

Absent: Senator Ferguson

The meeting was called to order by Chairman Orsini at 3:00 P.M.

CSHB 187:

Chairman Orsini noted that CSHB 187 had been before the committee last year.

James Christopher, Chairman of the Alaska Towers Conference, President of the Alaska Wreckers Association, and co-owner of Alaska Towing and Wrecking in Anchorage, testified in support of CSHB 187. Mr. Christopher pointed out that currently wrecking operators had asked the State Attorney General's Office for an opinion as to which law should be complied with and were told that it would be preferable to have the statutes changed along the lines of CSHB 187. Mr. Christopher also noted that the $1.50 daily storage fee was sent in the late 1950's and was unrealistic in view of cost increases since that time. He said that current storage charges for vehicles in Seattle were $5.00, in Portland $4.50, and in Spokane $4.00. Although no court cases have resulted so far from this situation, Mr. Christopher said that wrecking operators in Alaska were concerned that without the enactment of CSHB 187 they could be held in violation of either the statutory storage fee or the tariff set by the Alaka Transportation Commission.

Mr. Christopher asked whether anguage could be added to the bill that would include the contents as well as the vehicle itself as subject to liens. He stated that this was another area of legal ambiguity. Senator Hackney suggested that appropriate language to cover this situation could be added. To prevent delay, Chairman Orsini recommended that the bill be considered as written and that separate legislation be drawn up if necessary to deal with the other issues raised by Mr. Christopher. Senator Sumner commented that the hearings so far indicated to him that CSHB 187 was more properly a bill for the Commerce Committee to take up than Community and Regional Affairs. The other Committee members agreed.

Lee Sharp, representing the City and Borough of Juneau, spoke in support of CSHB 187 as drafted. He said that discussion so far had tended to confuse the statutory issue of the amount

a wrecking operator could recover on his lien with the regulatory question of the amount the public could be charged for the towing and storage of motor vehicles. CSHB 187 rightfully addressed the statutory issue and not the regulatory. He said the City and Borough of Juneau was concerned that wrecking operators were reluctant to tow and store abandoned vehicles, as requested by the municipality, because they could not statutorily recover more than $1.50 a day in storage charges from their liens. Since this resulted in a loss of money to the wreckers, the municipality was encountering difficulties in having wrecked and abandoned vehicles removed from public view.

This completed public testimony. Chairman Orsini called for a vote. CSHB 187 received 1 Do Pass and 3 No Recommendations.

CSHB 134

Chairman Orsini asked for a motion to bring CSHB 134, which had been tabled by the Committee last year, back before the Committee members. In the absence of the bill's sponsor, Representative Charles Parr, to explain the provisions and purpose of the bill, no motion was forthcoming. CSHB 134 remained tabled.

1/31

F: CSHB 187

~~H Col~~ CSHB 187

Mr. Christopher - Ak. Wreckers Assn (ATW in Anch)

(no pay 160 pp
to 20K/mo 9 pc.

$1.50/day per estab in early 60's - state leased land

ATC sets rates for permitted carriers - set @ $3/day

Seattle $3/day, Portland $4/day

add "wrecked" - camp trailers in accident are junk - want to get personal articles to pay bill; some true of older cars (totaled out is easy). Current practice is sale of car w/contents, but owner ~~does~~ could have legal claim

guess - is there any limit by carriers not under ATC

see sts - can do a list of legal towing, but cannot "tow for hire" between ~~the~~ two points

See Sharp problem w/ junkers?, but this is a lien bill, not a tariff bill. → to mini

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Senator Joe Orsini
Chairman

CSHouse Bill No. 187 — Judiciary-Hohman
Prime Sponsor

_____ Resolution No. _____

This Bill is currently in the Senate Community and Regional Affairs Committee for consideration. Your response, as prime sponsor, to the following questions will serve to hasten Committee action on this Bill.

1. What is the need for your proposed legislation; what is the goal you are trying to accomplish?

2. Are there any other viable ways of accomplishing this same goal?

3. Persons or groups you know of who are supporting the legislation.

4. Persons or groups you know of who are opposing the legislation.

5. Can you foresee any new problems that might be caused as a result of enactment of your bill?

6. What is the earliest time you would like the Senate Community and Regional Affairs Committee to consider your bill?

HB
188

Gen. Orcutt;

Here are copies of the remarks by A.G. Bell and the memorandum for the Department of Justice. I don't know whether they will be of any use.

T. Cole

Department of Justice

STATEMENT

OF

THE HONORABLE GRIFFIN B. BELL
ATTORNEY GENERAL OF THE UNITED STATES

BEFORE

THE HOUSE ADMINISTRATION COMMITTEE

ON

THE VOTER REGISTRATION ACT
H.R. 5400

10:00 A.M.
WEDNESDAY, APRIL 6, 1977
2318 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, D. C.

Mr. Chairman and Members of the Committee. Thank you for allowing me to appear before you today to discuss H.R. 5400, the Universal Voter Registration Act of 1977.

As you know, this piece of legislation has been introduced by the distinguished chairman of this committee and other members of the House. It is the cornerstone of the President's message to Congress on election reform which was presented on March 22nd.

The bill which is before you would provide that any person who is qualified to vote under the law of his home state could register to vote in federal general elections on election day at the polling place. The object of the legislation is to increase participation in the democratic process by making the opportunity to vote more available to all eligible citizens.

EXPANDED VOTING RIGHTS

In his message to the Congress, the President emphasized that the right to vote is the fundamental basis of our entire democratic system. He pointed out that, while our nation has greatly expanded the opportunity to vote to wider groups of Americans, we have also observed in recent years a disturbing trend toward lower levels of participation in national elections.

While voter apathy and alienation are certainly major causes of this decline, there is strong evidence that legal barriers to voter registration are also a significant source of the problem.

The restoration of citizen confidence in our system of government is a long-term task which all of us in public life have a responsibility to pursue. But removal of outmoded and unnecessary barriers to voter participation is one step we can take immediately.

I may say at this point that in my view, from the standpoint of the citizen, that is the governed against those who govern us, our greatest rights are the right to vote and the right to assemble and petition for our grievances. Today we are only addressing the right to vote.

The Department of Justice has had the responsibility of enforcing the Voting Rights Act for nearly twelve years. In that time, we have made substantial progress in extending the franchise more fairly to members of minority races, to non-English speaking Americans, to the young and to those who change their place of residence just prior to Presidential elections.

In my view, the voter registration proposal now before you is very much in the spirit of the Voting Rights Act. It is the logical next step in the historic trend toward greater democracy in America -- a trend which dates from the ratification of the 15th Amendment in 1870 and which continued with women's suffrage in 1920, the 24th Amendment on the poll tax in 1964, the original Voting Rights Act of 1965, its amendments in 1970 and 1975, the 26th Amendment in 1971 providing for the 18-year-old vote, and the Overseas Citizens Voting Rights Act of 1975.

Studies by political scientists show that the more than 70 million non-voters in our nation include disproportionment numbers of those who are less educated, less affluent, more urban, and non-white. These surveys have found that difficulties in registration are the primary problem for 20% to 25% of this huge number of non-voters.*

The most invidious result of the present voter registration system is that it imposes an extra, unnecessary obstacle which affects some segments of our population more adversely than others. We have eliminated many such obstacles in the past, and we have found that expanded opportunities for voting substantially increases the likelihood that the decisions of our leaders will be just and fair to all parts of our citizenry. The enactment of H.R. 5400 would be a major step toward removing the discrimination which still exists in our democratic system.

PROTECTION AGAINST FRAUD

Protecting the integrity of the electoral process is one the most important concerns addressed in the legislation proposed by the President and Chairman Thompson. The bill makes fraudulent registration on election day a federal felony.

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* Peter D. Hart Research Associates, Inc., Committee for the Study of the American Electorate, Curtis B. Gans, Director

It parallels the Voting Rights Act in providing a penalty of five years imprisonment, a $10,000 fine, or both, for such activity. It further provides that second and subsequent convictions are punishable by ten years imprisonment, a fine of $25,000, or both.

I want to emphasize to the committee that it would be the policy of the Department of Justice to vigorously investigate and prosecute any cases of fraudulent registration arising under the Universal Voter Registration Act. However, the experience of several states has shown that voter fraud does not increase with election day registration. Minnesota, Wisconsin, Maine, Oregon, and North Dakota all permit voting without prior registration, and none have had any convictions or otherwise verified cases of fraud.

Under the legislation before you, state and local officials would continue to maintain voter registration records as they do now. They would be able to verify registrations following election day using the methods they already employ for registrations prior to election day. They could require every registrant to show proper identification, such as a drivers license, or to provide an affidavit of a person already registered, attesting to the registrant's identity and place of residence. And, they could require each person seeking to register to sign an affidavit himself, attesting to his qualifications under criminal penalty.

No system of voting which is truly open to full and equal participation can be completely foolproof against fraud. It occurs under the present system, and some would undoubtedly take place under this approach as well. It is not a crime which is always easy to detect or prosecute. But, the question we have to address is where to strike the balance between protecting the system on the one hand and making it open to equal participation on the other. The President's bill reflects the belief that declining voter participation is a very serious national problem which calls for immediate attention. H.R. 5400 contains strong safeguards, and the record in states which use its approach is very good. I believe we can safely take this positive step to extend equally to all Americans the right and opportunity to vote.

# # #

THE DEPUTY ATTORNEY GENERAL
WASHINGTON, D.C. 20530

May 5, 1977

Honorable Howard W. Cannon
Chairman
Senate Rules & Administration Committee
United States Senate
Washington, D. C. 20510

Dear Mr. Chairman:

During my testimony yesterday before your Committee on S. 1072, Senator Griffin requested a copy of an internal April 1 memorandum commenting on the proposed testimony of Attorney General Bell on the subject of the House bill on voter registration. I was unaware of the memorandum at the time of the hearing and requested an opportunity to read the memorandum and review it before making a decision on its release.

The memorandum has been reviewed and a copy is attached for you and the members of your Committee.

I want to emphasize the strong support of the Carter Administration, the Attorney General and myself for the Voter Registration Bill, S. 1072. The attached memorandum reflects the views of one staff attorney in the Criminal Division. We do not believe that the potential for fraud in the proposed legislation is any greater than under existing laws. I believe that the greater turnout that will be encouraged by the bill and the face-to-face registration safeguards built into the bill may actually reduce the amount of fraud in Federal General Elections.

The Attorney General and I strongly support the voter registration legislation and wish to emphasize the overwhelming importance of enfranchising minorities, the poor and others with more progressive voter registration procedures for Federal General Elections.

Very truly yours,

Peter F. Flaherty

Attachment

Acting Deputy Assistant Attorney General

Criminal Division

DATE	INITIALS
DATE	INITIALS
DATE	INITIALS

REMARKS

Attached are the comments you requested on H.R. 5400. While Mr. Civiletti has not personally read the memorandum, he is aware that it emphasizes the need for the Attorney General to be aware that enactment of this legislation will probably create substantial enforcement problems for the Criminal Division. It may be that the Attorney General will consider it appropriate to make some recognition of these potential enforcement problems during the course of his testimony. Accordingly, it is suggested that a copy of the attached memorandum be made available to the staff of the Attorney General in connection with any revision of the Attorney General's proposed testimony.

DO NOT use this form as a RECORD of approvals, concurrences, disapprovals, clearances, and similar actions

(Name, org. symbol, Agency/post (Routing))	DATE
John C. Keeney Deputy Assistant Attorney General Criminal Division	4/1/77
	Room

NATIONAL FORM 31

ADOBE FORM

STANDARD FORM (REV. 7-76)

UNITED STATES GOVERNMENT

Memorandum

TO : Raymond S. Calamaro
Acting Deputy Assistant Attorney General
Office of Legislative Affairs

DATE: APR 1 1971

FROM : Benjamin R. Civiletti
Assistant Attorney General
Criminal Division

BRC:JCK:CD:mez

SUBJECT: Comments on H.R. 5400 Testimony by Attorney General

At your request, we have reviewed the testimony which the White House has apparently suggested that the Attorney General give before the House Administration Committee on April 6 during hearings on H.R. 5400. This bill is the Administration's proposal to do away with pre-election registration requirements which the vast majority of the 50 states presently impose as a prerequisite to the exercise of the federal franchise, and substitute in their place a system permitting otherwise locally-eligible electors to register at the polls on the day of an election.

I. THE BILL

We emphasize at the outset that this Division has not had any input into this bill. We have not even seen a copy of the * bill, and our comments thereon have never been sought.

The proposed legislation, from sources available to us, would appear to supercede state and local voter registration procedures with a uniform procedure applicable to all contests for Federal office. The Federal procedure under H.R. 5400 would permit an individual who is otherwise qualified to vote under the state law to register to vote at the polls on the day of an election. To prevent abuses of this relaxed registration procedure, H.R. 5400 would create a new Federal felony to punish those who wilfully or fraudulently cast ballots under its provisions, add a level of administrative sanctions to be enforced by the Federal Election Commission, and permit local poll officials to require electors seeking the franchise by virtue of these relaxed provisions either to produce some identification before being permitted to vote, or to execute affidavits attesting to the fact that they meet local voting

*A copy of the bill was provided along with the proposed testimony. BRC 4/1

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

requirements.

If these preconditions are met, H.R. 5400 would require local voting officials to extend the federal franchise notwithstanding an elector's failure to comply with state registration laws.

II. THE PROPOSED TESTIMONY

The testimony which it is suggested the Attorney General give on this bill is highly comendatory of its purpose of facilitating the exercise of the franchise, critical of present state registration laws as "outmoded and unnecessary", and strongly in favor of H.R. 5400's enactment.

III. DISCUSSION

Personally, based on our enforcement experience in the election law field, I do not share these observations and conclusions. I oppose the concept embodied in H.R. 5400 as a dangerous relaxation of what precious few safeguards presently exist against abuse of the franchise. Most certainly, I would not recommend that the Attorney General support this legislation in the proposed glowing terms without expressing some caveats based on enforcement experience.

A. Function of Pre-registration

Voter registration statutes presently on the books of the vast majority of the states usually require that a prospective voter present himself at the appropriate registration office at least 30 days prior to the election in which he wishes to vote, and there provide pertinent data concerning himself and his residence in the election district. He is also customarily required to provide information about where he may have been registered to vote previously to enable the prior registration to be purged before the new one becomes effective, and to provide a sample of his signature which can be used at the polls during the election as a control to assure that the registrant and the person who seeks to vote in his name are the same person.

These requirements serve at least two critical functions in preserving the integrity of our elective system:

First, the fact that a prospective voter is required to appear in person and to provide pertinent information about his qualification to vote at least 30 days before an election provides local election officials with ample time to check the veracity of his claim to the franchise, to assure that previous registrations he may have had are voided before the election takes place. This in turn insures that a registrant is indeed qualified to vote in the place where he is seeking the franchise, and that he is permitted only to vote in that one place. Secondly, by providing for a "control" sample of the registrant's signature, registration laws enable many states to protect themselves against vote fraud by additionally requiring a voter to sign a roster at the polling station itself. The signature which the registrant executes on election day at the polls can easily be checked against the control on his permanent voter registration card, which in many places is the sole viable method of insuring that the person seeking to vote is indeed the same person whose registration the local election board has previously approved and accepted.

B. Effect of Repeal of Pre-registration Laws

Abolition of pre-election registration will, for all intents and purposes, prevent the states from protecting themselves against individuals who may seek to vote at several locations where they are known (a factor which becomes all the more critical with the continuing increase in the mobility of our population), as well as prevent them from assuring that a voter is indeed qualified to vote before he casts his ballot. At the same time, the elimination of the "control" signature which usually appears on a voter registration card will deprive precinct officials of an objective standard by which to judge the qualifications of persons presenting themselves to vote, while at the same time making proof of election fraud in a criminal case substantially more difficult.

In this latter regard, this Division has had substantial experience over the years in prosecuting election fraud cases under applicable Federal statutes presently on the books. This in turn has demonstrated to us graphically the importance of having a pre-registration and verified "control" signature against which to compare the signature of individuals presenting themselves to vote at the polls on election day. On the basis of such comparisons, 25 election officials have been indicted during the past few weeks in the Eastern District of Louisiana for forging the signatures of "no-shows" on the election day rosters which Louisiana law requires voters sign before they obtain a ballot. Similar comparisons between "controls" and the signatures appearing on election day rosters have long been used as the principal method of proving election fraud cases in Chicago, Illinois.

C. H.R. 5400's Alternative Safeguards

In the place of the protection which pre-election registration provides as a guard against election fraud, H.R. 5400 offers four purported safeguards. We feel that all are inadequate.

The requirement that persons seeking to vote without prior registration, produce some form of identification at the polls, or perhaps swear to the factual predicate for the franchise under local law, is essentially meaningless. Even with the pre-election registration which most states require today, election fraud is widespread in both State and Federal elections. With the stakes as high as the power of the elective offices in dispute, it would not be unreasonable that those bent on corrupting the system would be able to find false identification, and would be willing to lie on whatever affidavits they are asked to sign. Moreover, once possessed with what we suggest is easily obtained false identification, a person could successfully wander from precinct to precinct and cast as many ballots as he dares on election day, with election officials being powerless to stop him provided he was willing to execute the required affidavit. Even assuming that subsequent inquiry was able to establish that such an individual used the relaxed procedures accorded by H.R. 5400 to defraud his fellow citizens of an election fairly conducted on the "one man-one vote" principle,

the fraudulent votes would have already have been cast and the damage done, to the detriment of the precious balance on which our democratic elective system is based.

The addition of a new Federal felony which specifically provides for fairly serious penalties for those persons who would seek to abuse the lenient provisions of H.R. 5400 are of little foreseeable help. Federal law presently contains numerous statutes, most of which are felonies, directed at protecting the system against voter fraud. Under 18 U.S.C. 241, it is a ten year felony to conspire to stuff ballot boxes or to commit other varieties of election frauds directed at depriving the public of a fair and impartial election, U.S. v. Classic, 313 U.S. 299 (1941). This Section has recently been extended to include election frauds directed at corrupting only State or local elections, where the defendants involved are themselves election officials of some sort, U.S. v. Anderson, 481 F.2d 685 (4th Cir., 1974). Under 18 U.S.C. 242 it is a misdemeanor to deprive the electorate of a fairly-conducted election under color of official right; under 42 U.S.C. 1973(i)(c), it is a 5 year felony to provide certain types of false information concerning one's residence to a voter registrar for the purpose of qualifying to vote in an election where Federal candidates will be on the ballot; and under 42 U.S.C. 1973(i)(e), which was enacted last year, it is a 5 year felony to vote more than once in an election where there are Federal candidates on the ballot. This impressive stable of statutes has been the source of numerous prosecutions lately, especially in states like Illinois and Louisiana where State laws require voters not only to pre-register but also to sign rosters at the polls. At the present time, the Criminal Division has active investigations involving this sort of offense before grand juries in Tennessee, Illinois, Louisiana, and Virginia. Complaints involving isolated instances of fraudulent registrations and multiple votes have been so numerous since 42 U.S.C. 1973(i)(c) and 1973(i)(e) were enacted that the Division has had to routinely defer such matters to the States, all of which to our knowledge have their own extensive and intricate network of criminal statutes which seek to protect against election irregularities. Clearly, if all of these statutes, many of which carry substantial penalties, have been unsuccessful in deterring those bent on corrupting the elective system through vote fraud, one more such statute will

not help much. Quite the contrary, our not insubstantial experience in this area has demonstrated that the type of person who is most apt to commit election fraud feels that he is "above" the system, that he will not be caught or punished, and is thus not deterred in the slightest by the presence on the books of facially awesome criminal statutes.

IV. THE FEDERAL ELECTION COMMISSION DOES NOT BELONG IN THE ENFORCEMENT MACHINERY OF LEGISLATION UNDER H.R. 5400

I feel that anyone who seeks to corrupt our democratic system in this manner should be subject to anything short of criminal prosecution. Also, I have reservations as to whether the subject of ballot security and election fraud falls logically within the FEC's present mandate over the financial disclosure provisions of the Federal Election Campaign Act. Moreover, the FEC's small and underfinanced staff is singularly ill-equipped to take on the awesome responsibilities for the preservation of ballot security which H.R. 5400 contemplates for it. And finally, the parallel civil and criminal proceedings which are bound to arise from the efforts of FEC and this Division to simultaneously fulfill our respective enforcement mandates under the Act are bound to create conflicts which will prove detrimental to overall law enforcement in this critical area.

V. CONCLUSION

While we naturally support the fundamental objective of making it easier for citizens to exercise their federal franchise, we would have preferred that a method be devised which would minimize the opportunity for electoral fraud while at the same time maximizing the opportunity for citizen participation in the electoral process. If we had more opportunity for consideration of the general concept and, particularly H.R. 5400, presumably we could make some more constructive comments. Having received this package yesterday afternoon without even a copy of the bill, we have done our best to indicate some of our concerns. I assume that the Administration as a matter of policy is going to support the concept embodied in H.R. 5400. However, if the Attorney General testifies on this bill, he should, in my judgment, qualify his support thereof with the caveat that despite the favorable experience in several states, the experience of the Criminal Division in enforcing the federal election laws indicates that there is a tremendous potential for fraud in H.R. 5400.

State of Minnesota

OFFICE OF THE SECRETARY OF STATE

St. Paul 55155

JOAN ANDERSON GROWE
Secretary of State

MARK WINKLER
Deputy Secretary of State

180 STATE OFFICE BUILDING
Corporation Division 612/296-2803
UCC Division 612/296-2434
Election Division 612/296-2805
Office of the Secretary 612/296-3266
Office of Deputy Secy. 612/296-2309

April 12, 1977

Terry - FYI
Maybe you could
draft some response
for LT? KEW 4/12

The Honorable Lowell Thomas, Jr.
Lt. Governor
State Capitol
Juneau, Alaska 99802

Dear Secretary Thomas:

I recently received a letter from Secretary of State James Kirkpatrick of Missouri, in which he asked for information regarding Minnesota's experience with election day registration. Anticipating that you might find the facts I sent to Secretary Kirkpatrick useful in your consideration of the proposed federal election registration legislation, I am taking the liberty of sending you some information about our voter registration process.

The Minnesota system functions in the following way: There is a registration deadline of twenty days before each election, giving the registration office time to process the registration cards and to prepare the card files for delivery to the polling places. On election day, however, any eligible voter may register at the polling place by offering an authorized proof of residence.

In the Minnesota Statewide election of 1974, twenty percent of those who voted registered on election day. Last November Minnesota ranked first in the nation with over seventy-four percent voter turnout. Of those 1,978,590 voters, twenty-three percent registered on election day.

Our philosophy in Minnesota is that voting is a right, and that the government should assist the voter to guarantee that right. The present voter registration system in Minnesota has been working since it was enacted in 1973. I believe that it can and will work at the federal level.

I am enclosing information about our voter registration system. Also enclosed are a copy of the Minnesota Voter Registration Manual 1976, a copy of the Rules of the Secretary of State for Voter Registration, and a voter registration card.

My office will be happy to answer any questions you might have and to work with you on the federal registration proposal.

Sincerely yours,

Joan Anderson Growe
Secretary Of State

JAG:pak

1. What proofs of residence are authorized on election day?

1. Minnesota Driver's License
2. Minnesota State-Issued Identification Card, which we call a Nonqualification Certificate which is issued to people who don't drive
3. A form we call Notice of Incomplete Registration which is mailed from the registration office
4. A registration in the same precinct, but at a different address, for the same person
5. And by having another registered voter in the same precinct vouch for the voter who is registering

2. What happens during the 20 days between the postcard-registration cutoff and election day?

The mandatory cutoff is 20 days prior to the election. During the time between the cutoff date and election day, new applications are checked and card files brought up to date in preparation for their delivery to the polling places. Applicants who attempt to register in person are informed of the location of their polling place and told they may register there on election day. The law does not specify that practice, but my office recommends it. The Rules of the Secretary of State deal with applicants who attempt to register by mail during that time. The registration office is to mail the applicant a notice of ineffective registration explaining that the deadline prevented the registration from being accepted, giving the location of the applicant's polling place and election day registration procedures, and instructing the voter that the notice of ineffective registration serves as a means of identification for registering on election day (Sec Stat 505).

3. How is election day registration handled by election judges?

Minnesota has approximately 4,000 precincts. State law has long required a minimum of three election judges per precinct.

In the 1974 state-wide elections, extra judges were used in many precincts throughout Minnesota. The State of Minnesota reimbursed local election jurisdictions for the expenses incurred to implement the 1973 voter registration law, which included provision for reimbursement of the cost of additional judges. Before that date, many counties had no system of permanent registration; almost half of Minnesota's voters in effect registered on election day by stating their names and addresses to the election judges at the polling place.

By 1976, there was no longer a provision for reimbursement, but many jurisdictions continued to use one or two supplementary judges to facilitate the election day registration process. Minnesota Law provides that the judge who registers a voter on election day shall not also hand to or receive from, that voter his or her ballot. According to election law, judges may rotate in performance of the required tasks during their hours of service (M.S. 201.061 subdivision 4)

4. Have there been instances of duplicate registrations or fraudulent voting?

Of the nearly 2,000,000 voters who cast their ballots on election day, only one or two instances of duplicate registration have been called to our attention, and they are currently under investigation.

No cases of fraudulent registration have been proven since the enactment of the 1973 Minnesota Voter Registration Act.

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2525

OFFICE OF THE CLERK

April 29, 1977

Senator Joseph L. Orsini
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

You asked for comment on HB 84, Polling Place Hours and on CSCSHB188, Pertaining to Voter Registration and Procedures, and I offer those comments here.

HB 84, Polling Place Hours

I am in support of this bill, as is the Alaska Association of Municipal Clerks, although past experience says that it will not cure the voter apathy problem in Alaska. Polling place hours are not the reason for the apathy. The bill provides for local option on closure of the polls but what will happen, as a matter of fact, is that the majority of municipalities in the State will keep the same poll hours as the State. To do otherwise, particularly in State election years, would be total confusion for the voter. The local option should remain in the bill, however, because there are municipalities in the State which are very, very small and can make good use of the shorter polling hours.

If you are interested, past performance of voters and surveys conducted indicate that the heaviest voting hours are from 5:00 p. m. to 7:00 p. m. on election day. Voting is extremely light thoughout the morning and even into the noon hour. It begins to increase in the late afternoon, peaking from 5 to 7. The vast majority of voters go to the polls on their way home from work. Once home and having eaten dinner, they generally do not go out to vote. The comment received from the voters is that they try to take care of all business type of errands (which includes voting) prior to going home for the evening. Working husbands with non-working wives will generally go home, pick up the family, go to the polls and then return home for supper and bedding down of the children.

Neither AAMC nor myself have any real problem with this bill; but we definitely feel that it is a false attempt to increase voter turnout. If the bill passes, you can be assured that we will once again start charting voter turnout and questioning voters so that we may have more information for you at a later date.

CSCSHB 188, Voter Registration and Procedures

I would first like to address some of the smaller issues, or housekeeping amendments of the bill:

AS 15.05.020(10) - (page 1, beginning on line 24) "Upon furnishing evidence of change of address . . ."

The voter should be able to change his address by telephone; after all, you can change your utilities, subscriptions, etc. by phone. The problem arises with a prankster calling in to the State office and changing the address of someone other than himself - perhaps a potential candidate. That puts the candidate, when he goes to file for office and is unaware of the prank, in a very questionable (and angry?) position. It also puts those of us who must administer elections in a very untenable position. I have had occassion in the past, as have almost all election administrators, to question the residence of a candidate. With nothing in writing, no signature by the person involved under any kind of oath, there is no evidence for a case by the administrator and it leaves things rather nebulous for the candidate. If I had my druthers, I would allow change of address by telephone, but for protection of all involved, public and administrators, I would require that that change be backed up in writing - either a change of address form, or a letter - both of which are now accepted by the State.

Sec. 10, AS 15.07.090(d) - (page 3, beginning on line 22) "Before counting the ballot the Lt. Gov. or his representative . . ."

I am speaking to this sentence, but to (2) "has resided in the election district for 30 days" in particular. This ties into the question of election day registration somewhat. There is no way that this can be ascertained by any election official without delaying the canvass and certification of an election for a long period of time. The only way to prove that a voter has lived in his election district for 30 days when you allow voter registration and voting at the polls is by pulling utility records for the address given or requiring rent receipts for the previous 30 days to be presented at the polls. How many voters will bring rent receipts or cancelled house payment checks to the polls? With pre-registration 30 days before an election there is some assurance that the voter is indeed living at that address and will continue to do so for 30 days. And where there is doubt, there is enough time prior to the election for the election official to request rent receipts or have utility records pulled. No so with election day registration and voting.

Section 11, AS 15.07.100 (page 4, beginning on line 6) "The Lt. Gov. shall grant requests . . . "

My comment would be, and you'll have to pardon it, that this is ridiculous. If each party is entitled to 5 registrars and a precinct has 300 voters, the appointment of 10 registrars for that precinct would be one registrar for every 30 voters. They would be tripping all over themselves and the State would be receiving double and triple registrations on the same people - all the while paying the registrars 50¢ for each of these unnecessary registrations. The State now has double and triple registrations in precincts where there are only 2 or 3 registrars, much less 10.

A secondary problem in this section is the mandatory "Lt. Governor shall". This should be permissive and should be changed to "may". From a municipal standpoint, we watch registrars come and go. They get involved in party disputes in the precinct and register everything in sight, including the telephone polls. It does nothing for cleanness of the rolls. I have seen incompetent registrars who do not complete registration forms correctly, mail them in too late to get on the rolls for the election even though they were registered in plenty of time, etc. This is where the Lt. Governor

should have discretion not to appoint. The people who are registering voters should be able to do the job and do it correctly - the same as anyone else who works at anything. If they are not doing to job, they should not be appointed or their appointment should be revoked because the damage they do is not to the voter registration system or to us who administer elections - but to the individual voter - the guy that is interested in going to the polls and voting but because of an incompetent finds that his vote is not counted or finds he must vote a challenge ballot even though he signed his voter registration form six months previously. Give the Lt. Governor the discretion not to appoint and raise the precinct voter level, if you insist on keeping this provision in, to a minimum of 500 voters. If you will read the existing 15.07.100 I think you will find this is more than adequate as it permits the Lt. Governor to appoint as many registrars as there are voters in a precinct.

Now, relative to the major question of registration and voting at the polls on election day, may I offer the following:

1.) If passed, registration and voting on election day will increase the number of questioned ballots in an election. This, in turn will mean a longer time for canvass of the election and certification of those elected.

2.) Expenses will increase for the greater number of materials that will have to be provided for each precinct.

3.) Voting will slow down as there will be more persons, presumably, that will have to fill out the questioned ballot. During heavy voting hours you are talking about a definite clog in the precinct and angry voters.

4.) Election day registration means no incentive for registration at any other time of the year. If one is allowed to register and vote at the polls and have his vote counted, there is no reason for him to take any time or effort during any other part of the year to register ahead of time.

5.) By allowing someone to register and vote on election day in a precinct or district other than his own (page 3, beginning on line 26) you are providing no incentive for anyone to vote in his correct precinct. If I get off work at 5:00 p. m. and want to do some shopping downtown or go to a show; rather than going all the way out to my correct precinct and casting my ballot, I will trot right outside my office door and vote a challenged ballot in the precinct that uses this building as its polling place. My areawide candidates and propositions will be counted, unless I am unduly concerned about by own area candidates, what the hell?

This, however, does not remain true for municipal elections. Our elections are much more sectionalized - with service areas, Assembly candidates, sectional issues - much more so than the State. In some instances, we would not be able to count the ballot of the voter who votes in other thar his correct precinct. We would not be able to count <u>any</u> part of that ballot because in order to do so we would have to identify the voter, look at his particular ballots to decide what he was entitled to vote on and then separate those from the ones he was not entitled to. That's voter identification and

ballot identification and that's not legal.

6.) Voter fraud would be much easier. I could vote in my own precinct under my own name, unquestioned. Then I can drive to any other precinct in town, register under a slightly different name and vote a questioned ballot. The State will never catch me because between the time of the election and canvass of the election it will be impossible for them to determine if Mary R. Swank does live at that second address - unless they pull utility records and they don't have the time to do that. The same holds true for me voting at least once in Anchorage and then driving to Palmer or any other election district and casting another ballot. All of my ballots will be counted because there is no way for the election office to determine that I do not live wherever I say I live.

7.) Not only is #6 above possible, what's to stop me from this situation? I am registered in my own precinct. But I know that the candidate I favor, in a municipal or state election, is going to win by a landslide, so I'm not really concerned about the race. But I am very much concerned about the Assembly or State House race in another district - it's much more hotly contested and much closer. I support one of those candidates. Since I can register and vote on election day, I choose not to vote in my own precinct, but I again trot across town and register (saying, if necessary (and it's not necessary), that I have moved and haven't filed a change of address. I register, vote for the candidate I'm concerned about and my ballot is counted. If I'm really smart, I get a whole group of friends to do the same thing. My candidate wins or at least picks up enough votes to get him through the primary. No way will I be caught.

8.) In order to avoid #6 and #7 above, you are talking about requiring rent receipts. A driver's license is not sufficient. Most people do not change their address on their driver's license when they move. They change only those things which immediately affect them, i.e. mail. I, at least, in administering municipal elections and because of the sectionalized nature of my ballot issues, would require something other than a driver's license. And I would have one hell of a lot of mad voters on my neck - but it would be the only way I could protect the integrity of my election. And it would be the only way that I could ever certify that that election was valid. To require no proof or just a driver's license would most certainly mean that I could not and would not certify that election as valid.

9.) The purpose of the bill, as I see it, is to increase voter participation and make it as easy as possible to vote. This I see nothing wrong with. I think the method, however, is incorrect. If you look at some of the states which have this voter registration system you will find that Wisconsin voter participation increased only 3%. Maine increased only 4%. And when you talk about the increase in voter turnout, keep in mind that with that 3 or 4% increase you are also talking bout increased costs - of materials, of women to canvass, of staff time.

10.) I have spoken with officials (municipal) in Wisconsin and Minnesota. They have experienced voter fraud. They have experienced attempted voter fraud. In smaller communities, it is much easier to catch because everyone knows everyone else. In large communities it is

much harder to catch and even more difficult to document with the allowance of registration and voting on election day.

11.) Most of the small communities in Alaska, from discussions at Municipal League meetings, would probably not favor this legislation. They still want 3 year residency requirements for their candidates - and in some cases, even though its unconstitutional, they have maintained that residency requirement. At least 3 communities do not want to let 18 year olds run for municipal office - they want an age limit of 20 or 21. Sound impossible? Maybe so, but it's true. From discussions on subjects like these, I really doubt if this bill has much support from the smaller areas.

As you can see, I am not in support of the concept of voter registration and voting on election day. I see a multitude of problems. Neither, however, do I wished to be classed as an obstructionist. In thinking this bill over, what appeals to me most is a trial run if the bill is indeed going to be passed. If Anchorage could be used as a test for this procedure we (the Legislature, public and election officials) would at least have some idea of how it would work, what the impact would be, what the cost would be. I would be willing to volunteer Anchorage as a test for our fall election, but have a question as to the legality of Anchorage, for only that time, having different registration and voter requirements than the rest of the State. If the idea appeals to you, however, perhaps you could inquire about it of the Attorney General. That at least would give us some idea of what we are dealing with.

In closing I can only add one comment, and I mean no slight: You (the Legislature) only see elections from the point of the candidate and the public official - getting as many constituents and supporters out to vote as possible. Those of us dealing with elections on a daily basis know what goes into an election; what takes place between the legislative body placing an issue on the ballot and certification of that election - and what takes place is a myriad of detailed and arduous work, all of which must conform to the law. You, or the public, are the people who sue us, the election officials. We are the people who must deal with those suits. We must bring the democratic election process to fruition and we must be absolutely sure, in every detail, that we are complying with the law. It is not nearly as easy as it sounds - most people who go to work in any kind of an office which administers election are amazed at the process and their general comment is that they had not idea, before, how the ballots got from the legislative body to the polling place - they had just taken it for granted that God, or someone, sent them down on election day. Please take the mechanics into consideration.

I apologize for the length of this letter - but it's a subject near and dear to my heart. I do appreciate the opportunity to comment and, even more, appreciate the request for comment from a member of the Legislature instead of me providing the unsolicited comment. If I can be of help in answering questions, on policy or procedure as concerns this bill, or in clarifying any of my comments, please let me know. I would be most happy to do so . I do not, nor would not, intend to answer those questions in an adversary manner - but simply to provide information from someone who has some expertise in the election process and knows the ins and outs of the mechanics of the system.

Again, my thanks for your concern.

Mary Coffey
Municipal Clerk

STATE
of ALASKA

MEMORANDUM

OFFICE OF THE LIEUTENANT GOVERNOR

TO: Senator Joe Orsini
Chairman
Community and Regional Affairs
Committee

DATE : May 2, 1977

FROM: Lowell Thomas, Jr.
Lieutenant Governor

SUBJECT: Bill Analysis of SCS CSHB 188
(C & RA)

As you requested the following is a section by section analysis of Senate CS for CS for House Bill No. 188 (C&RA):

Sec. 1 AS 15.05.015 The U.S. Congress provided that overseas voters may register and vote in their last state of residence prior to their departure for overseas. The overseas citizen must meet all statutory requirements to register to vote. This section is added to bring Alaska into compliance with the Federal law. (Senate Rules version has this)

General Comment

Sec. 2-5 The reason for the changes in these sections is to allow persons to register at any time throughout the year. Currently registration is closed thirty days prior to the election. The voter will not be able to vote unless 30 days have passed after registering though he will be able to register within the 30 day period just before the election.

Sec. 2 AS 15.15.020(10)--Specific Comment: This section permits a person who is already a registered voter and has a card with his signature on file to change his address over the phone. Elections personnel can authenticate if the caller is the person requesting the change by obtaining the caller's voter number, birth date, time of residence in the State, etc. Any person who could not provide satisfactory information would not have their voter registration records changed through the phone call. If there was any doubt, a signed card would have to be submitted. (Senate Rules version has this)

Sec. 3 AS 15.07.030--Specific Comment: This section adds the words "subsequent" for "succeeding" and includes "special" elections. (Also in Senate Rules version with language permitting registration and voting on election day)

Sec. 4 AS 15.07.040 --Specific Comment: This language maintains that a voter can not vote until 30 days after registering. (Senate Rules provides for registering and voting on election day)

Sec. 5 AS 15.07.070(d)--Specific Comment: Allows registration throughout the year. (Senate Rules version would allow registration and voting on election day)

Sec. 6 AS 15.07.100 This proposed language provides for appointment of additional registration officials for precincts. It also provides that the number of officials be related to the number of registered voters. (Senate Rules version provides slightly different approach)

Sec. 7 AS 15.07.115 This new section provides for the appointment of temporary registrars beginning 150 days prior to a general election. These registrars will be compensated at the same pay rate as other registration officials. (Senate Rules version has this)

Sec. 8 AS 15.07.130(b) This section changes the length of time from four to two years for retaining a voter on the master voter list if he has not voted. If a person does not vote once every two years, elections personnel notifies him/her of their intent to remove his/her name from the list of registered voters. If the notification is not returned by the voter within 90 days, his/her voter registration is cancelled. This procedure works well as voters do respond to the notification they receive. This would also assist in keeping voter lists up to date. (The change from a 4 to a 2 year purge is not in Senate Rules bill)

Sec. 9 AS 15.07.140 This section contains housekeeping revision as it adds the words "special election" and clarifies who makes a request to the lieutenant governor for lists of registered voters in a municipality.

Sec. 10 AS 15.13.060(c) This section extends the time of filing a campaign treasurer's name and address. It requires that the name and address of the campaign treasurer be filed with the lieutenant governor by candidates for state elective office within 15 days after the date for filing a declaration of candidacy or nominating petition. In 1976 problems occurred with three candidates whose campaign treasurers' names and addresses were not received as required by law. This conforms with the proposal to allow extra time for candidates to file conflict of interest statements. Legal action followed in all three cases.

Some municipal clerks believe that problems may arise with allowing 7 days for the treasurer's name to be filed by candidates for municipal elections. (Senate Rules version contains this also)

Sec. 11 AS 15.13.100 This provision permits candidates to receive and expend contributions prior to filing for nomination and requires that such expenditures be included in the first report required. (Requested by Executive Director of APOC. Not in Senate Rules version)

Sec. 13 AS 15.15.260 The changes in this section allow for either the voter or the election judge to deposit the ballot in the ballot box after removal of the numbered stub. (Senate Rules version has different approach)

Sec. 14 AS 15.15.330 This section is revised to allow for an early count of the punch card ballots. In particular, we hope to use this procedure in the Anchorage area (Election Districts 7 - 12) for the 1978 election. Unless this section is changed, we would be unable to allow the early pick up and counting of the ballots. This change is requested as a result of the experiences of the 1976 general election. There was a large turn-out of registered voters on election day and voters had several ballot cards to punch. Ballot pick-up after 2:00 PM would allow a portion of the ballots to be counted prior to the closing of the polls. At that time the remaining ballots would be brought into the computer centers and counted. Language is included so that those voters in line when the polls close would not learn election results. (Senate Rules version has indentical language)

Secs. 15 & 16 AS 15.20.140 & 150 These sections have been rewritten in SB 207 in order to differentiate between marking an absentee ballot and returning the ballot. Under current law (15.20.150) a technical problem exists in that a person who requests and receives an absentee ballot by personal representative or by mail has to return it by personal representative or by mail. This language (originally from SB 207) allows the absentee voter to return the ballot in person. Under current law this option does not exist if the ballot is received by mail or personal representative. Problems have occurred relating to postmarks on ballots. Many places--pipeline camps, isolated villages logging camps, etc.--do not have post offices, therefore, voters are unable to postmark their ballots on election day. With this change in the law, an affidavit can be provided so that a voter will not have to have the envelope postmarked. A provision is also included that any ballot that is received before 4:00 PM of the eighth day following the election must be counted. Any received after that time will not be counted as the Absentee Canvass Boards complete their work on the eight day following the election.

The language in 140 & 150 conforms to changes already made in Chapter 16 SLA 1977 allowing for a single attesting witness. (Senate Rules version untilizes slightly different approach)

Sec. 17 AS 15.20.620(c) This change is requested due to problems which occurred during the 1976 general election. The AJIS system which is run off the computer that is used for vote counting in Anchorage cannot be completely shut down because of Federal requirements. As AJIS is federally funded, there

is a possibility that by pulling the computer off completely for the vote counting process the Federal funds would be cut. Our amended language requires that a portion of the computer be designated for the vote counting system. (Senate Rules version has this)

Sec. 18 AS 15.20.620(d) This section retains the manual count for the different candidates and allows flexibility in accomplishing this necessary task. (Senate Rules version has this)

Sec. 19 AS 15.20.650 Delivery of the ballots to the computer counting center is revised to allow for the early pick up of ballots from the polling places. (Sec. 14) The teams would consist of two persons, one from each major political party or a licensed security guard. In some instances, it is more convenient for a security guard rather than the pick up team to bring the ballots to the computer center. (Senate Rules version has this)

Sec. 20 AS 15.25.040(a) and (b) This section changes the filing deadline for candidates representing a political party for the primary election. The deadline is changed from June 1 to the third Tuesday in May. This change is requested as problems have occurred with the deadline near the Memorial Day weekend. Telegraph offices are closed on Memorial Day so no telegrams are delivered nor are persons able to send telegrams. Post Offices are closed so prospective candidates are unable to have declarations postmarked. In addition, as the filing deadline occurs after a long weekend, mail service is slow and we have encountered difficulties in receiving the declarations. This section also reduces the amount of information required of a person sending telegram notification of filing to the lieutenant governor. Previously, the person had to include in the telegram a copy of almost everything in the declaration. With the new language the telegram would include only the very pertinent information. (Senate Rules version has this)

Secs. 21 & 22 AS 15.25.056(a) & 15.25.150 These sections are housekeeping changes to bring this section into conformance with AS 15.25.040(a) and (b) change the filing date.

The change from certified to registered mail will insure that the candidate has a receipt for sending material and that the lieutenant governor's office has evidence that material was received. (Senate Rules version has this)

Sec. 23--36 AS 15.45.020--AS 15.45.410 These sections cover the initiative and referendum procedures. The Department of Law would be required to assist the members of an initiative committee in drafting a proposed bill to be enacted by initiative if the initiative committee requests this assistance. This would obviate any post-election challenges to the form of an initiative measure. Also, the ballot title and impartial summary of an initiative or referendum measure would be drafted earlier in the initiative or referendum process and submitted

to the sponsoring committee. The committee could register their concurrence with or objection to the proposed wording and provide an alternative prior to the preparation of the petition booklets. The same ballot title and impartial summary as printed in the petition booklets would appear on the election ballot and in the official election pamphlet. Other revisions are housekeeping. (Senate Rules version has this)

Sec. 37 AS 15.57.011--AS 15.57.180 This section covers the official election pamphlet. The revisions to and expansion of the initial legislation are designed to make procedures more explicit and resolve objections made to the publication in the past. Information relating to propositions and bond questions is specified, costs to candidates and parties for space is outlined, and the procedure for preparation and selection of arguments advocating approval and rejection of measures and rebuttals is detailed. (Senate Rules version has this)

Sec. 38 AS 39.50.020 Section (a) deals with the filing of conflict of interest statements by candidates for state and municipal elective offices. It is revised to resolve the problems which occurred with the 1976 filings. After filing as a candidate, state candidates have fifteen days and municipal candidates have a seven-day grace period for submitting their conflict of interest statements. Candidates with current conflict of interest statements on file are not required to submit another one.

Changes in subsection (b) allow an option for candidates for state office to submit their conflict of interest statements to the lieutenant governor's office for filing with APOC. This practice has been used and is of assistance to candidates. (Senate Rules Committee has same language as in SB 207)

Sec. 39 AS 15.20.260--AS 15.20.420 Repeals unnecessary provisions dealing with voting machines which are no longer used. If these machines were needed, existing law provides authorization for their use.

15.57.010--15.57.060 Repeals existing provision for Election Pamphlet to allow rewriting of pamphlet provisions.

15.07.070(c) Repeals language requiring that applications for registration must be postmarked 30 days prior to election. This is no longer necessary as we are allowing persons to register throughout the year.

cc: Patty Ann Polley

TO: Senator Orsini DATE: April 28, 1977

FROM: Paul Conger RE: SCS CSHB 188

The following amendments are suggested by the Administration regarding SCS CSHB 188. Initially they seek to remove the provisions that pertain to allowing the voter the option of registering on election day. This is found in Secs. 1, 4, 6, 7, 10(d) and portions of 5 and 9.

A. Page 4, Line 24:

This suggested revision provides that if a person hasn't voted for 2 consecutive years, his resignation will be cancelled. The law currently allows for four years before an individual's registration is cancelled. Administration feels this will assist in maintaining an accurate Master Voter List of qualified voters.

B. Sec, 16 - AS 15.15.260 Page 6, Line 1:

In the bill this provision states that after the voter has voted the election official could then, if not already done, remove the numerical stub from the bill and then the ballot must be handed back to the voter and the voter deposit it in the ballot box. What the Administration's revision would do is allow the election official to deposit the ballot. According to the Administration, "in general the voter is agreeable to having his ballot placed in the ballot box by the Election Judge".

C. Sec. 18 - AS 15.20.140 (Chapter 20 deals w/absentee voting)

Currently, the law only speaks to the situation where an absentee ballot can be returned by mail or through personal representation and does not state that the absentee voter can return it in person. The Administration leans toward the provision addressing this issue in SB 307 (affixed as Attachment 1). They prefer the language found in SB 307 because it delineates the procedure for marking the ballot as well as provisions for returning the ballot.

Sec. 42 - AS 29.50.020 Report of Financial and Business Interest

This section deals with public disclosure. SCS CSHB 188 says that all candidates, except for those who have a financial statement on file, no later than 15 days after:

1) filing a declaration of candidacy (instead of AT THE TIME OF)
2) the filing of any nominating petition (instead of within 30 days of)
3) becoming a candidate by any other means (instead of within 30 days of).

must furnish a financial disclosure statement.

Also, this allows that the financial statement can be submitted to the Lt. Governor's office for filing with Alaska Public Offices Commissions. This statement has to be filed in compliance with the above time schedule.

The Administration however feels that the financial provisions expressed in HB 400 are more lucid and feel that SCS CSHB 188 should conform to the language in this bill.

(HB400)

In essence what this bill states is as follows:

Judicial officers and those that work in the Administration who have to disclose, would have to disclose their finances and business interest within 30 days after he takes office.

Candidates for state elective office would have to provide a financial statement in the same manner as described above in SCS CSHB 188. A similar allowance is provided in HB 400 permitting those individuals who already have a current statement on file not to have to reapply.

In respect to municipally elected officials candidates would have to file a financial statement within 7 days after filing a nomination petition, declaration of candidacy or other required filing for the elective municipal office (instead of AT THE TIME OF). Also, if the municipal officer has a current financial statement on file he does not have to reapply. HB 400 is affixed as Attachment II.

Copy To [illegible] and To Sen. Ottinger L.T.

JACKSON COUNTY
BOARD OF ELECTION COMMISSIONERS

April 11, 1977

JAMES F. WOLFE, SECRETARY
AMY T. JONES, MEMBER
SANDRA L. ROLF, MEMBER

INDEPENDENCE SQUARE COURTHOUSE
INDEPENDENCE, MISSOURI 64050
Phone: (816) 881-4600

RESOLUTION BY THE JACKSON COUNTY (MISSOURI)
BOARD OF ELECTION COMMISSIONERS

WHEREAS, this board has become aware of legislation entitled "Universal Voter Registration Act of 1977," and

WHEREAS, this legislation has many dangers which far outweigh any merits, to-wit:

(1) It would be conducive to fraud, since there would be no opportunity to check on the residence or eligibility of voter applicants;

(2) It would be confusing, since there would be little opportunity to assign voter names to the proper precincts and political subdivisions, such as cities, wards, school districts, fire districts, and others; and many persons would not show up at the proper precinct on election day;

(3) It would allow felons, ghosts, and aliens (both those in the U.S. legally and those in the U.S. illegally) to vote, since it would be easy for them to obtain the identification required by the act;

(4) It would be expensive, since it would become difficult to predict the number of polling officials and the number of voting machines and the amount of supplies to be sent

Resolution by the Jackson County (Missouri)
Board of Election Commissioners Continued

to the various polls:

AND WHEREAS, in summary, the legislation would in effect repeal and cancel voter registration, preserving only the appearance and the expense,

AND WHEREAS, as the bipartisan officials charged with conducting honest elections in the county where Harry S. Truman was a registered voter and where his brother, Vivian Truman, was one of our predecessor commissioners, this Board of Election Commissioners has a duty to call attention to this insidious legislation,

THEREFORE, BE IT RESOLVED, that the Jackson County Board of Election Commissioners does urge the Congress of the United States to reject the so-called "Universal Voter Registration Act of 1977."

Amy Jones
Member

ATTEST: James F. Wolfe
Secretary

Sandra Rolf
Member

James F. Wolfe
Member

02-001B

STATE of ALASKA

MEMORANDUM

RECEIVED
MAY 7
Lieutenant Governor

TO: Lowell Thomas, Jr.
Lieutenant Governor
Office of the Lt. Governor

DATE : May 2, 1977

FROM: Patty Ann Polley
Director
Division of Elections

SUBJECT: House Bill No. 84

Alaska's voter registration system is a statewide on-going program. In only three or four other states is voter registration set up on a statewide basis (Kentucky and Delaware). Alaska's system with registrars in every precinct throughout the State provides easy access to voter registration. In addition, registration drives are conducted in supermarkets, fairs, high schools, etc. The system is an out-reach program in that the registrars go to where the people are. In many states prospective voters must go to a registrar's office located in the county seat.

In 1976 82.9% of eligible persons were registered to vote and 64.1% of those registered voted in the 1976 general election. Based on these percentages, Alaska has one of the best records for people registering to vote and going to the polls to vote.

Based on the above information, we do not feel that voter registration on election day is necessary. We know that many people will procrastinate until election day. This occurs prior to the close of voter registration before every election. Voter registration drives are planned prior to the close of registration, however, drives which are held two to three weeks prior to the close do not bring out nearly as many people to register. Confusion will reign on election day as unregistered voters hunt the polling place for their residence. Even though maps would have to be provided in the newspaper, people will still go to the wrong polling place and will have to be sent on to the correct polling place. Additional ballots and envelopes will have to be provided to each precinct as there will be no way to determine how many people will show up at the polls. The people coming to the polls on election day will not have received the election pamphlet on bond issues, ballot propositions, etc.

The following additional expenses will occur as a result of registration on election day:

1. Additional people at the polls. One person per precinct - 450 precircts x 12 hours x $4.50 per hour = $24,300 for each election.

2. Printing of additional ballots and other supplies - $3,000.

3. Hiring of additional people to spot verify election day registrations - $3,000.

If voter registration on election day should become a requirement as a result of the proposed federal law, may I suggest that the proposed HB 84 be amended to make the bill effective of the passage of federal law. The following language is suggested; page 3, line 20; add a new section to read: "This Act takes effect upon the effective date of a version of the federal "Universal Voter Registration Act of 1977," S. 1072, currently pending in the 1st Session of the 95th United State Congress."

HR5400

Consideration should probably be given to allowing municipalities to determine if they wish to have registration on election day.

This proposed bill has removed all reference to any sort of a closure for 30 days prior to an election. As this bill is currently written, registration will not be closed at all. This presents real problems in trying to prepare lists of registered voters for the election.

The section by section analysis of the proposed HB 84 follows:

Section 1. Page 1, line 8. This section amends the voter qualifications to allow for voter registration at the polls on election day. There is one possible problem in that a person registering to vote on election day may very well be registered in another state.

Section 2. Page 1, line 12. The changes in this section allow for a person to register and vote on election day.

Section 3. Page 1, line 18. This section sets out those persons who may register to vote - those who have the qualificatios and those who will have the qualifications by election day. There is a possible conflict between Sections 2 and 3 in that Section 2 (Page 1, line 16) refers to "election district" and Section 3 (Page 1, line 22) refers to "precinct". Perhaps the term "precinct" should be used.

Section 4. Page 1, line 24. This section provides that the prospective voter must go to the polling place for his or her precinct of residence in order to vote. The voter must provide all necessary information plus prove his or her residence. If the language on page 2, lines 3 and 4 is left in the bill, the 30 day closure is left along with the registration on election day provision.

Section 5. Page 2, line 5. This section sets out the information which can be required to prove residence. The driver's license or other document approved by the lieutenant governor may be required. The discretion for other pieces of identification is left to the lieutenant governor.

Section 6. Page 2, line 11. This provides for the registration of voters by a registration official or election judge. To provide for the closure of registration 30 days prior to the election, the language on page 2, lines 14 and 15 should be left in.

Section 7. Page 2 line 21. This section sets out that any voter coming to the polls on election day to vote must vote a questioned ballot. I believe language as follows should be added at the end of page 3, line 2: "the election district in which he resides but who is unable to cast a ballot in that district may cast a ballot in another election district;"

FORM 02-0018C
FOR BRIEF COMMUNICATIONS
MAY BE HANDWRITTEN

MEMORANDUM

State of Alaska

DEPT. Office of Lt. Governor
DIV.
SEC.

TO: Senator Orsini
Chairman, Senate Community and
Regional Affairs Committee

DATE: 5/3/76

FROM: Terry Dale

SUBJECT: Proposed amendments to Senate Rules version (4/21/77) of SCSCSHB 188

I am preparing amendments as suggested to the Rules substitute which will use the following sections of the CRA substitute.

p.2 sec 6; p. 3 sec. 8; p. 4 sec. 11; p. 5 sec.12;

p. 5 sec. 15; p. 6 sec. 16; ps. 20-22 sec. 38

MEMORANDUM
LEAGUE OF WOMEN VOTERS OF ALASKA

TO: Sen. J. Orsini and Members of Senate Community and Regional Affairs
FROM: Marjorie Gorsuch, Lobbyist
SUBJECT: SCS CSHB84

DATE: May 2, 1977

In testimony delivered on Thursday, April 28, L.W.V. was asked for some clarifying information by the Committee pertaining to the quoted percentage of increases in voters participating in elections in the states which have election day registration. The League indicated the effectiveness of the procedure by which one may register and vote on election day with the following statistics:
Minnesota's voter turnout rate rose from 68% in 1972 to 75% in 1976.
Wisconsin adopted election-day registration for 1976 and had an an increase from 62% in 1972 to 65% in 1976.
Maine's turnout increased from 61% in 1972 to 65% in 1976 after election day registration.

We were able to determine from a call to the League's Washington, D.C. office that in fact, Wisconsin did not purge their registration lists until AFTER the '76 election. The office did not have purging dates for the other states.

In answer to some other questions posed by opponents of this bill, the League offers the following:

*How could election-day registrations be verified as to qualifications?
A follow-up, nonforwardable postcard could be sent to election-day registrants at the address given, as is done in Wisconsin. In Madison, Wisconsin, out of 12,416 cards sent in Sept. and NOv., 1976, only 1.2% were returned as non-deliverable.

*Would this bill dissuade people from registering before election day under the usual practice?
The Universal Registration Act of 1977 (HR 5400, S 1072) now before the U.S. Congress would encourage a variety of registration outreach programs to voters to get them registered before election day. States that develop an approved plan for encouraging early registration will be eligible for the Section 7 (b) (1) (B) money. Part of such an outreach plan could be mail registration.

*Wouldn't this bill let people vote who are not involved in the process, who are not informed or interested enough to register beforehand ? Wouldn't these people be open to manipulation by last-minute emotional appeals?
Citizen interest in an election increases as election day draws near, particularly in the last 30 days. That, after all, is the purpose of campaigns--to interest voters and stimulate

02-0018

STATE
of ALASKA

MEMORANDUM

OFFICE OF THE LIEUTENANT GOVERNOR

OR 3

TO: Senator Robert Ziegler
Senator Clem Tillion
Senator Mike Colletta
Senator John Rader

DATE : April 26, 1977

FROM: Lowell Thomas, Jr.
Lieutenant Governor
by: Terry Dale T.D.
Research Analyst

SUBJECT: Amendments to SCS CSHB 188

The followi g amendments are offered to SCS CSHB 188 after review of the bill. Also, I have attached my reasons for objecting to the inclusion of registration and voting on election day in sections 1,4,5,6,7,9 and 10(d) of this legislation.

The amendments are:

A. Sec. 13. AS 15.07.130(b) page 4 line 24

change one in (FOUR) consecutive calendar to two

A biennial purge of voters who failed to vote in the prior 2 years will assist in maintaining an accurate Master Voter List of qualified Alaskan voters.

B. Sec. 16. AS 15.15.260 page 6

I prefer the language in SB 207 Sec. 10 which is permissive. In general the voter is agreeable to having his ballot placed in the ballot box by the Election Judge.

C. Sec. 18. page 6 and 7

AS 15.20.140 and 150 in SB 207 are revised to rectify an unintended technical flaw. If a person receives an absentee ballot either by personal representative or by mail, it appears in AS 15.20.150 that the voter is prevented from returning the ballot in person. In these two sections, SB 207 differentiates between marking the ballot and returning the ballot. Therefore, I recommend the use of AS 15.20.140 and 150 as contained in SB 206 as it will allow the voter to return the ballot in the manner most convenient to him.

D. Sec. 42 39.50.020(a) page 21 and 22

I support the changes proposed in HB 400 with the exception of amendments in lines 14 and 15. These two revisions are separate items from those proposed in SB 207. The language in HB 400 is clear and accomplishes the purpose of my legislation. (Sec. 1 HB 400)

E. Secs. 1,4,5,6,7,9,10(d) pages 1-3

With due respect to the sponsors, I ask that you delete secs. 1,4,6,7,10(d) and the portions of 5 and 9 concerning regis-

02-001B

STATE
of ALASKA

MEMORANDUM

TO: Senators Ziegler, Tillion
Colletta, Rader

DATE : April 26, 1977
Page 2

FROM: Terry Dale
Research Analyst

SUBJECT:

tration and voting on election day. My reasons which are stated below are similar to those outlined by Governor Hammond in his veto of HCS SB 206 am H in 1976.

1. it will increase the cost of administering elections to both the state and municipalities and cause inconvenience to the voter as it will be difficult to assure adequate numbers of ballots, voting facilities, and personnel at the polls on election day. The estimated additional costs for each state sponsored election is around $4.0:

   a. extra registrars to handle load in larger precincts:
   200 precincts x 1 person x $4.50/hr = .9

   b. extra personnel to assist district canvass boards in counting unknown numbers of questioned ballots.
   12 persons x 10 hrs x $4.50/hr = .7

   c. election supervisors and staff overtime
   11 full time--5 part time x 10 hrs x $12/hr average = 2.0

   d. cost of providing additional ballots (very difficult to estimate with any accuracy).

2. it may result in voter confusion and may increase the opportunity and probability of fraud;

3. it will delay the results of elections because of new and complicated questioned ballot procedures; a large number of questioned ballots could leave an election undecided for many days;

4. arguably, it is contrary to policy articulated in court decisions upholding durational residency requirements for the purposes of preparing and providing adequate and up-to-date voter registration lists for election purposes;

5. it will be easy for persons to cast ballots in two states; when a person registers to vote in Alaska, a cancellation of previous registration is returned to the new registrant's former state of residence. No cancellation opportunity exists without preregistration;

6. in a state with an exceedingly high mobility rate and large influx of new residents, it is questionable public policy to facilitate voting by persons who have no familiarity with Alaskan conditions and no intention of

02-0018

STATE
of ALASKA

MEMORANDUM

TO: Senators Ziegler, Tillion
Colletta, Rader

DATE : April 26, 1977
Page 3

FROM: Terry Dale
Research Analyst

SUBJECT:

permanent residency within the state;

7. the people of Alaska adopted the current preregistration law by initiative in 1968. Without extensive public review I am reluctant to change the law adopted by that process, as I do not feel that circumstances have changed in such a way as to justify diluting preregistration requirements.

8. before each general election, the lieutenant Governor's Office sends to each registered voter a pamphlet containing information on the candidates, election districts and the ballot issues. Under this bill, persons who registered to vote on election day would not have received this pamphlet at their residence address.

cc: Fran Ulmer
Tom Koester

MEMORANDUM
LEAGUE OF WOMEN VOTERS OF ALASKA

OR 3

TO: Members of the Senate DATE: April 26, 1977

FROM: Marjorie Gorsuch & Janice Cates, Lobbyists

SUBJECT: SCS CS HB 188 "Act relating to Amendments to Alaska Election Code"

The League of Women Voters of Alaska believes that every person's right to vote should be protected and that a voter registration system should encourage maximum interest and participation in the electoral process and be simple and efficient to administer. The League finds tht the provisions for registration and voting at the polls, as contained in SCS CSHB188 meet these objectives.

We believe the election system should operate as simply as possible with the least possible bureaucratic "hassle" for the voter. We know that voter interest increases as elections draw near. We strongly endorse the concept of election day registration as a way of putting the government on record that it wants citizens to vote and will take measures to facilitate that basic democratic act.

Election day registration and voting is not an untried procedure and it has already proven effective. The system of election day registration has worked in Minnesota since 1974. Minnesota's voter turnout rate rose from 68% in 1972 to 75% in 1976 after the state adopted election day and mail registration. Of 1,978,590 Minnesota voters in 1976, 23% or 454,147 of them registered at the polls on election day. Wisconsin adopted election-day registration for 1976 and had an increase from 62% in 1972 to 65% in 1976. In Wisconsin, 216,000 voters registered on election day, persons who would otherwise presumably not have been able to vote. Maine's turnout increased from 61% in 1972 to 65% in 1976 arter election day registration.

Those opposed to this bill levy the criticism that fraud will increase and in fact be encouraged by the election-day registration method. The League of Women Voters rejects this claim.

Again, the record speaks for itself. No fraud was documented in Wisconsin, Maine, Minnesota or North Dakota (which has never required registration), according to a recent report to the New York Times (April 1,1977). State election officials in Wisconsin are quoted as saying charges of fraud were investigated and not substantiated. Problems did occur but they were the result of confusion and heavy turnout. The Minnesota League reports that as of April 4, 1977, according to the Secretary of State's office in Minnesota, only one or two instances of duplicate registration in the 1976 election have been referred to that office. Further, the Secretary of State knows of no persons reported as voting in more than one precinct.

As a deterrent to fraud, SCS CSHB188 requires that those who register on election day shall cast a "questioned ballot". Before counting the ballot the Lt. Gov. or his representative shall determine that the voter is, in fact, a qualified voter. (AS 15.07.090 (d)) Also, those who make a false statement while registering are guilty of a misdemeanor punishable by $1000 fine or one year imprisonment.

There are other provisions of the bill we also commend. Of special interest to the League are the amendments proposed by the Lt. Governor's office dealing with the election pamphlet. These provisons contain many important housekeeping amendments as well as substantive improvements in the procedures for preparation of the arguments for approval and rejection of propositons.

In short, the League of Women Voters of Alaska believes the law proposed in SCS CSHB188 is workable and will facilitate voting. We urge your support.

CRA Hearing 4/28

CBJ – oppose registration on election day
additional cost in regis + ballots
confusion involved with >1 function @ same time

note challenge/ques ballot, then investigate prior to counting ballot (delay election)

prior regis allows same organization, petitions, etc

Ground – LWV – no objection to separating issues
support Lt Gov's amendments
Support pg Comm. publishing names of non-compliance candidates

Time of polls – support same time for closing of all polls
neutral on issue of extra hour open

Support same day regis – protect persons right to vote
Other states going to same day regis should help increase

Ques ballot provide separate – add language
to oath of true voting + not voting previously
Fed bill has state subsidy (but not much)

consider how regis & polls

consider "other" factors – need, cons of ops;
partic elec. years; prior regis period requirements
elec. comm. would be helpful

Ann Mann(?) Patty Ann Polley - HB 188

cleaner list -- reduced costs for pamphlets; candidates are main beneficiaries of "clean" list

Regis

$24,000 extra cost for people @ polls per election verifying ques. ballots would also raise costs

HB 84

Oppose regis on elec day - will cause people to put off regis until then - problem w/ deciding correct pct @ last minute

regis to vote to get A-K res card - 3 mo ~~for~~ delay did who were not even citizens (took 3-4 weeks)

Several people in last few years have voted 2x (e.g. Howard (Beaver)), turn up ~ 100/yr w/dual regis & may few actually seem to vote 2x (3-4) that have been found

Hours of polls - oppose extra open hours - no benefits, extra costs of ~ $16K/election

~~pols~~ election boards strongly oppose extra hour

~~Other~~ In many other states only place to register (cost - this is inconvenient

#3

A M E N D M E N T

Offered in the SENATE By Orsini

TO: SENATE CS FOR CS FOR HOUSE BILL NO. 188

Page 4, lines 6 - 12:

Delete all of subsection (b) and insert the following in its place:

(b) The lieutenant governor shall appoint additional registration officials upon the request of a major political party. The number of appointments made under this subsection shall be

(1) three for a precinct containing 250 - 499 registered voters;

(2) four for a precinct containing 500 - 999 registered voters; or

(3) five for a precinct containing 1,000 or more registered voters.

Page 4, line 24:

After "in" delete "four" and insert "two [FOUR]".

Page 5, after line 28:

Add the following new sections and renumber the existing sections:

* Sec. 16. AS 15.13.100 is amended to read:

Sec. 15.13.100. CONTRIBUTIONS, EXPENDITURES BEFORE FILING. Political [NO POLITICAL] campaign contributions or

expenditures, or obligations for those expenditures, may be received or accepted and [EXPENDITURE MAY BE] made or incurred by a person in an election or by a person or group with his knowledge and on his behalf before the date upon which he or she files for nomination for the office which the person seeks. However, these contributions or [, EXCEPT FOR PERSONAL TRAVEL EXPENSES OR FOR OPINION SURVEYS OR POLLS. THESE] expenditures [SHALL BE CHARGED AGAINST THE SPENDING LIMITATION THAT APPLIES TO THE OFFICE FOR WHICH HE SUBSEQUENTLY FILES, AND] shall be included in the first report required under this chapter [AFTER FILING FOR OFFICE].

* Sec. 17. AS 15.13.110(a)(4) is amended to read:

(4) December 31 [OF EACH YEAR] for expenditures made and contributions received after the report required in (3) of this section and in a non-election year those expenditures made and contributions received which ~~which~~ were not reported that year.

Page 6, line 22 to page 7, line 8:

Delete all of sec. 18 and insert the following new material in its place:

* Sec. 18. AS 15.20.140 is repealed and re-enacted to read:

Sec. 15.20.140. MARKING ABSENTEE BALLOT. Upon receipt of an absentee ballot, the voter, whether in or outside the state, in the presence of an attesting witness, who is at least 18 years of age, may proceed to mark the ballot in secret, to place the ballot in the small blank envelope, to place the small envelope in the larger envelope,

d to sign the voter's certificate on the back of the larger envelope in the presence of the witness who shall sign as an attesting witness.

* Sec. 19. AS 15.20.150 is repealed and re-enacted to read:

Sec. 15.20.150. RETURN OF ABSENTEE BALLOT. (a) Upon marking an absentee ballot as provided in sec. 140 of this chapter, a voter may

(1) return the ballot properly enclosed in the envelopes, in person or by personal representative, to the election official who provided the ballot no later than 8:00 p.m. on the day of the election; or

(2) return the ballot properly enclosed in the envelopes by the most expeditious mail service available, postmarked not later than the day of the election, to the election supervisor in the voter's district.

passed

(b) If the ballot cannot be delivered to the election official who provided the ballot by 8:00 p.m. on the day of the election due to events beyond the control of the voter or the personal representative, or cannot be postmarked on or before the day of the election due to the absence of a post office, an affidavit signed and dated by the attesting witness described in sec. 140 of this chapter verifying that the ballot was voted on or before the date of the election is sufficient. An absentee ballot not actually delivered to the election official who provided the ballot or the election supervisor in the voter's district by 4:00 p.m. of the eighth day following the election will not be counted.

Page 21, line 2 to page 22, line 16:

Delete all of sec. 020 and add the following in its place:

Sec. 39.50.020. REPORT OF FINANCIAL AND BUSINESS INTERESTS. (a) A judicial officer, commissioner, chairman or member of a state commission or board specified in sec. 200(9) of this chapter, person hired or appointed as head or deputy head of, or director of a division within, a department in the executive branch, person appointed as assistant to the governor, and a municipal officer, shall file a statement giving his income sources and business interests, under oath and on penalty of perjury, within 30 days after he takes office as a public official. Candidates for state elective office shall file such a statement within 15 days after [AT THE TIME OF] filing a declaration of candidacy or within 15 [30] days of the filing of any nominating petition, or within 15 [30] days of becoming a candidate by any other means, except that if the candidate has a current statement on file with the commission this requirement does not apply. Candidates for elective municipal office shall file such a statement within seven days after [AT THE TIME OF] filing a nominating petition, declaration of candidacy, or other required filing for the elective municipal office, except that if the candidate has a current statement on file with the municipality this requirement does not apply. Refusal or failure to file within the time prescribed shall require that the candidate's filing fees, if any, and filing for office be refused or that his previously accepted filing

fee be returned and his name removed from the filing records. A statement shall also be filed by public officials no later than April 15 [OR 15 DAYS AFTER THE PERSON FILES HIS FEDERAL INCOME TAX RETURN] in each following year [, WHICHEVER SHALL COME [FIRST]. PERSONS WHO, ON OR AFTER DECEMBER 11, 1974, WERE MEMBERS OF BOARDS OR COMMISSIONS NOT NAMED IN SEC. 200(9) OF THIS CHAPTER ARE NOT REQUIRED TO FILE FINANCIAL STATEMENTS].

(b) The governor, lieutenant governor, members of the legislature, [AND CANDIDATES FOR THESE OFFICES,] judicial officers, each commissioner, head or deputy head of, or director of a division within, a department in the executive branch, assistant to the governor or chairman or member of a commission or board required to report under this chapter, shall file the statement with the Alaska Public Offices Commission. Municipal officers, and candidates for elective municipal office, shall file with the municipal clerk or other municipal official designated to receive their filing for office. All statements required to be filed under this chapter are public records.

(c) Candidates for state elective office may submit the statement to the lieutenant governor for filing with the commission. A statement is filed or submitted as required by this subsection by actual physical delivery no later than 5:00 p.m. on the day specified in (a) of this section, or by actual physical delivery by registered mail which is postmarked no later than the day specified in (a) of this section and received not more than 15 days after that time.

02-001B

STATE
of ALASKA

MEMORANDUM

OFFICE OF THE LIEUTENANT GOVERNOR

TO: Senator Joe Orsini
Chairman
Community and Regional Affairs
Committee

DATE : May 4, 1977

FROM: Lowell Thomas, Jr. L.T.
Lieutenant Governor

SUBJECT: Amendments to SCS CSHB 188
(Rules)

The attached amendments with comments should resolve differences between the Senate Community and Regional Affairs Committee version and Senate Rules Committee (offered 4/21/77) version of SCS CSHB 188.

Amendment to page 4 lines 6-12 of Senate Rules version (4/21/77) to read:

(b) The lieutenant governor shall appoint additional registration officials upon the request of a major political party. The number of appointments made under this subsection shall be

(1) three for a precinct containing 250 - 499 registered voters;

(2) four for a precinct containing 500 - 999 registered voters; or

(3) five for a precinct containing 1,000 or more registered voters.

Explanation:

This proposed language provides for appointment of additional registration officials for precincts. It also provides that the number of officials be related to the number of registered voters. This language is similar to Rules version but allows for smaller number of officials for small precincts.

Amendment to page 4 line 23 of Senate Rules version (4/21/77) to read:

(b) When a registered voter has not voted in either a primary, special or general election at least once in two (FOUR) consecutive calendar years, the voter shall be advised by mail sent to his last known address that his registration will be cancelled unless he indicates within 90 days on forms furnished by the lieutenant governor his desire to remain registered.

Explanation:

This section changes the length of time from four to two years for retaining a voter on the master voter list if he has not voted. If a person does not vote once every two years, elections personnel notifies him/her of their intent to remove his/her name from the list of registered voters. If the notification is not returned by the voter within 90 days, his/her voter registration is cancelled. This procedure works well as voters do respond to the notification they receive. This would also assist in keeping voter lists up to date.

Amendment to page 5 line 28 of Senate Rules version (4/21/77).

AS 15.13.100 is amended to read:

Sec. 15.13.100. CONTRIBUTIONS, EXPENDITURES BEFORE FILING. Political (NO POLITICAL) campaign contributions or expenditures, or obiligations for those expenditures, may be received or accepted and (EXPENDITURE MAY BE) made or incurred by a person in an election or by a person or group with his knowledge and on his behalf before the date upon which he or she files for nomination for the office which the person seeks. However, these contributions or (, EXCEPT FOR PERSONAL TRAVEL EXPENSES OR FOR OPINION SURVEYS OR POLLS. THESE) expenditures (SHALL BE CHARGED AGAINST THE SPENDING LIMITATION THAT APPLIES TO THE OFFICE FOR WHICH HE SUBSEQUENTLY FILES, AND) shall be included in the first report required under this chapter (AFTER FILING FOR OFFICE).

AS 15.13.110(a)(4) is amended to read:

(4) December 31 (OF EACH YEAR) for expenditures made and contributions received after the report required in (3) of this section and in a non-election year those expenditures made and contributions received which were not reported that year.

Explanation:

This will be provided by Senator Orsini. These amendments offered at his request.

Amendment to page 6 line 22 of Senate Rules version (4/21/77).

AS 15.20.140 & 150 are repealed and re-enacted to read:

Sec. 15.20.140. MARKING ABSENTEE BALLOT. Upon receipt of an absentee ballot, the voter, whether in or outside the state, in the presence of an attesting witness, who is at least 18 years of age, may proceed to mark the ballot in secret, to place the ballot in the small blank envelope, to place the small envelope in the larger envelope, and to sign the voter's certificate on the back of the larger envelope in the presence of the witness who shall sign as an attesting witness.

Sec. 15.20.150. RETURN OF ABSENTEE BALLOT. (a) Upon marking an absentee ballot as provided in sec. 140 of this chapter, a voter may

(1) return the ballot properly enclosed in the envelopes, in person or by personal representative, to the election official who provided the ballot no later than 8:00 PM on the day of the election; or

(2) return the ballot properly enclosed in the envelopes by the most expeditious mail service available, postmarked not later than the day of the election, to the election supervisor in the voter's district.

(b) If the ballot cannot be delivered to the election official who provided the ballot by 8:00 PM on the day of the election due to events beyond the control of the voter or the personal representative, or cannot be postmarked on or before the day of the election due to the absence of a post office, an affidavit signed and dated by the attesting witness described in sec. 140 of this chapter verifying that the ballot was voted on or before the date of the election is sufficient. An absentee ballot not actually delivered to the election official who provided the ballot or the election supervisor in the voter's district by 4:00 PM of the eighth day following the election will not be counted.

Explanation:

The purpose in rewriting secs. 15.20.140 and 150 in SB 207 was to correct a technical flaw under current law. That problem, as identified be the Department of Law, occurs when a voter gets an absentee ballot by mail or personal representative. It appears that the voter is not allowed to return the ballot in person.

In our view there is no reason to prevent the voter from returning an absentee ballot in person. Therefore, the sections have been rewritten to differentiate between marking the absentee ballot and returning it. Also this amendment reflects the changes made by Chapter 16, SLA 1977 to 15.20.150.

Attached amendment to page 21 line 1 of Senate Rules version of SCS CSHB 188.

Explanation:

CRA subsection (a) contains basically the same language as Rules version with regard to extra time for filing statements. The deletions in the last two sentences are offered by APOC in HB 400.

CRA subsection (b) is changed to make clear that candidates for state office have option of submitting Conflict of Interest statements to lieutenant governor for filing with APOC. This will clarify in the law what has been past practice.

Sec. 39.50.020. REPORT OF FINANCIAL AND BUSINESS INTERESTS. (a) A judicial officer, commissioner, chairman or member of a state commission or board specified in sec. 200(9) of this chapter, person hired or appointed as head or deputy head of, or director of a division within, a department in the executive branch, person appointed as assistant to the governor, and a municipal officer, shall file a statement giving his income sources and business interests, under oath and on penalty of perjury, within 30 days after he takes office as a public official. Candidates for state elective office shall file such a statement within 15 days after [AT THE TIME OF] filing a declaration of candidacy or within 15 [30] days of the filing of any nominating petition, or within 15 [30] days of becoming a candidate by any other means, except that if the candidate has a current statement on file with the commission this requirement does not apply. Candidates for elective municipal office shall file such a statement within seven days after [AT THE TIME OF] filing a nominating petition, declaration of candidacy, or other required filing for the elective municipal office, except that if the candidate has a current statement on file with the municipality this requirement does not apply. Refusal or failure to file within the time prescribed shall require that the candidate's filing fees, if any, and filing for office be refused or that his previously accepted filing fee be returned and his name removed from the filing records. A statement shall also be filed by public officials no later

than April 15 [OR 15 DAYS AFTER THE PERSON FILES HIS FEDERAL INCOME TAX RETURN] in each following year [, WHICHEVER SHALL COME FIRST. PERSONS WHO, ON OR AFTER DECEMBER 11, 1974, WERE MEMBERS OF BOARDS OR COMMISSIONS NOT NAMED IN SEC. 200(9) OF THIS CHAPTER ARE NOT REQUIRED TO FILE FINANCIAL STATEMENTS].

(b) The governor, lieutenant governor, members of the legislature, [AND CANDIDATES FOR THESE OFFICES,] judicial officers, each commissioner, head or deputy head of, or director of a division within, a department in the executive branch, assistant to the governor or chairman or member of a commission or board required to report under this chapter, shall file the statement with the Alaska Public Offices Commission. Municipal officers, and candidates for elective municipal office, shall file with the municipal clerk or other municipal official designated to receive their filing for office. All statements required to be filed under this chapter are public records.

(c) Candidates for state elective office may submit the statement to the lieutenant governor for filing with the commission. A statement is filed or submitted as required by this subsection by actual physical delivery no later than 5:00 p.m. on the day specified in (a) of this section, or by actual physical delivery by registered mail which is postmarked no later than the day specified in (a) of this section and received not more than 15 days after that time.

02-001B

STATE
of ALASKA

MEMORANDUM

OFFICE OF THE LIEUTENANT GOVERNOR

TO: Senator Joe Orsini
Chairman
Community and Regional Affairs
Committee

DATE : May 4, 1977

FROM: Lowell Thomas, Jr. L.T.
Lieutenant Governor

SUBJECT: Registration on Election Day

Generally the concept of increasing voter participation is a noble one. As you are aware, the federal government is even considering legislation which would establish registration and voting on election day in the national election.

There are some practical problems with this idea, as noted below. I have also included several comments from the Director of Elections that are pertinent to this legislation.

(1) it will increase the cost of administering elections to both the state and municipalities and cause inconvenience to the voter as there will be no way to assure adequate numbers of ballots, voting facilities, and personnel at the polls on election day;

(2) it may result in voter confusion and may increase the opportunity and probability of fraud;

(3) it will delay the result of elections because of new and complicated questioned ballot procedures; a large number of questioned ballots could leave an election in doubt for many days;

(4) arguably, it is contrary to policy articulated in court decisions upholding durational residency requirements for the purposes of preparing and providing adequate and up-to-date voter registration lists for election purposes;

(5) it will be easy for persons to cast ballots in two states; when a person registers to vote in Alaska, a cancellation of previous registration is returned to the new registrant's former state of residence. No cancellation opportunity exists without preregistration;

(6) in a state with an exceedingly high mobility rate and large influx of new residents, it is questionable public policy to facilitate voting by persons who have no familiarity with Alaskan conditions and no intention of permanent residency within the state:

(7) before each general election, the lieutenant governor's office sends to each registered voter a pamphlet containing information on the candidates, election districts and the ballot issues. Under this bill, persons who registered to vote on election day would not have received this pamphlet at their residence address.

Comments by the Director of Elections:

(1) Alaska's voter registration system is a statewide on-going program. In only three or four other states is voter registration set up on a statewide basis (Kentucky and Delaware). Alaska's system with registrars in every precinct throughout the State provides easy access to voter registration. In addition, registration drives are conducted in supermarkets, fairs, high schools, etc. The system is an out-reach program in that the registrars go to where the people are. In many states prospective voters must go to a registrar's office located in the county seat.

(2) In 1976 82.9% of eligible persons were registered to vote and 64.1% of those registered voted in the 1976 general election. Based on these percentages, Alaska has one of the better records for people registering to vote and going to the polls to vote.

(3) The following additional expenses will occur as a result of registration on election day:

1. Additional people at the polls. One person per precinct - 450 precincts x 12 hours x $4.50 per hour = $24,300 for each election.

2. Printing of additional ballots and other supplies - $3,000.

3. Hiring of additional people to spot verify election day registrations - $3,000.

(4) If voter registration on election day should become a requirement of the proposed federal law an alternative is to tie the application of this concept in Alaska to the effective date of the federal law.

proposed language:

> Sections 1, 4, 5, 6, 7, 9, 10(d) of this Act take effect upon the effective date of a version of the Federal Universal Voter Registration Act of 1977, S 1072, or HR 5400, currently pending in 1st Session of the 95th United States Congress.

(5)

TO: MEMBERS OF AAMC LEGISLATIVE REPORT April 20, 1977

Compiled below are brief summaries of several bills now pending in the Legislature and, also, the AAMC's position worked out by the Clerks attending the Clerks Education program in Juneau, March 28-April 1. All members are encouraged and requested to read the various bills, review the AAMC's position, and write your own legislators of your & AAMC's position.

HOUSE BILL 24 - Compensation of Election Officers (referrals: House Finance)

Description - Increases pay of Judges from $4.50 to $5 and Canvass Board from $5 to $5.50

AAMC's Position - Oppose. Board members received a raise last year which increased our election costs as much as 25% for the boards, which is the largest cost in any election. Part of the reason they serve is a sense of civic duty and volunteer effort. They are not serving in this capacity to make a living wage at it - there aren't enough elections each year to do so. The idea behind payment is compensation for expenses like gas, transportation, babysitting, etc.

HOUSE BILL 131 (CSHB 131 Judiciary) - Freedom of Information (referral: Senate Judiciary - has passed House)

Description - provides State Policy for privacy and public information, makes certain exceptions of records to be open to inspection, provides procedure for requests for records, establishes enforcement procedures, covers mishandling of records and obstruction of access to records and lists definitions.

AAMC's Position - Oppose in its present form. Amend to include local option - that would satisfy us. 1. Bill is tailored for State records. Municipalities have different types of records from State and from each other. 2. Bill leaves determination of definitions of what's confidential and what isn't to the Clerk since she is the custodian of the records. Interpretation differs from Clerk to Clerk. 3. Definitions are vague - it would appear that complainants in perhaps a health violation would have to be disclosed. It is also unclear whether the complainants to the Ombudsman would have to be disclosed. Cost to small municipalities would increase. They do not have staff attorneys and would need to retain or at least check with an attorney fairly frequently for verification of their decision on confidentiality. Six municipalities have a public information ordinance adopted or in progress.

HOUSE BILL 188 (CSHB 188) - Voter Registration (referral: Senate Rules)

Description - increases number of registrars per precinct

AAMC's Position - Amend "shall appoint" to "may appoint" and raise precinct size criteria to 500 (this bill may have been amended to satisfy the Election Supervisor since 4/1)

HOUSE BILL 218 (CSHB 218) - Voter Registration (referral: House Judiciary)

Description - Amends Title 15 (State Election Code) to provide that a voter may register at the time of voting, changes provision that voter may vote in precinct in which he is registered to "election district", provides a voter may register before an election judge at any time throughout the year including election day, provides same procedure for re-registering, rewords procedure on manner questioned ballots may be counted and adds State special election to those elections which will determine purging.

AAMC's Position - Opposed. If it passes, voters could vote on election day and not by questioned ballot. If this is the idea, then do away with State registration entirely as Municipalities would have to institute their own systems for voter registration if this becomes law (and they were allowed by State law to do so.) State's position on this bill is that Legislature should wait and see what happens with the Federal registration bill - if that's passed, then there is little at the local (State) level that can be done.

HOUSE BILL 243 - Public Meetings (referral: House State Affairs)

Description - 2/3rds vote required for executive session, added reasons for executive session, covers chance or social meetings and what can and cannot be done; lists requirements for public notice of meetings, written records of all meetings; time period for suits to contest action of public body, etc.

HB
190

ADEC. DRAFT

SECTION 3; Delete after the end of the second sentence the phrase,

"and shall itself take such corrective action within ninety days."

This phrase has no meaning, since it is the obligation of the state to carry out the provisions of the federally approved State Implementation Plan as it applies within a local program jurisdiction. If a local program fails to carry out its responsibilities, then the department will automatically take whatever remedial actions are necessary to keep the plan from being disapproved and potential sanctions applied by the federal government.

The last sentence in Section 3 is inconsistent with the earlier stated intent to get any defined deficiencies corrected within 180 days. To correct this inconsistency we suggest the last sentence in Section 3 be modified as follows:

"The department shall, during the 180 days specified, work actively with the municipality or district furnishing financial, technical and manpower resources to assist in correcting any deficiencies identified through Section 220(b)."

SECTION 6: As written, approval of the State Implementation Plan by the federal Environmental Protection Agency would be jeopardized by allowing a local program to carry out the permitting function for large new emission sources, unless the state has some recourse to reviewing and enforcing those permits which are delegated. To remove this doubt, and to insure that a local permit program consistently meets the requirements of the federal Clean Air Act Amendments of 1977, we suggest that

1. After the words "if the municipality or district has established" add:

"and the department has approved," regulations and procedures...."

2. After the end of Section 6 add the following:

"Prior to the issuance of a permit for a source which would require the same issuance of a permit under 18 AAC 50 if a local program were not approved, the district or municipality shall forward its proposed permit together with all supporting documentation. If, within 30 days of receipt of the proposed permits and supporting material the department objects to the issuance of the permit on the ground that granting the permit is likely to result in a violation of ambient air or emission standards, the district or municipality may not issue the permit. The district or municipality may not issue a permit within the review period provided by this section."

"Nothing in this section, or in any approval of a district or municipal program may be construed as deminishing the department's authority with regard to any violation of any ambient air or emission standard established by the department by any source within a district or municipality with an approved program. A violation of an ambient air or emission standard established by the department by a source within a district or municipality with a program approved under this section remains a violation of this chapter notwithstanding department approval, and a violation of a permit issued by a district or municipality with an approved program shall be deemed a violation of a permit issued by the department for purposed of this chapter."

AMENDMENT # 3

OFFERED IN THE SENATE: BY: ORSINI

TO: _____ SENATE BILL No. CS HB 622 (Finance)

HOUSE BILL No. _____

PAGE: 1 LINE: 12 through 24 Delete

Add the following:

*Section 1. The sum of $9,700,000 is appropriated to the Department of Transportation and Public Facilities for the purpose of constructing a North/South runway at the Anchorage International Airport. The sources of this appropriation are as follows:

International Airport Revenue Fund	$ 700,000
Federal receipts	9,000,000

*Section 2. In the event that legal action precludes the use of Federal funds for the project then the sum of $5,000,000 is appropriated from the Alaska International Airports Revenue Fund to the Department of Transportation and Public Facilities for the purpose of continuing construction of the North-South runway at the Anchorage International Airport.

*Section 3. The allocation of funds under sec. 2 of this Act is subject to reimbursement to the Alaska International Airports Revenue Fund by the Department of Transportation and Public Facilities upon receipt of funds designated for this project from the Federal Aviation Administration.

*Section 4. The unexpended and unobligated portion of the appropriation made by sec. 2 of this Act lapses December 31, 1978 into the Alaska International Airports Revenue Fund.

*Section 5. This act takes effect immediately in accordance with AS 01.10.070(c).

F/CSHB·FD 2nd Rev. 2-24-78
CIARWD
1st Revision

Original sponsor: Malone

Offered: 3/18/77
Referred: Rules

IN THE HOUSE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

CS FOR HOUSE BILL NO. 190

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to municipal air control programs; and providing for an effective date."

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

*Section 1. AS 46.03.220(a) is amended to read:

(a) If a municipality or district authorized to establish or participate in an air pollution control program under secs. 210(a) or (d) of this chapter fails to establish a program within the time specified, or if the department has reason to believe that an air pollution control program in force under that section is inadequate to prevent and control air pollution in the jurisdiction to which the program applies, or that the program is being administered in a manner inconsistent with the requirements of this chapter , the department shall, within 45 days after giving written [FOLLOWING 45 DAYS]

notice setting out its reasons, conduct a hearing on the matter.

*Section 2. AS 46.03.220(b) is repealed and reenacted to read:

(b) If, after the hearing, the department determines that any of the deficiencies enumerated in (a) of this section exist, it shall provide the municipality or district a written statement setting out the nature of the deficiencies and describing the necessary action to be taken. The determination of the department shall be provided to the municipality or district within 45 days of the hearing, and the municipality or district shall have a reasonable period of time to initiate corrective action. Once initiated, corrective action must be completed within 180 days.

*Section 3. AS 46.03.220(c) is amended to read:

(c) If the municipality or the district set up under sec. 210(a) or (d) of this chapter remedies the deficiencies described in the statement provided by the department under (b) of this section, the department shall immediately approve the program or partially approve such program to the extent such deficiencies have been remedied. If the municipality or the district fails to initiate [TAKE] the necessary corrective action within the time specified the department shall administer in the municipality or district all of the

regulatory provisions of this chapter and shall itself take such corrective action within ninety days. The department shall work directly with the municipality or district furnishing financial, technical, and manpower resources until such time the deficiencies described in the statement have been corrected and the department approves the pollution control program of such municipality or district." [THE DEPARTMENT'S AIR POLLUTION CONTROL PROGRAM SHALL THEN SUPERSEDE MUNICIPAL AIR POLLUTION ORDINANCES, REGULATIONS, AND REQUIREMENTS IN THE AFFECTED JURISDICTION.]

*Section 4. AS 46.03.220 is amended by adding new subsections to read:

(g) The provisions of (a) - (c) and (h) of this section are applicable to an application for program approval submitted by a municipality or district under section 210(a)(4) of this chapter.

(h) If action by the department is unlawfully withheld or unreasonably withheld under this section, the superior court may compel the department to initiate action.

*Section 5. The department shall review applications for approval of an air pollution control program submitted by a municipality or district and pending on the effective date of this Act. It shall, within 45 days of the receipt of application for approval, provide written notice to the

municipality or district of the deficiencies in the application submitted or grant approval to the program. The provisions of AS 46.03.220 as hereby amended, are applicable to review of applications submitted and subject to review by the department under this section.

*Section 6. AS 46.03.160 shall be amended by adding a new subsection (6) to read as follows:

(6) Notwithstanding other provisions of sections 140-170 of this chapter, no air contaminant source shall be required to obtain a permit to operate from both the department and a municipality or district established under section 210(a) if the municipality or district has established regulations equal to or more stringent than the department applicable to such air contaminant source, in which case such source shall be required to obtain a permit to operate from only the municipality or district.

*Section 7. This Act takes effect immediately in accordance with AS 01.10.070(c).

2nd revision CIARUD
2-24-78
Davis

Original sponsor: Malone

Offered: 3/18/77
Referred: Rules

file - HB-190

IN THE HOUSE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

CS FOR HOUSE BILL NO. 190

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: An Act relating to municipal air control programs; and providing for an effective date."

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

*Section 1. AS 46.03.220(a) is amended to read:

(a) If a municipality or district authorized to establish or participate in an air pollution control program under secs. 210(a) or (d) of this chapter fails to establish a program within the time specified, or if the department has reason to believe that an air pollution control program in force under that section is inadequate to prevent and control air pollution in the jurisdiction to which the program applies, or that the program is being administered in a manner inconsistent with the requirements of this chapter , the department shall, within 45 days after giving written [FOLLOWING 45 DAYS]

notice setting out its reasons, conduct a hearing on the matter.

*Section 2. AS 46.03.220(b) is repealed and reenacted to read:

(b) If, after the hearing, the department determines that any of the deficiencies enumerated in (a) of this section exist, it shall provide the municipality or district a written statement setting out the nature of the deficiencies and describing the necessary action to be taken. The determination of the department shall be provided to the municipality or district within 45 days of the hearing, and the municipality or district shall have a reasonable period of time to initiate corrective action. Once initiated, corrective action must be completed within 180 days.

*Section 3. AS 46.03.220(c) is amended to read:

(c) If the municipality or the district set up under sec. 210(a) or (d) of this chapter remedies the deficiencies described in the statement provided by the department under (b) of this section, the department shall immediately approve the program or partially approve such program to the extent such deficiencies have been remedied. If the municipality or the district fails to initiate [TAKE] the necessary corrective action within the time specified the department shall administer in the municipality or district all of the

regulatory provisions of this chapter and shall itself take such corrective action within ninety days. The department shall work directly with the municipality or district furnishing financial, technical, and manpower resources until such time the deficiencies described in the statement have been corrected and the department approves the pollution control program of such municipality or district." [THE DEPARTMENT'S AIR POLLUTION CONTROL PROGRAM SHALL THEN SUPERSEDE MUNICIPAL AIR POLLUTION ORDINANCES, REGULATIONS, AND REQUIREMENTS IN THE AFFECTED JURISDICTION.]

*Section 4. AS 46.03.220 is amended by adding new subsections to read:

(g) The provisions of (a) - (c) and (h) of this section are applicable to an application for program approval submitted by a municipality or district under section 210(a)(4) of this chapter.

(h) If action by the department is unlawfully withheld or unreasonably withheld under this section, the superior court may compel the department to initiate action.

*Section 5. The department shall review applications for approval of an air pollution control program submitted by a municipality or district and pending on the effective date of this Act. It shall, within 45 days of the receipt of application for approval, provide written notice to the

municipality or district of the deficiencies in the application submitted or grant approval to the program. The provisions of AS 46.03.220 as hereby amended, are applicable to review of applications submitted and subject to review by the department under this section.

*Section 6. AS 46.03.160 shall be amended by adding a new subsection (6) to read as follows:

(6) Notwithstanding other provisions of sections 140-170 of this chapter, no air contaminant source shall be required to obtain a permit to operate from both the department and a municipality or district established under section 210(a) if the municipality or district has established regulations equal to or more stringent than the department applicable to such air contaminant source, in which case such source shall be required to obtain a permit to operate from only the municipality or district.

*Section 7. This Act takes effect immediately in accordance with AS 01.10.070(c).

3rd REVISION-
rec'd 3-21-78
S C/RA

Original sponsor: Malone

Offered: 3/18/77
Referred: Rules

IN THE HOUSE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

CS FOR HOUSE BILL NO. 190

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to municipal air control programs; and providing for an effective date."

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

*Section 1. AS 46.03.220(a) is amended to read:

(a) If a municipality or district authorized to establish or participate in an air pollution control program under secs. 210(a) or (d) of this chapter fails to establish a program within the time specified, or if the department has reason to believe that an air pollution control program in force under that section is inadequate to prevent and control air pollution in the jurisdiction to which the program applies, or that the program is being administered in a manner inconsistent with the requirements of this chapter, the department shall, within 45 days after giving written [FOLLOWING 45 DAYS]

notice setting out its reasons, conduct a hearing on the matter.

*Section 2. AS 46.03.220(b) is repealed and reenacted to read:

(b) If, after the hearing, the department determines that any of the deficiencies enumerated in (a) of this section exist, it shall provide the municipality or district a written statement setting out the nature of the deficiencies and describing the necessary action to be taken. The determination of the department shall be provided to the municipality or district within 45 days of the hearing, and the municipality or district shall have a reasonable period of time to initiate corrective action.

*Section 3. AS 46.03.220(c) is amended to read:

(c) If the municipality or the district set up under sec. 210(a) or (d) of this chapter remedies the deficiencies described in the statement provided by the department under subsection (b), the department shall immediately approve the program or partially approve such program to the extent such deficiencies have been remedied. If the municipality or the district fails to take the necessary corrective action within 180 days after receipt of the written statement referred to in subsection (b), [THE TIME SPECIFIED] the department shall administer in the municipality or district all of

the regulatory provisions of this chapter [and shall itself take such corrective action within ninety days.] The department shall work actively with the municipality or district furnishing financial, technical, and manpower resources until such time the deficiencies described in the statement have been corrected and the department approves the pollution control program of such municipality or district." [THE DEPARTMENT'S AIR POLLUTION CONTROL PROGRAM SHALL THEN SUPERSEDE MUNICIPAL AIR POLLUTION ORDINANCES, REGULATIONS, AND REQUIREMENTS IN THE AFFECTED JURISDICTION.]

Add strike thru Mueller language

*Section 4. AS 46.03.220 is amended by repealing subsection (f) and by adding new subsections to read:

(f) The provisions of (a)--(g) of this section are applicable to an application for program approval submitted by a municipality or district under section 210(a)(4) of this chapter.

(g) If action by the department is unlawfully withheld or unreasonably withheld under this section, the superior court may compel the department to initiate action.

*Section 5. The department shall review applications for approval of an air pollution control program submitted by a municipality or district after the effective date of this Act or pending on the effective date of this Act. It shall, within 45 days of the receipt of application for

approval, provide written notice to the municipality or district of the deficiencies in the application submitted or grant approval to the program. The provisions of AS 46.03.220 as hereby amended, are applicable to review of applications submitted and subject to review by the department under this section.

*Section 6. AS 46.03.160 shall be amended by adding a new subsection (i) to read as follows:

(i) Notwithstanding other provisions of sections 46.03.140--.230 of this chapter, no air contaminant source shall be required to obtain a permit to operate from both the department and a municipality or district having an approved air pollution control program under section 210(a) or (d) if the municipality or district has established and the Department has approved regulations equal to or more stringent than the department applicable to such air contaminant source, in which case such source shall be required to obtain a permit to operate from only the municipality or district.

*Section 7. This Act takes effect immediately in accordance with AS 01.10.070(c).

SENATE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE MEETING

March 28, 1978

Present: Senators Orsini, Ferguson, Willis and Hackney. Lynn Wegener, Department of Community and Regional Affairs; Oren Pomer[illegible]Department of Community and Regional Affairs; Tom Hanna[illegible]partment of Environmental Conservation; Jerry Re[illegible]nd, Department of Environmental Conservation.

Absent: Senator Sumner

SENATE BILL 430

The proposed draft for SB 430 was discussed in last week's committee meeting. Chairman Orsini stated the only difference in the proposed draft is that it puts a $150 million ceiling on the revenue bonds which is the same as the ceiling on the general obligation bonds. Chairman Orsini stated that the Committee was acting conservatively by putting a ceiling on revenue bonds. He explained that the reason was to see how the program works with respect to revenue bonds for which the state and municipalities had no prior experience. Senator Ferguson moved that the committee adopt the CS for SB 430. There was no objection. Senator Ferguson then moved that the committee move out SB 430 with a DO PASS recommendation. There was no objection.

SENATE BILL 426

Lynn Wegener, Administrative Director for the Department of Community and Regional Affairs, explained the necessity of the bill. He stated that the bill takes funds from the FY 78 senior citizens renters program and puts it to cover short-falls in the senior citizens property tax exemption program, the senior citizens special assessment program and the National Forest receipts. At that time, the committee questioned whether the action by the Department in seeking an appropriation adjustment was the proper procedure and asked instead if a Revised Program request would not have been more appropriate. Mr. Wegener replied that his department had been advised by the Office of Budget and Management to seek the transfer of funds to the senior citizens tax exemption program by means of an appropriation adjustment. It was also brought out in testimony that the transfer of $25,000 to the agricultural land exemption account was no longer necessary and that Section 4 of the bill should therefore be deleted. This action would accordingly reduce the general fund figure in Section 7 from $42,661,500 to $42,636,500. Senator Ferguson moved that the committee pass the bill out with a NO RECOMMENDATION. Chairman Orsini suggested the committee send a letter to the Judiciary committee advising them of the facts brought out by the testimony and suggest the amendments to the language of the bill. There was no objection.

CS for HOUSE BILL 190

Chairman Orsini stated that the intent was to have a discussion on the

bill before the committee passed it out because of the confusing developments regarding this bill.

Jerry Reinwand, Deputy Commissioner of the Department of Environmental Conservation and Tom Hanna, also from the Department of Environmental Conservation, presented testimony. Mr. Reinwand commented on some potential problems that may be caused by the bill. He noted that the basic reason behind the bill was that Cook Inlet Air Resource Management District wanted to get rid of overlapping programs and duplication of authority. The CIARMD would like to have the authority to issue prevention of significant deterioration permits instead of the state issuing them. Mr. Reinwant stated that there probably would not be any problem authorizing the permit program to be transferred to them. He also stated that the reason it had not been done to date was because the Department had not received an application from the CIARMD requesting this. Mr. Reinwand stated that the Department did have some drawbacks about doing this. He stated that if the CIARMD was to issue a permit that would violate the state's regulations, EPA could impose sanctions taking away all planning money and cutting off program grant money. He explained that the state has an interest to make sure that in a situation such as this there should be some kind of state oversight responsibility. The Department had submitted some rough draft amendments for the bill to provide for state oversight.

Chairman Orsini asked if Mr. Reinwand would review the bill and get his comments back to the committee by Monday, April 3, 1978. Chairman Orsini suggested that the committee would have those comments incorporated into a draft bill before another committee hearing. He also said that a letter be sent to Cook Inlet Board explaining to them that under existing law they may be able to apply for the authority to issue permits and encouraging them to pursue this possibility.

The meeting was adjourned at 3:30 p.m.

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE MINUTES

May 11, 1978

Present: Senators Orsini, Willis and Hackney; Ronald Kuczek, Cook Inlet Air Resources Management District; Dale P. Tubbs, Kodiak Island Borough; Bob Hartig, Kodiak Island Borough; Ron Swanson, Department of Natural Resources; Mike Smith, Department of Natural Resources; Tom Hanna, Department of Environmental Conservation; Jerry Reinwand, Department of Environmental Conservation.

Absent: Senators Ferguson and Sumner

The meeting was called to order at 3:05 with CSHB 133 and CSHB 190 before the Committee.

SCS FOR CS FOR HOUSE BILL 133 (KODIAK)

Chairman Orsini summarized the land situation in Kodiak. He stated that Kodiak contends the State was negligent in transferring land to the Borough, which the Borough had received as tentatively approved land. When ANCSA was enacted, the State allowed the transfer of the tentatively approved borough land to Native corporations as part of the settlement. These lands were of prime quality and the Borough states that no other comparable lands are now available to the Borough in exchange for those it lost under ANCSA.

Bob Hartig, Representing the Kodiak Island Borough, stressed that Kodiak's concern did not center around the amount of its land entitlement, since there was sufficient acreage available, but around its quality. Kodiak would be willing to take these lands of lesser quality if it could be compensated monetarily for the prime lands the State took from it. Otherwise the Kodiak Borough would be forced to exercise its fiduciary responsibility and file suit in court challenging the State's action and ultimately calling into question not only the present municipal land selection bill but also ANCSA.

Mr. Hartig and Dale Tubbs, Kodiak Island Borough, went over maps of Kodiak island and outer islands and explained to the Committee members what lands were selected, which were top-filed and where were involved in court suits involving village selections under ANCSA.

Mr. Hartig stated that Kodiak is confident that it can obtain at least 10,000 additional acres and possibly as much as 20,000. He summed up Kodiak's land possibly land entitlement break-down as follows: 4,000 acres already in hand; 18.000 acres tied up in village selection litigation; 32,000 acres that could be selected from state-owned lands; and possibly 15,000 acres currently under Coast Guard ownership. This would bring Kodiak's maximum selection possibility to 76,000 acres.

Mr. Hartig stated that he could not over-emphasize the importance of financial compensation for the land taken by the State since it would eliminate the need to initiate litigation between Natives and non-Natives on Kodiak. He also stated that, without the provision of payment in lieu of land, Kodiak would see no need for the land selection bill.

Mike Smith, Division of Lands, Department of Natural Resources, replied that the State had no control over the enactment of ANCSA and noted that without ANCSA there would actually be 26,000 fewer acres available to Kodiak for selection. Yet Kodiak is requesting, in effect compensation for 26,000 acres when there was no guarantee that Kodiak would have received these acres if there had been no ANCSA. Mr. Smith stressed that the Governor will only agree to a maximum payment of $20 million under HB 133, and that there still remains one community in Alaska where there is not enough land, physically, to meet its municipal entitlement.

Chairman Orsini stated that the Committee would look at the bill again Tuesday on the Southeastern situation.

CS FOR HOUSE BILL 190

Jerry Reinwand, Department of Environmental Conservation, stated that the bill does two things: it gives the districts a method for seeking approval with definite time restraints and if the Department rejects it the Department would give them the reasons why the program was rejected and the districts could make the adjustments to meet the approval of the State. He stated that the Department does not have any problem with delegating authority or approving the Cook Inlet Air Resources District program but has never received an application to do this He stated that he would be very happy to have the CIARMD run the permanent program up in the Cook Inlet area. But he stressed that he did want to make sure that the CIARMD not give away more than 50% of the air quality increment than it already has to so to allow for additional growth to take place in the Kenai area. He wanted to make sure that in issuing industry permits that the CIARMD apply tougher standards so that the 50% air quality increment could be reserved for future industrial use.

Mr. Reinwand stated that he does not see any need for the bill personally but if it is the desire of the Committee the Department would not oppose it as long as the amendments that are suggested in the letter that Commissioner Mueller sent on April 15 are incorporated.

Ronald Kuczek, Cook Inlet Air Resources Management District, stated that the district hadn't applied because it has repeatedly tried to find out what we needed in seeking approval to run its resources control program and the information that was returned to the CIARMD was never satisfactory. He also stated that the Department said on an informal basis that approval probably would not be granted because of certain programs that the district had not implemented, but neither which the state intended to carry out.

Mr. Reinwand agreed that in the past CIARMD probably had been discouraged for approval but now the Department would accept an application.

The Committee took up a proposed draft committee substitute for HB 190 which had been prepared by the CIARMD and reviewed by DEC Commissioner

Ernst Mueller in a letter to the Committee dated April 13, 1978. The proposed committee substitute was discussed in detail with Mr. Kuszek and the DEC representatives, and final language was agreed to by the DEC and the CIARMD.

Chairman Orsini stated that the bill would be drafted with the revised amendments as agreed by both the Department and CIARMD and it would then be brought back to the Committee for signature and passed out.

The meeting was adjourned at 5:20 p.m.

Official Business

Alaska State Legislature

Senate

Committee on
Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

February 24, 1978

Ernst W. Mueller
Commissioner
Department of Environmental Conservation
Pouch O
Juneau, Alaska 99811

Dear Commissioner Mueller:

Mr. John Davis, the Chairman of the Cook Inlet Air Resource Management District (CIARMD), has presented to the Senate Community and Regional Affairs Committee a revision of CSHB 190 ("An Act relating to municipal air pollution control programs") for consideration by the Committee. A copy of this proposal is attached for your review.

This Committee has taken no position on the CIARMD's proposal at this time. It would, however, be highly useful for the Committee to receive your assessment of the CIARMD draft. I would also appreciate your assessment of the possible impact of recently enacted federal clean air regulations on state statutes incorporating these proposals as well as how the revision of existing state law in this area could affect your Department's air pollution programs.

Sincerely,

Joe Orsini

JOE ORSINI
Chairman, Senate
Community and Regional
Affairs Committee

JO:gd

Enclosure: (1)

Correct draft was sent
2/28/78.

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

February 28, 1978

Ronald L. Larson, Mayor
Matanuska-Susitna Borough
Box B
Palmer, Alaska 99645

Dear Mayor Larson:

I regret that the wrong enclosure was inadvertently made in my letter to you of February 25th concerning a draft proposal by the Cook Inlet Air Resource Management District revising CSHB 190 ("An Act relating to municipal air pollution control programs").

Attached is a copy of the proposal submitted by Mr. John Davis, Chairman of the Cook Inlet Air Resource Management District, to the Senate Community and Regional Affairs Committee. As I indicated in my previous letter, the Committee has taken no position at this time on the proposed revision of CSHB 190, but would appreciate your comments and assessment of Mr. Davis' draft before reviewing the issue.

Sincerely,

Joe Orsini

JOE ORSINI
Chairman, Senate
Community and Regional
Affairs Committee

JO:gd

Enclosure: (1)

Also sent to:
Municipality of Anchorage
Kenai Peninsula Borough
Fairbanks North Star Borough
City of Valdez

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

Also sent to Matanuska-Susitna Borough
Municipality of Anchorage
Kenai Peninsula Borough
Fairbanks North Star Borough

February 25, 1978

Lynn Chrystal, Mayor
City of Valdez
P. O. Box 307
Valdez, Alaska 99686

Dear Mayor Chrystal:

Mr. John Davis, the Chairman of the Cook Inlet Air Resource Management District (CIARMD), has presented to the Senate Community and Regional Affairs Committee a revision of CSHB 190 ("An Act relating to municipal air pollution control programs") for consideration by the Committee. A copy of this proposal is attached for your review.

This Committee has taken no position on the CIARMD's proposal at this time. It would, however, be highly useful for the Committee to receive your assessment of the CIARMD draft. The potential impact which the enactment of legislation along these lines may have on your own air pollution control activities, either presently underway or being planned, could be significant.

Sincerely,

Joe Orsini

JOE ORSINI
Chairman, Senate
Community and Regional
Affairs Committee

JO:gd

Enclosure: (1)

Alaska State Legislature

Senate

JUNEAU, ALASKA

Memorandum

TO: Representative Hugh Malone
Speaker of the House

DATE: March 8, 1978

RE: CSHB 190

FROM: Joe Orsini JO

Regarding your inquiry of March 7 on CSHB 190, committee letters were sent out February 24 to the Commissioner of Environmental Conservation and to the Kenai Peninsula Borough, the Municipality of Anchorage, the Matanuska-Susitna Borough and the Fairbanks North Star Borough for their assessment of the revision of CSHB 190 proposed by Mr. John Davis of the Cook Inlet Air Resource Management District. Since no comments have yet been received, no date has been scheduled for a committee hearing at this time.

Similarly, for HB 214 (SB 179), municipal officers from Fairbanks and Anchorage have commented verbally on the proposed legislation and have indicated that they would provide statements in writing. We have not yet received their statements, or statements from any other municipality on the issue.

I would appreciate, however, any background material you could supply me from your own files regarding HB 214 which could be used for the Committee's information.

Alaska House of Representatives

HUGH MALONE

POUCH V
JUNEAU
99811

P. O. BOX 9
KENAI
99611

April 19, 1977

Dear Sen Orsini:

HB 190 was introduced at the request of the Cook Inlet Air Resources Management District. The district has one change to improve the bill. The amendment is set out in Mr. Davis' letter.

Your help in incorporating this change and expediting action on the bill would be appreciated.

Thank you.

Hugh Malone

Encl: Letter 4/12/77 from John Davis

HM:ls

COOK INLET AIR RESOURCES MANAGEMENT DISTRICT

825 L Street - Fourth Floor - Anchorage, Alaska 99501

Clean Air — Healthful Living

April 12, 1977 File No.: 5-1-1

The Honorable Hugh S. Malone
State of Alaska Legislature
House of Representatives
Pouch V
Juneau, Alaska 99801

APR 18 1977

Dear Mr. Malone:

The Cook Inlet Air Resources Management District thanks you for the introduction of HB 190. However, we find one provision of Section 5 of the modified bill to present a serious problem to local agencies. This provision concerns itself with the time an application must be submitted to the Alaska Department of Environmental Conservation. In its present form the bill would require the Cook Inlet District to prepare an application to Alaska Department of Environmental Conservation without knowing what is required. It would require us to hastily prepare the application and then wait for the State's reply and re-do the application at an additional expenditure of time, manpower, and money.

To prevent this needless duplication of effort, the CIARMD would like the following change made in the bill:

Change the 4th line of Sec. 5 to read as follows:

"date of application under the provisions of this Act, provide written notice to the Municipality or district of"

The insertion of these words will allow local agencies ample time to prepare complete correct and meaningful applications to the State of Alaska Department of Environmental Conservation once guidelines have been promulgated concerning the requirements for applications. Additionally, this change will address any future application for approval for any other local air pollution control program or portion of a program.

Sincerely,

John C. Davis
Chairman

JCD:lmp

Alaska State Legislature

Senate

Committee on
Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

April 3, 1978

John C. Davis
Chairman
Cook Inlet Air Resources
Management District
821 L Street
Anchorage, Alaska 99501

Dear Mr. Davis:

The Senate Community and Regional Affairs Committee has discussed at some length with Commissioner of Environmental Conservation Ernst Mueller and his Deputy Jerry Reinwand the provisions of the proposed committee substitute you have submitted for House Bill 190.

The Department of Environmental Conservation has informed us that it supports in principle the concept of delegating state air pollution control responsibilities to local bodies. It has noted, however, that the State itself is legally responsible to the federal government for meeting many of the provisions of the Federal Clean Air Act and numerous EPA regulations. An inadvertent action by a local air control body could jeopardize a number of federally funded programs throughout the State of Alaska.

Mr. Reinwand did point out that under current state statutes the Department of Environmental Conservation may delegate most, if not all, the responsibilities which the Cook Inlet Air Management District is seeking under CSHB 190. We would encourage you to pursue this possibility with the Department.

In the meantime, the Committee has asked the Department to submit in writing its proposed amendments to CSHB 190. We expect to receive them this week and will contact you regarding your comments to them.

Sincerely,

Joe Orsini

JOE ORSINI
Chairman, Senate
Community and Regional
Affairs Committee

JO:gd

cc: Tom Hanna, Department of Environmental Conservation

F: CSHB 190

STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION

JAY S. HAMMOND, GOVERNOR

POUCH O — JUNEAU 99811

April 13, 1978

The Honorable Joe Orsini
Chairman
Community & Regional Affairs Committee
Alaska State Senate
Pouch V
Juneau, Alaska 99801

Dear Chairman Orsini:

In response to your request for the Department's review of Committee Substitute for House Bill 190, we would like to present an initial overview of what we feel this bill will accomplish over existing statutes and then present our specific comments and recommendations.

AS 46.03.210 allows municipalities to establish and administer local air pollution control programs, provided that certain specified conditions are met. One of these conditions requires approval by the Department. AS 46.03.220 specifies the conditions under which any review of a local program would be conducted.

By comparison, CSHB 190 does not change any of the conditions for approval under AS 46.03.210 but primarily modifies the conditions under which any review will take place. In particular, it lengthens the amount of time allowed for any local program deficiencies to be corrected, provides for partial program approval and specifically requires the Department to review any applications for approval. The bill also proposes modifying AS 46.03.160 to provide for a single local permitting authority for large emission sources.

The Department has no basic disagreement with the intent of the bill and would find it acceptable provided that the changes presented in this letter are included. We would like to point out, however, that many of the things explicitly stated in the bill can be accomplished under existing statute. Thus far the Department has not received an application for approval from either local program, even though AS 46.03.210 requires this as a condition for fully acceptable programs. According to the Attorney General's office, there is nothing in the existing statutes which precludes a local program from submitting a local application today, and if received we would be obligated to review its acceptability under the criteria of AS 46.03.210(a).

The Department has already agreed with the Cook Inlet Air Resources Management District that overlapping and duplicative permitting of air contaminant sources is not desirable. We have also indicated to the Cook Inlet Commission that local programs should be the logical place to carry out this control function as long as they have the appropriate regulations, the resources and show they have the capability of handling this function. These conditions are also the requirements of AS 46.03.210 for an approvable local program. In effect, we have already agreed to and intend to carry out the intent of Section 6 of CSHB 190 even if the bill does not pass.

If the bill is further considered for passage, there are several changes we would like to request to clarify its meaning and also to insure that reasonable economic growth will not jeopardize our ability to meet the requirements in the Clean Air Act Amendments of 1977. We suggest the following changes:

SECTION 3: Delete after the end of the second sentence the phrase,

"and shall itself take such corrective action within ninety days."

This phrase has no meaning, since it is the obligation of the State to carry out the provisions of the federally approved State Implementation Plan. If a local program fails to carry out its responsibilities, then the Department will automatically take whatever remedial actions are necessary to keep the plan from being disapproved and potential sanctions applied by the federal government.

The last sentence in Section 3 is inconsistent with the earlier stated intent to get any defined deficiencies corrected within 180 days. To correct this inconsistency we suggest the last sentence in Section 3 be modified as follows:

> "The Department shall, during the 180 days specified, work actively with the municipality or district furnishing financial, technical and manpower resources to assist in correcting any deficiencies identified through Section 220(b)."

SECTION 6: The Department is intending to reduce the number of Alaska air contaminant sources presently requiring permits by about 50 percent (or elimination of about 100 permits). This will allow the Department to concentrate on the new sources which will have to comply with the substantial requirements of the "Prevention of Significant Deterioration" requirements of the Clean Air Act Amendments of 1977.

As Section 6 is presently written, approval of the State Implementation Plan may be jeopardized by allowing a local program to carry out the permitting function for large new emission sources, unless the State has some recourse to reviewing and enforcing those permits which are delegated. To remove this doubt, and to insure that a local permit program consistently meets the requirements of the federal Clean Air Act Amendments of 1977, we suggest that:

1. After the words "if the municipality or district has established" add:

   "and the Department has approved," regulations and procedures...."

2. After the end of Section 6 add the following:

   "Prior to the issuance of a permit for a source which would require the same issuance of a permit under 18 AAC 50 if a local program were not approved, the district or municipality shall forward its proposed permit together with all supporting documentation. If, within 30 days of receipt of the proposed permits and supporting material the department objects to the issuance of the permit on the ground that granting the permit is likely to result in a violation of ambient air or emission standards, the district or municipality may not issue the permit. The district or municipality may not issue a permit within the review period provided by this section."

   "Nothing in this section, or in any approval of a district or municipal program may be construed as diminishing the Department's authority with regard to any violation of any ambient air or emission standard, established by the department, by any source within a district or municipality with an approved program. A violation of an ambient air or emission standard, established by the department, by a source within a district or municipality with a program approved under this section remains a violation of this chapter notwithstanding department approval, and a violation of a permit issued by a district or municipality with an approved program shall be deemed a violation of a permit issued by the department for purposes of this chapter."

Sincerely yours,

Ernst W. Mueller
Commissioner

cc: Bert Hall, Anchorage

5/11/78

CSHB 197

CIARM Dist -

all local agencies must be approved by state 46.03

~~[illegible]~~ exist that has 2 yrs to be approved -

state never informed CI of not of 2 yrs - assumed that ~~the~~ DEC approvals meant approval of CI

bill gives method of seeking approval - or state gives reasons why - assume single plant under the approval

state doesn't feel approval of CPA funds constit approval

State has no problem w/approval - never applied

State wants to point: "it interests" - concerned w/ keeping up "allowable availability" of air

CIARMD discussed approval w/state - discouraged no documentation;
Kuczek was personally discouraged

DEC - concern Max discouraged CI

state requires local regs at least as tough as state regs

traffic control regs - CI regs, state knows

with trans plan & diff of regs will be settled in 6-9 months

United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 95th CONGRESS, SECOND SESSION

Vol. 124 WASHINGTON, THURSDAY, FEBRUARY 2, 1978 No. 11

Senate

PREVENTION OF SIGNIFICANT DETERIORATION

Mr. GRAVEL. Mr. President, last year this body approved comprehensive amendments to the Clean Air Act. One of the most difficult issues addressed in the amendments was prevention of significant deterioration (PSD) of pristine air. PSD has an interesting history. A recent case study of this issue has been written and I believe it is an important contribution to the literature in the air pollution control field. The study was conducted by Jerry Reinwand, Deputy Commissioner of the Alaska Department of Environmental Conservation. Mr. Reinwand has a long-standing interest in air pollution control matters and years of experience in implementing pollution control programs. He served as a policy advisor to me during Clean Air Act mark-ups which were conducted by the Committee on Environment and Public Works in 1976 and 1977. In addition, he served as the chief policy advisor to Alaska Gov. Jay S. Hammond on Clean Air Act matters. Mr. Reinwand also served as chairman of the staff advisory task force of the National Governors' Association, which provided policy analyses and recommendations to 15 Governors who served on NGA's Subcommittee on Clean Air Management.

I ask unanimous consent that this important case study be printed in the RECORD so that my colleagues—and other interested parties—may review it. I think the conclusions of the study are particularly significant and I direct your attention to them.

There being no objection, the case study was ordered to be printed in the RECORD, as follows:

THE SHAPING OF NATIONAL POLICY ON PREVENTION OF SIGNIFICANT DETERIORATION

(By Jerry Reinwand)

INTRODUCTION

The Clean Air Act Amendments of 1970[1] (CAA) were passed when the environmental movement was at its crest. Environmental protection was at the forefront of the Congressional legislative agenda and on center stage in the public limelight. A relatively strong economy, the looming "wind-down" of the Vietnam war and deep public concern with environmental problems created a favorable legislative climate for the passage of tough environment-related legislation.[2] The CAA was undoubtedly one of the strongest environmental laws ever passed by Congress. At the time of its passage, Senator John Sherman Cooper, a ranking member of the Committee which had written the bill, stated that the legislation "may have a larger impact upon the social and economic life and health of this nation than any bill I have observed during my service in the Senate."[3]

In the CAA, Congress dramatically changed its past policy stance in regard to Federal-State relations. Senator Edmund S. Muskie, a driving force behind this nation's air quality laws, noted that previously-passed air pollution control legislation established a State-Federal partnership in which "protection of the public health and welfare" was the responsibility of state and local government, "with the Federal responsibility being exercised where there is transportation in interstate commerce."[4]

The CAA changed that long-standing concept by vesting far-reaching power with the U.S. Environmental Protection Agency (EPA), which was responsible for administering the law.[5] In fact, the State-Federal relationship was so substantially altered by the CAA, that one commentator noted the carry-over language from previous clean air laws, which stated that air pollution control "is the primary responsibility of state and local governments" had been rendered obsolete, making it simply a "vestigial remainder . . . and is now an anomaly vis-a-vis the nearly total Federal supervisory and approval authority contained in the Act as amended through 1970."[6]

However, this dramatic policy shift by Congress did not alleviate programmatic and policy problems. Bitter and lengthy disputes erupted between the states and EPA as implementation of the new law moved forward.

One of the most important and protracted policy battles arose over the issue of molding programs to protect the nation's pristine air. The focal point of the controversy was whether EPA had the authority under the CAA to require states to implement a program which had as its goal "prevention of significant deterioration" (PSD) of unpolluted air. The controversy was marked by years of administrative and legal struggles. The battle began with EPA's sudden abandonment of previously held administration policy on PSD. This policy shift triggered a round of successful lawsuits by the Sierra Club. Even after the Supreme Court had decided that the CAA mandated a national PSD policy, litigation continued over the substantive requirements of the regulations which EPA promulgated to carry out the courts' mandate. Eventually 23 states[7] joined in the litigation, as well as industry, which had at the forefront of its legal efforts petroleum

Footnotes at end of article.

and electric utility interests.[8] The continuing litigation turned EPA's prevention of significant deterioration regulations into a legal minefield, and caused most states to shun administration of the program.[9] The reluctance of the states to assume administration of the PSD program, and the uncertainty that accompanied the perpetual Sierra Club-EPA litigation, ultimately led to a rising clamor for Congress to be the final forum for establishing national plicy on the issue. After several years of study, debate and intense lobbying by industry groups and environmentalists alike, Congress—with the passage of the Clean Air Act Amendments of 1977 [10]—established national policy on PSD.

This note traces the origins of the concept of prevention of significant deterioration and the divergent policy decisions which were made by two executive branch agencies which ultimately led to the lengthy court battle. It also discusses the role the courts played in shaping PSD policy. Finally, this note discusses how the protracted litigation, and the virtual standstill in program implementation that accompanied the lawsuits, caused pressure to be placed on Congress to be the final policy arbiter of this important issue.

HISTORY OF THE CLEAN AIR ACTS

The nation's first national air polution control legislation was passed in 1955.[11] The prime thrust of the law was authorization of Federal research and technical assistance to the cities and states. Federal authority was broadened under the 1963 Clean Air Act [12] by a provision which created a Federal enforcement program for abatement of air pollution. In addition, funding was provided for additional research and technical assistance to state and municipal governments. In the 1955 Clean Air Act,[13] controls on vehicle-related pollutants were enacted. The Air quality Act of 1967 [14] consolidated existing air pollution control legislation and "provided a system for the establishment of air quality standards within air quality regions.[15] Although some progress in combating air pollution was made, most commentators agree that the 1955, 1963, 1965 and 1967 statutes were largely ineffective in solving the nation's growing air quality problems.[16] As a result of the shortcoming of the laws, and increasing Congressional frustration with the lack of progress by the states in controlling air pollution, the nation's lawmakers passed the Clean Air Act Amendments of 1970.

THE 1970 CLEAN AIR ACT: CONGRESS GETS TOUGH

In the CAA, Congress kept intact the basic purposes provision [17] which was contained in preceding legislation. This decision would play a key role in the PSD litigation. However, the remainder of the new law differed markedly from prior air pollution control laws. The CAA required EPA to establish national primary and secondary standards for the pollutants sulfur dioxide, total suspended particulate matter, carbon monoxide, photochemical oxidants, nitrogen dioxide and hydrocarbons. This requirement has been hailed as one of the key policy innovations of the CAA,[18] but this view is not universally held.[19]

The primary ambient standards establish a nationwide ceiling for pollutants and are health-related standards, designed to provide "an adequate margin of safety" [20] to protect the most susceptible groups in the nation's population—those suffering from respiratory ailments, those with cardio-vascular disease, as well as the very old and the very young. These groups total one-fifth of the nation's population.[21] Secondary standards are designed to protect the "public welfare," [22] and are generally more stringent than the primary standards. Secondary standards protect against adverse effects "on soils, water, vegetation, man-made materials, animals, wildlife, visibility, climate, and economic values." [23] The CAA mandated each state to submit an implementation plan which to submit an implementation plan primary and secondary standards would be attained and maintained.[24] Generally, the states which had areas with polluted air had until mid-1975 to attain the primary standard. The implementation plan also had to demonstrate how the state planned to attain the secondary standards, although the states were given a "reasonable time" to meet the the attainment date.[25] The implementation plan is the driving force behind the states' pollution control efforts, and it was recognized by Congress as perhaps the most important factor in meeting the goals of the CAA. In its report, the Senate Public Works Committee stated that it:

". . . recognizes that the implementation plan is the principal component of control efforts for pollution agents for which the national standards are established. It is this program which must be effective if the nation is to achieve the quality of air which the bill mandates in a relatively short period of time." [26]

To obtain the administrator's approval of the plan, states had to meet eight requirements.[27] Specifically, an approvable plan must:

1. provide for a deadline of not more than three years if meeting a national primary ambient air quality standard; specify a "reasonable" time if complying with a secondary standard;
2. include emission limitations, schedules, and time tables for compliance;
3. include provisions for the monitoring, compilation, and analysis of ambient air quality data and for dissemination of such data;
4. include a procedure for review of new sources;
5. contain adequate provision for intergovernmental cooperation;
6. provide adequately for personnel, funding, installation of monitoring equipment and periodic reports;
7. provide for periodic inspection and testing of motor vehicles to enforce emission standards;
8. provide procedures for review of the plan itself.[28]

There was no requirement for inclusion of a prevention of signficant deterioration provision. This legislative vacuum in the law would figure prominently in the argument of the anti-PSD forces that Congress had not mandated such a policy.

There were other key provisions in the law, but for purposes of this note the most important provisions center on ambient standards and the states' implementation plans. It is clear that the CAA required the states to substantially "upgrade" polluted air by mid-1975, or at the latest, by mid-1977. However, it soon became evident that a public policy no-man's-land existed in regard to so-called "clean air areas." The unanswered question was: does EPA have the authority to prevent a state which has air cleaner than secondary standards from

Footnotes at end of article.

polluting that pristine air "downward" to the level of the standards? Since "the majority of the land mass of the United States has air quality cleaner than these ambient standards," [29] and since "a large portion, if not the majority, of new development is occurring in such areas," [30] PSD quickly became one of the most controversial aspects of the law.

THE HEW-EPA-OMB POLICY SHUFFLE

The PSD controversy began with EPA's publication of proposed implementation plan guidelines [31] on April 7, 1971. The purpose of the guidelines was to provide a blueprint for the states to follow in preparing their implementation plans. After reviewing the more than 400 written comments received during the five-week comment period, Dr. John T. Middleton, Deputy Assistant Administrator for air programs, forwarded revised guidelines to Administrator William D. Ruckelshaus on June 28, 1971, for his review.[32] Comments received from environmental groups strongly urged EPA to include a PSD provision in the guidelines which would require states to address this issue in their implementation plans. Responding to the environmentalists' suggestions, the revised guidelines contained the following provision:

"Approval of a plan shall not be considered in any manner to allow significant deterioration of existing air quality in any portion of any state." [33]

At this juncture, the Executive Office of Management and Budget (OMB) entered the picture, causing EPA to delay final publication of the guidelines until other Federal agencies had an opportunity to review them.[34] OMB intrusion into the rulemaking process,[35] and its apparent impact on the final form of the guidelines, resulted in allegations that OMB had forced EPA to significantly weaken the final guidelines, which were published on August 14, 1971.[36] EPA's top officials strongly denied these changes. Administrator Ruckelhaus, testifying before the Senate Subcommittee on Air and Water Pollution, stated:

"OMB did not get an final crack at the regulations. OMB is nothing more than a conduit to insure that other Federal agencies who want to comment on any regulation that we might issue are given that right to comment. The final determination as to what ought to be in the guidelines is mine." [37]

For whatever reason, the final EPA guidelines dropped the requirement that states must include a PSD provision in their implementation plans. This decision would prove to be of crucial importance as it constituted a total retreat by EPA from prior policy stances taken by the U.S. Department of Health, Education and Welfare (HEW). HEW was originally given the authority by Congress to implement the CAA; but under President Nixon's 1970 reorganization plan [38] this authority was transferred to EPA. Statements by top-ranking HEW officials before Congressional committees committed the agency to a strong PSD policy. One of the strongest statements was made by Secretary Robert Finch, testifying before the Senate Subcommittee on Air and Water Pollution on pending clean air legislation, when he stated that:

"One of the express purposes of the Clean Air Act is 'to protect and enhance the quality of the Nation's air resources.' It will continue to be our view that implementation plans that would permit significant deterioration of air quality in any area would be in conflict with provisions of the act. We do not intend to condone 'backsliding.' If an area has air quality which is better than the national standard, they would be required to stay there and not pollute the air even further, even though they may be below national standards." [39]

This statement, and others by top HEW officials, would play a key role during the ensuing litigation in assisting the courts to decide that prevention of significant deterioration was mandated by the CAA.

PSD—CONGRESSIONAL MANDATE OR MIRAGE: THE COURTS SPEAK

EPA's decision to jettison the PSD requirement in state implementation plans, in effect, shifted the locus of the policy debate from the executive to the judicial branch of government. The Sierra Club and three other environmental groups, after determining that EPA's August, 1971, guidelines would allow states to deteriorate air quality to secondary standards, moved to block the agency's approval of any portion of a state's implementation plan which would allow such deterioration to occur. The lawsuit was filed on May 24, 1972—six days before EPA was required to approve or disapprove the states' implementation plans—against Administrator Ruckelhaus in the United States District Court for the District of Columbia.[40]

Administrator Ruckelshaus and EPA argued that the agency's hands were tied by Section 110 of the CAA: if the state submitted a plan which provided for "implementation, maintenance, and enforcement" of the primary and secondary standards and if the plan provided for attainment of the standards, EPA simply had no choice—it must approve the plan, even if it meant that significant deterioration of air quality could occur.

The Sierra Club, however, argued that EPA had the authority—indeed the duty—to prevent significant deterioration of air quality.[41] The Sierra Club claimed that the provision of EPA's guidelines which allowed deterioration of air quality to the level of the ambient standards violated the purposes provision of the CAA, making them invalid.[42] The Sierra Club vested its prime legal challenge on Section 101(b) of the law which stated that one of its purposes was to "protect and enhance the quality of the nation's air resources." The basis of the Sierra Club's argument was simple and straightforward: regardless of any other provision in the law, Section 101(b) prevented the administrator from approving any plan which would permit significant deterioration of air quality.

On May 30, the District Court ruled in favor of the Sierra Club, stating:

"Having considered the stated purpose of the Clean Air Act of 1970, the legislative history of the Act and its predecessors—it is our judgment that the Clean Air Act is based in important part on a policy of non-degradation of existing clean air and that . . . permitting the states to submit plans which allow pollution levels of clean air to rise to the secondary standard level of pollution, is contrary to the legislative policy of the Act and is, therefore, invalid." [43]

The court also granted the Sierra Club's request for a preliminary injunction. In addition, the court ordered the administrator to review all state implementation plans within four months, and to "approve any portion of a state plan which effectively prevents the significant deterioration of air

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quality in any portion of any state, and disapprove any portion of a state plan which fails to effectively prevent the significant deterioration of existing air quality in any portion of any state." [44] The court did not define what constituted "significant deterioration," thus setting EPA adrift on choppy policy seas without any direction regarding what amount of pollution might be considered "significant" in clean air regions.

EPA appealed to the Court of Appeals for the District of Columbia, but that court declined to reverse the lower court's decision.[45] EPA then appealed to the Supreme Court. In a nine word statement released on June 11, 1973, the Supreme Court affirmed the judgment of the Court of Appeals by tersely stating that: "The judgment is affirmed by an equally divided court." [46]

Although the courts had decided the CAA mandated EPA to define by regulation a national PSD policy, the agency faced substantial problems in sketching that policy. On one hand, the environmentalists—buoyed by the court's decisions—wanted a tough PSD program, while development interests did not. Nowhere is that fact better illustrated than in testimony of the opposing parties on this issue, which was presented to Senate Subcommittee on Air and Water Pollution on July 24, 1973. Stating the environmentalists' case was Laurence I. Moss, President of the Sierra Club:

"The large majority of the country—virtually all of the areas outside large cities and inner suburbs—has air quality which is better than the national secondary standards for one or more of the six pollutants. If EPA's policy of allowing and indeed encouraging significant deterioration had been permitted to stand, the air quality of this entire area could have deteriorated to secondary standards. This would mean, for example, that the level of sulfur oxides and particulates in the Rocky Mountains and the Blue Ridge could be allowed to increase to the level of Boston, Akron, Detroit and Pittsburgh. What we are discussing and what is at stake here is the 'graying' of America." [47]

The concerns of industry were presented by Carl E. Bagge, President of the National Coal Association, when he stated:

"The nondegradation decision has thrown the nation into an unforeseen, and we believe untended, Instant no-growth policy. The lack of a legal definition of what constitutes significant deterioration of air quality means that no industry can build any plant which emits any air pollutants whatever unless it is willing to gamble on the ultimate definition of significant—and there are no facts upon which to calculate the odds." [48]

EPA was caught in the middle of this philosophic crossfire. Following the Supreme Court's decision, EPA began drafting regulations to comply with the District Court's order. On July 16, 1973, the agency proposed four basic plans to implement a national PSD program and asked for public comments on them.[49] After receiving more than 300 written comments on the initial proposals, EPA issued revised regulations on August 24, 1974, in order to "properly explore all aspects of this issue and to focus more clearly on procedural and technical issues." [50] On December 5, 1974, after several months of legal badgering by the Sierra Club, EPA promulgated final PSD regulations.[51]

A new round of litigation followed promulgation of the final regulations; environmentalists and industry filed fifteen separate petitions for review in six Circuit Courts of Appeal.[52] The challenges were eventually consolidated before the District of Columbia Circuit Court. If EPA held hopes that the final PSD regulations would remove the legal cloud which had hovered over the agency for four years, they were dashed by the renewed legal challenges.

EPA'S REGULATIONS: FIRST CUT AT A NATIONAL POLICY

After the initial court order, it took EPA nearly two and one-half years to promulgate its final PSD regulations. The most important aspect of the regulations focused on a classification scheme for air which was cleaner than secondary standards. Three classes were established: in Class I areas, virtually any pollution would be "significant" and therefore prohibited; in Class II areas "moderate well-controlled growth" could be accommodated without causing "significant deterioration"; in Class III areas, deterioration to the secondary standards would be allowed.[53]

Two pollutants—sulfur dioxide and total suspended particulate matter—were to be used in the classification scheme as yardsticks by which deterioration would be measured. In effect, EPA's Class I and Class II increments were nothing more than new tertiary and quaternary standards. The increments were not to be exceeded, but areas could be redesignated to a different classification to accommodate more pollution. All "clean air areas" were initially designated Class II.[54]

An important feature of the regulations was a new source review process for eighteen point source categories.[55] Two criteria had to be met before the administrator, or the state if it had been delegated new source performance standard review by EPA, could approve construction or modification of a new source covered by the regulations. First, the source had to limit sulfur dioxide and particulate matter emissions by applying pollution control equipment which was equivalent to "best available control technology." Second, emissions from the new source could not cause the increments to be exceeded.

The regulations were generally attacked by environmentalists as violating the court's order for the following reasons: no Class I areas were mandated, the four vehicle-related pollutants were excluded from PSD review, the Class III designation would in effect permit "significant deterioration" by allowing pollution levels to rise to secondary standards, hazardous air pollutants were excluded from PSD review, and point sources other than the eighteen source categories in the regulations were not subject to preconstruction review. Industry generally attacked the regulations as being too stringent, and the power utilities were concerned that the Class I and Class II increments would pose a substantial hurdle to construction of coal-fired powerplants in clean air areas.

The problem of "intrusion" or "buffer zones" also surfaced in the regulations. In the preamble to the final PSD regulations, EPA described this potential problem by stating:

"Calculations have shown that because of the small air quality increments specified for Class I areas, these levels can be violated by a source located many miles inside an adjacent Class II or III area. For example, a power plant which must meet the Class II increment for SO_2 would, under some conditions, violate the Class I increment for SO_2 60 or more miles away. Under the regulations

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promulgated below, a source could not be allowed to construct if it would violate an air quality increment either in the area where the source is to be located, or in any neighboring area in the State. Therefore, wherever a Class I area adjoins a Class II or III area, the potential growth restriction, especially for power plant development, extends well beyond the Class I boundaries into the adjacent areas."

Although later studies demonstrated that large sources could be located closer than 60 miles to a Class I area without violating the sulfur dioxide and particulate matter increments, industry seized upon this statement, claiming development would be restricted by buffer zones surrounding Class I areas. Put simply, the buffer zone controversy became the policy "tar baby" of the regulations, and EPA's statement would haunt it throughout the ensuing debate.

On August 2, 1976, more than a year and one-half after EPA had promulgated the PSD regulations, the District of Columbia Circuit Court of Appeals ruled in favor of the agency by concluding:

"We find no ground on which to disturb the regulations under review, and we therefore affirm the EPA 'Prevention of Significant Air Quality Deterioration' Regulations. Our review of *Sierra Club v. Ruckelshaus* and subsequent events revealed no substantial reason for rejection of that decision, and we hold that the non-deterioration regulations promulgated pursuant to that decision are both rational and in accordance with law." [56]

However, by the time the Court had reached its decision, pressure had been building on Congress for nearly three years to take legislative actions to resolve this policy issue. In fact the Court's decision came at a time when a bill containing comprehensive amendments to the Clean Air Act was being debated on the Senate floor. Congress had received the message: after five years of acrimonious debate and litigation, the time had come for the nation's lawmakers to establish national PSD policy through legislative action. Throughout 1975 and 1976 pressure mounted on Congress to amend the CAA and address the issue by passing legislation which would carefully delineate a national PSD policy. The reason for the pressure was clear: by 1975 PSD had become a stepchild of the courts. Due to the quagmire of litigation most states had adopted a "wait and see" attitude, shunning the option of implementing a program under EPA's regulations, waiting instead for Congress to pass legislation which would establish PSD policy.[57] By January 1976, a year after EPA's prevention of significant deterioration regulations had been promulgated, only four states—Washington, Nebraska, New York and Virginia—had requested EPA to delegate them authority to conduct a PSD program. By July 1, 1976, neither EPA nor the states had taken action to reclassify any Class II areas, which led the agency to conclude that "most states are waiting for explicit Congressional direction before they expend resources to take action." [58]

Senator Howard Baker, ranking Republican member of the Senate Public Works Committee, perhaps best summarized the situation facing Congress when he said:

". . . the Supreme Court affirmed the Judicial interpretation of an ambiguous policy statement in the Clean Air Act and created the concept of significant deterioration. The Court's decision set in motion regulatory machinery at EPA and the situation has been in litigation and confusion ever since. In frustration environmentalists, industry and public officials turned to Congress demanding clarification of the situation." [59]

Although there was general agreement among Senate and House members that action was needed, there was sharp disagreement as to what that action should be. In addition, there were differences of opinion over the need for a national PSD policy. Also, members of Congress continued to hold varying interpretations of what the lawmakers had indeed mandated in the CAA. To Senator Muskie, chief legislative architect of the nation's air pollution control legislation, there was no question of Congress's intent regarding PSD:

"This policy was first articulated in the Federal Water Pollution Law in 1965 and was incorporated into the 1967 Air Quality Act. It was not altered in the 1970 clean air act amendments . . . the courts have upheld the intent of the act. Non-degradation is national policy." [60]

In the 1976 Senate report on the Clean Air Act amendments, Senators James L. Buckley and Robert T. Stafford echoed this viewpoint by stating:

"When the Congress established national ambient air quality standards in 1970, the Congress imposed the need to determine the impact of a new plant on the air quality in the area of the plant. The prevention of significant deterioration (provision) in this bill defines that direction. Significant deterioration is a definition, stated in concentrations of ambient pollutants. It is not a new approach or a new philosophy." [61]

However, two other fellow Republicans on the Senate Public Works Committee did not fully share their views. Senator Pete V. Domenici questioned whether the "protect and enhance" language of the law clearly established a national PSD policy, calling the phrase a "slender statutory reed" [62] upon which to base such a far-reaching program. However, in subcommittee and committee deliberations, Senator Domenici played a key role in writing the Public Works Committee's strong PSD provisions in the 1976 and 1977 clean air legislation.

To Senator James A. McClure, those who subscribed to the interpretation that PSD was mandated by the CAA were mistaken:

"The concept of 'significant deterioration' is not contained in the present (1970) Clean Air Act." [63]

Members of the House who participated in drafting the 1976 and 1977 bills had equally divergent views of the origins of and necessity for a national PSD policy.[64] It was against this backdrop of controversy, litigation and frustration that Congress began to mold new legislation to address the issue.

Congressional action on amendments to the CAA began in earnest when President Ford submitted his omnibus energy bill—the Energy Independence Act of 1975— to Congress on January 30, 1975. As part of that comprehensive energy proposal, the President recommended changes in the CAA, including deletion of the concept of prevention of significant deterioration from the law.[65] In addition to garnering support from industry for this amendment, the President's proposals were initially supported in spirit by the National Governors' Conference [66] and in substance by the State and Territorial Air Pollution Program Administrators.[67] Environmentalists opposed the President's PSD amendment—as did EPA—and they lobbied for a stringent provision to be included in the Senate and House bills.

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During 1975, the Senate Subcommittee on Environmental Pollution held fourteen days of hearings on the CAA and began "marking-up" a bill in mid-June. After more than 20 mark-up sessions, the Subcommittee reported a bill to the Public Works Committee on November 3, 1975. The Committee completed its work on the bill, after 24 mark-up sessions, and reported it to the Senate on February 5, 1976. Six months later the Senate passed the 1976 Clean Air Act Amendments [68] by a 78–13 vote.

During March, 1975, the House Subcommittee on Health and the Environment held two weeks of hearings on the Clean Air Act Amendments. On October 23, 1975, the Subcommittee reported a "legislative proposal" and three days later the Subcommittee bill was referred to the Committee on Interstate and Foreign Commerce. On March 18, 1976, a bill was reported from the Committee to the House. However, it was not until September 15—two weeks before Congress was scheduled to recess—that the House version of the 1976 Clean Air Act Amendments [69] was passed by a 324 to 68 vote.

The Senate-House Conference Committee was faced with the monumental task of writing a compromise bill by October 1, the scheduled Congressional adjournment date. By putting some long hours, the Conference Committee was able to report a bill. However, before the Senate could vote on the conference report, a filibuster by Senators opposed to the PSD provision killed it.

Hoping to avoid another lengthy battle over the Clean Air Act Amendments in 1977, both the House and Senate move rapidly to pass legislation. With much of the legislative groundwork laid in 1975 and 1976, the bills moved rapidly through the House and Senate.

On June 10, 1977, the Senate passed a slightly modified version [70] of its 1976 bill by a 73 to 7 vote. The House passed its version of the 1977 Clean Air Act Amendments [71] on May 26, 1977, by a 326–49 vote. Under pressure from the auto industry (which needed statutory relief from the 1970 Clean Air Act auto emission standards before it could ship its 1978 model vehicles) and President Carter, a Senate-House Conference Committee reported a compromise bill which was approved by Congress on August 4, 1977. Three days later, President Carter signed the bill into law. Embodied in the bill is a PSD provision which was patterned after EPA regulations, except the Class III increment does not allow for deterioration of air quality to the secondary standards. Instead half that amount of pollution is allowed. Also, the six criteria pollutants are required to be included in the national PSD program, instead of just two as required by EPA's regulations. The national interest in "clean air areas" is protected by the mandatory Class I designation of large national parks, wilderness areas, memorial and international parks, and by prohibiting Class III designations for many Federal land categories. The states are given a much greater role in the PSD program than was permitted under EPA's regulations. The classification process, with certain limited exceptions, is controlled by the governor of each state. The governor's classification decision is not subject to a substantive review by EPA; the agency's role is limited only to a procedural review. In general, the new law's PSD provision represents a reasoned approach to balance the need for economic growth and the need for clean air and places responsibility for determining that balance with the governors.

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CONCLUSION

This note has attempted to record the problems that are created by implementing a statute which is ambiguous and vague on key policy issues. It may be, as one commentator has suggested, that "perhaps the politics of making major change are such that more battles can be won by the significant use of silence and vagueness than by the explicit statement of intentions." [72] And it may be, as another writer has hinted, that in the CAA the Senate proponents of a strong PSD policy purposefully passed a vaguely-worded bill, but buttressed it with legislative history that could be interpreted by the courts as a Congressional mandate for a national PSD policy.[73] However, inherent in such an approach is the fact that vagueness in a statute gives the implementing agency wide-ranging authority to make administrative decisions which, in effect, set national policy. Such unfettered discretion, as one commentator has noted, allows the agency to make "essentially lawless" decisions on public policy questions.[74] In addition, statutory vagueness encourages litigation which ultimately results in the grinding halt of program implementation.

We have attempted to demonstrate in this note that in the CAA Congress either abdicated or simply overlooked its policymaking responsibilities on prevention of significant deterioration. Instead of addressing this issue in 1970, when public support for strong environmental laws was at its apex, Congress—for whatever reason—did not clearly speak to the issue and years later had to pick up the pieces of a national policy which had been patched together by the courts and EPA. No rational person would argue with the contention of Senators Buckley and Stafford that "under the Constitution, the Congress has the responsibility to define national policy." [75] Therefore, before it became a hostage of the courts, our nation's lawmakers should have spoken on the prevention of significant deterioration issue through timely legislative amendments. Such action would have allowed the states to implement the PSD program without fear of stagnation which accompanied the seemingly endless litigation.

Finally, now that Congress has established a national PSD policy, it will be incumbent upon local and State agencies and EPA to insure that it is implemented vigorously, but wisely.

FOOTNOTES

[1] Clean Air Amendments of 1970, Pub. L. No. 91–604, 84 Stat. 1676, *amending* 42 U.S.C. Sec. 1857 *et seq.* (1970). For purposes of this note, it will be referred to by its full name or by "CAA."

[2] For a view of the legislative climate in which the CAA was passed, *see* Domenici, *The Clean Air Act Amendments of 1976: Balancing the Imponderables,* 122 Cong. Rec. S. 3902, March 22, 1976.

[3] Statement of Senator John Sherman Cooper, 116 Cong. Rec. S. 16107, September 21, 1970.

[4] Muskie, *The Role of the Federal Government in Air Pollution Control,* 10 Ariz. L. Rev. (1968). For a general discussion of the history of air pollution control legislation prior to 1970, and for a discussion of the changes made by the CAA, *see* Trumbull, *Federal Control of Stationary Source Air Pollution,* 2 Ecology L. Q. 283 (1972). For a general discussion of the history of the "technology-forcing" aspects of the various air

pollution control laws, *see* Bonine, *The Evolution of Technology-Forcing in the Clean Air Act*, BNA Environ. Rep.—Monograph No. 21 (1975).

[5] Under Preisdent Nixon's Reorganization Plan No. 3 of 1070, air pollution control functions vested with the Secretary of Health, Education and Welfare, and administered through the National Air Pollution Control Administration, were transferred to the Environmental Protection Agency. Reorg. Plan of 1970; 35 Fed. Reg. 15623 (1970).

[6] Jorling, *Federal Law of Air Pollution Control*, in *Federal Environmental Law*, Environmental Law Institute, St. Paul, Minnesota, West, 1974, edited by Erica L. Dolgin and Thomas G. P. Guilbert.

[7] Muskie, Nondegradation Fact Sheet, 122 Cong. Rec., May 23, 1976.

[8] Among the petitioners were Utah International, Inc., Utah Power and Light Company, Alabama Power Company, Montana Power Company, Dayton Power and Light Company and the American Petroleum Institute.

[9] BNA Environ. Rep. 1728–29 (1976).

[10] Clean Air Act Amendments of 1977, Pub. L. 95–95, 91 Stat. 685.

[11] The Act of 14 July 1955, Ch. 360, 69 Stat. 322.

[12] The Clean Air Act of 1963, Pub. L. No. 88–206, 77 Stat. 392.

[13] The Clean Air Act of 1965, Pub. L. No. 89–272, 79 Stat. 992.

[14] The Air Quality Act of 1967. Pub. L. 90–148, 81 Stat. 485.

[15] *The Role of the Federal Government in Air Pollution Control, supra* note 4, at 18.

[16] *See Clean Air Act Amendments of 1970: A Congressional Cosmetic*, 61 Geo. L. J. 153 (1972) (hereinafter cited as *Congressional Cosmetic*); Jorling, *The Federal Law of Air Pollution Control, supra* note 6, at 1060.

[17] The prior major air pollution control legislation contained the same basic language as the Clean Air Act Amendments of 1970. Those purposes are:

(1) to protect and enhance the quality of the Nation's air resources so as to promote the public health and welfare and the productive capacity of its population;

(2) to initiate and accelerate a national research and development program to achieve the prevention and control of air pollution;

(3) to provide technical and financial assistance to State and local governments in connection with the development and execution of their air pollution prevention and control programs; and

(4) to encourage and assist the development and operation of regional air pollution control programs.

[18] Blackburn, Roj and Taylor, *Review of EPA's Significant Deterioration Regulations: An Example of the Agency-Court Partnership in Environmental Law*, 16 Virginia L. R. 1115 (1975) (hereinafter cited as *Agency-Court Partnership in Environmental Law*).

[19] Krier, *The Irrational National Air Quality Standards: Macro-and Micro- Mistakes*, 22 UCLA L. R. 323 (1974).

[20] 42 U.S.C. Sec. 1857c-4(b)(1) (1970). The primary ambient standard for carbon monoxide of 9 ppm is far more stringent than the 50 ppm carbon monoxide standard established under the Occupational Safety and Health Administration regulations. For a discussion of the enforcement and health implications that these different standards may have, *see* Gilmore and Hanna, *The Need for Representative Ambient Air Carbon Monoxide Sampling*, 26 APCA J. 965 (1976).

[21] *Air Quality and Automobile Emission Control, Report by the Coordinating Committee on Air Quality Studies, National Academy of Sciences, National Academy of Enginering, Prepared for the Committee on Public Works*, Serial No. 93–24 (1974).

[22] 42 U.S.C. Sec. 1857c–4(b)(2) (1970).

[23] Senate Committee on Public Works, National Air Quality Standards Act of 1970, S. Rep. No. 1196, 91st Cong., 2d Sess. (1970).

[25] 42 U.S.C. Sec. 1857c-5(a)(2)(A)(") (1970).

[26] S. Rep. No. 91–1196, 91st Cong., 2d Sess., 12 (1970).

[27] 42 U.S.C. Sec. 1857c–5(a)(2) (1970).

[28] Hamby, *The Clean Air Act and Significant Deterioration of Air Quality: The Continuing Controversy*, 5 Env. Affairs 145 (1976) (hereinafter cited as *Significant Deterioration . . . The Continuing Controversy*).

[29] S. Rep. No. 94–717, 94th Cong., 2d Sess. (1976).

[30] Comment, *Sierra Club* v. *Ruckelshaus*: *On a Clear Day . . .*," 4 Ecology L. Q. 739 (1975) (hereinafter referred to as "On a Clear Day . . .").

[31] EPA, Requirements for Preparation, Adoption and Submittal of Implementation Plans, 40 CFR Sec. 51 (1972).

[32] Middleton, Briefing Memorandum to Administrator Ruckelshaus, June 28, 1971, in *Hearings on Implementation of the Clean Air Act Amendments of 1970 Before the Subcommittee on Air and Water Pollution of the Senate Committee on Public Works*, 92d Cong., 2d Sess. (1972) (hereinafter cited as *1972 Senate Oversight Hearings*).

[33] EPA, Regulations for Preparation, Adoption and Submittal of Implementation Plans, June 28, 1971.

[34] For a discussion of OMB's alleged interference *see Congressional Cosmetic, supra* note 16 at 173. *See also 1972 Senate Oversight Hearings*, pt. 1, at 5–8 (statement of Richard Ayres, Natural Resources Defense Council).

[35] On October 5, 1971, OMB established a "quality of life" review requirement, which subjected environmental regulations to detailed review by federal agencies. This requirement was unilaterally terminated by EPA on January 25, 1977. For a discussion of the impact of OMB's "quality of life" review on environmental policymaking, *see*, Office of Management and Budget Plays Critical Part in Environmetal Policymaking, Faces Little External Review, BNA Environ. Rep. 693–697 (1976).

[36] EPA, Final Guidelines, 36 Fed. Reg. 15486 (1971).

[37] *1972 Senate Oversight Hearings, supra* note pt. 1, at 243.

[38] Reorg. Plan No. 3, 1970, 35 Fed. Reg. 15623 (1970).

[39] *Hearings on S. 3229, S. 3466, S. 3546 Before the Subcommitee on Air and Water Pollution of the Senate Committee on Public Works*, 91st Cong., 2d Sess., pt. 1, at 143.

[40] *Sierra Club v. Ruckelshaus*, 344 F. Supp. 253 (D.D.C. 1972).

[41] 344 F. Supp. at 254 (D.D.C. 1972).

[42] Brief for plaintiff, *Sierra Club* v. *Ruckelshaus*, 344 F. Supp. 253 (D.D.C. 1972).

[43] U.S. District Judge John H. Pratt wrote the opinion. It is reprinted in its entirety in *Hearings on the Nondegradation Policy of the Clean Air Act Before the Subcommittee on Air and Water Pollution of the Senate Committee on Public Works*, 93d Cong., 1st Sess. at 1–4 (1973) (hereinafter cited as *Nondegradation Hearings*). *See also Agency—Court Partnership in Environmental Law* for

a thorough discussion of Judge Pratt's decision, and his reliance on the National Air Pollution Control Administration's guidelines and statements of top-ranking HEW officials to support his decision.

[44] *Id.*, at 4–5. The Court's order contained the terms "nondegradation," "significant deterioration" and "no significant deterioration." For a discussion of this definitional confusion *see Significant Deterioration . . . The Continuing Controversy supra* note 28 at 151–2.

[45] *Ruckelshaus v. Sierra Club*, 4 ERC 1815 (D.C. Cir. 1972).

[46] *Fri v. Sierra Club*, 412 U.S. 541, 5 ERC 1417 (1973).

[47] *Nondegradation Hearings, supra* note 43 at 7.

[48] *Id.* at 73.

[49] 38 Fed. Reg. 18986 *et. seq.* (1973). For a discussion of the four plans, *see* Comment, *The Nondegradation Controversy: How Clean Will Our "Clean Air" Be?*, 1974 U. Ill. L. F. 314.

[50] 39 Fed. Reg. 31000 (1974).

[51] 39 Fed. Reg. 42510 (1974).

[52] *Agency—Court Partnership in Environmental Law, supra* note 18 at 319.

[53] 39 Fed. Reg. 42510 (1974).

[54] *Id.*, the classification increments are:

(Pollutant "ceilings" are expressed in micrograms per cubic meter.)

	Class I [1]	Class II [1]	Class III [2]
Particulate matter:			
Annual geom. mean	5	10	60
24-hour maximum	10	30	150
Sulfur dioxide:			
Annual arith. mean	2	15	60
24-hour maximum	5	100	260
3-hour maximum	25	700	1,300

[1] 40 CFR Sec. 52.21(c)(2)(i)(1974).

[2] Same as secondary standards as established by 40 CFR Secs. 50.5, 50.7 (1973).

[55] The eighteen point source categories are: (i) Fossil-Fuel Steam Electric Plants of more than 1000 million B.T.U. per hour heat input, (ii) Coal Cleaning Plants, (iii) Kraft Pulp Mills, (iv) Portland Cement Plants, (v) Primary Zinc Smelters, (vi) Iron and Steel Mills, (vii) Primary Aluminum Ore Reduction Plants, (viii) Primary Copper Smelters, (ix) Municipal Incinerators capable of charging more than 250 tons of refuse per 24 hour day, (x) Sulfuric Acid Plants, (xi) Petroleum Refineries, (xii) Lime Plants, (xiii) Phosphate Rock Processing Plants, (xiv) By-Product Coke Oven Batteries, (xv) Sulfur Recovery Plants, (xvi) Carbon Black Plants (furnace process), (xvii) Primary Lead Smelters, and (xviii) Fuel Conversion Plants. 40 CFR Sec. 52.21(d), 39 Fed. Reg. 42516 (1974).

[56] *Sierra Club v. EPA*, 9 ERC 1129 (D.C. Cir. 1976).

[57] BNA Environ. Rep. 1728–29 (1976).

[58] Brown, Lipaj, Implications of a Prevention of Significant Deterioration Policy on State Growth Management, EPA paper presented at the 69th annual meeting of the Air Pollution Control Association, 1976.

[59] Baker, *Clean Air Act Amendments of 1976*, 122 Cong. Rec., May 25, 1976.

[60] *Nondegradation Hearings, supra* note 43 at 1.

[61] S. Rep. No. 94–717, 94th Cong. 2d Sess. (1976).

[62] Domenici, *The Clean Air Act Amendments of 1978: Balancing the Imponderables*, 122 Cong. Rec., March 22, 1976..

[63] S. Rep. No. 94–717, 94th Cong. 2d Sess. (1976).

[64] H. Rep. No. 94–1175, 94th Cong, 2d Sess. (1976).

[65] Transmittal letter from President Ford to Vice President Rockefeller (in his capacity as President of the Senate) and Clean Air Act Amendments, Jan 30, 1975.

[66] National Governors' Conference, *Policy Positions*, (1975).

"The significant deterioration issue should be resolved by Congress in a manner which gives each State the flexibility to determine for itself what is meant by 'significant,' consistent with local values"

This statement was approved at the summer meeting of NGC at New Orleans on June 11, 1975, and was not amended until March 1, 1977. The 1977 amendment substantially changed NGC policy and put the nation's governors on record as supporting PSD, provided the governors would have redesignation authority on Federal and State lands.

[67] State and Territorial Air Pollution Program Administrators, Resolution, (1975). In the resolution, STAPPA called for H.R. 10498, the Clean Air Act Amendments of 1975, to be amended to add the following clause to Section 101(b)(1)—the "protect and enhance" provision which had formed the basis of the Sierra Club suit:

"(b)ut nothing in this act is intended to require or authorize the establishment by the Administrator of standards more stringent than primary and secondary ambient air quality standards;".

This same language was included in President Ford's proposed amendments to the CAA.

[68] S. 3219.

[69] H.R. 10498.

[70] S. 252.

[71] H.R. 6161.

[72] Kramer, *Economics, Technology, and the Clean Air Act Amendments of 1970: The First Six Years*, 6 Ecology L. Q. 161 (1976).

[73] Mihaly, *The Clean Air Act and the Concept of Non-Degradation: Sierra Club* v. *Ruckelhaus*, 2 Ecology L. Q. 801 (1972).

[74] *Agency-Court Partnership in Environmental Law, supra* note 18 at 375.

[75] S. Rep. No. 94–717, 94th Cong., 2d Sess. (1976).

CS HB 190

Rinaldo / Hanna

Support general thrust of elim. overlapping permits - have problems w/wording.

Present statutes allow delegation to a region

Willis - want 'em stop 'stopping

DEC has had no applic request to delg permitting authority to CIARB

(Branch discouraged this action)

New fed law has higher stds -

Ques. of state ability to delg. authority - can't violate state regs - sanctions could be imposed by feds (cut off state & local EPA grants)

no grandfathering function

natl stds do not take into account regional differences - Alt has poten problems

New d-2 areas are Class II ; older parks etc. are Class I (no degradation) (Class III is half exist stds)

✓ F: HB-150

TOM HANNA'S (DEC) COMMENTS RE CSHB 190 (3rd) - 3-24-78

Hanna said this morning that the third revision submitted by the CIARMD had in fact been rewritten to incorporate DEC's technical and legal (but not necessarily substantive) problems with the first and second drafts from the Cook Inlet district.

(Ernie Mueller yesterday called and commented that the third draft still contained ambiguities of language that could later cause misunderstandings and confusion)

Hanna said that he would try to get a DEC position letter out to us next week. He pointed out, however, that the enactment of the bill would require DEC to draw up regulations for reviewing and approving local programs. This would also require, he said, DEC to review existing local programs for their adequacy. He doubted whether most people involved in preparing the bill were aware of these implications.

Hanna concurred that the Fairbanks North Star Borough should comment on the bill since it has the only other active air pollution program in the state. He has talked to Don Moore (Environmental Director in Fairbanks) about the bill and will ask him to respond to us.

Ben Harding

FAIRBANKS BOROUGH COMMENTS RE CSHB 190 - 3-28-78

I spoke to Don Moore, the Environmental Director for the Fairbanks North Star Borough, this morning. He told me that it was his understanding, based on discussions with Tom Hanna of DEC that the passage of CSHB 190 into law would not affect the borough in Fairbanks since Fairbanks did not at this point desire to set up an autonomous air pollution program.

He said that he would ask the borough attorney to go over the legislation to insure that the borough's program would not be inadvertently affected by CSHB 190. He asked that no final committee action be taken until the borough could make the legal review...which would be done as soon as possible.

Ben Harding

✓ 1. Jaz
2. F: CSHB-190

CSHB 190 (Relating to municipal air control programs)

John Davis, Chairman of the Cook Inlet Air Resources Management District, dropped off a second revision of what the CIARMD would like to see in CSHB 190 on 2-24-78.

Davis said the CIARMD, which is composed of the Kenai Peninsula Borough and the Municipality of Anchorage, wanted to achieve two basic points with the proposed legislation: to determine whether or not the CIARMD would have the sole permiting authority (subject to state override) or whether there would be two layers of government requiring permits. (He said in the latter case the CIARMD would probably close shop and the Kenai Borough would pull out).

Davis said that he had had numerous discussions with DEC Commissioner Mueller and that general agreement on the bill had been worked out, although possibly some disagreement on specific details could still exist. He said that the CIARMD had not contacted other municipalities with active air control problems and programs, such as the Fairbanks North Star Borough, for their comments on the legislation nor were industrial organizations in the district specifically aware of the proposed legislation.

Davis said that he was facing no deadline in regard to passage of CSHB 190 but that obviously he would like to see legislative approval this session.

In other areas: The CIARMD's governing board is composed of two Kenai Peninsula Borough assemblymen and two from Anchorage. The two municipalities fund the district and handle State revenue sharing funds for the district's programs. Mat-Su at one time belonged, but withdrew. Contact with Mat-Su is being maintained and it will probably rejoin the CIARMD, especially in view of the capital relocation to Willow. At this time, most of the funds and time of the CIARMD are devoted to Anchorage and its problems.

Ben Harding

F: HB 190

DEC COMMENTS RE THIRD REVISION OF CSHB 190 3-22-78

I spoke to Hungerford at DEC in the absence of Tom Hanna who's handling DEC comments on CSHB 190.

Hungerford said that he was reviewing the third draft revision of CSHB 190 submitted by the CIARMD (received in SC/RA 3-20-78). According to the transmittal letter, the third revision had been written to accomodate DEC objections to the second draft. Hungerford said that DEC problems had centered on the problems of drafting language that would legally enable the CIARMD to carry out local air pollution controls in conformity with EPA provisions. He stated that DEC was happy to shift some of this effort to local air control districts but that it was not a question of DEC being able to transfer all authority to the local district and create a body autonomous of the state. He also noted that whoever managed the local air program, either state or local group, would have to comply with federal statutes and EPA regulations.

Ben Harding

F. CSHB 190

Joe-

RE- Mueller's Comments on CSHB 190

I ran into Ernie Mueller last night at the airport and I asked him informally what his reaction was to the revision prepared by John Davis of the CIARMD on CSHB 190.

Mueller said that he was aware of, and approved of in principle, the original rewrite of HB 190, but that he had not seen previously Davis' submission. After looking over the copy we had sent him, he said his impression was that a lot of the draft's language would have to be cleaned up and cleared up.

He said he would be back in the office Tuesday and would like to talk about it more at that time. In the meantime, he had given the bill to Tom Hannah in his department.

Ben Harding
3-13-78

HB
193

F. HB 193 am

KODIAK AREA

COMMUNITY DEVELOPMENT

CORPORATION, INC.

KODIAK AIRWAYS BLDG.
P.O. BOX 571
KODIAK, ALASKA 99615
PHONE 907 486-3296

5 May 1977

Senator Orsini, Chairman
Community & Regional Affairs Comm.
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

Our Office wishes to express our strong support for CS House Bill 193am. We are heavily involved in the Day Care program as we act as coordinators and administrators for the program here in Kodiak and in the villages of Kodiak Island. And, as such, have a strong interest in the progress of this Bill.

Under Section 1 b., we feel it is extremely important to create the 90 day limit. This will insure timely establishment of day care centers within the villages.

Section 2 also will have an extremely beneficial effect on our Day Care programs. By increasing the age limit of those who may be eligible for assistance, it will allow much needed day care for children during after school hours. It also can allow for assistance for children 7 to 11 years of age during the summer when school is not in session.

And finally an increased age limit can eliminate many of the inequities of the system. As it is now AFDC recipients are eligible to receive day care assistance for children through age 11 and non AFDC recipients are cut off at age 7. By equalizing or standardizing the age limit we can begin to reduce the partiality of the program to Welfare recipients.

We have discussed these proposed changes with the Day Care Center people here in Kodiak and at the Coast Guard Base. They are in strong support of these measures.

We hope that you will expediate the speedy passage of CS for House Bill 193am. through your committee.

Sincerely,

Wayne E. Marshall

Wayne E. Marshall
Regional Director

cc: Kay Poland

WEM/drm

TO: Senator Orsini DATE: May 6, 1977

FROM: Paul Conger RE: CSHB 193 am

I discussed CSHB 193 am with the House C&RA Administrative Assistand, and Reed Stoops, Dept. of C&RA and ascertained the following information.

Section 1:

This section deals with day care licensing by HESS. Currently, the law says that children who receive day care assistance from the state have to be placed in a licensed center. The first section of this bill is a housekeeping measure to clean up current language in the law. As the section delineates, municipalities can oversee their own day care centers as long as they adopt an ordinance providing for day care licensing. Apparently, this provision is particularly useful in bush areas where the standards imposed by the state are too stringent and the state allows them to modify or waive the standards so they can provide day care.

Sections 2, 3 and 4 deal with Day Care Assistance which is administered by the Department of C&RA.

Section 2:

What this section is doing is determining what the age limit will be for children of families receiving day care assistance. When HESS was in the aid to day care business, they provided assistance up to the age of 14. CRA in their program only provided funding up until age 7. So what this is is a compromise specifying that a child means anyone below 11 years of age. A more detailed discussion of this bill is provided in Section 3.

Section 3:

Background for this section is as follows: In the past, assistance to families with children in day care centers was furnished by two means: 1) HESS had a program that provided 100% funding to families on welfare; 2) CRA provided assistance to families based on income. CRA's operated on a sliding scale with those earning higher incomes receiving less in state assistance and vice-versa. However, apparently about a year ago, CRA absorbed HESS's assistance program that was offered to parents that were on welfare. When CRA assumed this program they also incurred the additional expenses that had previously been paid out of HESS's expenditure fund.

This created a financial drain on CRA and CRA had to stop providing financial assistance to those on the higher income range of the sliding scale because CRA did not have the funds to assist them. (Because of this drain created by CRA absorbing HESS's program, CRA has put in for a supplemental appropriation to cover the cost.) What this bill wants to do is eliminate those families who are on welfare from receiving 100% funding for day care assistance, and put everbody on the sliding scale system. Of course using this system would not drastically reduce the number of welfare recipients receiving aid because alot of them obviously have very low incomes which would make them eligible for the greater share of the aid.

Section 4

Provides for an effective date of July 1, 1977.

PC/js

No Fiscal Impact

according to CRA

CS HOUSE BILL NO. 193

"An Act relating to child care; and providing for an effective date."

Although this bill amends existing statutes governing the Department of Community and Regional Affairs Day Care Assistance Program, two of its provisions would impact this Department's Aid to Families with Dependent Children (AFDC) cash assistance program:

1. Sec. 2 of CHSB No. 193 would reduce the maximum age of AFDC eligible children covered by the Day Care program from age 14 to age 11. The AFDC parents of children in this deleted age group would therefore be required to pay their own full day care costs. Community and Regional Affairs notes that 6 AFDC children would become ineligible for day care subsidy if this measure were to be enacted, and that current costs of day care for these 6 children averages $2600 per year per child.

   Federal Regulations governing the AFDC program mandate that all reasonable costs of earning income, including client-paid day care costs, be deducted from gross monthly income in determining AFDC eligibility and payment amounts (45 CFR 232.20). Under this provision, client-paid day care expenses would qualify as a budgeting deduction, decreasing AFDC adjusted gross income and thus increasing the amount of the monthly AFDC grant on a dollar-for-dollar basis.

   Thus the parents of each of these 6 affected AFDC children would be required to pay an average of $2600 per year per child to their day care contractor, but each client would receive an exactly compensatory increase in AFDC monthly payments. The effect of this change would be to increase expenditures within the AFDC program component of the Assistance Payments BRU by $15,600 in FY 78 (6 children times $2600 per child per year = $15,600). Since AFDC funding is 50% federal, 50% State General Fund matching, and the Day Care program is 100% General Funds, the impact of passage of Sec. 2 upon the General Fund expenditures would be a net reduction of $7,800 for FY 78.

2. Sec. 3 of CSHB No. 193 would remove all AFDC eligible children from 100% subsidization of Day Care costs and place such children upon varying percentage subsidies appropriate to family income levels. Currently C & RA serves 235 AFDC children who would be affected by enactment of this measure; they estimate that placement on existing subsidy/income schedules would require parents of these children to pay an average of $499.57 per year per child for day care.

As noted above, the AFDC grants to each of the families affected would have to be increased to allow a dollar-for-dollar compensation for the actual client-paid day care expenses. Thus the effect of enactment of Sec. 3 upon the FY 78 Assistance Payments BRU would be to increase AFDC program expenditures by $117,400 (235 children times $499.75 per child per year = $117,400; $58,700 Federal Funds, $58,700 in State General Funds). The net effect of passage of Sec. 3 upon total General Fund expenditures would be a net reduction of $58,700 for FY 78.

The Department supports the concept of removing the preferential treatment for working AFDC recipients which might tend to emphasize their welfare-related status and to reinforce dependency patterns. The Department further supports the concept of expanding the availability of the Day Care Assistance Program without increasing total State expenditures.

However, if CSHB No. 193 were to be enacted, an increased appropriation of 133.0 for FY 78 for the Assistance Payments BRU would be required. Such increase would result in a net savings of 66.5 SG^F.

Dir. Public Assistance
3/04/77

HB
214

STATE OF ALASKA

Inter-Department Route Slip

TO:
MAIL STATION NUMBER_____

DEPARTMENT (2) C&RA

ATTENTION Bill Hawkins

☐ Approval	☐ Note & Return
☐ Signature	☐ Initial & Return
☐ Comment	☐ Return As Requested
☐ Contact Me	☐ Return For Approval
☐ Prepare Reply	☐ Necessary Action
☐ For Your File	☐ Your Information

Remarks: I think you already have a copy of HB 214 - but just in case you don't . . .

FROM:
MAIL STATION NUMBER_____

DEPARTMENT Walker

BY Tim Bradner DATE 3/6

02-002 (REV.10/73)

F: HB 214

Alaska State Legislature

Senate

JUNEAU, ALASKA

Memorandum

TO: Representative Hugh Malone
Speaker of the House

DATE: March 8, 1978

RE: CSHB 190

FROM: Joe Orsini JO

Regarding your inquiry of March 7 on CSHB 190, committee letters were sent out February 24 to the Commissioner of Environmental Conservation and to the Kenai Peninsula Borough, the Municipality of Anchorage, the Matanuska-Susitna Borough and the Fairbanks North Star Borough for their assessment of the revision of CSHB 190 proposed by Mr. John Davis of the Cook Inlet Air Resource Management District. Since no comments have yet been received, no date has been scheduled for a committee hearing at this time.

Similarly, for HB 214 (SB 179), municipal officers from Fairbanks and Anchorage have commented verbally on the proposed legislation and have indicated that they would provide statements in writing. We have not yet received their statements, or statements from any other municipality on the issue.

I would appreciate, however, any background material you could supply me from your own files regarding HB 214 which could be used for the Committee's information.

Joe
The data on HB 214 has been transmitted. I appreciate your scheduling the bill at your earliest convenience. Thanks
Hugh

HB 214

Supreme Court
State of Alaska

CHIEF JUSTICE
ROBERT BOOCHEVER

JUSTICES
JAY A. RABINOWITZ
ROGER G. CONNOR
ROBERT C. ERWIN
EDMOND W. BURKE

POUCH U
STATE COURT AND OFFICE BUILDING
JUNEAU, ALASKA
99811
907-465-3410

March 2, 1977

Honorable Hugh Malone
Speaker of the House
Capitol Bldg., Rm. 210
Juneau, Alaska 99811

Dear Rep. Malone:

The following list of payments by political subdivisions represents the amounts that the State would pay out if it decided to refund all judicial services payments subsequent to July 1, 1975:

Cordova	$ 200
Homer	240
Palmer	678
Kodiak	8,368
Seldovia	600
Seward	6,580
Soldotna	1,259
Ft. Yukon	400
Nenana	45
Haines	680
Juneau	41,684
Petersburg	500
Wrangell	500
Nome	1,000
Kotzebue	600
Delta Junction	240
Sitka	10,135
Anchorage	126,500
Valdez	7,556
Skagway	782
	$208,547

Please let me know if you need other information on these payments.

Sincerely,

Richard Barrier

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE MEETING

May 18, 1978

Present: Senators Orsini, Hackney and Willis; Don M. Berry, Municipality of Anchorage; Floyd Johnson, Division of Emergency Services, Dept. of Military Affairs; Peter Froehlich, Attorney General's Yvonne M. Alford, Municipality of Anchorage; Mitchell Gravo, Municipality of Anchorage; Jim Rolle, Municipal League; Lisa Rudd, Representative.

Absent: Senators Ferguson and Sumner

The meeting was called to order at 3:07 p.m. House Bill 214 and CSHB 941 were the bills before the Committee.

HOUSE BILL 214

Mitchell Gravo, Municipality of Anchorage, explained that the effect of the legislation passed in 1976 was to relieve municipalities for judicial services rendered by the state. Prior to that time municipalities had to pay the state for judicial services such as magistrates and court judges. He further explained that when this legislation was passed it said nothing about amounts owed prior to 1976. HB 214 would relieve the politicial subdivisions from paying for judicial services rendered prior to 1976.

Senator Hackney moved that the Committee passed out HB 214 with a "DO PASS" recommendation. There was no objection.

CS FOR HOUSE BILL 941

Mitchell Gravo, explained that the bill concerns a 1974 lease agreement between the State of Alaska and, at that time, the City of Anchorage on 3rd and Post. He stated that the lease called for rent of $100,000 a year plus $10,000 for the option to purchase the facilities after 10 years. The property was appraised in 1974 at $1 million. In 1976 after the lease had been functioning for 2 years the State wanted to rescind the lease and filed suit against the City. Mr. Gravo stated that it would probably take 1 1/2 to 2 years before the question can be legally resolved. He stated that the State alleged that the lease was illegal on three grounds: 1) the Commissioner of Highways lacked authority to enter into the lease-purchase agreement because the Director of the Division of Lands was the only official who could execute such an agreement, 2) appropriate public notice was lacking, 3) the property was appraised six rather than three months prior to the lease-purchase agreement.

He stated that this bill would ratify the lease purchase agreement between the State and the city of Anchorage and would direct the Director of the Division of Lands and the Commissioner of Highways to recognize the lease-purchase agreement.

He stated that the State is relying on loopholes and technicalities to rescind the lease-purchase agreement while claiming that the State is in need of the property. Mr. Gravo further stated that the People

Mover bus system is located at this facility and that it would be nearly impossible to find facilities elsewhere in the downtown area, which was especially suited for dispatching purposes.

Pete Froehlich, Attorney General's Office, was called in the absence of Richard Bernham who is handling the law suit against the City of Anchorage. Mr. Froehlich stated that he would testify from a letter written to Senator Croft at the request of Representative Rudd.

Senator Hackney questioned the letter's assertion that the State was in need of the land at the time the lease-purchase agreement was made.

Mr. Froehlich stated that if this bill was to pass assuming it is not vetoed, in his judgement the issue of the authority of any other Department, other than the Director of the Division of Lands, to dispose of land would be unresolved.

Mr. Froehlich unlike Mr. Gravo, believed that a Superior Court decision would be made by mid-summer.

Chairman Orsini asked Mr. Froehlich to report back to the Committee with the following information by next week: a legal opinion of the effect of this bill if it were passed, assuming it was not vetoed; if the bill passed the Legislature would the Administration recognize the lease as valid; other agencies that have demonstrated a particular need for this piece of property.

Floyd Johnson, Department of Military Affairs, Division of Emergency Services, stated that they occupy one of the three buildings in the complex. He stated that his office was notified by the AG's office through the Department of Administration not to sign a lease agreement with the city and not to make monthly payments. He stated that his office has four years of monthly bills and would be willing to pay their debt to the Municipality as soon as the court decision comes down. He stated that in FY 75 and FY 76 the rent money lapsed into the general fund yet FY 77 is committed and possibly also FY 78 funds. He stated that the total owed as of the end of the fiscal year would be $93,430.

Chairman Orsini asked that the Deputy Commissioner send a memo to the Committee giving his opinion of, if the lease goes on as originally signed, if Emergency Services has a legal right to stay there through the state's actual ownership, since they had signed a lease with the Dept. of Highways in 1972.

Representative Lisa Rudd, stated that she asked to have the bill introduced. She stated that an agreement that had been entered into in good faith by both parties, which were also public bodies, was not one which should be subject to litigation two years after the fact. She stated that there was a definite legal question as to whether or not the Commissioner of Highways had the authority to enter into the agreement and there is also a question on the appraisal. She stated that she had talked with people that are very familiar with state leases and

if the lease is overturned by the court on either of those basis there are probably a number of other state leases of land which would also become void for the same reasons. She stated that the Municipality has been on the location for 4 years and was in need of the land as much, or more, than the State.

Don Berry, Municipality of Anchorage, stated that they were in strong support of HB 941. He stated that the lease was signed in good faith and that there had been a verbal agreement between Governor Egan and Mayor Sullivan to use this land for mass transit.

Chairman Orsini stated that the Committee needs more information on the bill before making a final decision and asked that the information requested be available to the Committee early the following week.

The meeting was adjourned at 4:00.

F: HB 214

City of Kenai
BOX 580
KENAI, ALASKA 99611
telephone: 283-7535

April 20, 1978

Senator Joseph L. Orsini, Chairman
Community and Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Re: House Bill 214

Dear Senator Orsini:

House Bill No. 214 relative to judicial services is before your committee. The bill provides for forgiveness of certain indebtedness to the State for judicial services.

We have an outstanding liability of some $25,000 that is being deferred pending resolution of this bill. All of the cities affected need to know as soon as possible whether this bill will pass or fail. We, like the State, are in the process of preparing budgets for the upcoming fiscal year and we cannot do so properly without knowing the fate of this bill. It needs to be passed but, even more important, we need to know its fate.

Sincerely,

Vincent O'Reilly
Mayor

JEW/VOR/eh

F: HB 214

HB 214: AN ACT FORGIVING AMOUNTS OWED BY POLITICAL SUBDIVISIONS FOR JUDICIAL SERVICES; AND PROVIDING FOR AN EFFECTIVE DATE.

HB 214 would forgive amounts owed by political subdivisions to the State for judicial services provided by the State to those political subdivisions prior to 1976. The Municipality of Anchorage supports this bill.

Prior to 1976, AS 22.15.270 required municipalities to pay to the State "such sums as will pay for the judicial services rendered to the political subdivision by the district judge or magistrate rendering the services". Chapter 219 SLA 1976 deleted the above quoted language.

However, Chapter 219 SLA 1976 did not expressly deal with amounts owed to the State by municipalities for pre-1976 judicial services. Since 1976, the State has indicated that it will file suit to recover outstanding amounts for judicial services incurred prior to 1976 unless the Legislature clarifies the situation by excusing municipalities from such debts. HB 214 would benefit a number of municipalities, and it would benefit Anchorage in the amount of $250,000 because we now owe that amount to the State for pre-1976 judicial services.

The State is actively encouraging the provision of local law enforcement and other criminal justice services by programs such as revenue sharing. Thus, the State is acting inconsistently in seeking to make municipalities pay costs for judicial services incurred as an essential part of the criminal justice process. For example, this year, Anchorage will receive approximately $1,470,280 in revenue sharing for police services under AS 43.18.010(a)(1). However, under the 1978 Anchorage Municipal budget for police and prosecution functions, Anchorage taxpayers will contribute approximately $10,325,300 for these services.

Furthermore, in 1976, the Assembly adopted a comprehensive penal code and the Municipality began an intensive effort to control, at the local level, criminal activity such as prostitution and drunk driving. Many of the criminal activities controlled through local police and local prosecutors were formerly the responsibility of the State Troopers and District Attorney. Thus, by mounting an intensive local effort against crime, Anchorage taxpayers are contributing their part to providing an adequate criminal justice system for over half the people of Alaska, thereby saving the state considerable costs that it would otherwise incur.

The foregoing facts indicate that it is not inequitable or unreasonable for municipalities such as Anchorage to be excused from outstanding debts for judicial services. Finally, HB 214 is consistent with Ch. 219, SLA 1976 wherein the Legislature indicated that the costs for judicial services are properly the responsibility of the State.

Municipality of Anc.
May 78

F: HB 214

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2525

GEORGE M. SULLIVAN,
MAYOR

OFFICE OF THE MAYOR

March 21, 1978

Senator Joseph L. Orsini, Chairman
Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator ~~Orsini~~ Jor:

Your committee is presently considering HB 214 entitled "An Act forgiving amounts owed by political subdivisions for judicial services; and providing for an effective date". The Municipality of Anchorage strongly supports this legislation and urges its adoption by the Senate at the earliest possible time.

Prior to 1976, AS 22.15.270 required municipalities to pay to the state "such sums as will pay for the judicial services rendered to the political subdivision by the district judge or magistrate rendering the services." Chapter 219 SLA 1976 deleted the above quoted language but, unfortunately, did not expressly deal with amounts owed to the state by municipalities for pre-1976 judicial services. Since 1976, the state has indicated that it will file suit to recover outstanding amounts incurred prior to 1976 unless the Legislature acts to clarify the situation and excuse municipalities from such debts. I understand that a number of municipalities would benefit from the proposed bill. Anchorage has approximately $250,000 in outstanding debt that would be forgiven if HB 214 becomes law.

Since the State of Alaska is actively encouraging the provision of local law enforcement and other criminal justice services by programs such as revenue sharing, it seems odd that the State should seek to make municipalites pay costs for judicial services incurred as an essential part of the criminal justice process. For example, this year, Anchorage will receive approximately $1,470,280 in revenue sharing for police services under AS 43.18.010(a)(1). However, under the 1978 budget for police and prosecution functions, Anchorage taxpayers will contribute approximately $10,325,300 for those services. Anchorage taxpayers are therefore doing at least their fair share to provide an adequate criminal justice system for over half the people of Alaska.

In addition, the Assembly in 1976, adopted a comprehensive penal code and began an intensive effort to control criminal activity such as prostitution and drunk driving (OMVI) at the local level. Many of the criminal activities controlled through local police and local prosecutors were formerly the responsibility of the State Troopers and District Attorney. Thus, by mounting an intensive local effort against crime, Anchorage is, in essence, saving the state considerable costs that it would otherwise incur.

Based on these facts, I do not feel that it is inequitable or unreasonable for municipalities such as Anchorage to be excused from outstanding debts for judicial services. This is particularly true in light of the fact that, by enacting Ch. 219, SLA 1976, the Legislature has indicated that such costs are properly the responsibility of the state.

If you have any additional questions concerning this legislation, please contact Mr. Ted Berns, Municipal Attorney at 264-4237. Thank you for your attention to this bill and for an opportunity to comment.

Sincerely,

MUNICIPALITY OF ANCHORAGE

George M. Sullivan
Mayor

GMS:TDB:gml

CSHB 193 am, HB 424, HB 273 am

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

May 12, 1977

Present: Chairman Orsini, Senators Hackney and Willis; Reed Stoops, Community & Rural Affairs Department; Margo Dick, Day Care Assistance; Palmer McCarter, Dept. C&RA.

Absent: Senators Ferguson and Sumner

The hearing began with CSHB 193 am concerning day care assistance. Reed Stoops, Community and Rural Development, testified in favor of the bill and explained that the proposed changes in the bill would (1) reverse the licensing requirements of day care facilities; (2) redefine definitions of "child"; (3) eliminate the current system of providing assistance to AFDC families and; (4) provide for an effective date.

Mr. Stoops informed the committee that those AFDC families who were receiving 100% funding for day care assistance would henceforth be subjected to eligibility standards determined on a sliding scale income basis coinciding with the formula used to determine how much non-AFDC families will receive in assistance. Stoops stated that enactment of this bill would provide a savings of $132,000 to the state.

He also stated that changing the required age limit from seven years of age to 11 years of age for non-AFDC recipients, and AFDC recipients from age 14 to 11 years would be an equitable compromise so that more children could benefit from day care assistance without incurring any additional .se. He stated that they estimate 8% more children would be elegible.

Margo Dick, from the Day Care Assistance in Juneau supported Mr. Stoops comments.

Senator Hackney moved that the committee pass the bill out with individual recommendation, and Senator Willis voted "do pass", and Senators Orsini and Hackney voted "no rec".

Chairman Orsini asked Palmer McCarter to testify on HB 424, and he explained that this bill provides reimbursement to municipalities for payments made after July 1, 1975 for judicial services. Senator Hackney moved for a "do pass" vote from the Committee, and the bill was unanimously passed out.

Palmer McCarter offered testimony regarding CSHB 273 am, and stated they the Dept. is against the concept of this bill. He explained that 3rd class boroughs were created as an addition to the existing borough form of government. The 3rd class borough's powers consist of providing education and taxation for the purpose of providing that service.

He also pointed out the the Federal Government might be upset if some areas in the state have Coastal Zone Management without a municipality or borough to carry out planning, platting and zoning.

Senator Willis moved that the bill go out of the Committee with individual recommendation, and he voted "no rec", Senator Orsini voted "do not pass" and Senator Hackney voted "do pass".

5/18/78

HB 214

Mtch Cnovo - Mmm Anch

ch 219 SLA 1976

'76 legis' - relieved pub't subd fr. & gnd svc

provided by state (magistrates)

HB 214 forgives pre-76 debts for gnd svc

Dist Ct judge - enforcing mun ordinances

(companion HB 424)

HB
364

DYER & FUNK
CERTIFIED PUBLIC ACCOUNTANTS
LEROY T. FUNK, C.P.A. 800 GLACIER AVENUE ROBERT L. DYER, C.P.A.
SUITE C
JUNEAU, ALASKA 99801
PHONE 586-3635

May 9, 1977

The Honorable Joseph Orsini
State Capitol
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

There is a Bill being considered in the State House of Representatives which I feel deserves consideration by every Alaskan and especially those in a position to influence legislation. The Bill is HB 364 sponsored by the House Rules Committee, which will allow State employees to vote on whether or not to opt out of the Social Security system.

The main argument put forth is that these funds could be used more advantageously if placed with the Public Employee's Retirement System. I doubt that any knowledgeable individual would disagree with this claim, however, anyone taking the same amount of money and placing it in a minimal return investment would probably do better than the Social Security Fund.

Allowing another group to opt out of the system only spreads the responsibility of providing for our aged over a smaller number of taxpayers. According to published reports, our Social Security Fund keeps shrinking as our taxes continue to increase. This year the maximum tax on a self-employed individual is $1,304 compared with $1,209 in 1976. The maximum for employees is $965 in 1977 compared with $895 in 1976 with like amounts paid by the employer. I understand President Carter is proposing legislation to allocate other tax monies to Social Security.

At the present time Federal employees and teachers are exempt and probably others of whom I am unaware. There are many inequities in our tax system as I am sure you are aware. It seems to me that an effort should be made to eliminate the inequities rather than allow more. Every employee should be allowed to contribute, or not, at the employee's option.

It has been my feeling for some time that every individual should have the opportunity to opt out of the Social Security system, but once this election is made it should be binding and irrevocable. Accumulated contributions would be forfeited upon the election. Before one is allowed to opt out of the system, however, proof of a retirement plan should be required. Needless to say, assuring that an adequate retirement plan is begun and maintained would be next to impossible. I suspect that had something to do with inception of the system initially.

The problem with allowing individuals to opt out of the system is the system itself. Many people retire from public service at a reasonably young age. These people have acquired skills that enable them to obtain employment in jobs covered by Social Security at high salaries. They work at salaries in excess of the Social Security base for enough quarters to qualify for near maximum benefits and receive nearly the same monthly allowance as someone who has paid into the system his entire working life. In fact, they could receive more than some of the low income people who have contributed for their entire life.

I hope that you will seriously consider the consequences of this Bill on every Alaskan, and not just State employees, before allowing it to pass. By copy of this letter to the Alaska Society of Certified Public Accountants, I am asking the members to support my opposition to this Bill.

Very truly yours,

LeRoy T. Funk

LeRoy T. Funk

cc: Alaska Society of Certified Public Accountants

LTF:rs

HB

424

HB 214

Supreme Court
State of Alaska

CHIEF JUSTICE
ROBERT BOOCHEVER

JUSTICES
JAY A. RABINOWITZ
ROGER G. CONNOR
ROBERT C. ERWIN
EDMOND W. BURKE

POUCH U
STATE COURT AND OFFICE BUILDING
JUNEAU, ALASKA
99811
907-465-3410

March 2, 1977

Honorable Hugh Malone
Speaker of the House
Capitol Bldg., Rm. 210
Juneau, Alaska 99811

Dear Rep. Malone:

The following list of payments by political subdivisions represents the amounts that the State would pay out if it decided to refund all judicial services payments subsequent to July 1, 1975:

Cordova	$ 200
Homer	240
Palmer	678
Kodiak	8,368
Seldovia	600
Seward	6,580
Soldotna	1,259
Ft. Yukon	400
Nenana	45
Haines	680
Juneau	41,684
Petersburg	500
Wrangell	500
Nome	1,000
Kotzebue	600
Delta Junction	240
Sitka	10,135
Anchorage	126,500
Valdez	7,556
Skagway	782
	$208,547

Please let me know if you need other information on these payments.

Sincerely,

Robert C. Erwin

Alaska House of Representatives

HUGH MALONE

POUCH V
JUNEAU
99811

P. O. BOX 9
KENAI
99611

May 10, 1977

The Hon. Joe Orsini, Chairman
Senate Community and Regional Affairs Committee

Dear ~~Sen Orsini~~ Joe: 424

I would appreciate your help in scheduling HB 454, reimbursement of amounts paid for judicial services by political subdivisions.

Thank you.

Hugh Malone

HM:ls

HB
426

Steel SB 310 Selecta Counterpart

Oxford Pendaflex

STOCK No. 753 1/3

• • •

MADE IN U.S.A.

Cross checked w/ SB 310

Introduced: 4/1/77
Referred: Resources and Finance

BY COWPER, ANDERSON, AKERS, BRADLEY, DUNCAN, ELIASON, FREEMAN, GARDINER, GUY, NAKAK, OSE, OSTERBACK, SCHAEFFER, SMITH AND SNIDER

IN THE HOUSE

HOUSE BILL NO. 426 am

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act making a special appropriation to the Department of Community and Regional Affairs to provide funds for the erosion control grant program; and providing for an effective date."

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

* Section 1. The sum of $250,000 is appropriated from the general fund to the Department of Community and Regional Affairs for the purpose of providing funds to the community erosion control fund. The grants shall be for the purpose of financing the capital construction, design and engineering costs of erosion control projects under AS 44.47.400 - 44.47.420.

* Sec. 2. The unexpended and unobligated portion of this appropriation shall not be lapsed into the general fund at the termination of a fiscal year but shall be retained for the purposes enumerated in "An Act relating to erosion control."

ADDITION TO SB 310

* Sec. 3. This Act takes effect on the effective date of a version of an Act entitled "An Act relating to erosion control."

HB
558

CS HB 0-5-8 (Fairbanks)

Section 1. AS 39.20.310(7) ~~[illegible]~~ is amended by the definition section 39.20.400 (see Title 39 page 25) which is ~~state~~ employee only.

Section 2. reads "Towns, etc."

Section 3. AS 39.30.100 (2) is a definition section which includes pol. subdivisions but applys to ~~[illegible]~~ sec. 90 only which is the "Procurement of Supplies Gen." section. (see page 13 of the Title 39 supplement

~~[illegible]~~

4452
Cranswith

Original sponsors: Duncan and Miller

Offered: 5/10/78
Referred: Rules

IN THE HOUSE BY THE FINANCE COMMITTEE

CS FOR HOUSE BILL NO. 558 (Finance)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act extending leaves of absence to and amending the group insurance benefits of certain employees of the state, and certain of its political subdivisions; and providing for an effective date."

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

* Section 1. AS 39.20.310(7) is amended to read:

(7) temporary employees hired for periods of less than 30 consecutive days [12 CONSECUTIVE MONTHS]; (LEAVES OF ABSENCE)

* Sec. 2. AS 39.30.100(1)(A) is repealed and re-enacted to read:

(A) an employee, except an emergency employee, who has served with the same governmental unit as

(i) a permanent full-time employee for 30 days or more;

(ii) a permanent part-time employee for 30 days or more; or

(iii) a temporary employee for 60 days or more; however, temporary employees employed by a municipality participating in the provisions of sec. 90 of this chapter need not be provided coverage.

* Sec. 3. AS 39.30.100(2) is amended to read: (GROUP INSURANCE COVER. DEFINITIONS)

(2) "governmental unit" means the state [, A BOROUGH, MUNICIPAL CORPORATION,] or any [OTHER] political subdivision of the state, and the North Pacific Fishery Management Council;

* Sec. 4. AS 39.30.090(14) is amended to read: (PROCUREMENT OF GROUP INSURANCE)

COMMITTEE COPY

3 read under rules

(14) Except as otherwise provided in written agreements between the state and its public employees which are in effect on the effective date of this Act or as otherwise provided in any renewal of those agreements, for [FOR] each permanent or temporary part-time employee electing coverage under this section the state shall contribute one-half the state contribution rate for permanent full-time state employees, and the [PERMANENT] part-time employee, as a condition of employment, shall contribute the other one-half.

* Sec. 5. This Act takes effect July 1, 1978.

COMMITTEE COPY

Original sponsors: Duncan and Miller

Offered: 2/28/78
Referred: Finance

IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE

CS FOR HOUSE BILL NO. 558

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act extending leaves of absence to and amending the group insurance benefits of certain employees of the state, and certain of its political subdivisions; and providing for an effective date."

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

(LEAVES OF ABSENCE)

* Section 1. AS 39.20.310(7) is amended to read:

(7) temporary employees hired for periods of less than 30 consecutive days [12 CONSECUTIVE MONTHS];

* Sec. 2. AS 39.30.100(1)(A) is repealed and re-enacted to read:

(A) an employee, except an emergency employee, who has served with the same governmental unit as

(i) a permanent full-time employee for 30 days or more;

(ii) a permanent part-time employee for 30 days or more; or

(iii) a temporary employee for 60 days or more; however, temporary employees employed by a municipality participating in the provisions of sec. 90 of this chapter need not be provided coverage.

(GROUP INSURANCE COVERAGE DEFINITIONS)

* Sec. 3. AS 39.30.100(2) is amended to read:

(2) "governmental unit" means the state [, A BOROUGH, MUNICIPAL CORPORATION,] or any [OTHER] political subdivision of the state, and the North Pacific Fishery Management Council;

* Sec. 4. AS 39.30.090(14) is amended to read:

(14) Except as otherwise provided in written agreements between the state and its public employees which are in effect on the effective date of this Act or as otherwise provided in any renewal of those agreements, for [FOR] each permanent or temporary part-time employee electing coverage under this section the state shall contribute one-half the state contribution rate for permanent full-time state employees, and the [PERMANENT] part-time employee, as a condition of employment, shall contribute the other one-half.

* Sec. 5. AS 39.30.090(1) is amended to read: (PROCUREMENT OF GROUP INSURANCE)

(1) a group insurance policy shall provide

(A) physical examination insurance for permanent employees; and

(B) one or more of the following benefits: life insurance, accidental death and dismemberment insurance, weekly indemnity insurance, hospital expense insurance, surgical expense insurance, dental expense insurance, audio-visual insurance, or other medical care insurance.

* Sec. 6. AS 39.30.100 is amended by adding a new paragraph to read: (GROUP INSURANCE COVERAGE DEFINITION)

(5) "physical examination insurance" means coverage under a group policy sufficient to defray a portion of the cost of an annual physcial examination for an eligible employee; the policy shall provide that payment may be made, if an employee obtains a physical examination, in accordance with the following schedule:

(A) for the first physical examination of the employee, 70 per cent of the cost of the examination;

(B) for a physical examination of an employee given during the next succeeding calendar year, 80 per cent of the examination cost;

(C) for a physical examination of an employee given

during the next succeeding calendar year, 90 per cent of the examination cost; and

(D) for a physical examination of an employee given during the next and each succeeding calendar year, the entire cost of the examination.

* Sec. 7. Sections 2 - 4 of this Act take effect July 1, 1978.

Sen Rules re 558

1. Are there any municipalities which support the bill?

2. Are there any municipalities which would be forced, or feel forced, into participating in the Average -- i.e. "add in or add out" of programs?

3. Are there any classes of municipalities which favor or not favor the bill. Such as large versus small municipalities?

5-19-78

NOTE FOR CSHB 558 FILE

Jim Rolle called yesterday to say that further study of 558 indicated that the municipal league did not have any problems with the bill, since it appeared that any municipal involvement in the legislation would be at the option of the municipality.

Earlier Rolle believed that 39.30.100(1)(A)(iii) would create a situation where municipalities would feel impelled to participate in the program and for that reason said that the municipal league had problems with the bill. Yesterday, he said that this was based on an aparent misreading.

(On Wednesday, Marilyn Miller said that she had studied the bill extensively and said that she found no m unicipal impact that was not voluntary.)

Mike Miller said on Wednesday that as many as 8,000 state employees would be affected by the bill and for that reason he and the APEA were concerned about its passage and committee waiver.

Cherie Shelley, APEA, has said that the APEA is primarily concerned with Sec. 4 of the bill and is willing to see everything else drop. She said that Senator Tillion is holding all the APEA bills in Senate Finance until they are all in place before he will consider moving out any one of them.

bfh

Original sponsors: Duncan and Miller

Offered: 2/28/78
Referred: Finance

IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE

CS FOR HOUSE BILL NO. 558

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LECISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act extending leaves of absence to and amending the group insurance benefits of certain employees of the state, and certain of its political subdivisions; and providing for an effective date."

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

* Section 1. AS 39.20.310(7) is amended to read:

(7) temporary employees hired for periods of less than 30 consecutive days [12 CONSECUTIVE MONTHS];

* Sec. 2. AS 39.30.100(1)(A) is repealed and re-enacted to read:

(A) an employee, except an emergency employee, who has served with the same governmental unit as

(i) a permanent full-time employee for 30 days or more;

(ii) a permanent part-time employee for 30 days or more; or

(iii) a temporary employee for 60 days or more; however, temporary employees employed by a municipality participating in the provisions of sec. 90 of this chapter need not be provided coverage.

* Sec. 3. AS 39.30.100(2) is amended to read:

(2) "governmental unit" means the state [, A BOROUGH, MUNICIPAL CORPORATION,] or any [OTHER] political subdivision of the state, and the North Pacific Fishery Management Council;

* Sec. 4. AS 39.30.090(14) is amended to read:

during the next succeeding calendar year, 90 per cent of the examination cost; and

(D) for a physical examination of an employee given during the next and each succeeding calendar year, the entire cost of the examination.

* Sec. 7. Sections 2 - 4 of this Act take effect July 1, 1978.

p insurance. The Department
r policies of group insurance
vees of other participating
ing conditions:
e one or more of the following
nd dismemberment insurance,
xpense insurance, surgical
ce, audio-visual insurance, or

is spouse and his unmarried
t and each eligible employee
hall be covered by the group
opted by the commissioner

under a group policy if
authorizing participation,

d with the Department of

roves the participation in

ll obtain the insurance
t business in the state

ll make available bid
all insurance carriers
e desired benefits. The
re July 1, 1965, and at
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e premium, the excess
e sole benefit of the

110, AS 22.25 or AS
jor medical and life
ependents who have

110, AS 22.25 or AS
dependents who are
these dependents

A person receiving benefits under AS 14.25.110, AS 22.25 or AS
obtain major medical and prescription drug insurance under
for himself and any dependents to cover costs which are not
by the federal old age survivor's and disability insurance

A person electing to have insurance under (9), (10) or (11) of this
shall pay the cost of this insurance.
No person may elect for coverage under (9), (10) or (11) of this
unless he was or is presently eligible for coverage under this
2 ch 151 SLA 1955; am § 1 ch 168 SLA 1959; am § 1 ch 105
, am § 1 ch 70 SLA 1968; am § 66 ch 69 SLA 1970; am § 1 ch
A 1970; am § 1 ch 159 SLA 1972; am §§ 1, 2 ch 46 SLA 1973; am
14 ch 47 SLA 1974)

Effect of amendments. — The 1972 amendment added paragraphs (9), (10), (11), and (13).

The 1973 amendment inserted "dental insurance, audio-visual insurance," in paragraph (1) and substituted "$37.50" for "$17.50" in paragraph (5).

The 1974 amendment inserted "his spouse and his unmarried children chiefly dependent on him for support" and "each eligible employee" preceding "of another participating governmental unit" in paragraph (2) and repealed paragraphs (4) and (5).

Legislative committee reports. — For report on ch. 69, SLA 1970 (HB 564), see 1970 House Journal Supplement No. 2, p. 7. For report on ch. 159, SLA 1972 (FCCS HCS CSSB 264), see 1972 House Journal, p. 924.

Stated in State v. Worden, 7 Alas. L.J. No. 9, p. 641 (Sept., 1969).

Sec. 39.30.100. Definitions. In § 90 of this chapter
(1) "eligible employee" means
(A) an employee who has served in full-time employment with the same governmental unit for 30 days or more, except a part-time, emergency or temporary employee, and
(B) an elected or appointed official of a governmental unit, effective upon taking the oath of office;
(2) "governmental unit" means the state, a borough, municipal corporation, or other political subdivision of the state;
(3) "insurance", "insurance carrier" and "insurance policy" include health care services, health care service contractors and contracts. (§ 1 ch 151 SLA 1955; am § 2 ch 105 SLA 1965)

Stated in State v. Worden, 7 Alas. L.J. No. 9, p. 641 (Sept., 1969).

Article 3. Special Hazard Insurance.

Section
130. Special hazard insurance

HB
621

HB 621

"An Act relating to unemployment insurance coverage for employees of the state and its political subdivisions; and providing for an effective date."

In 1977, Federal Public Law 94-566 determined that states and their political subdivisions must provide unemployment insurance coverage for their employees. If the state did not provide coverage, certain Federal funds would be withheld.

State of Alaska then passed Ch. 122 SLA 1977 (HCS for SB 116), enacting coverage for the state and its political subdivisions' employees. Ch. 122, Sec. 34 provides that if Congress repeals or the courts find PL 94-566 unconstitutional, ~~Ch. 122~~ Sec 33 will ~~not~~ go into effect:

Sec. 32 - provides for suspension while in the courts

Sec. 33 - reverts to law the way it was before

HB 621 repeals Sections 32 -34; and the Senate State Affairs Ammendment provides for municipalities to remain exempt from this - i.e. they still will come under Sec. 32 - 34:

Sec. 32 - repealed and reenacted to exclude municipalities

Sec. 33 - repealed and reenacted to exclude municipalities

Basried
4·18·78

A M E N D M E N T

Offered in the HOUSE BY:

TO: HB 621

Page 1, line 10 delete all material and insert:

* Sec. 1. Sections 32 and 33, ch. 122, SLA 1977 are repealed and reenacted to read:

* Sec. 32. The application of sections 4, 5, 13, 15, 16, 21 and 22 of this Act, AS 23.20.525(a)(14) as enacted by sec. 18 of this Act, and the repeal of AS 23.20.526(a)(16) and (18) enacted in sec. 25 of this Act, to municipalities which have not enacted an ordinance providing that the municipality be included are suspended for the period in which an injunction issued by a federal court of competent jurisdiction prohibiting the enforcement of 26 U.S.C. 3304(a)(6) remains in effect.

* Sec. 33. The application of sections 4, 5, 13, 15, 16, 21 and 22 of this Act, AS 23.20.525(a)(14) as enacted in sec. 18 of this Act, and the repeal of AS 23.20.526(a)(16) and (18) enacted in sec. 25 of this

Act, to municipalities which have not enacted an ordinance providing that the municipality be included are repealed and the language of AS 23.20.278, 23.20.325(a), 23.20.520(12), 23.20.525(a)(4), (5), and (14), 23.20.526(a)(16) and (18) and 23.20.526(d), as it existed before January 1, 1978, is revived.

The attached was furnished by Jim Rolle of the Alaska Municipal League

Figures represent the listed municipalities' estimated cost of providing unemployment insurance to their employees under HB 621

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

MATANUSKA-SUSITNA BOROUGH

General Government ----------29,639
School ---------- 190,571

CITY OF NORTH POLE

General Government ----------10,000

CITY AND BOROUGH OF SITKA

General Government ----------45,000
School ----------20,000

FAIRBANKS NORTH STAR BOROUGH

General Government ----------52,700
School ---------- 200,000

These are just estimates of a few municipalities selected at random. There is no experience factor for these estimates. It also depends upon what comes out on the new unemployment compensation bills.

S/ References
S C/RA
S L/M
S Judiciary

5-10-78

NOTE FOR HB 621 FILE

Cherie Shelley, APEA, stopped by the office last week to ask if S C/RA would waive referral on the bill if State Affairs eliminated the coverage of municipal employees under the bill.

She said that it was never APEA's original intention to cover municipal employees...that its chief goal was for state coverage. As a result, the addition of municipal employees was essentially inadvertent, and could be dropped without problem.

bfh

H/ State Affairs - 3832

S/ " " 3895

HB
657

House Counterpart to SB 324

NOTE Hillier Rewrite

Oxford Pendaflex

STOCK No. 753 1/3

MADE IN U.S.A.

Alaska State Legislature

House of Representatives

Office of the Majority Leader

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

May 5, 1978

M E M O R A N D U M

TO: Senator Joe Orsini
FROM: Mike Milligan

Joe--

You will recall that you've been hesitant to bring up House Bill 657--relating to tidelands near Skagway--because of adverse ruling from the Attorney General. I've taken the liberty of having the bill redrafted as a suggested committee substitute. The Attorney General himself assures me that the redrafted legislation no longer has Constitutional problems. Your consideration of this legislation would be greatly appreciated.

CC: Senator Bill Ray
Representative Jim Duncan
Attorney General Avrum Gross

Alaska State Legislature

House of Representatives

Office of the Majority Leader

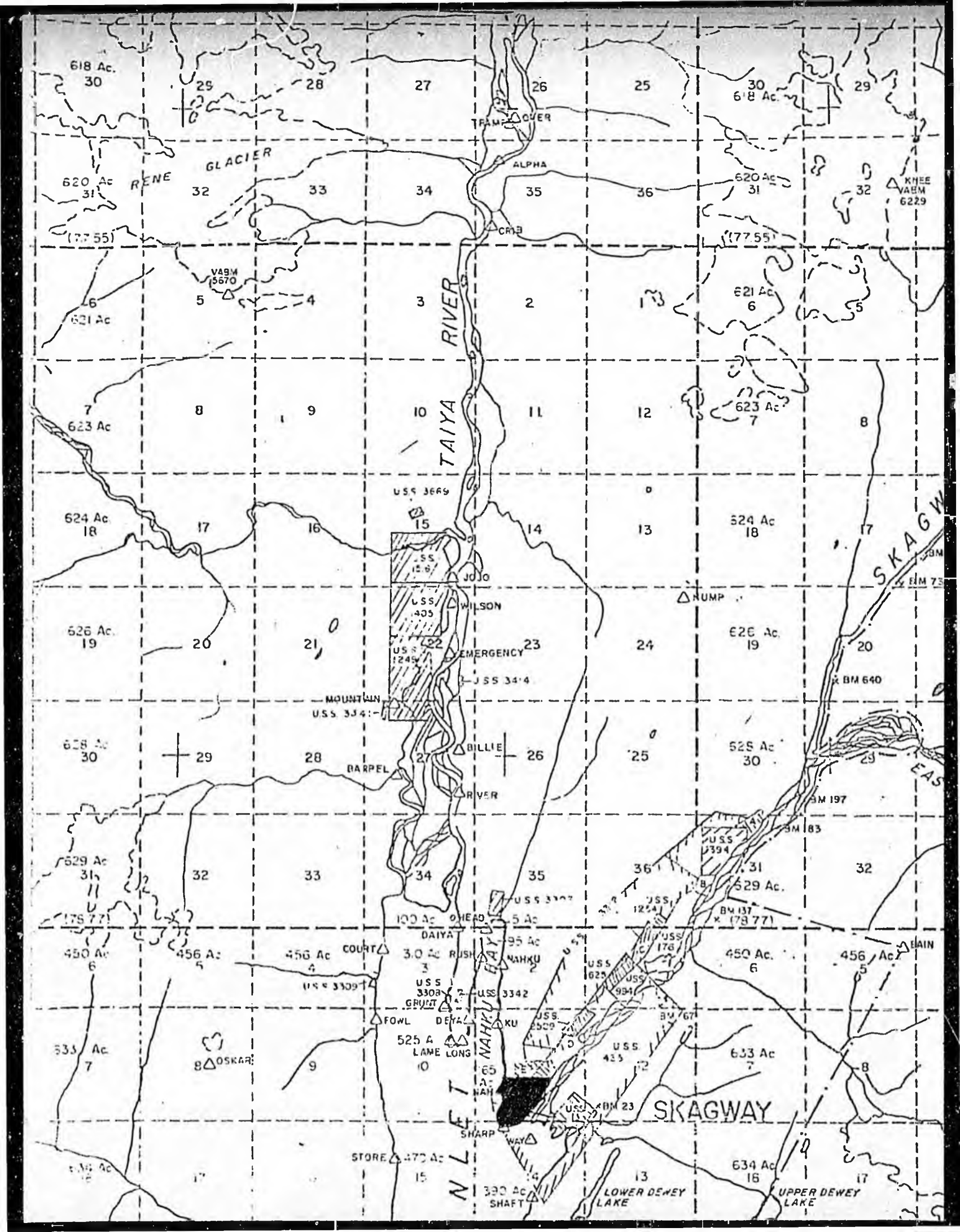
Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

February 22, 1978

Joe--

By a unanimous vote the House passed H.B. 657 which, though written in general terms, applies only to a small bit of tidelands at Skagway. The Division of Lands, although not wild about the bill told House Community and Regional Affairs they had no real objection to it. I'd appreciate if you would bring it up for a hearing in your committee.


GLACIER
RENE
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SKAGWAY
NAHKU BAY
TRAMWAY OVER
ALPHA
CRAB
KNEE
VABM 6229
VABM 5670
JOJO
WILSON
EMERGENCY
MOUNTAIN
BILLIE
BARPEL
RIVER
DAIYA
COURT
RUSH
FOWL
DEVAL
LAME LONG
OSKAR
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STORE
SHAFT
LOWER DEWEY LAKE
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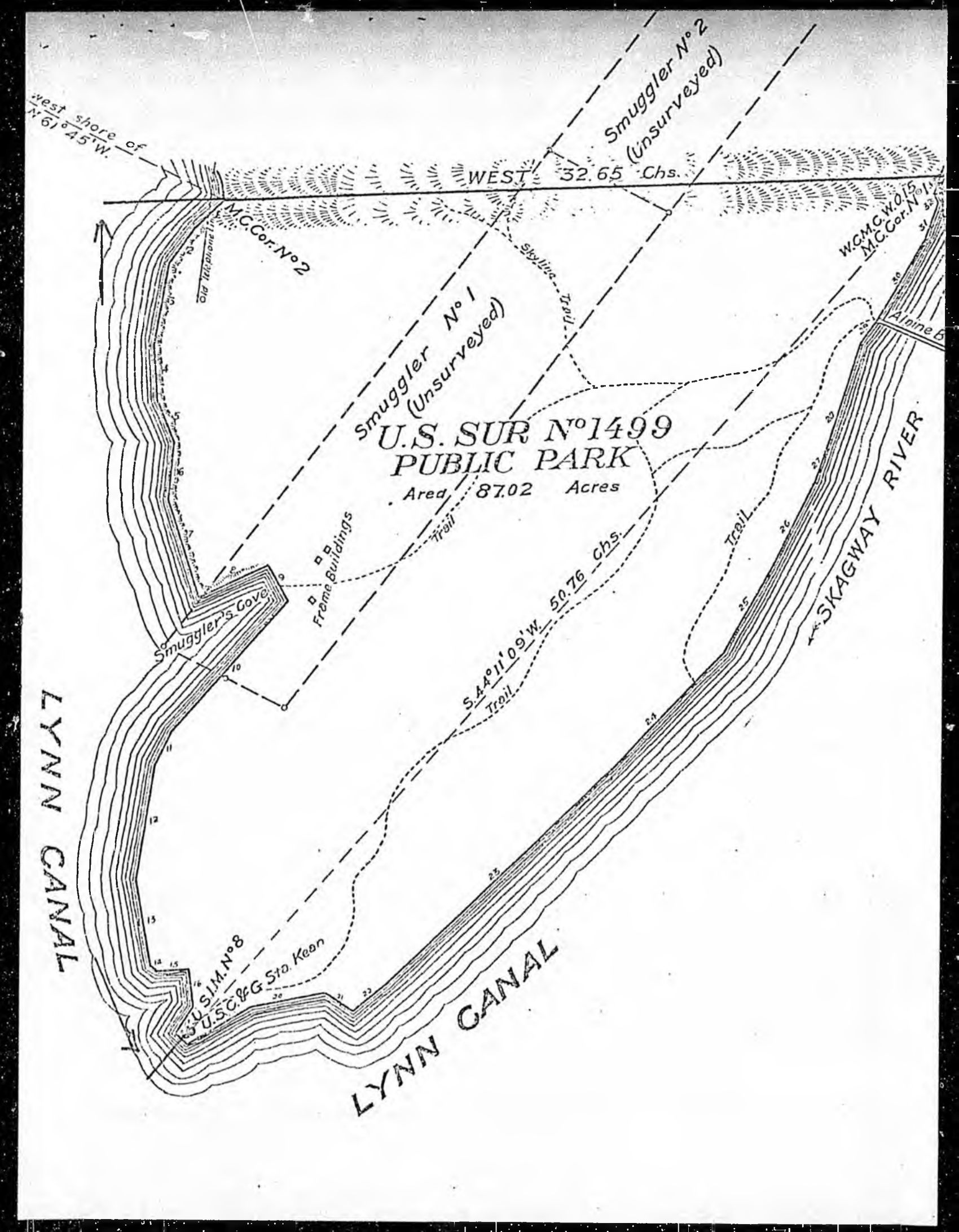
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WEST 32.65 Chs.
Smuggler N° 2
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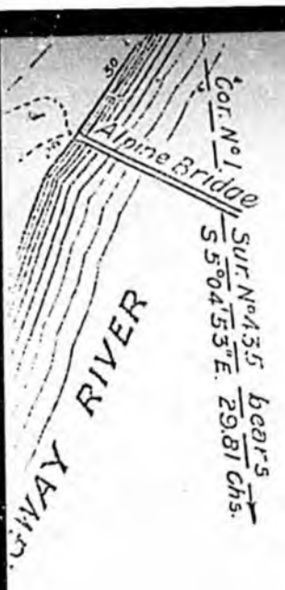
M.C.Cor. N° 2
Old Telephone Line
Skyline Trail
W.C.M.C. W. 0.15
M.C.Cor. N° 1
Smuggler N° 1
(Unsurveyed)
U.S. SUR N° 1499
PUBLIC PARK
Ared 87.02 Acres
Trail
Frame Buildings
Trail
S. 44° 11' 09" W. 50.76 Chs.
Trail
Smuggler's Cove
SKAGWAY RIVER
LYNN CANAL
U.S.L.M. N° 8
U.S.C.&G. Sta. Kean
LYNN CANAL



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As surveyed under instructio
the U.S. Surveyor General, da
1923, and approved by the Co
the General Land Office, Jul

FRED DAHLQUIST

U.S. Cadastral Engine

July 31 - August 6,19

- - - - - - - - -

OFFICE OF U.S. SURVEYOR G

Juneau, Alaska, Novem

The map hereon delineated
No.1499, of the Public Park situ
Skagway, Alaska, is strictly con
the field notes of the survey th
in this office, which have been
approved.

U.S. Surv

MEANDERS

1.	S.49°58'W.,	1.67	chs.
2.	S.38°56'W.,	1.92	"
3.	S.12°51'W.,	3.70	"
4.	S. 1°15'E.,	2.29	"
5.	S.20°48'E.,	2.14	"
6.	S. 7°35'W.,	2.50	"
7.	S.15°30'E.,	4.44	"
8.	N.68°03'E.,	3.45	"
9.	S.27°32'E.,	1.79	"
10.	S.45°15'W.,	7.72	"
11.	S.29°24'W.,	1.69	"
12.	S.11°30'W.,	5.17	"
13.	S. 7°09'E.,	3.87	"
14.	S.48°30'E.,	0.40	"
15.	N.89°00'E.,	1.43	"
16.	S. 4°28'E.,	1.67	"
17.	S.36°00'W.,	1.51	"
18.	S.45°00'E.,	0.76	"
19.	N.62°03'E.,	3.35	"
20.	N.81°05'E.,	3.42	"
21.	S.54°24'E.,	1.57	"
22.	N.52°00'E.,	1.77	"
23.	N.49°30'E.,	14.00	"
24.	N.46°35'E.,	7.21	"
25.	N.32°46'E.,	4.26	"
26.	N.29°12'E.,	4.44	"
27.	N.21°33'E.,	1.69	"
28.	N.20°25'E.,	4.59	"
29.	N.37°34'E.,	1.15	"
30.	N.34°51'E.,	4.25	"
31.	N.22°27'E.,	1.81	"
32.	N.18°46'E.,	0.50	"
33.	N.22°37'E.,	0.91	"

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE MINUTES

June 10, 1978

Present: Senators Orsini, Willis and Hackney

Absent: Senators Sumner and Ferguson

The Senate Community and Regional Affairs Committee met upon adjournment of the Senate Session this day and passed out HB 855 am with "INDIVIDUAL RECOMMENDATIONS" with an amendment, and also HB 657 with a "NO RECOMMENDATION".

F: SB 374
HB 657

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

11TH FLOOR, STATE OFFICE BLDG.
POUCH M — JUNEAU 99811

May 15, 1978

The Honorable Joe Orsini
Chairman, Senate Community
and Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

I am writing in reply to your letter of May 8, 1978, concerning SB 374.

Generally, I believe it sufficient that the State convey tidelands by long term lease rather than fee title. However, if there are specific circumstances which require fee conveyance, I believe the revised work draft (SCSHB 657) is satisfactorily limited to prevent a wholesale run by municipalities on State owned tidelands.

Sincerely,

Robert E. LeResche
Commissioner

HB
766

ck Mike Singer 4955
Richard Rack 2515

REP ELIASON Pro

ANNETTE Smith H CKA

LEE SCHARP C+B Lumeau Cen

CK Designer Carlson

AGC

Oxford Penderflex

STOCK No. 753 1/3

MADE IN U.S.A.

Original sponsor: Eliason

Offered: 5/25/78
Referred: Rules

IN THE HOUSE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

SENATE CS FOR CS FOR HOUSE BILL NO. 766

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act authorizing home rule and general law municipalities to exempt contractors from certain bond requirements in the construction or repair of public works projects."

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

* Section 1. AS 36.25 is amended by adding a new section to read:

Sec. 36.25.025. OPTIONAL MUNICIPAL EXEMPTION. A municipality, by ordinance adopted by its governing body, may exempt individual contractors from compliance with the provisions of sec. 10(a) of this chapter if the estimated cost of the project does not exceed $400,000, and

(1) the contractor is, and for two years immediately preceding the award of the contract has been, a licensed contractor having his or its principal office in the state;

(2) the contractor certifies that he has not defaulted on a contract awarded to him during the period of three years preceding the award of a contract for which a bid is submitted;

(3) the contractor submits a financial statement, prepared within a period of nine months preceding the submission of a bid for the contract and certified by a public accountant or a certified public accountant licensed under AS 08.04, demonstrating that the contractor has a net worth of not less than 20 per cent of the amount of the contract for which a bid is submitted; and

(4) the total amount of all contracts which the contractor anticipates performing during the term of performance of the contract

HB 827

General Industry stds - sec. by R. Block (Dir of Insur)

for which a bid is submitted does not exceed the net worth of the contractor reported in the certified financial statement prepared and submitted under (3) of this subsection by more than seven times.

* Sec. 2. AS 29.13.100 is amended by adding a new paragraph to read:

(38) AS 29.48.130(a)(12) (municipal exemption on contractor bond requirements)

* Sec. 3. AS 29.48.130(a) is amended by adding a new paragraph to read:

(12) exempt contractors from compliance with general requirements relating to payment and performance bonds in the construction or repair of municipal public works projects within the limitations set out in AS 36.25.025.

ALASKA STATE LEGISLATURE - HOUSE OF REPRESENTATIVES

REPRESENTATIVE RICHARD I. ELIASON
P.O. BOX 143
SITKA, ALASKA 99835

WHILE IN JUNEAU
FOUCH V
JUNEAU, ALASKA 99811

MINORITY WHIP

COMMITTEES
RESOURCES
JUDICIARY

TO: All Senators
Alaska State Legislature

FROM: Representative Dick Eliason

DATE: May 30, 1978

SUBJECT: House Bill 766

The intent of House Bill 766 is to permit municipalities to exempt contractors from existing bonding requirements for local public works projects. This would have to be done by ordinance of the local government.

The effect would be to enable small, local contractors, who do not have the financial capability to meet current bonding requirements, to secure public works contracts. At present, many small contracts on local projects go to larger firms outside the local area, often from outside the state. The result of such exemptions being available would be to provide additional work for local firms and for local labor. In addition, it would often bring in lower contract prices, simply because of a contractor having equipment and people in the area.

Contracts could be let, and exemptions granted at the discretion of local officials, who usually are acquainted with local contractors and know of their reputations, integrity and capabilities. The contractors in question live and work in the local communities, but have increasing difficulty getting work because of financial and bonding requirements.

There is protection built into the contracting situation with the retained percentage system, under which the municipality pays for a contract incrementally as work is satisfactorily completed. Additionally, municipalities have the option of granting front money for local contractors by way of paying for or underwriting costs of shipping materials and equipment when necessary.

There is no significant opposition to the measure. The law would help to restore a measure of local autonomy to the municipalities.

A Senate amendment to the bill would provide for an upper limit of $400,000 on such contracts, probably a more realistic level than the originally-proposed ceiling of $250,000.

NB 827

5-22

~~766~~ conditions

provided that:

1) the contractor is, and for two years immediately preceeding the award of the contract has been, a licensed contractor having its principal offices in the state.

2) the contractor submits a financial statement as of no earlier than nine ~~months~~ months prior to submitting the bid for contract, certified by ~~a certified public~~ an accountant licensed by the state showing:

(a) a net worth of no less than 20% of the face amount of the contract;
(b) the contractor has not defaulted on any contract awarded in him the last three years;

3) the total amount of all contracts being performed by the contractor during the term of the subject contract being awarded under this statute, does not exceed seven times the net worth of the contractor.

$400 K

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE MEETING

May 23, 1978

Present: Senators Orsini, Hackney, Willis and Ferguson; Tom Singer, House Permanent Fund; Pat Conheady, DNR; Annette Smith, House C&RA; Jack Chenoweth, Legislative Affairs Agency, Royce Weller, Hugh Malone's Staff; Representative Dick Eliason, Richard Engen, Division of State Libraries and Museums.

Absent: Senator Sumner

The bills before the Committee were CSHB 133, HB 766 and SB 580. The meeting was called to order at 3:08.

SENATE BILL 580

Richard Engen, Division of State Libraries and Museums, stated that this bill would increase the present grant and aid program for assistance to the Public Libraries Association throughout the state from $250 a year on a reimbursable basis to a $500 grant for purchase of library materials.

He stated that it eliminates much of the paper work now required by statute. He explained that his office has to submit invoices on a reimbursable basis and this would be eliminated through the grant provision of the bill. He also stated that the bill removes the restriction from purchasing religious materials which is in the original statutes.

Senator Hackney moved to increase the $500 grant amount to $1,000. There were no objections. Senator Hackney then moved to pass the bill out with a "DO PASS" recommendation.

HOUSE BILL 766

Chairman Orsini went through the proposed recommendations for the bill. He stated that there was a CS for increasing the $250,000 to $400,000 and adding certain conditions to the increase.

Representative Eliason stated that the bill was introduced at the request of the borough Administrator of Sitka. He stated that small contractors in rural areas and smaller communities of the state who have ample equipment and the experience to handle a number of municipal jobs are falling short of other contractors from out of the community and even out of te state because of the difficulty in establishing a bond.

Senator Ferguson moved that the Committee adopt a CS for HB 766 including the recommendations by Chairman Orsini and pass it out with "INDIVIDUAL RECOMMENDATIONS".

CS FOR HOUSE BILL 133

Jack Chenoweth, Legislative Affairs Agency, went over the proposed committee substitute for CSHB 133 and explained section by section

changes in the bill and new language that had been put into t. As a result of committee discussion, a revised work draft of the proposed committee substitute was requested.

Chairman Orsini stated that CSHB 133 would be scheduled for Committee action Thursday.

The meeting was adjourned at 4:00.

5/23/78

HB 766

Sitka wants the bill -

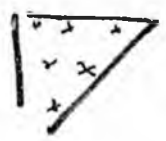
small contractors losing jobs to out-of-area contractors, have trouble establishing a bond

licen

1:30

Ted Bums Trust Lands $10 - 12,000,000

Straight indemnities



CSHB-827 (contained w/ (2) 766) Summary & $10 m. fiscal note - Study Committee of Alaska Ch 4 Block 11 adjustment note for Senate Contractors - Veg, Expansion.

DOT + Admin. Construction Power Shifting the risk to state.

$105 million contracts = 47 contracts under $500,000
= 53 " over

Mr Chairman Ed Co, House Finance or House Commerce -

M Spencer Representation of Study Committee

Lowest bid - AS 35.15.050
AS 37.05240

IN THE HOUSE BY THE COMMERCE COMMITTEE

CS FOR HOUSE BILL 827

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: " An Act relating to the bonding requirements for public works contracts".

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

*Section 1. AS 36.25.010 is amended by adding the following subsections:

(d) Notwithstanding any other provisions of this section, the state or a political subdivision of the state other than municipalities shall waive the bond requirement for contracts of up to $500,000, provided all of the following conditions are met:

(1) The contractor has been unable to secure a bid, performance, or payment bond, and provides the names of the sureties who have denied him bonding, and documentation of the reasons for that denial

(2) the contractor is, and for ~~three~~ two years immediately preceeding the award of contract has been, a licensed contractor having its principal offices in the state;

(3) the contractor provides the following information:

(a) the class of construction in which he specializes,

(b) the size of jobs he feels best qualified to handle,

(c) the work he completed in each of the past three years,

(d) the largest work load carried at any one time, and

(e) a list of the largest jobs he has completed, including

(1) amount of contract

(2) types and location of work

(3) owner's name and address

(4) year completed

the contract is for similar work to that usually performed by the contractor

(4) the contract is for construction, alteration, repair, or maintenance of buildings or improvements and requires the performance of substantially all work by the contractor utilizing his own tools, equipment, and employees, and requires the contractor to use no subcontractors;

(5) the contractor submits a financial statement as of no earlier than nine months prior to submitting the bid for the contract, certified by a certified public accountant showing:

(a) a net worth of no less than 20% of the face amount of the contract;

(b) a profit from contracting operations for at least the year preceding the award of the contract, and for two of the last three years preceding the award of the contract;

(6) the contractor has not defaulted on any contract awarded him in the last three years:

(7) the total amount of all contracts being performed by the contractor during the term of the subject contract, including the contract being awarded under this statute, does not exceed seven times the net worth of the contractor:

(7) the state, or political subdivision of the state, establishes a disbursement procedure wherein:

(a) funds are disbursed in periodic progress payments relating to the amount of work performed to date of disbursement;

(b) no less than ten percent of each disbursement is withheld

to the end of the contract to assure completion of the contract; and

(c) the state or political subdivision of the state performs such audits and requires such lien releases as is appropriate to assure payment of all employers of and suppliers to the contractor.

(e) A municipality, by ordinance adopted by its governing body, may exempt contractors from compliance with the provisions of (a) of this section. The contractor shall be subject to the provisions of (d) of this section.

* Section 2. AS.37.05.220(8) is amended as follows:

(8) prescribe standard forms for bids and contracts for construction, purchase of supplies, and other purposes, which bids and contracts may contain provisions which the department considers necessary; but all contracts for construction shall require the filing of an acceptable performance bond and a penalty provision for failure to perform the contract according to its terms, except as provided in AS.36.25.010(d) and (e).

*Section 3. AS 29.13.100 is amended by adding a new paragraph to read:

(38) AS 29.48.130(a)(12) (municipal exemption on contractor bond requirements).

*Section 4. AS29.48.130(a) is amended by adding a new paragraph to read:

(12) exempt contractors from compliance with general requirements relating to payment and performance bonds in the construction or repair of municipal public works prijects in the manner authorized by AS36.25.010(e).

- Agency ~~Control~~ tools
~~tools~~, hard to turn around to mkt terms

— Agencies have no bottom line indep corps do. Can measure eff performance with ind corp

— Pub. aspect, interpl. of agency / room - pub. visibility to borrowers / Current charge for adv. all st. mgge is 8% - ~~no~~ don't want to be known

Cash Mgmt

— Ives: want public to know who responsible for ROR mgt. Lines of responsibility - clear cut of Govt + agency limitation - clear responsibility Confused if ~~not~~ merged

— History off some loan losses — agencies to budget easier than indep corps. - visibility (rating in agency office)

— Any better / prohibited lending out Ives.

Room Mgmt

to other than mkt + approved fund - bldg should not get up & Cam Ives. - no legis. regs or policy guidelines -

— Performance of Ives. OK but investment banking officers of Cash Mgmt service + agent pay when mkt could do jobs this statute - must buy competence

— Right now Ives. overhanding cash mgmt operations

Lowest bid - AS 35.15.050
AS 37.05.240

IN THE HOUSE BY THE COMMERCE COMMITTEE

CS FOR HOUSE BILL 827

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: " An Act relating to the bonding requirements for public works contracts".

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(1) The contractor has been unable to secure a bid, performance, or payment bond, and provides the names of the sureties who have denied him bonding, and documentation of the reasons for that denial

(2) the contractor is, and for three years immediately preceeding the award of contract has been, a licensed contractor having its principal offices in the state;

(3) the contractor provides the following information:

(a) the class of construction in which he specializes,

(b) the size of jobs he feels best qualified to handle,

(c) the work he completed in each of the past three years,

(d) the largest work load carried at any one time, and

(e) a list of the largest jobs he has completed, including

(1) amount of contract

(2) types and location of work

(3) owner's name and address

(4) year completed

the contract is of similar work to that usually performed by the contractor

(4) the contract is for construction, alteration, repair, or maintenance of buildings or improvements and requires the performance of substantially all work by the contractor utilizing his own tools, equipment, and employees, and requires the contractor to use no subcontractors;

(5) the contractor submits a financial statement as of no earlier than nine months prior to submitting the bid for the contract, certified by a certified public accountant showing:

(a) a net worth of no less than 20% of the face amount of the contract;

(b) a profit from contracting operations for at least the year preceding the award of the contract, and for two of the last three years preceding the award of the contract;

(c) the contractor has not defaulted on any contract awarded him in the last three years:

(6) the total amount of all contracts being performed by the contractor during the term of the subject contract, including the contract being awarded under this statute, does not exceed seven times the net worth of the contractor:

(7) the state, or political subdivision of the state, establishes a disbursement procedure wherein:

(a) funds are disbursed in periodic progress payments relating to the amount of work performed to date of disbursement;

(b) no less than ten percent of each disbursement is withheld

to the end of the contract to assure completion of the contract; and

(c) the state or political subdivision of the state performs such audits and requires such lien releases as is appropriate to assure payment of all employers of and suppliers to the contractor.

(e) A municipality, by ordinance adopted by its governing body, may exempt contractors from compliance with the provisions of (a) of this section. The contractor shall be subject to the provisions of (d) of this section.

* Section 2. AS.37.05.220(8) is amended as follows:

(8) prescribe standard forms for bids and contracts for construction, purchase of supplies, and other purposes, which bids and contracts may contain provisions which the department considers necessary; but all contracts for construction shall require the filing of an acceptable performance bond and a penalty provision for failure to perform the contract according to its terms, except as provided in AS.36.25.010(d) and (e).

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*Section 4. AS29.48.130(a) is amended by adding a new paragraph to read:

(12) exempt contractors from compliance with general requirements relating to payment and performance bonds in the construction or repair of municipal public works prijects in the manner authorized by AS36.25.010(e).

- Agencies used to [illegible] at parcel terms, hard to turn around to mkt terms

- Agencies have no bottom line indep corps do. Can measure eff + performance with ind corp.

Cash Mgmt

- Rob. expect, indep; PF - cause $ goom - pub. visibility to bureaucracy

- Current charge for admin all st. mgmt is $8m - don't want PF blamed

- Tres: want public to know who responsible for ROR in PF, use of responsibility - chain of investment + reporting lines - clear responsibility

Confused if PF mingled

- History of some loan losses - agencies to budget easier than indep corps. - visibility (policy issues, operations, wider setting)

- Long history of pooled lending outside Tres.

Program Mgmt

- no other than mkt risk + to general funds - Rely should not put up to Cong for no legis. regs or policy guidelines -

- Separation of Tres. OK but investment officer of Treas service + can't pay what mkt would to jobs this stature - must buy competence

- Right now Tres. overloading cash mgmt operations

* Politics in policy, high risk of influence peddling none in practice

SEE CSHB 827 F: 766 HB RICHARD K 2515 BACK

The State, or a political subdivision of the State, may award a contract of up to $200,000 without the requirement of bond, provided all of the following conditions are met:

(1) The contractor is, ~~and for five years immediately preceding the award of contract has been~~ 2 years, a licensed contractor having its principal offices in the state;

(2) The contract is for alteration, repair or maintenance of existing buildings or improvements and requires the performance of substantially all work by the contractor utilizing his own tools, equipment and employees, and requires the contractor to use no subcontractors.

(3) The contractor has a financial statement as of no earlier than nine months prior to submitting the bid for the contract, certified by a certified public accountant showing:

(a) a net worth of no less than 20% of the face amount of the contract;

(b) A profit from contracting operations for at least both of the last two fiscal years preceding the award of the contract, and for at least three of the last five years preceding the award of the contract;

(c) The contractor has not defaulted on any contract awarded him in the last three years.

(4) The contractor provides evidence that he has fully performed contracts of similar work in the state in both of the last two years preceding the award of the contract.

(5) The total amount of all contracts being performed by the contractor during the term of the subject contract, including the contract being awarded under this statute, does not exceed seven times the net worth of the contractor.

(6) The State, or political subdivision, awarding the contract has received bids from at least three other contractors, whose bids are accompanied by a bid bond or who meet the qualifications of this subsection, and the successful contractor's bid is not less than 10% lower than the average of all bids on the same job

(7) The State, or political subdivision, establishes a disbursement procedure wherein:

(a) funds are disbursed in periodic progress payments relating to the amount of work performed to date of disbursement;

(b) No less than 10% of each disbursement is withheld to the end of the contract to assure completion fo the contract;

(c) the State or political subdivision performs such audits and requires such lien releases as is appropriate to assure payment of all employers of and suppliers to the contractor.

766 conditions

provided that:

1) the contractor is, and for two years immediately preceeding the award of the contract has been, a licensed contractor having its principal offices in the state.

2) the contract submits a financial statement as of no earlier than nine months prior to submitting the bid for contract, certified by a certified public accountant showing:

(a) a net worth of no less than 20% of the face amount of the contract;
(b) the contractor has not defaulted on any contract awarded to him the last three years;

3) the total amount of all contracts being performed by the contractor during the term of the subject contract being awarded under this statute, does not exceed seven times the net worth of the contractor.

$400 K

Lee Shemp - Jamaica

AGC

Fairbanks

中国

Anchorage

Duty summary Anchorage
or Cost in summary.

Commerce

中国

Roosevelt

Lee Shemp
STATE RECORD

Jim Wakefield approved
to Amend

Army Projects
Nonexclusive
25/40,000 NO.
Exclusive Projects Under
$ 250,000

5-9-78

NOTE FOR HB 766 FILE

Would provide for bonding exemption for smaller construction companies in small communities where these companies cannot afford paperwork involved in qualifying for such bonding.

Sponsor Eliason.

(CSHB 827, Gruening, however, might provide better safeguards for small communities since it would exempt small contractors for up to $500,000 if those contractors could meet certain conditions-- such as not having defaulted over the past three years.)

The Southeastern Conference has recommended that another approach could also deal with the problem. That would be through "personal assurity" which is comparable to co-signing a morgage note.

Richard Block, state insurance, provided much input to HB 766 and to CSHB 827 which he said has received a more careful going over.

Other possible contacts: George Easley and Mike Miller of Dawson insurance.

The bonding requirements dealt with by the bill concern performance bonds.

bfh

5-10-78

NOTE FOR HB 766 FILE

Rep. Eliason said that the bill was requested by the Sitka City Manager and supported by the AML.

He said there was the possibility of AFL-CIO opposition because of labor belief that local companies are greater hirers of non-union labor.

He does not believe this to be the case and is ready to indicate evidence for this in committee hearings.

Eliason believes also that the $250,000 ceiling on the bonding exemption would mean that only small companies in rural areas would be affected. He thinks that Anchorage, Fairbanks, Juneau, and Ketchikan would not have projects falling within that monetary range.

He was not supportive of the concepts in HB 827 which would list a number of conditions which a small contractor would first have to meet to qualify for the bonding exemption. He said that these conditions amount to three pages of requirements and would be onerous.

bfh

HB
795

(1)

4/4

HB 795

Rynniera (Wescott FTVAD (Dijon)

CIP goals
1. Comp prog for PW proj
2. Establish closer multi-agcy coord
3. Create red. constr lead time
4. CIP budget to reflect local desires

$75 K req for FY 78
approved by Legis, Gov cut in half

intergovernmental workshops - McGrath + Fbks

program can be accomplished only by meeting comm-

Coord w/ DOT, DCRA, DEC, etc

32 munic
13 non-muncp comm

few munic have comm dev plans - Delta J+ Ft. Yukon little planning
Rural cap is all state funding (Cap Improve)
Div Econ Enterprise - using info for "Comm. Matrix" (has prev. been a 'wish list')

Contact name of the Vill Corp - contacted by 10 VC's - FTVA is doing dev. for them in some cases

Part of FTVA's function finding funding sources

SENATE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE MINUTES

April 4, 1978

Present: Senators Orsini, Hackney, Sumner and Willis; Janet McCabe, Federal-State Land Use Planning Commission; Rynnieva Wescott, Fairbanks Town & Village Assoc.; Pat Conheady, Department of Natural Resources; Walt Parker, Federal-State Land Use Planning Commission; John Katz, Federal-State Land Use Planning Commission.

Absent: Senator Ferguson

Senate Bill 562 and House Bill 795 were the bills before the committee.

Chairman Orsini called the meeting to order at 3:02.

HOUSE BILL 795

Rynnieva Wescott, Fairbanks Town and Village Association for Development, Inc. stated that there were four basic goals of the program: 1) To develop a comprehensive program for public works projects in their region 2) to establish a closer multi-agency communications and coordination within communities 3) to create provisions for reduction in construction leave time and cost of public facilities and 4) to insure the capital improvements budgeting reflects the economic development goals of local decision makers and residents. She also stated that the Rural Capital Improvements Program was involved in long range economic development planning in an area consisting of 240,000 square miles with 45 small communities in the area. There are 32 organized municipalities and the rest are run by traditional village councils. She stated that the Rural Capital Improvements Program was basically funded by state money though it has a planning grant from EDA that includes the entire district. It also receives planning money from the borough for planning within the borough.

Chairman Orsini asked whether state money was being used to plan development of private enterprises. Ms. Wescott replied that Town and Village Assoc. works with village corporations to assist in planning and helps in finding funding for the corporations' projects.

Chairman Orsini stated that this bill would come before the committee again for furtner discussion.

SENATE BILL 562

Janet McCabe, Federal-State Land Use Planning Commission, stated that the Commission had assisted the Senate Resources Committee and the Administration in preparing this bill for the disposal of approximately 50,000 acres of state lands annually into private ownership. She stated that the Commission supports SB 562. She

gave a background of state land use up until the present. She also went over the three main sections of the bill and outlined the intent of each section. The Committee members, Ms. McCabe, Mr. Walt Parker, Commission Co-Chairman and Mr. John Katz, Commission Attorney discussed the municipal land selections, wilderness permits and the means by which Stated trust lands could be used for income producing purposes.

Chairman Orsini stated that this bill would also be held in committee for further discussion. The meeting was adjourned at 4:10 p.m.

SENATE COMMUNITY & REGIONAL AFFAIRS
COMMITTEE MEETING

April 18, 1978

Present: Senators Orsini, Willis, Hackney and Sumner; Cherie Shelly, APEA; Jon Scribner, Department of Environmental Conservation; Lowell Swartz, Department of Health, Education and Social Services; Richard Peter; Robert L. Cole, Department of HESS; Robert L. Stewart; Greg Mackyowsky, Code Revision Commission; Bob Van Houte, NEA-Alaska; Richard Holden, Department of Transportation and Public Facilities; Janice Gates, Department of HESS.

Absent: Senator Ferguson

Senate Bill 373, relating to public information regarding collective bargaining by public employees; Senate Bill 533, relating to planning of public facilities for municipalities; Senate Bill 183, relating to alcoholic beverages and House Bill 795, appropriations for Fairbanks Town and Village Assoc., for Development, Inc., were the bills before the Committee.

SENATE BILL 373

Chairman Orsini stated that there was a committee substitute for this bill which covered most of the testimony that was heard on the bill. Senator Hackney moved that the Committee pass out SB 373 with individual recommendations.

HOUSE BILL 795

Senator Hackney moved that the Committee pass out HB 795 with individual recommendations.

SENATE BILL 533

Jack Chenoweth, Legislative Affairs Agency, explained the committee substitute draft to the Committee members. Section 1 is from the original bill. Section 2 derived from draft provided by Richard Holden, DOT, requiring that there be a state-wide comprehensive facility procurement plan done by the Commissioner. He also explained that he had defined "public facility", which was of some concern to the Committee last meeting. Section 3 expands upon the public responsibility of the Department of Community and Regional Affairs in this process.

Chairman Orsini stated that he would like to pin down the concepts and make the initial changes in the bill Thursday.

Janice Gates, Department of HESS, called attention to the Committee that on Page 2, Sec. (d) dealing with health care facilities that "in communities without such facilities", was confusing and unnecessary. The Committee discussed the rest of the items on that page and it was brought out that there was other language that was not particularly necessary. The language would be revised for Committee consideration on Thursday.

Richard Holden, DOT, stated that a repealer, which states that highways and ferries are not a "public facility" was left out of the work draft.

Senator Sumner expressed concern regarding the health care and social services facilities in private finance facilities. He stated that there were serious questions regarding the "certificate of need" and whether that is not some sort of self-regulating opportunity. He also stated that he wanted to make sure that if "certificate of need" and planning were not tied together in this bill that they are not tied together in practice as well.

Jon Scribner, Department of Environmental Conservation, with regard to the water and sewer system section of the bill, stated that DEC has a program in which it works with local communities and the communities themselves set the priorities on their water and sewer systems. In that regard, he stated, the Department was unsure of how this kind of program fits in with this particular bill. He went on to explain that the Department has an Advisory Committee, which the Legislature set up last year that sets money priorities for villages in this program. Mr. Holden stated that there was a solution to this problem, because most of the agencies have some sort of peculiarity with e.g. source of federal funds. He stated that in one of the earlier committee meetings Senator Sumner suggested that a clause go in the bill that Administrative regulation draft to implement this legislation be developed by each program agency for that particular programing and approved by them before promulgating it.

Chairman Orsini stated that he would like to have a new draft drawn up incorporating some of the concerns expressed and again stated that the final adjustments would be made Thursday.

SENATE BILL 183

The Committee had a draft committee substitute drawn up and Jack Chenoweth, Legislative Affairs Agency, pointed out some of the differences in the proposed draft and the original bill. He stated that he generally went throughout the bill and cleaned up where the references were. He explained that he added language, at the Committee's request, giving municipalities greater authority with respect to the renewal or new applications for a liquor license. Chairman Orsini suggested that there should be some requirement to prevent the ABC Board from taking action on applications in that 30-day period. Mr. Chenoweth stated that the only way a municipality can disapprove an application would be with a local ordinance. He stressed the validity of that ordinance as it could be subject to a law suit.

Mr. Chenoweth stated that he tried to shorten and simplify the language of the referendum ballot language that is actually put before the public to determine liquor sales within a community or municipality.

He explained section 04.15.438 which would give a municipality the option of staying wet but with the sale of non-distilled alcoholic beverages only, such as beer and wine.

In reference to penalties, Mr. Chenoweth stated that on Page 16, line 2 "may" was changed to "shall". This was done so that on a third violation there would be no question, the license would be revoked and the operation would be closed. Mr. Robert Cole, Department of HESS, pointed out that in changing "may" to "shall" that it should also be done on Page 15, line 28 referring that the board, council or assembly "shall" revoke a license upon the direction of the majority of its members upon the first and second violations.

Senator Hackney added that "consective" terms for violations should be put into the language.

The Committee also instructed Mr. Chenoweth to prepare a separate bill, to be introduced by the Committee, containing Section 9 and the Section on Limitation of Sales from the CS of SB 183. The resulting new legislation would deal only with municipal authority, in the CSSB 183.

FAIRBANKS TOWN & VILLAGE
ASSOCIATION FOR DEVELOPMENT
INCORPORATED

520 Fifth Avenue
P.O. Box 1267
Fairbanks, Alaska 99707
Phone (907) 452-4761 Ext. 278

March 6, 1978

The Honorable Lisa Rudd
Chairman
House Community & Regional
Affairs Committee
Alaska House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Chairman Rudd:

Thank you for the opportunity to testify this morning on HB 795. I appreciated the breadth and depth of knowledge and understanding demonstrated by the members of the committee and I hope my answers were satisfactory.

Before continuing, I'd like to express my personal appreciation to Representative Brown of Fairbanks and his staff for assisting me in the preparation of these materials.

With respect to those questions the committee asked me to address in this letter, I have prepared the following statements for the committee's information:

1. With respect to our current cash balances in the RCIP Budget, the Association's bookkeeper has provided me with a cash flow statement through February 29. This is attached as ATTACHMENT #1.

2. Rynneiva Wescott, Project Coordinator for the Association, has advised me that remaining funds in the following budget line items will have been fully expended by March 30, 1978 for purposes stated on ATTACHMENT #2.

3. Budget items not so obligated, or expended by that date, are being held for purposes stated on ATTACHMENT #3.

4. The Rural Capital Improvements Program was originally contemplated as a two year program and I apologize to you for failing to mention that to you in our discussions prior to the hearing.

If we had the $75,000.00 originally appropriated by the Legislature, we would have been able to prepare a final report by late April. The final report would have included:

a. An updated list of community facilities in each community in Interior Alaska. This list has evolved and has been refined during the past three years. It provides the basic data for our regional development efforts in those areas outside the Fairbanks North Star Borough.

b. A summary and preliminary analysis of questionnaires received from each community. (Copies of this questionnaire are available in the interim report.)

c. A preliminary statement on the condition of existing facilities in each community with notes, where appropriate, on glaring deficiencies which need immediate attention by reason of their hazard to life and or property.

d. A current list, as of the publication date, of capital improvements which are scheduled for construction in each community by public and quasi-public agencies of government during the subsequent three years. Including an opportunities list for combining projects for the purposes of reducing construction and operation costs.

e. A status report on each community's discussion of economic development issues and questions affecting their community.

f. A statement of preliminary conclusions and recommendations concerning the first year's work, and a detailed work program for the second year.

5. Obviously the interim report falls far short of what we contemplated for the first year's final report. The $37,500.00 we are now requesting will enable the Association to complete our first year's work.

6. Finally, Madame Chairman, though we know what the subject of the final report will be, the second year's work is still tentative in terms of how we plan to do the work. To a large extent we do not want to detail our work in the second year until we have completed the final report on the first year's work, and have a better understanding, therefore, of how to best organize our available resources.

We do have a budget prepared for next year's work and a copy is enclosed for the committee's information as ATTACHMENT #4. We have advised Representative Cowper and Senator Sackett--both of whom represent areas served by FTVAD--of our request and are awaiting their advice on how we should proceed to properly bring it before the Legislature.

7. With respect to the "subject" of the final report. The Fairbanks Town & Village Association for Development, Inc. is involved primarily with long term regional economic development; professional planning and project development assistance to Fairbanks and the 45 smaller communities within the Interior; and, finally, development of public works financing.

The RCIP is aimed at the last item. The second year report will list a project, or projects, in each community which is needed by the community, desired by them, which is financable in terms of both construction and operation, will not disrupt desirable life styles and will contribute to the community's own efforts toward community development.

Since this program, though administered by DCRA, has to do with public facilities, a question may arise concerning our relationship with the State's Department of Transportation and Public Facilities. Over the years the Association has worked very closely with the officers and staff of both the former Departments of Public Works and Highways and the current Department of Transportation and Public Facilities, both in planning and in project development and financing.

We intend to continue this important relationship throughout the duration of the Rural Capital Improvements Program, and beyond.

I hope these statements have fully answered the committee's questions. I may remain in Juneau until the committee reconvenes on Wednesday morning and, if so, I'll be able to answer further questions.

Otherwise I'll be at my office in Fairbanks at 452-4761.

Thank you again for your consideration.

Sincerely,

Jerry Smetzer
Executive Director

JS:kfm

Attachments

cc: Representative Steve Cowper
Senator John Sackett

FAIRBANKS TOWN & VILLAGE ASSOCIATION
FOR DEVELOPMENT, INC.

RURAL CAPITAL IMPROVEMENTS
EXPENSE STATEMENT
as of February 28, 1978

	M T D EXPENDITURES	AVAILABLE BALANCE AS OF 3/31/78
Salaries & Wages	$ 721.00	$1,753.50
Contracted Services-Bookkeeping	75.00	295.50
Contracted Services-Consultants	2,000.00	-(2,980.76)
Transportation	141.63	-0-
Per Diem	261.00	-0-
Office Space	250.00	-(1,375.00)
Equipment Rental	-0-	1,892.50
Consumable Supplies	84.00	65.04
Printing and Publications	128.60	3,411.72
Phone	25.53	125.68
Personnel Burden	46.69	372.51
Miscellaneous	116.50	453.55
	$ 3,849.95	$4,014.24
	ATTACHMENT #1	ATTACHMENT #3

FAIRBANKS TOWN & VILLAGE ASSOCIATION
FOR DEVELOPMENT, INC.

BUDGET PROPOSAL:
Rural Capital Improvements Program for FY 79

1.	SALARIES	
	Coordinator	$24,000.00
	+10% P.B.	2,400.00
		$26,400.00
	Secretary 1600 hrs. @ $7.00/hr.	11,200.00
	+10% P.B.	1,120.00
		12,320.00
		$38,720.00
2.	CONTRACTUAL	
	4 Sub-regional Planners @ $7200.00	$28,800.00
	Bookkeeping @ $240.00/Mo.	3,000.00
	Community Plans and Maps	11,250.00
		$43,050.00
3.	RENTALS	
	Office Space @ $350.00/Mo.	$ 4,200.00
	Equipment	4,400.00
		$ 8,600.00
4.	TRAVEL	
	Travel	$18,176.00
	Per Diem	10,954.00
		$29,130.00

FAIRBANKS TOWN & VILLAGE ASSOCIATION
FOR DEVELOPMENT, INC.

RURAL CAPITAL IMPROVEMENTS
PROJECTED EXPENDITURES
Through March 31, 1978

Salaries & Wages	$ 525.00
Contracted Services-Bookkeeping	75.00
Contracted Services-Consultants	5,030.00
Transportation	5,195.95
Per Diem	1,031.50
Office Space	250.00
Equipment Rental	282.50
Consumable Supplies	285.00
Printing and Publications	198.84
Phone	90.00
Personnel Burden	36.75
Miscellaneous	116.50
	$13,117.04

ATTACHMENT #2

5. OTHER DIRECT COSTS

Office Supplies	$ 2,700.00
Communications	1,800.00
Graphic Services	8,500.00
	$13,000.00
TOTAL	$132,500.00

CONSOLIDATION OF BUDGET AND EXPENDITURE REPORT

	BUDGET	1977 Y T D EXPENDITURES	1978 Y T D JAN. & FEB.	PROJECTED EXPENDITURES Through 3/31/78	AVAILABLE BALANCE AS OF 3/31/78
Salaries & Wages	$5,040.00	$1,298.50	$1,463.00	$ 525.00	$1,753.50
Contracted Services-Bookkeeping	675.00	153.00	151.50	75.00	295.50
Contracted Services-Consultants	11,345.00	4,695.76	4,600.00	5,030.00	-(2,980.76)
Transportation	7,404.00	791.14	1,416.91	5,195.95	-0-
Per Diem	3,596.00	1,709.00	855.50	1,031.50	-0-
Office Space	-0-	375.00	750.00	250.00	-(1,375.00)
Equipment Rental	2,760.00	585.00	-0-	282.50	1,892.50
Consumable Supplies	890.00	322.67	217.29	285.00	65.04
Printing and Publications	3,826.00	-0-	215.44	198.84	3,411.72
Phone	500.00	62.55	221.77	90.00	125.68
Personnel Burden	504.00	-0-	94.74	36.75	372.51
Miscellaneous	960.00	266.20	123.75	116.50	453.55
	$37,500.00	$10,258.82	$10,109.90	$13,117.04	$4,014.24

I. INTRODUCTION

A. Purpose

The Rural Capital Improvements Program (RCIP) was initiated in November, 1978 through a legislative appropriation to the Fairbanks Town and Village Association for Development (FTVAD). The program was established to meet three primary needs.

Item One: To identify and prioritize needed capital improvement projects in forty-six rural communities as assessed by residents in each community.

Item Two: To encourage and assist the forty-six villages in the study region to begin community growth and economic development planning.

Item Three: To identify the existing infrastructure of the villages, to enable state and federal planners to make informed decisions on the scheduling of construction programs in each community.

B. History

The concept of the RCIP was developed as an out-growth of the Rural Impact Information Program (RIIP), which was initially set up to monitor the effect of the Trans-Alaska Pipeline Project on rural Alaska.

The results of that project, summarized in The Impact of the Trans-Alaska Oil Pipeline on Rural Communities in Alaska's Interior, dated June, 1977, illustrated the need for a major investigation into the development needs of rural Alaska.

Initial funding for the RCIP came as a legislative appropriation to the Department of Community and Regional Affairs, in the amount of $37,500. The original request amount was for $75,000, but was reduced during the final budget process.

A full-time project supervisor was hired under contract to FTVAD in November, 1977, to establish a workable format for data collection; hire and supervise sub-regional consultants; and establish primary communications with the communities in the study region.

In late November and early December, consultants were hired to work in the United Crow Band, Ingalik, Kutchin and Tena sub-regions of the Tanana Chiefs Conference. A series of workshops were held in December in McGrath and Fairbanks to familiarize village council, city council and local government specialists with the working format and objectives of the RCIP.

Following the training workshops, the RCIP questionnaire was sent to each of the communities within the FTVAD/TCC region, with instructions and advisory notes on the method of completion.

Sub-regional consultants were instructed to follow-up with contacts to each village to assure completion of the survey forms, and to update information contained in the RIIP Community Facilities Summary (CFS), issued in June, 1977.

C. Methodology

Techniques used in the information collection process of the RCIP were based on the use of an "open end" questionnaire and direct contact to significant community leaders, to obtain first hand observations of rural needs.

The initial questionnaire (Appendix A) was drawn from other survey forms used by the University of Alaska Institute of Social and Economic Research (ISER), various state agencies, and various consulting firms which develop comprehensive community plans. In addition to standard economic and planning questions, the form included broad category

questions on the Alaska gas line, subsistence, and community economic development planning.

These questions were phrased in such a manner as to encourage public discussion on the potential effect of development in these general categories.

In subsequent discussions with the State Department of Community and Regional Affairs, Commerce and Economic Development, Department of Environmental Conservation, and Transportation and Public Facilities, it was decided that additional and expanded questions on these and additional subjects be included for a second phase look at each community.

Subject to full response by each community, the data contained in the survey form will be incorporated into the CFS, and a draft Overall Economic Development Program prepared for village review and comment.

II. SCOPE OF SURVEY/OBSERVATIONS

A. FTVAD/TCC/Doyon Region

The Rural Capital Improvements Program survey program is directed at forty-six villages contained within the Tanana Chiefs Conference/Doyon Limited boundaries. This area is further sub-divided into four Athabascan regional administrative units.

These regions are: Crow Band Region, with an administrative center at Tok; Kutchin Region, with Ft. Yukon as the historical center; Tena Region, with the Tanana-Galena axis as the historical center; and the Ingalik Region, with McGrath as the administrative center.

Of the communities included in the study, twenty-three are incorporated second-class cities; three are first-class cities; and the remainder are governed by traditional native councils. Specific communities are listed in Appendix B.

B. Sub-Regional Responses:

Because of limited responses to the questionnaires, to date, it is difficult to present a clear picture of community needs and perspectives on economic growth and planning. The obvious limitations on communications and transportation, plus the different levels of village awareness to growth problems makes evaluation of responses a largely subjective effort. No valid statistical interpretations can be made, until a significantly larger sampling is obtained.

However, based on existing responses, it is possible to generalize some few observations:

1. Communities that have had some measure of continuing communication and transportation access to urban centers view economic expansion as desirable and positive for their interests.

2. Communities historically remote from urban centers see economic expansion as threatening and eventually destructive of cultural and community integrity. Most of these communities give high priority to preserving their subsistence lifestyle.

3. There is a uniform distrust of larger governmental structures, despite a contradictory dependence on these same agencies for provision of what are viewed as "essential" programs.

4. There is an increasing need for rural communities to be trained and informed as to roles and functions of all aspects of government.

5. All communities see a degree of need for community planning. However, much of this "planning" is viewed as an outside attempt to influence economic expansion, often at the expense of local desires.

6. Capital construction in the study communities has a tendency to be based on needs which may not be internally generated. This, in turn, gives rise to a "shopping list" approach to projects, without an understanding of the long term effect of said project on the community's structure.

C. Findings by Sub-Region

1. Crow Band: 11 villages

This area will be significantly affected by construction of the Alaskan Gas Pipeline, and the attendant population influx. Some degree of community and native corporation planning is being generated, but lack of firm data on project start-up dates and supporting programs has made the effort, to date, largely speculative.

Questionnaire responses indicate an awareness of greater job and investment opportunity, with an improved potential for early conveyance of native lands. The negative effects of pipeline construction center on changes in community structure and lifestyle, an overburdening of existing

service agencies, and a major shift in population. Further, one remote village (Healy Lake) questions such problems as trespass, damage to native lands, and a direct impact on subsistence activities.

The community of Eagle also feels that the construction effort may have an adverse effect on the tourist industry, and may result in forced improvements beyond that desired by the individual communities.

A separate question was asked concerning the effect of economic development on subsistence activities. Generally, the answers were vague, and did not specifically address the effect of growth on the subsistence way of life.

Where a community saw reason to favor economic development as a means of improving an individual's status, they did not connect those changes with long term impact on hunting, fishing or trapping as an alternative economic concept. The failure to make this connection may be a reflection of lesser dependency on subsistence activity than in other regions, but insufficient data exists to substantiate this point.

A general listing of needed capital projects was solicited, with results varying according to the relative awareness of the respondent. Some answers included programs and proposals beyond the scope of capital projects, and ranged to social service programs, and private sector development.

No attempt is made, in this report, to tabulate community needs for general projects. Such data will be included, by village, in the final project summary.

An attempt to assess local ability to fund for projects was sought, but the responses indicated a uniform dependence on external funding sources (grants and direct subsidy).

2. Kutchin Region 10 villages

To date, two responses have been obtained from the communities in this region.

Although some of the lands within this region will be used for the gas pipline, village perceptions of its effects and benefits remain minimal. It is reported that several of the village corporations in the region are investigating joint venture opportunities, and there is some discussion of the creation of a third-class borough to encompass the villages in the region.

At present, no effect, beyond residential employment is seen as a derivative of the pipeline construction effort. The primary negative effect of the construction effort is the loss of skilled workers by each village.

Economic development in the region is viewed as a positive influence, in the creation of more jobs, and a general upgrading of individual standards of living. No perceived effect on subsistence styles is noted, with the exception of potential depletion of existing physical resources.

Capital projects listed by the two communities responding include electrical power generation, medical facilities and new or improved community offices and public use facilities. No local financing alternatives were reflected, indicating a continuing dependence on external public funding.

3. Tena Region 12 villages

Questionnaire responses from this region are limited to individual statements completed during village training sessions in early December. Because these responses were for exemplary purposes, to enable the local governments to more effectively consider the question of economic development and planning, the generalizations should not be viewed as indicative of any official position.

Subsequent to the sub-regional training session, the Galena City Council approved the responses submitted by the City Manager, at that time. While the data presented is a fair reflection of needs, it must be judged on the limitations placed during training.

As in the other regions, needed projects covered the range of power generation, health and community recreational facilities to road and sewer and water improvements.

Overall perspectives towards growth and development were marked by a conservative attitude of local determination, with severe restrictions on outside participation.

Where there is an apparent need to develop certain industrial bases, a uniformly negative response to expansion of the tourist and recreational potential was observed.

Local industrial and/or economic growth is desired in the agricultural, fur, timber and fisheries areas, with expansion of energy programs viewed as significant to all areas.

All communities responding showed a continuing dependence on external funding sources for start-up and maintenance of projects, with limited awareness of local taxation options.

Many of the attitudes reflected in the survey responses hinge on the continuance of a subsistence lifestyle, despite a contradictory desire for programs and facilities which may generate pressures to move the villages into a cash economy, and away from the other closed lifestyle.

4. Ingalik Region 9 villages

One response has been garnered from the communities on the Kuskokwim and Lower Yukon Rivers. Other responses were, as previously noted, provided during the December training sessions, and continue to reflect attitudes prevalent in the Tena region.

Little direct benefit is seen from development of the Northwest gas pipeline, aside from individuals gaining employment. Incidental negative impact is seen in delays in shipment of goods and provision of services to areas outside of the primary construction effort.

No clear perception of the effects of economic development are apparent. It should be noted that the phrase "economic development" if left undefined is generally viewed as externally influenced growth, generated by non-residents seeking definite financial gain.

A clear divergence of opinion exists as to the desireability of such "economic development", which clouds the perception of community goals and planning.

In large measure, these communities perceive a need for fundamental education in the basics of local government, community administration, and in development of a more effective planning process.

Generally there is a stated need for development of some industrial activity on the local level, but with safeguards to community and culturally derived standards. This area echoes most of the communities in the Tena region in their opposition to recreational and tourist related

growth.

Area willingness to defray costs of capital construction is virtually non-existent, because of the absence of a revenue base. Projects contemplated must be funded by grant or direct subsidy.

III. Summary of Activity

To date, the RCIP has dealt with the study communities through individual (telephone and letter) contacts, and the monthly publication of a newsletter. The bulk of the contact has been in response to inquiries about specific problems or programs. For example: The village of Allakaket sought the assistance of the RCIP in resolving a fuel shortage problem that occurred during the week of February 13.

Although this office was unable to do more than advise parties concerned of actions pending, the apparent communications function did facilitate an earlier resolution of the problem than would have resulted had no contact been made.

Further, this office has been active on a continuing basis in working with the Tok area in scheduling and planning for an Alaska Humanities Forum program on Gas Pipeline Impact on April 8 and 9. While much of the planning does not specifically address capital improvements, the obvious connection is in the areas of overall economic development and growth planning.

This office has assisted the villages of Nikolai and Healy Lake in their attempts to gain funding for completion of village electrification programs and is exploring means of obtaining funding for a community recreational program in Beaver.

It should be noted that during the life of the Rural Capital Improvements Program, many issues have been raised which do not appear to be directly related to village capital construction programs. Because of the apparent need, however, by rural residents, to have direct contact with responsible agencies, the RCIP has assumed some of these advocacy roles.

IV. CONCLUSIONS AND RECOMMENDATIONS

The effective performance of the Rural Capital Improvements Program hinges on the confidence that village residents are capable of placing on it. To this end, it is imperative that all survey and attitudinal data be collected by on-site contact.

A recurring comment by workshop and training participants, as well as the sub-regional consultants, is that they do not feel "comfortable" rendering decisions away from the concensus bodies of their home villages, and that they will not see the final utilization of whatever data is produced.

Since the RCIP is constituted to address community planning, as well as the immediate capital construction needs, a minimum of one day spent in each of the forty-six villages for "hands on" experience is necessary.

Further, to avoid the appearance of organizational indifference, sufficient weight must be given to each village's perception of needed programs, thereby underwriting community involvement in the planning process.

Appendix A contains representative responses from communities in each region.

Fairbanks Town & Village Association for Development, Inc.

CONSOLIDATION OF BUDGET AND EXPENDITURE REPORT

	BUDGET	1977 Y T D EXPENDITURES	1978 Y T D JAN. & FEB.	PROJECTED EXPENDITURES Through 3/31/78	AVAILABLE BALANCE AS OF 3/31/78
Salaries & Wages	$5,040.00	$1,298.50	$1,463.00	$ 525.00	$1,753.50
Contracted Services-Bookkeeping	675.00	153.00	151.50	75.00	295.50
Contracted Services-Consultants	11,345.00	4,695.76	4,600.00	5,030.00	-(2,980.76)
Transportation	7,404.00	791.14	1,416.91	5,195.95	-0-
Per Diem	3,596.00	1,709.00	855.50	1,031.50	-0-
Office Space	-0-	375.00	750.00	250.00	-(1,375.00)
Equipment Rental	2,760.00	585.00	-0-	282.50	1,892.50
Consumable Supplies	890.00	322.67	217.29	285.00	65.04
Printing and Publications	3,826.00	-0-	215.44	198.84	3,411.72
Phone	500.00	62.55	221.77	90.00	125.68
Personnel Burden	504.00	-0-	94.74	36.75	372.51
Miscellaneous	960.00	266.20	123.75	116.50	453.55
	$37,500.00	$10,258.82	$10,109.90	$13,117.04	$4,014.24

PREPARED BY House Ckd
STAFF

April 1, 1998

~~SENATE~~ House BILL NO 795, ~~SB562~~

Carla-Gov. Office	✓
~~4765 LINDA LAW~~	
3850 CINDY BRYSON	✓
3701 SENATE SEC.	✓
3766 FERGUSON	✓
3787 HACKNEY	✓
3771 SUMNER	✓
3895 WILLIS	✓
SPONSOR	
~~6 3300 LEE SHARP~~	✓
~~6 1325 DON BERRY~~	
Bruce Aronson ~~4707 PALMER~~	✓
~~3837 CHENOWETH~~	✓
~~3878 AL OSE~~	
~~SAM COXON~~	
~~264 4443 TED BERNS~~	
AML-1325	✓
Beirne	✓

F. HB 295

FAIRBANKS TOWN & VILLAGE
ASSOCIATION FOR DEVELOPMENT
INCORPORATED

520 Fifth Avenue
P.O. Box 1267
Fairbanks, Alaska 99707
Phone (907) 452-4761 Ext. 278

MEMORANDUM

TO: Board of Directors, FTVAD

FROM: Jerry E. Smetzer, Executive Director JES

SUBJECT: Fairbanks Town and Village Association for Development, Inc. - Accomplishments

DATE: March 16, 1978

As you know, questions often arise concerning the effectiveness of the work of the FTVAD staff and whether or not the investment in the program is being repaid directly or indirectly to Fairbanks and the surrounding rural communities.

As we go into budget negotiations during the next couple of months, the names of people contained in this memo should help you provide answers to those questions. We are constantly involved in project development efforts which are not known to the public generally and perhaps are not even known to most Board members. However, the projects listed in the Overall Economic Development Program for Fairbanks and the Interior of Alaska (OEDP) are approved by the Board and generally describe what those projects are all about.

If you want a current status report on any project listed in the OEDP, please contact the responsible officer listed for that project at the FTVAD offices, 452-4761.

Because we work with so many people and institutions in order to accomplish our goals and objectives it is probably impossible to determine the degree to which our efforts contributed to the success or failure of a particular project.

What I feel we can do, however, is to list some projects generally known to the public which we have been actively involved in, and give you the names of some people who we have worked closely with on those projects.

FTVAD staff has been involved in many projects throughout the Interior, but for the purposes of this memo, I am listing projects inside and outside the Fairbanks North Star Borough, which I am personally familiar with. Ms. Wescott can also advise you of her work. Though she is no longer employed by FTVAD, I am sure Ms. Janice Farrell would also be happy to discuss her work with you.

The projects are listed by project title and page number as they appear in the OEDP.

Category 1. TRANSPORT DEVELOPMENT

INSIDE FAIRBANKS NORTH STAR BOROUGH

We have not included the Joint Use Air Cargo Facility which we are generally associated with inasmuch as a great deal of development work still reamins to be done before the project will become a reality.

1. Terminal Sewer Line - Page 61

   The project was designed to establish sewer and water utilities at the Fairbanks International Airport. College Utilities plans to construct these lines this summer. Estimated Construction Costs: $4,000,000.

   Contacts:

   Bob Bettisworth
   George Gordon
   Don Harris
   Chuck Meggitt
   Dick Greuel

2. Jet Fuel Supply and Servicing - Page 63

   This project is a key project in the development of the Fairbanks International Airport and has to do, primarily, with the installation of a hydrant fueling system in order to establish jet fuel prices at FAI which are competitive with Anchorage.

   On March 1st, Commissioner Harris stated at a meeting in Fairbanks that if sufficient fuel purchases by air carriers can be demonstrated that the State of Alaska DOTPF would pay for the installation of a hydrant fueling system.

   The following people are familiar with our role in this: Don Harris, Dr. Wood, Terry Palczer, Richard Wien, John Carlson, Fred Pratt.

   Estimated Construction Cost: $1,500,000.

Within this category, one airport project we became involved with does not appear in the OEDP. That project involves the construction of an 80,000 sq. ft. fast mail facility adjacent to the site of the proposed joint use air cargo facility.

That project has been financed and is now being designed and will be constructed as soon as possible.

Our primary contact on the project was Wayne Schley, Staff Assistant to the Post Office Committee, U. S. Senate in Senator Stevens' office. Additional contacts include Galen Gransbury and Otis Dean of the Post Office, Bill Biden, Wien Air Alaska, and Bruce Kennedy, Alaska Airlines and Chuck Meggitt, former Airport Manager. Estimated Construction Cost: $10,000,000.

OUTSIDE FAIRBANKS NORTH STAR BOROUGH

1. Local Service Roads and Trails Program - Page 64

   This program provided supplemental federal financing for ISR&T road projects in about 15 rural communities. Our primary contact on this project is Bob Thomas and Mike Tinker, DOTPF, Fairbanks; John Widdis, DOTPF, Nome; John Sackett, Galena; Rudy, Adolf and Hamilton Hamilton of Shageluk. Completed Construction Cost: ~~$600,000~~ 500,000

Category 2. COMMUNITY FACILITIES

INSIDE FAIRBANKS NORTH STAR BOROUGH

1. Airframe and Power plant Addition to Hutchison Career Development Center - Page 110

   The man most knowledgeable on our role on this project is Don Berry who administers the A & P instructional program and, of course, Clyde Courtnage, EDA Representative of Anchorage, who developed EDA funds for the project. Completed Construction Cost: $1,250,000.

2. South Side Water - Page 71

   The purpose of this project was to seek federal funds for the purpose of supplying South Fairbanks residential and industrial areas with city water.

   The project was recently approved by the City of Fairbanks with funds from the federal Economic Development Administration.

   FTVAD staff worked closely with Bob Burg, Dick Greuel, Wally Droz, Candace Magnuson, and Bob Wolting on this project. Estimated Construction Cost: $2,300,000.

OUTSIDE FAIRBANKS NORTH STAR BOROUGH

1. Tok Multi-purpose Building - Page 112

   Charlie Biederman, Executive Director of the Upper Tanana Regional Council on Alcoholism is most knowledgeable on this issue. Estimated Construction Cost: $2,300,000. $240,000

2. Also, some projects in this category do not appear in the OEDP which FTVAD became involved with and assisted in securing funds. Those include:

Shageluk - Construction of a 120' span bridge, 2.5 miles of roadway to the airfield and construction of village streets. Tundra Construction of Fairbanks was awarded the contract. Jonathan Widdis of the DOTPF Nome office, Senator John Sackett and Mike Harper and Ron Lind of the Governor's Office are familiar with our role in this project. Estimated Construction Cost $600,000.

Galena - Construction of a municipal garage. People to contact for information include Roger Huntington and Henry Mitchell of Galena and Clyde Courtnage, EDR, Anchorage. Completed Construction Cost: $237,530.

Nulato - Construction of a health clinic. Project will go to bid this month. Information sources include Andrew Demoski of Nulato, Duane Anderson of R & M Consultants in Anchorage, Henry Mitchell of Alaska Legal Services in Galena and Clyde Courtnage. Completed Construction Cost: $238,000.

Tanana - Construction of a fire station. Project to go to bid this month. People knowledgeable of our assistance include Mike Andon and Ava Walsh of Tanana, Henry Mitchell, Duane Anderson, Jim Movius, and Clyde Courtnage. Completed Construction Cost: $254,000.

Ft. Yukon - Remodeling and refurbishing the Ft. Yukon Community Center. Gustafson General Contractors of Fairbanks were awarded this contract. Contact persons for this project include Steve Ginnis and Jonathan Solomon of Ft. Yukon, Bob Hesseltine of CH2M/Hill in Anchorage, Henry Mitchell and Clyde Courtnage. Completed Construction Cost: $387,210.

Category 3. ENERGY CONSERVATION

1. Winterization Program - Page 81

The initial purpose of this program was to apply state and federal assistance funds to poorly insulated homes occupied by elderly, handicapped and low-income people within the city and borough.

This very successful program will be expanded this summer to include rehabilitation of low-income homes which are seriously sub-standard within the City of Fairbanks.

We work closely with Bob Wolting, Candace Magnuson, of the City, and we have the full support of the individual members of the City Council, particularly Wally Droz and Joe Marshall who have strongly defended the program in public meetings.

Members of the advisory committee include Walt Schlotfeldt, John Munson, Bea Coleman, Edith Tegoseak and Mabel Hopson. Estimated Project Disbursement to July 1, 1978: $212,000.

Category 4. PETROLEUM RESOURCE POLICY

1. University of Alaska Museum, Fairbanks - Page 87

The purpose of this project was to assist in developing $8,000,000 to finance construction of the U of A Museum.

As you know, the museum will be under construction this summer though with a reduced appropriation.

We worked with many, many people on this project but the people with the most understanding of the problems involved and our role in it included Howard Cutler, Larry Carpenter, Steve Cowper, Mike Dalton, Lou Rowinski, Dave Norton, Paul Metz, Fred Pratt, Rosamond Weller, etc. Estimated Construction Cost: $6,400,000.

2. Pipeline Impact - Page 87

The primary purpose is to develop greater public understanding of impact problems and opportunities and to develop assistance programs within the state and federal governments for local communities which must deal with these probelms.

Originally we were involved with the conduct of two public forums in Fairbanks and the creation of the borough's impact information center and a related program outside Fairbanks called the Rural Impact Information Center. The people who best understand our role in the formation of the IIC include Gene Straatmeyer, Frank Mueller, Don Hart, Joe LaRocca, and Mim Dixon.

Of course, we have gone far beyond the scope of the original IIC into the develoment of major federal impact assistance programs. Most of the people familiar with our role in this aspect of impact are in Washington, D. C. I will be happy to give you their names if you wish. No Dollar Value.

3. Supply, Service, and Support Development for Off-Shore Continental Shelf Petroleum Development in the Beaufort and Chukchi Seas - Page 88

This project is designed to capture major support facilites for Arctic petroleum related development in Fairbanks.

It is within this project that we are assisting others in Fairbanks in capturing gas pipeline related state, federal and Northwest energy offices in Fairbanks.

It is also within this project that we and others have been attempting to secure the joint state federal oil and gas lease sale for the Beaufort Sea in Fairbanks. As you know, Governor Hammond, yesterday, March 16, announced that the sale would be held here.

Dave Norton, Fred Pratt, and Bill Gordon are knowledgeable about our role in this. Several state and federal officials are also knowledgeable. No Dollar Value Has Been Projected.

Finally, I think it is worth mentioning that Chuck Rees gives the Association a great deal of credit for the North Star Terminal Facilities. He has made these statements publicly on many occasions.

Larry Carpenter can also give Alyeska's perspective on our role with respect to North Star Terminals. Estimated Construction Cost: $14,000,000.

If you need more information on our role with respect to these programs, we will try to supply it.

JES:rlf

Ft. Yukon dock facility

This project will include on site study of erosion problems and construction of dock ramp and a 1-acre storage pad. Estimated cost $100.000.

North Pole Industrial Park

The project is to iniate Phase I construction of a sewer, water, power, telephone, road and railroad serviced light-industrial park on a 140-acre site. Also in phase I is construction of a building to facilitate a meat packing plant. When 40-acre park is developed & utilize to full capacity it will create 600 to 800 permanent jobs. Estimated construction cost $800,000.

F: HB 795

Ben

FAIRBANKS TOWN AND VILLAGE ASSOCIATION FOR DEVELOPMENT, INC.
EDA Grant No. 07-05-11040-02

EXPENSE STATEMENT
For the Period Ending February 28, 1978

		BUDGET	YEAR TO DATE EXPENDITURES	MONTH TO DATE EXPENDITURES	BALANCE
Salaries and Wages	Federal	$ 60,930.00	$ 21,396.33	$ 3,924.18	$ 35,609.49
	Local	20,310.00	7,135.38	1,308.07	11,866.55
Contracted Services	Federal	7,337.00	2,142.80	535.50	4,659.50
	Local	2,557.00	714.00	178.50	1,664.50
Travel	Federal	3,000.00	2,340.81	234.50	424.69
Per Diem	Federal	1,700.00	1,385.00	579.75	(264.75)
Equipment Rental	Federal	690.00	9.35	-0-	680.65
	Local	690.00	9.35	-0-	680.65
Consumable Supplies	Federal	175.00	75.41	22.45	77.14
	Local	175.00	75.41	22.46	77.13
Postage	Federal	118.00	20.00	-0-	98.00
	Local	118.00	20.00	-0-	98.00
Print. & Publ.	Federal	400.00	4.50	-0-	395.50
	Local	400.00	4.50	-0-	395.50
Tel. & Tel.	Federal	600.00	297.88	-0-	302.12
	Local	600.00	297.88	-0-	302.12
Personnel Burden	Federal	3,150.00	689.99	81.66	2,378.35
	Local	1,050.00	241.31	27.22	781.47
Miscellaneous	Federal	200.00	412.59	109.75	322.34
	Local	200.00	412.57	109.75	322.32
		$104.400.00	$37,684.26	$ 7,133.79	$ 59,581.95

INCOME STATEMENT

	REVENUE	YEAR TO DATE REVENUE	MONTH TO DATE REVENUE	BALANCE DUE
Revenue - E.D.A.	$ 78,300.00	$ 26,100.00	$ 26,100.00	$26,100.00
Revenue - Local Borough	26,100.00	13,050.00	-0-	13,050.00

FAIRBANKS TOWN & VILLAGE ASSOCIATION FOR DEVELOPMENT, INC.

WINTERIZATION PROGRAM
EXPENSE STATEMENT
As of Feburary 28, 1978

ENERGY CONSERVATION PROGRAM

	BUDGET	Y T D EXPENDITURES	M T D EXPENDITURES	AVAILABLE BALANCE
Salaries & Wages	$ 5,748.00	$ 5,809.48	-0-	$ (61.48)
Contracted Services Bookkeeping	255.00	255.00	-0-	-0-
Contracted Services Audit	1,350.00	-0-	-0-	1,350.00
Transportation	425.00	248.34	93.78	82.88
Rental/Purchase Equipment	108.00	124.16	-0-	(16.16)
Consumable Supplies	130.00	93.39	-0-	36.61
Personnel Burden	126.00	77.50	-0-	48.50
Miscellaneous Prog Materials	7,858.00	7,014.26	400.52	443.22
Miscellaneous Crisis Inter	2,000.00	1,718.40	127.81	153.79
	$ 18,000.00	$15,340.53	$ 622.11	$2,037.36

IN-KIND CONTRIBUTIONS

Salaries & Labor	$ 6,232.00	$ 2,100.65	$ -0-	$4,131.35
Transportation	-0-	19.37	-0-	(19.37)
Office Space	2,063.00	408.00	-0-	1,655.00
Equipment Rental	1,800.00	540.00	-0-	1,260.00
Consultants	255.00	-0-	-0-	255.00
Phone Service	110.00	-0-	-0-	110.00
Utilities	106.00	-0-	-0-	106.00
Miscellaneous Prog Materials	100.00	234.50	-0-	(134.50)
	$ 10,666.00	$ 3,302.52	-0-	$7,363.48

INCOME STATEMENT

	REVENUE	Y T D REVENUE	M T D REVENUE	BALANCE DUE
C. S. A.	$ 18,000.00	-0-	$18,000.00	$ -0-
In-Kind	10,666.00	$3,302.52	-0-	7,363.48

FAIRBANKS TOWN & VILLAGE ASSOCIATION FOR DEVELOPMENT, INC.

RURAL CAPITAL IMPROVEMENTS
EXPENSE STATEMENT
as of February 28, 1978

	BUDGET	Y T D EXPENDITURES	M T D EXPENDITURES	AVAILABLE BALANCE
Salaries & Wages	$ 5,040.00	$ 2,040.50	$ 721.00	$ 2,278.50
Contracted Services Bookkeeping	675.00	229.50	76.50	369.00
Contracted Services Consultants	11,345.00	7,295.76	2,000.00	2,049.24
Transportation	7,404.00	2,066.42	306.89	5,030.69
Per Diem	3,596.00	2,303.50	261.00	1,031.50
Office Space	-0-	875.00	250.00	(1,125.00)
Equipment Rental	2,760.00	585.00	-0-	2,175.00
Consumable Supplies	890.00	455.96	257.90	176.14
Printing & Publications	3,826.00	86.84	-0-	3,739.16
Phone Service	500.00	258.79	25.53	215.68
Personell Burden	504.00	48.05	-0-	455.95
Miscellaneous	960.00	273.45	157.85	528.70
	$37,500.00	$16,518.77	$ 4,056.67	$16,924.56

INCOME STATEMENT

	REVENUE	Y T D REVENUE	M T D REVENUE	BALANCE DUE
STATE OF AK-CARD	$37,500.00	$12,500.00	$ -0-	$25,000.00

FAIRBANKS TOWN ND VILLAGE ASSOCIATION FOR DEVI PMENT, INC.
WINTERIZATION PROGRAM
EXPENSE STATEMENT

for the period ending February 28, 1978

	BUDGET	YEAR TO DATE EXPENDITURES 9/30/77	YEAR TO DATE EXPENDITURES 12/30/77	AVAILABLE BALANCE
Salaries & Wages	$16,227.00	$13,641.72	$ 3,552.78	$ (967.50)
Contracted Services	1,530.00	1,239.26	291.88	(1.14)
Transportation	3,041.00	1,456.70	1,101.86	482.44
Rental/Purchase Equip.	460.00	134.44	397.28	(71.72)
Consumable Supplies	300.00	478.04	152.62	(330.66)
Personnel Burden	2,434.00	648.91	299.70	1,485.39
Miscellaneous Prog. Materials	36,991.00	18,642.29	18,945.52	(596.81)
	$60,983.00	$36,241.36	$24,741.64	$ -0-
IN-KIND CONTRIBUTION				
Salaries & Labor	$33,986.00	$10,705.49	$ 9,529.15	$13,751.36
Transportation	500.00	340.85	9.61	149.54
Office Space	2,100.00	7,020.29	3,202.41	(8,122.70)
Equipment Rental	500.00	5,107.50	2,925.00	(7,532.50)
Consultants	390.00	-0-	-0-	390.00
Phone Service	-0-	381.64	163.56	(545.20)
Utilities	-0-	374.42	160.47	(534.89)
Consumable Supplies	375.00	164.10	-0-	210.90
Personnel Burden	1,798.00	-0-	-0-	1,798.00
Miscellaneous	1,006.00	379.70	200.00	426.30
	$40,655.00	$24,473.99	$16,190.20	$ (9.19)

INCOME STATEMENT

	REVENUE	YEAR TO DATE REVENUE	MONTH TO DATE REVENUE	BALANCE DUE
Revenue - C.S.A.	$60,983.00	$60,983.00	$ -0-	$ -0-
Revenue - In-Kind	$40,655.00	$40,664.19	$ -0-	$ (9.19)

FAIRBANKS TOWN & VILLAGE ASSOCIATION FOR DEVELOPMENT, INC.
AIRPORT DEVELOPMENT AND AIR CARGO

EXPENSE STATEMENT

As of February 28, 1978

	BUDGET	Y T D EXPENDITURES	M T D EXPENDITURES	AVAILABLE BALANCE
Salaries & Wages	$ -0-	$ -0-	$ -0-	$ -0-
Contracted Services	-0-	1,089.00	1,961.34	(3,050.34)
Transportation	-0-	558.96	-0-	(558.96)
Consumable Supplies	-0-	42.16	-0-	(42.16)
Phone Service	-0-	38.56	-0-	(38.56)
Miscellaneous	19,906.88	-0-	-0-	19,906.88
	$19,906.99	$ 1,728.68	$ 1,961.34	$16,216.86

INCOME STATEMENT

	REVENUE	Y T D EXPENDITURES	M T D EXPENDITURES	AVAILABLE BALANCE
State of Alaska	$14,906.88	$14,906.88	$ -0-	$ -0-
City of Fairbanks	5,000.00	5,000.00	-0-	-0-

F. HB 795

FAIRBANKS TOWN & VILLAGE ASSN. FOR DEVELOPMENT, INC.

CHART OF ACCOUNTS

October 1, 1977 thru September 30, 1978

111	Cash in Bank Alaska Nat'l Bk
112	Cash in Bank United Bank Ak
113	Cash in Bank United Bank Ak S
115	Petty Cash
120	Certificates on Deposit
130.1	Accounts Recv.-E.D.A.
140.2	Accounts Recv.-Local
150.3	Accounts Recv.-T.V.A.
150.4	Accounts Recv.-R.C.I.P.
150.5	Accounts Recv.-H.U.D.
150.6	Accounts Recv.-Air Car/Air Dev
150.8	Accounts Recv.-C.E.T.A.
150.	Accounts Recv.
150.	Accounts Recv.
150.	Accounts Recv.
160	Prepaid Expense
170.3	Fixed Assets T.V.A.
170.7	Fixed Assets Winterization
210	Salaries Payable
211	Accounts Payable E.D.A.
211.4	Accounts Payable R.C.I.P.
211.5	Accounts Payable H.U.D
211.6	Accounts Payable A.C./A.D.
211.7	Accounts Payable Wint C.S.A.
211.8	Accounts Payable C.E.T.A.
211	Accounts Payable
211	Accounts Payable
211	Accounts Payable
211	Accounts Payable
212	Accrued Compensation
220	Payroll Taxes Payable
221	Federal Withholding Taxes
222	State Withholding Taxes
225	E.S.C. Taxes
226	Alaska School Tax
227	Credit Union
228	Hospital Foundation
229	Insurance
230	Independent Retirement Plan
240	Contracts Payable
260.3	Deferred Revenue Local
260.	Deferred Revenue
260	Deferred Revenue
275.3	Invest in Fixed Assets T.V.A.
275.7	Invest in Fixed Assets C.S.A
290.1	Fund Balance E.D.A
290.3	Fund Balance T.V.A.
290.4	Fund Balance R.C.I.P.
290.	Fund Balance
290.	Fund Balance
290.7	Fund Balance
290.	Fund Balance
290.	Fund Balance

330.1	E.D.A. Cash Grant
340.2	Non Federal Cash Grants
350.3	Non Federal Local T.V.A.
360.4	R.C.I.P. Cash Grant
360.5	H.U.D. Cash Grant
360.6	Air Cargo/Airport Dev. Cash Grant
360.7	Winterization Cash Grant-C.S.A.
360.7a	Non Federal Cash Grant INKIND-Wint.CSA
360.8	C.E.T.A. Cash Grant
360.9	D.C.R.A. Cash Grant Weatherization
360.10	C.S.A. Cash Grant Energy Cons. Crisis Int
360.10a	Non Federal Cash Grant INKIND Energy Cons.
360.11	Public Fire Education F.N.S.B.
360.12	Alaska Humanities Forum
360.13	
399.7	Non Federal Program Income Wint. C.S.A.
400	Transfer of Funds

E.D.A. Contract

510.1	Salaries & Wages Fed
510.2	Salaries & Wages Local
520.1	Contracted Services Fed
520.2	Contracted Services Local
530.1	Transportation Fed
540.1	Per Diem Fed
562.1	Equipment Rental Fed
562.2	Equipment Rental Local
581.1	Consumable Supplies Fed
581.2	Consumable Supplies Local
582.1	Postage Fed
582.2	Postage Local
583.1	Printing & Publications Fed
583.2	Printing & Publications Local
584.1	Telephone & Telegraph Fed
584.2	Telephone & Telegraph Local
585.1	Personnel Burden Fed
585.2	Personnel Burden Local
586.1	Miscellaneous Fed
586.2	Miscellaneous Local

T.V.A.

510.3	Salaries & Wages
520.3	Contracted Services
530.3	Transportation
540.3	Per Diem
571.3	Equipment Purchases
581.3	Consumable Supplies
586.3	Miscellaneous

T.V.A. InKind

510.3a	Salaries & Wages
520.3a	Contracted Services
530.3a	Transportation
540.3a	Per Diem
562.3a	Equipment Rental
581.3a	Consumable Supplies
584.3a	Telephone
585.3a	Personnel Burden
586.3a	Miscellaneous

FAIRBANKS TOWN & VILLAGE ASSN. FOR DEVELOPMENT, INC.

CHART OF ACCOUNTS con't.

October 1, 1977 thru September 30, 1978

R.C.I.P.
510.4 Salaries & Wages
520.4 Contracted Services
530.4 Transportation
540.4 Per diem
561.4 Office Space
562.4 Equipment Rental
581.4 Consumable Supplies
583.4 Printing & Publications
585.4 Personnel Burden
586.4 Miscellaneous

H.U.D.
510.5 Salaries & Wages
520.5 Contracted Services
530.5 Transportation
540.5 Per Diem
562.5 Equipment Rental
581.5 Consumable Supplies
585.5 Personnel Burden
586.5 Miscellaneous(Prog. Materials)

Air Cargo/Air Dev.
510.6 Salaries & Wages
520.6 Contracted Services
530.6 Transportation
540.6 Per Diem
581.6 Consumable Supplies
585.6 Personnel Burden
586.6 Miscellaneous

Winterization - C.S.A.
510.7 Salaries & Wages
520.7 Contracted Services
530.7 Transportation
562.7 Equipment Rental
571.7 Equipment Purchase
581.7 Consumable Supplies
585.7 Personnel Burden
586.7 Miscellaneous (Prog. Materials)

Winterization - C.S.A. InKind
510.7a Salaries & Labor
520.7a Consultants
530.7a Transportation
561.7a Office Space
562.7a Equipment Rental
564.7a Utilities
581.7a Consumable Supplies
584.7a Telephone & Telegraph
585.7a Personnel Burden
586.7a Miscellaneous

C.E.T.A.
510.8 Salaries & Wages
520.8 Consultants
562.8 Equipment Rental
571.8 Equipment Purchase
581.8 Consumable Supplies
585.8 Personnel Burden
586.8 Miscellaneous

D.C.R.A. Weatherization
510.9 Salaries & Wages
520.9 Contracted Services
530.9 Transportation
540.9 Per Diem
562.9 Equipment Rental
571.9 Equipment Purchases
581.9 Consumable Supplies
584.9 Telephone & Telegraph
585.9 Personnel Burden
586.9 Miscellaneous (Prog. Material)

Energy Conservation/Crisis Intervention
510.10 Salaries & Wages
520.10 Contracted Services
530.10 Transportation
540.10 Per Diem
562.10 Equipment Rental
571.10 Equipment Purchase
581.10 Consumable Supplies
585.10 Personnel Burden
586.10.1 Miscellaneous (Prog. Materials)
586.10.2 Miscellaneous (Crisis Intervention)

Energy Conservation INKIND
510.10a Salaries & Labor
520.10a Consultants
530.10a Transportation
540.10a Per Diem
561.10a Office Space
562.10a Equipment Rental
564.10a Utilities
584.10a Telephone & Telegraph
586.10a Miscellaneous (Prog. Materials)

Public Fire Education -F.N.S.B.
510.11 Salaries & Wages
520.11 Contracted Service
530.11 Transportation
562.11 Equipment Rental
581.11 Consumable Supplies
585.11 Personnel Burden
586.11 Miscellaneous

Alaska Humanities Forum
510.12 Salaries & Wages
520.12 Contracted Service
530.12 Transportation
540.12 Per Diem
581.12 Consumable Supplies
585.12 Personnel Burden
586.12 Miscellaneous

PLANNING AND MANAGEMENT BUDGET
FY '79

October 1, 1978 - September 30, 1979

Operations

Program Categories

Major Projects

Published for Preliminary Review and Approval:

February 26, 1978

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INTRODUCTION

The Fairbanks Town and Village Association for Development, Incorporated began full time operations in the fall of 1972 with an annual budget slightly in excess of $75,000.00. Funds were provided by the Fairbanks North Star Borough and the federal Economic Development Administration. According to the audit report for the fiscal year ending June 30, 1976, the association spent $144,101.00 for its operations and programs.

However, this audited annual expenditures jumped to $250,000.00 in the period ending September 30, 1977, and it is anticipated that by the end of FY '78 the association will have spent in excess of 1/2 million dollars. Sources of contracted revenues include the borough, the city, three agencies of the State of Alaska, and four agencies of the federal government.

We expect this explosive rate of growth to continue through 1979.

Obviously managing a $75,000.00 budget involving four permanent employees is less complicated than managing our present program, let alone the anticipated growth in that program next year. Accordingly we have developed the attached budget format which anticipates a total budget in excess of a million dollars during FY '79.

Two parameters guide us in developing this budget format: 1) all revenues and all costs of operating the program are shared among "operations," "program categories," and "major projects." There are no hidden assets or undefined overhead costs; 2) the three professional officers - the Executive Director, the Deputy Director and the Project Coordinator - are fully responsible for their respective areas of management and are, by this budget, assigned a fixed share of the support costs in the operating budget for that purpose.

The interested layman, we hope, should have little difficulty tracing the cost of exercising the duties of each of the professional officers in their work on general management, operating responsibilities and program development and management.

Finally, as the budget makes clear there is a minimum amount of money necessary for the existence of the Fairbanks Town and Village Association. Without this money - budgeted in the column marked "overhead" - it would be impossible to manage the several programs of the association.

As such it represents, approximately, the so called "bottom line" below which the Board of Directors must decide whether or not to radically restructure the association, and to decide, more specifically, whether to begin terminating successful programs.

For those who provide funds to the association, contributions to FTVAD overhead should be recognized for what they are: an affirmation of confidence in our work, our ability to competently deliver needed services to the general public and our value to the people and communities of Interior Alaska.

BUDGET DEVELOPMENT

The budget is developed on the basis of operating costs, program management, and individual project budgets. The program categories have been approved by the Board of Directors and are described in the Development section of our current OEDP titled "Overall Economic Development Program for Fairbanks and the Interior of Alaska."

The function of the operating budget has been generally described in the introduction. The budgets for the program categories reflect the full cost of our work in those programs. Each line item reflects the sum of the FTVAD overhead contribution, the sum of all contracted project revenues from local governments in the Interior, all state agencies, all federal agencies, and all non-gove tal sources.

Individu ject contracts, though not directly reflected in this budget, are or ll be in the project files in the association's offices.

Overhead costs are determined on the basis of the equivalent staff time allocations described in the technical notes on page __.

Since this is a planning budget we have made several assumptions concerning sources of operation progam and project revenues. We fully expect that at the beginning of the new fiscal year on October 1, 1978, we will have a revised planning budget which will reflect actual contracted revenues and negotiated budgets as of that date. The format, however, will remain the same.

Monthly cash flow reports will generally follow the same budget format in terms of operations and program categories. However, within those categories month to date, year to date and % encumbered will be shown by contract source, title, and number.

OPERATING BUDGET

	OPERATING BUDGET	MAXIMUM PROJECT ASSIGNMENT	FTVAD OVERHEAD CONTRIBUTION	OPERATING OVERHEAD
I. PERSONNEL				
Executive Director	$35,000	20%	$21,000	$14,000
Deputy Director	33,000	10%	3,300	29,700
Project Coordinator	28,000	60%	22,400	5,600
Resource & Publications Coordinator	22,000	80%	17,600	4,400
Bookkeeper	22,000	80%	17,600	4,400
Executive Secretary	18,000	- 0 -	- 0 -	18,000
Administrative Secretary	15,000	100%	15,000	- 0 -
Clerk	12,000	90%	10,800	1,200
	$185,000	Ave.60%	$107,700	$77,300
II. CONTRACTURAL AUDIT	$ 2,000	80%	$ 1,600	$ 400
III. TRAVEL & PER DIEM				
Travel	$ 6,000	50%	$ 3,000	$ 3,000
Per Diem	4,000	50%	2,000	2,000
	$10,000	Ave. 50%	$ 5,000	$ 5,000
IV. SPACE & EQUIPMENT				
Office Space (3000 sq. ft. @ $1.20)	$36,000	60%	$21,600	$14,400
Equipment	26,000	60%	15,600	10,400
	$62,000	Ave.60%	$37,200	$24,800
V. OTHER DIRECT COSTS				
Consumable Supplies	$ 4,000		$ 2,400	$ 1,600
Telephone & Telegraph	8,000		4,800	3,200
Graphics	8,000		4,800	3,200
Postage	1,600		960	640
Miscellaneous @ 1% of total operating budget	3,000	60%	1,800	1,200
	$24,600		$14,760	$ 9,840
VI. PERSONNEL BURDEN				
@ 10% of total salaries	$18,500	42%	$10,770	$ 7,730
VII. GRAND TOTAL	$302,100		$177,030	$125,070

	Initials	Date
Prepared By		
Approved By		

COLUMN WRITE		1	2	3	4	5	6
		OPERATING BUDGET	OPERATING OVERHEAD	CONTRACTED REVENUE SOURCES LOCAL	STATE	FEDERAL	PRIVATE
1	I. PERSONNEL						
2	40 Executive Director	35000 00	14000 00	15750 00		19250 00	
3	90 Deputy Director	33000 00	29700 00	11025 00	3300 00	18675 00	
4	20 Project Coordinator	28000 00	5600 00		4000 00	24000 00	
5	20 Research & Publications Coor	22000 00	4400 00	2200 00	17429 00	2371 00	
6	20 BookKeeper	22000 00	4400 00	6000 00	10000 00	6000 00	
7	80 Executive Secretary	18000 00	18000 00	9250 00		8750 00	
8	0 Administrative Secretary	15000 00			15000 00		
9	20 Clerk	12000 00	1200 00		10800 00	1200 00	
10							
11	Project Director						
12	Project Secretary						
13	Field Crew						
14	CATEGORY TOTAL	185000 00	77300 00	44225 00	60529 00	80246 00	
15							
16	2. CONTRACTUAL						
17	Audit	2000 00	400 00	1000 00		1000 00	
18	BookKeeping						
19	Professional Services						
20	Para-Professional						
21	CATEGORY TOTAL	2000 00	400 00	1000 00		1000 00	
22							
23	3. TRAVEL & PERDIEM						
24	Transportation	6000 00	3000 00	1200 00	1740 00	3060 00	
25	Per diem	4000 00	2000 00	652 50	1640 00	1707 50	
26	CATEGORY TOTAL	10000 00	5000 00	1852 50	3380 00	4767 50	
27							
28	4. SPACE & EQUIPMENT						
29	40 Space	36000 00	14400 00	18000 00	18000 00		
30	40 Furnishings	26000 00	10400 00	12000 00	14000 00		
31	CATEGORY TOTAL	62000 00		30000 00	32000 00		
32							
33	5. OTHER DIRECT COSTS						
34	40 Consumable Supplies	4000 00	1600 00	500 00	2400 00	1100 00	
35	Telephone & Telegraph	8000 00	3200 00	1500 00	4678 50	1821 50	
36	Graphics	2000 00	3200 00	2000 00	4800 00	1200 00	
37	Postage	1600 00	640 00	500 00	960 00	140 00	
38	Miscellaneous	3000 00	1200 00	2500 00	500 00		
39							
40	Materials						
41	Tools						
42	CATEGORY TOTAL	24600 00	9840 00	7000 00	13338 50	4261 50	
43							
44	6. PERSONNEL BURDEN	18500 00	7730 00	4422 50		8025 00	
45	Insurance						
46	Work Mens Comp						
47	CATEGORY TOTAL	18500 00		4422 50	6052 50	8025 00	
48							
49	GRAND TOTAL	302100 00		88500 00	115300 00	98200 00	
50							

CATEGORY 1: TRANSPORT DEVELOPMENT

Fairbanks has always considered itself the supply and service center for Interior and Northern Alaska. The development of improved transportation systems in these areas will always be a priority activity with the Directors of the Fairbanks Town and Village Association.

Interior and Northern Alaska rely almost entirely on aircraft for year round transport of goods, services and people. Air is supplemented by river and sea going barge operations during the few summer months. Within this category of activity therefore, our goal is to improve these two dominant modes.

Summary of Project Titles

1. Transport Development
2. ATPC
3. FAI Development
4. Air Cargo Facility
5. Terminal Sewer Line
6. Jet Fuel Supply
7. International Carrier Refueling
8. C.A.B., A.T.C.
9. Rural Air Services
10. Airfield, Navaid Construction
11. Local Service Roads
12. Road Construction Priorities
13. Shageluk Airport Road
14. Grayling Road
15. Anvik and Holy Cross Roads
16. Waterways and Harbors
17. Ft. Yukon Dock
18. A.R.R. Canadian Connection

(2)

(37/40)

7	8	9	10	11	12
TRANSPORT DEVELOPMENT BUDGET	ETVAD OVERHEAD CONTRIBUTION	CONTRACTED REVENUE SOURCES LOCAL	STATE	FEDERAL	PRIVATE
	14000 00				
	4262 00				
	4262 00				
	3633 00				
	2615 00				
	28772 00				
	388 00				
	727 00				
	484 00				
	1211 00				
	5231 00				
	3778 00				
	9009 00				
	581 00				
	1163 00				
	1163 00				
	232 00				
	436 00				
	3575 00				
	2877 00				
	45832 00				

(6)

CATEGORY 2: COMMUNITY FACILITIES DEVELOPMENT

Implementing a successful capital improvements program that will facilitate infrastructural needs of a community in a timely and cost efficient manner requires an analysis of local economic problems, a development scenario, a facilities inventory, community involvement and a closer multi-agency communication.

These factors constituted action by the FTVAD Board in March, 1977 to coordinate the Capital Improvements Program listed in our work program under Alphameric Code 2.Pr.A. and includes the composition of a community profile for each population center in the FTVAD district. Community profiles for thirty-two of the forty-five communities in our region are complete.

Capital improvement projects included in this category are infrastructural requirements as determined by the municipality involved with concurrence of the FTVAD Board of Directors.

Summary of Project Titles

1. Capital Improvements Programming
2. Capital Improvements Inventory
3. Southside Water Project
4. North Pole Street Lights and Sidewalks
5. Nenana Government Center
6. Stevens Well House
7. Nenana Sewer/Water
8. McGrath Community Center
9. Warm Storage Building
10. Utility Building Design
11. Grayling Warm Storage
12. Fire Protection Program
13. Borough Fire Protection
14. Anderson Fire Station
15. Bulk Fuel Storage
16. Bulk Fuel Installation
17. New Communities Development
18. Yukon Port
19. Communication Systems

29/40

13	14	15	16	17	18
COMMUNITY FACILITIES BUDGET	ETVAD OVERHEAD CONTRIBUTION	CONTRACTED REVENUE SOURCES LOCAL	STATE	FEDERAL	PRIVATE
11200 00	11200 00				
2579 00	2579 00				
2579 00	2579 00				
2083 00	2083 00				
1582 00	1582 00				
24000 00			24000 00		
11200 00			11200 00		
55223 00	20023 00		35200 00		
235 00	235 00				
3150 00			3000 00	150 00	
20250 00			12750 00	7500 00	
2580 00			2580 00		
52435 00	235 00		44550 00	7650 00	
28083 00	439 00		26696 00	948 00	
17556 00	292 00		16634 00	632 00	
45641 00	731 00		43330 00	1580 00	
7363 00	3163 00		4200 00		
6922 00	2284 00		4400 00	238 00	
14285 00	5447 00		8600 00	238 00	
3300 00	350 00		2700 00	250 00	
2802 00	702 00		2000 00	100 00	
10477 00	702 00		9500 00	275 00	
771 00	141 00		600 00	30 00	
263 00	263 00				
17613 00	2158 00		14800 00	655 00	
5523 00	2003 00		3520 00		
190720 00	30597 00		150000 00	10123 00	

CATEGORY 3: ENERGY CONSERVATION AND HOUSING REHABILITATION

Because of the temperature extremes in Interior Alaska and the high cost of fuels, the Fairbanks area seems a natural target for energy conservation programs.

In the summer of 1976, the Rural Community Action Program staff requested assistance from the Town and Village Association in providing home weatherization to low income families within the Fairbanks North Star Borough. The borough administration also asked the association to provide this program to borough residents.

The project was approved by the association's regional Board at its December, 1976 meeting.

Another facet of the Energy Conservation Program is waste heat (excess energy) utilization. The two feasibility studies approved by the association Board can supply data to cap this energy now being discharged in the atmosphere and water bodies from pipeline pump stations, power plants, refineries and other future manufacturing plants to be used as energy to operate fish hatcheries, commercial greenhouses, forage dryers, pulp mills, vegetable dehydration plants, tanneries, etc.

Summary of Project Titles

1. Energy Conservation
2. Winterization Program
3. Waste Heat Utilization
4. Pump 9 Waste Heat
5. Pump 6 Waste Heat

1070

(29/8)

19	20	21	22	23	24
ENEGY CONSERVATION & HOUSING REHABILITATION BUDGET	ETVAD OVERHEAD CONTRIBUTION	CONTRACTED REVENUE SOURCES LOCAL	STATE	FEDERAL	PRIVATE
22,000	2240.00				
515.00	515.00				
515.00	515.00				
7719.00	439.00			7280.00	
316.00	316.00				
28080.00				28080.00	
127427.00				127427.00	
166812.00	4025.00			162787.00	
47.00	47.00				
6000.00				6000.00	
6047.00	47.00			6000.00	
3430.00	88.00			3342.00	
1184.00	59.00			1125.00	
4614.00	147.00			4467.00	
6121.00	633.00			5488.00	
5057.00	457.00			4600.00	
11178.00	1090.00			10088.00	
870.00	70.00			800.00	
1966.00	141.00			1825.00	
891.00	141.00			750.00	
303.00	28.00			275.00	
820.00	53.00			767.00	
150500.00				150500.00	
500.00				500.00	
155850.00	433.00			155417.00	
				11484.00	
				12738.00	
24625.00	403.00			24222.00	
369126.00	6145.00			362981.00	

CATEGORY 4: PETROLEUM RESOURCE POLICY

Because of the massive impact of rapid petroleum resource development on the short and long term stability of the community, the question of the appropriate response by the general public and by government has occupied much of the time and attention of the association since its formation in 1972.

The primary vehicles developed to deal with this question involved continuous information processing oriented toward the information demands of business, government and individuals throughout the Interior.

The information base thus developed will be enormously valuable in anticipating the short term problems and opportunities which will accompany the construction of a natural gas pipeline.

However, a great deal of work remains to be done in this area if Interior Alaskans are to gain more than transitory benefits from future petroleum development in Alaska.

Summary of Project Titles

1. Pipeline Demobilization
2. Impact Analysis
3. OCS Support Facilities
4. Arctic Research Expansion
5. UAF Museum
6. Natural Gas Development

DD 10
PC 80

(37/20)

25	26	27	28	29	30
PETROLEUM RESOURCE POLICY BUDGET	FIVAD OVERHEAD CONTRIBUTION	CONTRACTED REVENUE SOURCES LOCAL	STATE	FEDERAL	PRIVATE
	7000 00				
	2138 00				
	2138 00				
	1822 00				
	1312 00				
	14410 00				
	194 00				
	194 00				
	364 00				
	243 00				
	607 00				
	2624 00				
	1895 00				
	4519 00				
	292 00				
	583 00				
	583 00				
	117 00				
	219 00				
	1794 00				
	1441 00				
	22965 00				

CATEGORY 5: WORK FORCE DEVELOPMENT

In the spring of 1975, the Fairbanks Town and Village Association was asked to help plan, seek funding for, and coordinate the Community Forum on Growth. Two additional staff members were hired under a grant from the Alaska Humanities Forum and the well-attended forum was held in May. The final analysis showed that Interior residents wanted more information about what effect the "pipeline boom" was having on the community. They wanted to be able to take advantage of opportunities and to minimize the adverse effects of this largest-ever construction project. They asked that more attention be given to the human element when development was being planned. The Work Force Development category was incorporated into the work program and was adopted by the Board at its March, 1977 meeting.

Such projects as the Fairbanks Rehabilitation Center and the Senior Citizen Center have since been adopted under this category.

Summary of Project Titles

1. Vocational Training
2. Vocational Rehabilitation Center
3. Senior Citizen Program
4. Senior Citizen Center

(29/20)

19	20	21	22	23	24
WORKFORCE DEVELOPMENT BUDGET	FTVAD OVERHEAD CONTRIBUTION	LOCAL	CONTRACTED REVENUE SOURCES STATE	FEDERAL	PRIVATE
5600 00	5600 00				
1289 00	1289 00				
1289 00					
1099 00	1099 00				
791 00	791 00				
10068 00	10068 00				
117 00	117 00				
117 00	117 00				
220 00	220 00				
147 00	147 00				
367 00	367 00				
1582 00	1582 00				
1143 00	1143 00				
2725 00	2725 00				
178 00	178 00				
351 00	351 00				
351 00	351 00				
71 00	71 00				
132 00	132 00				
1083 00	1083 00				
1007 00	1007 00				
15367 00	15367 00				

CATEGORY 6: RENEWABLE RESOURCE DEVELOPMENT

Each year as the world population increases and as the export of food becomes a major bargaining force in foreign policy and balancing the national economy, more agricultural land is required to meet the demands.

Alaska is virtually the only state of the union that has idle agricultural land for production. There are approximately 15 million acres of arable land suitable for agricultural production in Interior Alaska.

Agriculture can supply the economic base needed in most bush villages while it simultaneously supplies the village residents with a stable diet. Many village corporations such as Minto and Manley Hot Springs selected lands under ANCSA entitlements specifically for their suitability to agricultural production.

The initial OEDP published in the spring of 1974 addressed agriculture as an important aspect of economic development but little has been done to set strategies for development until the December, 1976 FTVAD annual Board meeting and the March, 1977 semi-annual Board meeting.

Recent emphasis on natural resources in Alaska has been addressed to petroleum, a non-renewable resource.

The Natural Resource Development program initiated in the original OEDP has been divided into two programs to develop a timely and productive strategy for agriculture, forestry, aquaculture and the fur industry.

1. Petroleum Resource Policy will focus on the development of non-renewable natural resources.

2. Renewable Resource Development will include strategy programs, capital improvements projects and technical studies critical to the development of renewable natural resources.

Summary of Project Titles

1. Village Agriculture
2. Village Community Gardens
3. Wood Products Development
4. Regional Agricultural Development
5. Big Delta Agriculture
6. Nenana Agriculture
7. Fish Hatchery
8. Fur Industry
9. North Pole Industrial Park
10. Delta Grain Elevator and Dryer Facility

1570

(29/12)

25	26	27	28	29	30
RENEWABLE RESOURCE DEVELOPMENT BUDGET	FTVAD OVERHEAD CONTRIBUTION	CONTRACTED REVENUE SOURCES LOCAL	STATE	FEDERAL	PRIVATE
3360 00	3360 00				
5273 00	773 00		4500 00		
773 00	773 00				
659 00	659 00				
4955 00	475 00		4480 00		
24000 00			24000 00		
6720 00			6720 00		
45740 00	6040 00		37700 00		
70 00	70 00				
450 00			450 00		
40000 00			40000 00		
40520 00	70 00		40450 00		
6355 00	132 00		6223 00		
3849 00	88 00		3761 00		
10204 00	220 00		9984 00		
4124 00	949 00		3175 00		
3975 00	686 00		3289 00		
8099 00	1635 00		6464 00		
2455 00	105 00		2350 00		
3511 00	211 00		3300 00		
5211 00	211 00		5000 00		
792 00	42 00		750 00		
1079 00	79 00		1000 00		
13048 00	648 00		12400 00		
4574 00	604 00		3970 00		
122185 00	9217 00		112965 00		

INDIRECT COSTS ASSIGNMENTS

Most agencies of government and many non-profit corporations who receive contracts to perform services from local, state and federal governments usually charge a fixed "overhead" or "indirect cost" fee on all contracts. This overhead represents the cost of maintaining the experienced staff, space, equipment, and associated resources which are necessary in order to be able to provide these services.

Government agencies which are created by law and supported by annual financial appropriations have much less of a problem with overhead than does a non-profit corporation such as the Fairbanks Town and Village Association which was created by private citizens and must rely on contracted revenues and public financial support to overhead costs whether or not they are performing contracted services against which "overhead" or "indirect costs" fees can be assigned.

Because of the multiple contracted revenues to the Association which are currently in force, and because of the complexity of managing the contracts, we have begun, with this planning and management budget, to devise a method of assigning a variable indirect cost to our contracted revenues.

We believe this approach is preferable to the "fixed overhead" fee which has too often been abused because of the ease with which such overhead can be shifted into other administrative areas which have nothing to do with the contract against which it was assigned.

Furthermore, there is, among federal and state grant-in-aid programs, little consistency in the proportion of such grants that can be assigned toward the cost of administering the programs. Highly desirable programs may be impossible to administer within allowable administrative cost restrictions. When this kind of situation occurs there should be, we feel, some method of calculating the total overhead costs inovlved in administering a desirable program.

Only in this way can we realistically balance the benefits to the general public of a particular program against the limited available administrative resources which will be consumed in the management of it.

COMPUTING EQUIVALENT STAFF TIME COSTS

Equivalent staff time costs are based on a derivation of total annual operating costs using certain percentages related to professional time costs, and clerical, administrative and operating costs. Determining equivalent staff time costs helps in understanding the full costs of staff work, and in allocating administrative resources to projects and to the legal requirements and general obligation of the Fairbanks Town and Village Association.

It should be noted that the "Annual Operating Costs" from which these computations are derived does not reflect the total annual revenue and expenditures of the association. The annual operating costs are the costs of maintaining a permanent staff, offices and operations. Additional revenues are generated each year from project related grants which are usually limited in scope and duration and not necessarily renewed each year.

Project related grants which have been received or are firmly committed as of the publication date are listed as "Supplemental Financing" in the individual project descriptions.

A. The derivation of "Equivalent Staff Time Costs" for FY '79 is as follows:

a.	Total Operating Budget	$302,100.00
b.	Monthly Operating Budget	23,175.00
c.	Weekly Operating Budget	6,042.00

B. The annual operating costs are divided into two categories:

1. Professional Time Costs:

   These are evaluated based on the total costs of salaries and benefits for the association's three professional staff officers as a percentage of the total operating budget.

   For FY '79 professional time costs are projected at roughly 35% of total operating costs and are broken down as follows:

a.	Annually	$105,735.00
b.	Monthly	8,811.00
c.	Weekly	2,115.00

2. Support Costs:

   After deducting the costs of professional staff salaries and benefits from the operating budget, the amounts remaining are called the "Support Costs."

   For FY '79 support costs are projected at roughtly 65% of total operating costs and are broken down as follows:

a.	Annually	$196,365.00
b.	Monthly	16,364.00
c.	Weekly	3,927.00

C. The final element in deriving equivalent staff time costs is the allocation of a percentage of the total available support costs to each professional officer based on their share of professional time costs.

   For FY '79 these percentages are projected as follows:

Executive Director	Deputy Director	Project Coordinator
36%	34%	29%

D. The following table, therefore, yields projected equivalent staff time costs for FY '79:

	Executive Director	Deputy Director	Project Coordinator
Professional Time Costs	$38,500.00	$36,300.00	$30,800.00
Support Costs	70,691.00	66,764.00	56,946.00
a. Annually	$109,191.00	$97,564.00	$93,246.00
bc. 4 man/weeks	8,736.00	7,804.00	7,460.00
c. 3 man/weeks	6,552.00	5,853.00	5,595.00
d. 2 man/weeks	4,368.00	3,902.00	3,730.00
e. 1 man/week	2,184.00	1,952.00	1,865.00
f. 1 man/day	437.00	390.00	373.00

When accompanied by the staff time allocations assigned following our annual OEDP approval by the Board of Directors, the equivalent staff time costs are the tools used by the staff to determine the full costs of allocating the two primary resources of the association, professional skills and administrative support, to our planning and development work in the Interior of Alaska.

STAFF TIME ALLOCATIONS

Staff time allocations are professional judgements by the association's three professional staff officers on how they each expect to spend their time during the coming fiscal year. Staff time allocations are determined following approval by the Board of Directors of the coming year's Overall Economic Development Program and the projects, program, and management responsibilities which constitute the work program.

Once assigned at the beginning of the fiscal year the staff time allocations and the equivalent staff time cost factors provide the staff, the Board, and the general public with a constant cost/benefit and progress analysis for each of the association's activities.

This analysis is reported by means of progress status reports which are prepared by each of the professional staff officers once every six months.

Since it would be premature to develop staff time allocations this far in advance of the beginning of FY '79, we have, for the purposes of this planning budget, confined ourselves only to the annual allocations and the program category allocations.

Those are as follows:

Annual Time Allocations	Annual Average	40 hrs/week	50 weeks/yr
Executive Director			
Staff supervision	10%	4	5
Operational requirements	20%	8	10
Community interaction and conferences	10%	4	5
Direct project activity	60%	24	30
	100%	40	50
Direct project activity			
Transport development	40%	16	20
Petroleum resource policy	20%	8	10
	80%	24	30
Deputy Director			
Staff supervision	10%	4	5
Operational requirements and conferences	80%	32	40
Direct project activity	10%	4	5
	100%	40	50
Direct project activity	- 0 -	- 0 -	- 0 -
Project Coordinator			
Staff supervision	10%	4	5
Operational requirements	10%	4	5
Direct project activity	80%	32	40
	100%	40	50
Direct project activity			
Community facilities	40%	20	25
Energy conservation and housing rehabilitation	10%	4	5
Work force development	20%	10	12.5
Renewable resources	10%	6	7.5
	80%	40	0

HB
855

ANNETTE SMITH H C/RA

JACK CHENOWETH LEG. SERV. - FOR TESTIMONY

LEE SHARP C+B SUNFLOWER COU

Oxford Pendaflex
STOCK No. 753 1/3

MADE IN U.S.A.

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE MINUTES

June 10, 1978

Present: Senators Orsini, Willis and Hackney

Absent: Senators Sumner and Ferguson

The Senate Community and Regional Affairs Committee met upon adjournment of the Senate Session this day and passed out HB 855 am with "INDIVIDUAL RECOMMENDATIONS" with an amendment, and also HB 657 with a "NO RECOMMENDATION".

SB 674

Judy Mager
Bor. mgr. Kobuk
NB 855 am
anxious 225-6151

public corporation

For authority
2nd class borough
& therefore having
problem

4-26-78

NOTE FOR HB 855 am FILE

Per Annette Smith, H C/RA, HB 855 am was made retroactive to July 6, 1976 for the following reason:

The original language of the statutes was passed at that time, but it was tacked on to a Senate bill. The attorney general ruled, after the legislature passed the bill, that the legislation violated the two subject proviso. Therefore this legislation has been under a legal cloud.

HB 855 am was first included in HB 483, municipal code revision, but Lisa Rudd felt the subject was important enough to be addressed separately.

The retroactivity, then, was provided to insure that any action taken after 1976 would not be legally jeopardized.

Jack Chenoweth prepared the draft and researched the subject.

Ben Harding

Speak to Lee Shemp 468 8550 ext

re impact

Letter to AG re legality x

Shemp - "a little disturbed"

by implication to home
rule municipalities.

HR should have authority
to do so should

limit to 48.030 list;

like to take
out those what if not on list?

STATE OF ALASKA

Inter-Department Route Slip

TO:
MAIL STATION NUMBER_____

DEPARTMENT Senate CRA

ATTENTION BEN HARDING

☐ Approval	☐ Note & Return
☐ Signature	☐ Initial & Return
☐ Comment	☐ Return As Requested
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☐ For Your File	☐ Your Information

Remarks:

FROM:
MAIL STATION NUMBER_____

DEPARTMENT _____

BY [illegible] DATE _____

02-002 (REV.10/73)

F/ HB 855

STATE OF ALASKA
THE LEGISLATURE

POUCH Y · STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 17, 1978

SUBJECT: HB 855: relating to public corporations and other instrumentalities of municipal government. (Work Order No. 5187)

TO: Representative Lisa Rudd, Chairperson
House Community and Regional Affairs Committee

FROM: John B. Chenoweth
Legislative Counsel

You have posed four questions with reference to HB 855 which bear upon the use by local governments of public agencies as a means by which to issue obligations on a tax-exempt basis. HB 855 would re-enact provisions of AS 29.59, specifically authorizing public corporations or like instrumentalities established by municipal governments to issue obligations in order to fund the costs of construction of public facilities. The reasons favoring re-enactment of AS 29.59 are alluded to in my memorandum to Representative Nels Anderson of February 16, attached to this memorandum.

The statutory provision which eventually was enacted into law as AS 29.59 was first drafted during the 1976 session in response to proposed additions to and amendments of regulations by the US Treasury. The changes proposed, incorporated into regulations relating to definition and administration of the Internal Revenue Code, would have defined limits which public agencies established by local governments would have been required to satisfy in order to gain or retain the benefit of tax-exempt interest on the agent's obligations to the extent enjoyed by the obligations of the municipality which were directly issued. The purpose of the proposed rule change was, at least in the view of the Treasury, that public agencies which were issuing the obligations be in actual fact substantially controlled and directed by the local government unit or units in whose behalf they were issuing obligations. In the language of the Treasury-prepared synopsis of the regulations

> In general, the proposed amendments [to IRS regulations] provide that only a constituted authority of a state or local government unit may issue obligations on behalf of the unit. The authority must be specifically authorized pursuant to state law to issue obligations on behalf of the unit to accomplish a public purpose of the unit. The authorization must specify the public purpose of the governmental unit on behalf of which the authority is authorized to issue obligations and also must create the authority or provide that the governmental unit may create the authority. The authority must be created and operated solely to accomplish a public purpose of the governmental unit.
>
> The proposed amendment requires a closer connection between the authority and the governmental unit including control of the authority's board and organizational or supervisory control over the authority of the governmental unit.

AS 29.59 was drafted to respond to the threshhold requirements of the then-proposed federal regulation changes, namely, the requirement that the public agencies be specifically authorized in applicable state law, that they be authorized to undertake or fulfill a public purpose, that the public purpose for which authorized be specified, and that the grant of authority represent a grant for only the accomplishment of that public purpose.

The stringent requirements of the regulations proposed by the Treasury were not adopted. Rather, former provisions of the Code of Federal Regulations relating to tax-exempt interest paying obligations were substantially continued.

The current law on the subject appears to be this --

The applicable statute is 26 USC 103(a):

> (a) GENERAL RULE. Gross income does not include interest on --
>
> (1) the obligations of a State, a Territory, or a possession of the United States, or any political subdivision of any of the foregoing, or of the District of Columbia;. . .

The statutory exemption embraces debt obligations of local governments, whether issued "directly" or "indirectly," that is, through the use of a public corporation as agent:

> Obligations issued by or on behalf of any State or local governmental unit by constituted authorities empowered to issue such obligations are the obligations of such a unit. . . .

and

> The term "political subdivision", for purposes of this section [26 CFR §1.103-1], denotes any division of any State or local governmental unit which is a municipal corporation or which has been delegated the right to exercise part of the sovereign power of the unit. . . .

26 CFR §1.103-1(b).

I

Your first question -- whether the same concerns which prompted introduction and enactment of the legislation in 1976 are still of concern -- is probably better answered in the negative. The stringent requirements which the Treasury was suggesting in the amendments and changes mentioned earlier in this monograph have not been adopted and are not now under active consideration. Assuming that the principal factor motivating HB 674's introduction in the 1976 session was to obviate anticipated challenges to the authority of agencies or corporations established by local governments in Alaska to issue tax-exempt obligations for the benefit of the local government -- and I think it is a fairly good assumption -- the apparent urgency of the situation then does not control or affect events now.

II

The answer to the first part of your second question, insofar as it applies to tax-exempt obligations in general (exclusive of the problems of the use of industrial development bonds), is likewise "no." The Treasury, in 1976, did not adopt the regulations as contemplated at that time; the existing body of regulation -- including, of course, revenue rulings and the body of case law -- has been continued forward with few substantive changes.

III

Your third question departs from further examination of applicable regulations of the IRS. It presents the question of whether there is a state constitutional "check" on the establishment of public corporations or agencies by Alaska municipalities to undertake public purposes. Your question cites the general statement of policy contained in Article X, sec. 1 of the state constitution, which recounts the philosphy underlying the existing local government article:

> The purpose of this article is to provide for maximum local self-government with a minimum of local government units, and to prevent duplication of tax-levying jurisdictions. A liberal construction shall be given to the powers of local government units.

The reference to "units" in this section is unusual -- the term appears nowhere else in the article. The next following section, section 2, describes the requirement that "all local government powers . . . be vested in boroughs and cities," to the exclusion of any other kind or species of local authority having the very important power of taxation. By virtue of the interposition of the phrase "powers of local government units" in section 1 and the requirement imposed by section 2 that full local government powers devolve only upon boroughs and cities, and based upon the transcript and record of proceedings of the constitutional convention, I conclude that the use of the word "units" in the first section was intended to embrace only the two general types of local government authorized. It was not thought that the limitation would apply to the establishment of mechanisms by the local government units themselves after they were incorporated. Quite the contrary: the powers of local government units were intended to be liberally construed (Art. X, sec. 1), and the authority of a political subdivision to establish a public enterprise or public corporation in furtherance of legitimate public purposes is at least alluded to in Article IX, sec. 11, and appears there and in commentary in the record of the constitutional convention without restriction as to number or kind of agency. In short, I believe that the state constitutional provision enunciating a policy of a "minimum of local government units" may not be understood to be a limitation on the use of public enterprises or corporations -- public agencies, generally -- to supplement direct provision of public services by local governments. Other circumstances or conditions may compel that conclusion: the constitutional provision cited, in my opinion, does not.

IV

Your concluding query requires examination of tax-levying authority under AS 29.59 and existing limitations on the authority of local governments to levy property taxes. The tax limitations of AS 29.53.050 appear to be inapplicable to taxes of a public corporation or similar public agency established by a municipality under authority granted by AS 29.59. There is no direct relationship between the two statutory provisions mentioned such that the limitations section of AS 29.53.050 need be extended and made applicable to public agencies. The grant of authority set out in AS 29.59 does not extend to the public corporation or similar instrumentality the right to levy taxes. That right is limited, by the state constitution, to the levy and collection by cities and boroughs only. Thus, the right of the public corporation to issue obligations on behalf of the municipality for public purposes, if understood as having the effect of using the public corporation as a "front" for the municipality, cannot circumvent the limitation on delegation of taxing authority only to cities and boroughs, requiring the municipality to raise necessary revenues to pay off obligations of the corporation within the general limitation of AS 29.53. Similarly, if the right granted be seen as one by which a public corporation is authorized to issue its obligations for public purposes in furtherance of the responsibilities of municipalities, the grant of authority does not carry with it the right to levy and collect taxes for the purpose, and concern about conflict with AS 29.53 is unfounded. (The latter is analogous, at the local level, to the relationship between the State and ASHA, a public corporation: ASHA bonds are strictly revenue bonds; ASHA is not authorized to offer obligations on the strength of the full faith and credit of the people of Alaska, nor is the State legally obliged to bail ASHA out of any financial embarrassments.) In summary, in no instance can I conceive of a public corporation established under AS 29.59 having a valid argument on which to enforce a levy in excess of that provided for generally in statute.

V

I do not want to leave points 1 and 2 of this paper without mentioning two other matters:

While it is true, of course, that the failure of the IRS to adopt the regulations proposed in early 1976 constitutes a change of circumstance over the intervening two-year period,

it is equally true that, apart from AS 29.59, there is no generally applicable provision by which a city or borough is granted authority to establish a corporation or instrumentality to use as an agent in the issuance of debt obligations on its behalf. I am not aware that any Alaska municipality has placed reliance on the provision in the two years it has appeared in the statutes. Repeal of the provision, or even non-alteration, probably poses no problem. However, though AS 29.59 was drafted and enacted under circumstances quite different than those presently known, to the extent that a clear statement of authority for the establishment of a corporation for the purposes indicated is desirable, the provision does serve that purpose. The committee will, of course, enunciate the policy: I did not want to leave the impression that, because circumstances have changed, the statute no longer serves a useful role.

Secondly, I want to caution that this memo is not intended to address or suggest disposition of the issues which surround the very complicated subject of tax treatment of the interest earned on industrial development bonds. (In requesting your questions in writing, I wanted to try to assure that the questions could be answered in a manner which did not require extended treatment of the handling of industrial development bonds, a relatively more common means of involving public purpose financing through the intermediary of a public corporation, but one which is, in terms of tax-exempt eligibility, far more complicated.) The tax-exempt status of industrial development bonds -- defined, generally, as bonds whose proceeds are used in an activity engaged in for profit by other than a governmental unit or other than an organization exempt from tax (i.e. corporations with nonprofit status under §501(c)(3)) and on which either the payment of the principal and interest is secured in whole or in part by property to the payments received from the property are pledged for the payment of principal and interest -- is subject to far more extended and extensive limitations that those of bonds which would be issued by public corporations or instrumentalities whose existence is authorized under AS 29.59.

I trust that this fully responds to your questions.

JBC:jpd

Attachment

M E M O R A N D U M

February 16, 1978

SUBJECT: Brief history of AS 29.59

TO: Representative Nels A. Anderson, Jr.

FRO: John B. Chenoweth
Legislative Counsel

My recollection of the circumstances relating to the adoption and taking effect of the bill embodying this provision is this:

In mid-session of 1976, Bob Dupere called to the attention of the Senate Community and Regional Affairs Committee the proposal by the IRS to tighten regulations defining the tax-exempt status of public corporations. Dupere has, of course, a working knowledge of municipal finance with respect to Alaska's local governments, and appreciated the potential problems that would have been presented under the particular changes then under consideration by the IRS. His suggestion to meet the problems was to make clear that municipalities had the authority to establish public corporations for carrying out specific municipal purposes, to protect the tax-exempt status (insofar as that was possible) of these creatures in the event local governments determined to make use of public corporations to meet public purposes or needs. At the time, as I recall, the possibility of establishment of a public corporation for hospital care was under active consideration, as, I think, was the proposal to use municipal authority to provide public services to major industrial users.

At any rate, the bill was drafted and presented. Committee members endorsed the attachment of the provision to a bill offered by the governor making technical amendments to the existing authority of the Alaska Municipal Bond Bank Authority. I do not recall whether the provision was added on to the governor's bill in anticipation of possible veto of the same provision standing alone, or whether it was added because, on that day, the governor's bill happened to present itself as a handy vehicle. That is where it was put -- but in redrafting the bill to carry the amendment, the draftsman neglected to conform the title.

The governor signed the bill into law. However, in a most unusual move, his transmittal letter to the Legislature pointed out the problem posed by the failure to limit the bill to one subject and to conform the title to the substantive provisions of the amended bill:

> "I have signed the following bill and am transmitting the enrolled and engrossed copies to the Lieutenant Governor's Office for permanent filing:
>
> SENATE COMMITTEE SUBSTITUTE FOR
> COMMITTEE SUBSTITUTE FOR
> HOUSE BILL NO. 674
> amended Senate (Chapter 56, SLA 1976)
>
> Even though I have signed this bill into law, I have been advised by the Attorney General that the inclusion of Sec. 4 in the bill violates Article II, Section 13 of the Alaska Constitution. This provision requires that bills are to be confined to one subject and that the subject be expressed in the title. Accordingly, the Attorney General has advised that Sec. 4 of the bill is void and of no effect.
>
> I am bringing this matter of the Attorney General's advise (sic) to your attention so that those legislators who were relying on Sec. 4 to accomplish some objective may be notified as to its probable effect. Those legislators may then want to take appropriate action such as introducing new legislation to cover the subject set forth in Sec. 4 of the bill."

1976 House Journal, at p. 1280.

I have to question why the Attorney General determined that only section 4 of the legislation, that section adding what is now AS 29.59, was "void and of no effect" -- why, in fact, the entire bill was not tainted with the same objection -- and whether, for that reason, the opinion rendered to the governor is correct. Nevertheless, it is the closing paragraph of the governor's transmittal letter which the provision designated "*Sec. 13" in the original version of HB 483 is intended to address.

Assuming that the governor's statement, based on the attorney general's advice, is correct, then it seems that you have two courses open: Repeal AS 29.59 or re-enact it, with or without substantive amendment. At least as to any municipality which may have acted in reliance on the section, or which may in the future, I think it desirable, in response to the governor's invitation, that the legislature act, for inaction only maintains the "cloud" on AS 29.59 first pointed out in the above-cited transmittal letter.

JEC:jpd

HB

873

John Clarkson (FBX NSB Mgr&R)
Jim Rocke AK ML
Judy Scajfer - Ketch. Fatherday
Borough

Oxford Underflex
STOCK No. 753 1/3

5-9-77

NOTE FOR HB 873 FILE

This bill was introduced at the original request of Fairbanks North Star Borough Mayor John Carlson through the Alaska Municipal League.

Carlson's specific problem is that his Attorney and Staff Director both earn more money than he does.

As far as assemblymen are concerned, there is the problem that no assemblyman can receive a raise that he voted for during his term of office. Therefore there is the anomaly of half of an assembly receiving a lower salary than their recently elected peers.

bfh

F. CSHB 873

FAIRBANKS NORTH STAR BOROUGH
Box 1267, Fairbanks, Alaska 99707

May 16, 1978

Senator Joe Orsini, Chairman
Community & Regional Affairs
Committee
Pouch V
Juneau, Alaska 99811

RE: CS For House Bill No. 873

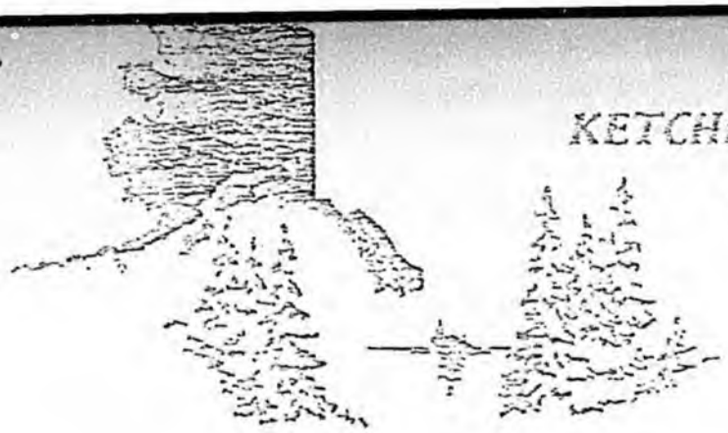
Dear Senator Orsini:

I would appreciate your review of CS For House Bill No. 873 "An Act relating to the salaries of elected municipal officials." This piece of legislation allows for compensation of mayors of municipalities and members of the assembly or council to have their compensation fixed annually by ordinance. Under the present legislation, the compensation of these individuals "may not be changed during a term in office." This causes a problem in that a mayor elected for a three-year term cannot receive a cost-of-living adjustment during his tenure in office. Also an assembly or city council member cannot have their compensation changed during their tenure in office. During budget time, there is a feeling to adjust compensation for assembly or council members but this is not done as it would affect only the newly elected officials at the next election. What would happen if a salary change were adopted is a large percentage of the assembly/council would be compensated less than the newly elected officials. The amendments, as proposed in CS HB No. 873, would allow the compensation to be changed making it uniform throughout the entire council or assembly.

Sincerely,

JOHN A. CARLSON
Borough Mayor

JAC:all



KETCHIKAN GATEWAY BOROUGH
344 FRONT STREET
KETCHIKAN, ALASKA 99901

F. HB 873.

March 27, 1978

Re: HB 873

The Honorable Lisa Rudd
Chairman
House Community & Regional
Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Chairman Rudd:

In our borough, a second-class borough, there are twelve (12) elected officials; mayor, elected-at-large; four (4) assemblymen, elected-at-large from the area outside the City of Ketchikan; a seven (7) assemblymen appointed from the City Council. As a second-class borough the provisions of AS 29.23.530 apply. All our twelve (12) elected officials have 3-year staggered terms. Under the existing provisions of AS 29.23.530 in order to effect an entire salary change for all elected official positions, three elections must take place before all members are receiving the same salary.

A Ketchikan Gateway Borough Assembly salary change (from $100 to $150) commenced with the October, 1975 election and will be completed when those elected in October, 1978 take office at which time all eleven will again be receiving the same compensation.

Having observed this transition from $100 to 150 per month, it is apparent that among the elected officials, the procedure involved is a point of irritation as all have the same responsibilities.

I believe there are sufficient checks in our local government structures to preclude the actions of elected officials from becoming actions directed toward overt personal

gain at the expense of the local taxpayers. Those local governments to which the existing requirements apply are those smaller municipalities where actions of the elected officials are constantly subject to very close public scrutiny. Elected officials salaries must be set by ordinance on which public hearings are held, these salaries are included in the annual budget on which public hearings are held, and the appropriations needed to pay these salaries are made by ordinance on which public hearing are held.

Therefore, I am of the opinion that the present provisions of AS 29.23.530 are unduly restrictive and I support HB 873 as proposed.

Sincerely,

Judith A. Slajer
Borough Manager

JAS:jw

cc: KGB Assemby and Mayor
Jim Rolle, Ex. Director, AML

FAIRBANKS NORTH STAR BOROUGH
Box 1267, Fairbanks, Alaska 99707

F: HB 873

April 3, 1978

Ms. Lisa Rudd
Alaska House of Representatives
Pouch V
Juneau, Alaska 99811

RE: HB 873 "An act relating to the salaries of elected municipal officials"

Dear Ms. Rudd:

I wish to present testimony in favor of passage of HB 873.

Having had the privilege of being elected a full time Borough Chairman in October of 1968, when the budget was set in June of 1968 for a part time Borough Chairman, I found that compensation could not be increased because of the wording in the statute. I am very happy to see HB 873 introduced as this would amend this restriction.

I concur that wages should not be decreased, as a person running for that office naturally would expect to receive the compensation shown in the budget, but should, on the other hand, not be restricted from receiving just compensation for his efforts.

Very truly yours,

JOHN A. CARLSON
Borough Mayor

JAC:mkr

F: HB 873

{news and views}

ALASKA MUNICIPAL LEAGUE

204 N. Franklin St. Juneau, Alaska 99801 (907) 586-1325

April 10, 1978

Representative Lisa Rudd, Chair
Community and Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Representative Rudd:

We are writing with regard to HB 873. Although this currently effects only two of our members, Fairbanks North Star Borough and Kenai Peninsula Borough, as more municipalities grow, we may have more.

I think that some of the concerns of the committee are real, and I would therefore suggest an amendment.

On line 73, strike the period after office, and continue the sentence by saying "unless by ordinance generally applicable to all personnel employed by a municipality".

The result would be that salaries may not be reduced during a term of office unless by ordinance generally applicable to all personnel employed by a municipality.

It would appear to us that this is fair as it provides:

1) The official could receive a raise as the Assembly saw fit.

2) It provides for a reduction as it would apply to all municipal employees.

3) It still provides that the salary may be adjusted up or down before the next term begins.

4) It also provides that there will not be any discrimination in establishing salaries for the official.

We appreciate your time and consideration.

Sincerely,

Jim Rolle
Executive Director

cc: House CRA Committee Members

HB
913

JOHN HARTLER ENTERPRISE CHILD CARE CENTER
586-2753 (c/o JUNEAU)

CRA CONTACT AARON PITTS 279-3462

MARCIA SHARROCK -

ROCKY PLOTNICK - H/HESS AA

MARILYN HICKEL
/JIM ROLFE - ANCHOR

CK FRANK HICKEL re telegrams to
HOUSE RULES

Oxford Pendaflex
STOCK No. 7531/3

MADE IN U.S.A.

STATE OF ALASKA

Inter-Department Route Slip

TO:
MAIL STATION NUMBER _____

DEPARTMENT Sen. C - RA Committee

ATTENTION Pam Haviland

☐ Approval	☐ Note & Return
☐ Signature	☐ Initial & Return
☐ Comment	☐ Return As Requested
☐ Contact Me	☐ Return For Approval
☐ Prepare Reply	☐ Necessary Action
☑ For Your File	☐ Your Information

Remarks: Position paper on HB 913 per your request. Also, please ask Sen. Orsini to call Eric Lee at 279-3462 if Eric hasn't reached him yet today.

FROM:
MAIL STATION NUMBER 2100

DEPARTMENT DC - RA

BY Lynn Nicholson DATE 6/1/78

02-002 (REV. 10/73)

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER POUCH B – JUNEAU 99811

June 1, 1978

The Honorable Joseph L. Orsini
Chairman, Senate Community and
Regional Affairs
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

It is the Department's opinion that HB 913 will accomplish two things:

1. HB 913 will make the promulgation of regulations for the Day Care Assistance Program mandatory rather than permissive.

The Department has no objection to this change since regulations have already been drafted and should be set in place by this summer. Public input concerning changes will be open through July 31. However, we feel this change is purely academic as regulations are already being written.

2. HB 913 will severely impair the Department's ability to ensure competent administration by a subcontractor on the local level.

The Department is opposed to this change. While the Statutes (AS 44.47.250-310) require the Department to administer the Day Care Assistance Program, HB 913 would severely impair our ability to do so. To administer the program adequately, we feel the Department must have the authority to ensure that the Day Care Assistance Program Administrator, whether subcontracted or not, has the ability to serve the clientele effectively. In addition, certain minimum performance standards, as set forth in our proposed Day Care Assistance Program regulations, are necessary to best serve families in need of assistance, such as the accessibility of the administrator to the public. (If the committee feels that the $100,000 minimum grant clause for authority to subcontract is inappropriate, the Department will delete this from the proposed regulations in line with your recommendations).

Since the Day Care Assistance Program benefits low-income parents, we are very concerned that poor administration of the Day Care Assistance Program would affect the parents receiving this assistance.

We have found this to be the case in the past when subcontractors have not administered the program in an acceptable manner. We have also found that contractors rely heavily on the Department to train the subcontractor and monitor the program, and the contractor does very little, if anything, of this nature.

Due to the above stated reasons, the Department opposes this bill.

Sincerely,

Lee

Lee McAnerney
Commissioner

6-1-78

Re CS for HB 913

Jim Rolla said that the AK Municipal League supports the CS + the legislature since it would get DCRS out of the business of over-seeing municipal contracting for day care services. Therefore the League did support the bill and the concept behind it.

However Rolla was concerned that the language in the bill could prevent the State from directly administering day care programs in cases where a small municipality, which did not wish to undertake the administration of day care contracts, opted out. Rolla would like language, presumably in Sec (6) that would instruct the State to undertake direct day care programs where a municipality was not involved — either in a outside of an organized borough.

Bill.

586-2752 5-30-78 John Hartle Exempt Child Care Centers Fairbanks
oppose - see deletion.

Original sponsor: Health, Education and Social Services Committee

Offered: 5/17/78
Referred: Rules

IN THE HOUSE

BY THE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

CS FOR HOUSE BILL NO. 913

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to day care programs."

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

* Section 1. AS 44.47.250 is repealed and re-enacted to read:

Sec. 44.47.250. POWERS AND DUTIES. The department shall

(1) implement and administer a program to assist in providing day care for the children of low-income families according to the requirements of secs. 250 - 310 of this chapter;

(2) establish standards of eligibility for day care benefits;

(3) contract for the care of children of eligible families;

(4) establish procedures to periodically review the needs of families receiving day care benefits;

(5) contract with consenting municipalities to perform its duties under secs. 250 - 310 of this chapter within those municipalities; a municipality may subcontract with another organization in the community to perform administrative duties; [w/ approval of department]

(6) contract with day care facilities outside of municipalities; to provide more effective administration of programs in the unorganized borough, the department may contract with another organization in the community or with an organization serving the region in which the community is located to perform administrative duties;

(7) adopt regulations necessary for the performance of its duties under secs. 250 - 310 of this chapter.

* Sec. 2. AS 44.47.260 is amended to read:

Sec. 44.47.260. LOCAL PARTICIPATION. When a contract is made

under sec. 250(5) [SEC. 250(b)(2)] of this chapter between the department and a muncipality, the municipality shall pay the costs of administering the contractual duties within its jurisdiction.

STATE of ALASKA

MEMORANDUM

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

TO: Eric Lee, Director of Community and Rural Development

DATE: January 23, 1978

FILE NO:

TELEPHONE NO:

FROM: F. Harvey Pitts
Child Care Programs Coordinator

SUBJECT: Recommendations by the Ombudsman in his Octobet 20, 1977 letter to you concerning Dr. Gold's complaint

Herein are my comments regarding the several recommendations for improving the DCAP which were set forth by the Ombudsman:

1. To straighten out any confusion that might have been evidenced in this Fairbanks day care administration, we would suggest you begin the tedious but needed process of promulgating regulations, at least in the following areas:

   A. What is the State's intent and interpretation of "permission to subcontract?" With that permission, is it then the responsibility of the Borough to determine the exact subcontractor?...
   B. ...the procedure of how one should obtain permission for subcontracting is not clear. For example, it calls for "Written permission from the Department" for a municipality to be able to subcontract. Yet, when should the permission, if so desired, be obtained?...
   C. ...Should a municipal government have to substantiate why it prefers to operate the program through sub-contracts as you once intended?...
   D. What does the Department infer by the local administering agency's responsibility to serve eligibles in the designated grant area?...should be clarified. It might make more overall management and planning sense to prioritize eligibles from the start of the fiscal year and apportion monthly subsidies to a determined ceiling..."
   E. ...exact breakdown of State, contractor (or local government) and subcontractor (or local administering agency) responsibility. Appropriate termination procedures for recipients...; methods of accurately informing recipients in a properly designated time frame...; guidelines important for subcontractor's proposals statewide, as well as advertising for new proposals; a spelled-out monitoring effort....

2. ..., we would recommend a clarifying letter be sent to Fairbanks North Star Borough Mayor John Carlson and Fairbanks Borough Assembly Chairman Phil Younkers.

3. We suggest a letter to Dr. Gold...and, by means of this complaint resolution, perhaps a future meeting between you, Pitts, Dr. Gold, the Commissioner and appropriate Borough contacts could take place to iron out personality conflicts that might remain."

As far as I can determine, the above are recaps of the Ombudsman's suggestions with extraneous remarks omitted. The following are my suggestions:

1. First, I am opposed to regulations-any regulations. They are cumbersome, not suited to community variations, and would serve to eliminate the flexibility we have to allow different communities, with unique cultural, traditional and economic needs, to serve their residents the way the local government feels they should be served. Because they have the effect of specific law they predestine a "big brother" approach similar to the federal government's FIDCR which is the prime reason the DCAP program was designed as it is by the legislature. The intent was for a great degree of flexibility. I believe that is why the legislature in its wisdom made promulgating regulations permissive rather than manditory. Indicated by the fact that no funds were appropriated for the promulgation process. That the Department is not required to promulgate regulations, contrary to what Mr. Flavin stated, has been verified by 3 Assistant Attorney Generals. This was the opinion of Dick Bradley (now with Legislative Affairs) when he was with the Department of Law , it is the opinion of Rodger Pegues in the Juneau office of the Department of Law, and is also the opinion of Ivan Lawner, general civil section, of the Anchorage office of the Department of Law. In fact, Mr. Lawner said that courts have held that written guidelines and contracts, such as we have, have been enforced by courts in the same manner as regulations. According to Mr. Lawner, Mr. Flavin is a strong proponent of regulations, but Mr. Lawner too, could not see the need for regulations as recommended by Mr. Flavin. In summary, it my opinion that there is no need for regulations, that they would prove detrimental to the flexability intended for the DCAP by both the legislature and the administration and that we should defer in their promulgation. Perhaps at some later point in time regulations might prove helpful. However, that time would come when history stabilizes the DCAP and not while it is under metamorphosis, certainly not in the near future, if ever. Assimilation of changes into our Day Care Assistance Program Application Manual, and thereby into our contracts, would serve the same purpose as regulations, and would be much more amenable to change with the program.

In paragraph A Flavin recommends that we clarify the Department's intent and interpretation of "permission to subcontract." This recommendation has merit and I suggest we do this in the manual by rewording the 3rd paragraph in Section III on page 2 to read as follows:

> A participating government may choose to administer the program directly, and is urged to do so. However, the Department realizes that extinuating circumstances might exist in smaller or rural communities which would make it necessary for the community to subcontract for another appropriate local agency or group to perform local administrative functions. These functions include: outreach, screening of applicants, eligibility determination, authorization, payment to providers, and monthly reporting. If a community opts to subcontract for administration, it must request from and obtain the written approval of the Department to subcontract prior to execution of the subcontract. In no case will the Department allow a community to opt to subcontract or change the sub-contractor whom the Department has previously approved after a grant is made. Violation of this provision will result in immediate termination of the contract and grant.

I believe this would suffice to clarify our intentions regarding both subcontracting and the need to satisfy the Department of the qualifications of the subcontractor to adequately administer the program.

In paragraph 13 it is suggested that we clarify when permission to subcontract should be obtained. My above suggested change will also satisfy this recommendation, which too has merit.

In Paragraph C the suggestion is that we clarify whether a local government should have to substantiate why it prefers to operate the program through subcontracts. I think this suggestion has merit and I think the answer is yes they should. However, because of community variations I don't believe we will be able to spell objective criteria for acceptable needs for subcontracting that could satisfactorily encompass the entire State. Those guidelines inserted because of the above recommendation should suffice here.

Paragraph D suggests we clarify the intent of the LAA's responsibility to serve eligibles in the designated grant area. This can be done most succintly in Appendix A of the Contracts for Service by deleting the words "to serve all" and replacing them with the words "not to deny assistance to" and adding the words "regardless of the location of the family's residence" to the end of the paragraph so that it reads:

> The Contractor agrees not to deny assistance to families with reasonable access to licensed day care facilities within the Fairbanks North Star Borough regardless of the location of the family's residence.

In this same paragraph the Ombudsman also alludes to prioritizing eligibles and restricting monthly expenditures from the start of the fiscal year. It is my feeling that eligibles are prioritized in

the statute (preference shall be shown to low income and single parent families). Furthermore, establishing monthly maximums would be detrimental to the various communities wherein employment fluxuates by season such as in Petersburg and Kodiak or communities undergoing rapid development and construction. I therefore recommend retaining the stutus quo on priorities and monthly expenditures.

Paragraph E contains a mutiplicity of suggestions:

1. We should spell out the exact breakdown of State, Contractor, and Subcontrqctor responsibility. This is done in the latter half of our manual which is made a part of every contract. Any addition would be redundant, and therefore I recommend no action on this.
2. We should extablish appropriate termination procedures for recipients. At first glance this seems like an excellent suggestion. However, as I thought about ways this could be implemented, several things occurred to me... There are many reasons why clientele terminate from the program. They might marry another person whose combined income exceeds the maximum allowable. Termination in this case is simple - when the client marries, their assistance abruptly terminates. Another client might get a better paying job or might quit working. Again, termination in these cases is simple and abrupt. Perhaps a recipient family is eligible because a non working parent is suddenly incapable of caring for the child(ren) while the parent works either through accidental injury or onset of illness. Eligibility in this case, ceases when the attending physician certifies the incapacipated parent is able to resume caring for the child(ren). Although abrupt, cessation of eligibility in these instances are foreseeable in advance based on information submitted by the client's physician. Therefore, no detailed plan is necessary beyond informing the client termination is a forced cutback as a result of poor planning and administration by the LAA. With our improved monitoring of monthly expenditures this should never happen. But if it does, it obviously will be the result of poor administration of the LAA. Since it is our philosophy to allow as much local control as possible, I believe we should leave this final decision with the LAA. However, since you feel an advance notice of at least 2 weeks should be given prior to termination of assistance, this can be accomplished by adding the following sentence to item #9 in Section V, C of the Program Manual:

   "A minimum of 2 weeks notice must be given to any recipient prior to termination of day care assistance when the recipient continues to meet eligibility criteria."

3. Setting forth guidelines important for subcontractors as well as requirements for advertising for subcontractors are also recommended in this paragraph. Setting forth guidelines for acceptable subcontractors indeed merits implementation and I propose to do this by inserting the following paragraph between the existing paragraphs 3 and 4 on page 2 of the manual:

> The following criteria are established as minimum for approving subcontractors:
>
> A. REQUIREMENTS
>
> 1. Formal training or experience totalling at least four years in one of the helping professions.
> 2. Demonstrated capability to interpret and apply written instructions.
> 3. Demonstrated administrative ability to compute gross income and adjusted net income.
> 4. Administrative experience in program operation.
> 5. Experience or training in office organization or management.
> 6. Experience in administering a Social Service Program.
> 7. Must devote a minimum of 75% of administrator's worktime to the Day Care Assistance Program.
> 8. Administrative duties may not be delegated, person who meets above criteria must perform all administrative duties related to this program.
> 9. Must maintain regular office hours in a facility conducive to serving low income and single parents accompanied by children.

Insofar as advertising requirements are concerned, each municipality's ordinance or"regulation" is quite likely to be individual and distinct. I really believe that we would be infringing on local porrogative if we were to attempt to manipulate their buidding and advertising procedures. And yet, I really agree that the more notice and publicity that the municipality gives in seeking subcontractor proposals, the better the program administration will be. Rather than discount this suggestion, I would like to think about this a bit more.

4. A "spelled-out monitoring effort" is also suggested. I feel this suggestion is redundant since this is covered in each contract, whereinthe Department reserves the right to examine documents related to the program in the body of the Contract as well as in Section V, D, paragraphs 4 and 5 on page 19 of the program manual.

The suggestion is made that "You expand your direct involvement with the public at large " including:

1. selective recipient interviews during field trips
2. public hearings or some public response mechanism from State residents

The suggestion has a great deal of merit, however, staffing and time constraints perclude its implementation. To implement this suggestion would require an additional full time Field Training Officer. However since public input is always a valuable consideration, beginning immediately we will select names on a random basis from recipient files during field trips for monitoring and will telephone a sample of recipients from each community. This will provide a forum for input by those directly affected by the DCAP. In these telephone calls we will stress confidentiality and that the calls are for obtaining public opinion only.

1. It is suggested that you send a clarifying letter to Borough officials in Faibanks regarding Dr. Gold. This you have done.

2. It is suggested that you write Dr. Gold, and that a meeting be arranged between the Director, myself, the Commissioner and appropriate Borough officials to iron out personality conflicts. I have no comment regarding the letter but agree that a meeting with Dr. Gold might prove beneficial if he were to continue to be involved. However, I see no reason to include the Commissioner since I'm sure she has no personality conflict with Dr. Gold. However, I'd like to point out that I don't consider differences of opinion , Dr. Golds defensive tirade in his letter wherein he demanded I apologize to him, a personality conflict. And even if a personality conflict did exist between Gold and myself, I feel I am actualized above petty resentment.

FHP/ad

FNSB Assembly
Work Session
March 16, 1978

Present:

Karen Parr, Presiding
Kevin Harun
Phil Deisher
Joe Marshall
Dave Brennen
Harry Reimer
Andy Karella
Phil Younker
Bill Stringer
Butch Stein
John A. Carlson
Bill Creighton
Ron Hauenstein
Gaye Patrick
Milt Staples
Beth Lausen

1) Day Care Assistance Program - Frank Flavin, Ombudsman, Eric Lee, Harvey Pitts

Mayor Carlson gave history of day care assistance program thus far and the problems with the subcontracting of it. Mr. Lee gave some in depth background on the program from the state's standpoint. Federal guidelines were not applicable to Alaska, so state set up its own program. Program is geared for the parent, not the child, so parent can go to work or attend school which will leak to gainfull employment. The state agencies should not directly administer the program through social services and has established the grant program with the local government paying the administration costs. The program is not forced on municipalities, but is available if wanted. It was originally designed to be administered in-house. The borough could appro riate the funds for the administration and have the program administered within the borough. They can give the responsibility to the state for the selection of the subcontractor. Mr. Lee felt the borough should operate the program in-house and all the bigger municipalities do. Smaller ones have contracted out to other social service agencies. Brennen asked if the borough was to separate itself from this service, would it still be available. Lee answered there would be no program in the borough, but the city could take over the program. It would be up to the city whether it would be limited to people within the city or not. Brennen asked why the selection of the subcontractor was not totally left to the borough and Lee answer the borough was merely responsible for the cost of it, the state has the final say and sets the guidelines. Lee stated criteria were laid out at the Aug. meeting with the mayor. Criteria are being drafted, will go to public hearing throughout the state and will become part of the Alaska Administrative Code. This is being pushed, but may take time. It will probably not be done in time for the upcoming year and bids. The current manual is the starting point and public hearings will be based on that. The state has to assumethat the proper administrator will be provided for the program. When it is in-house, the qualifications, etc., of the administrator has to be approved by the state. The parents attending question why the assembly did not want the program in-house as they felt it was far better administered. They were told the assembly felt they were overstepping the powers of the borough and it has been proven the voters do not want the assembly to have additional powers.

The parents pointed out this was a job development program, not a social service. The borough will or will not accept the program depending on the conditions and those conditions should be laid out. It should also be decided who the negotiators are to be, the assembly or the administration. The consensus was to set up agreed specifications with the state prior to putting out bid. Providers and recipients will be included in negotiations.

2) Utilization of clerk's office and borough letterhead

Ms. Parr stated clerk's office and equipment was not to be used by assemblymen. A typewriter is available to move into assembly offices. Policy was set for using letterhead only for borough business and assemblymen should have their own stationery for personal use.

3) Code of Ethics

Younker suggested Nordale review ordinance with amendments. Karella felt the enforcement of this could only be done in court. The ordinance states borough employees and elected officials have to check with borough attorney on future job positions if there might be a conflict. Parr suggested an alternative to putting this on the attorney would be to form an ad hoc committee of the attorny and 2 or 3 others. This would not be a standing committee, but formed for each case. Consensus was to form committee to do in depth study of ordinance. Committee to be: Karella, Parr and Brennen - also notify Marshall & Younker.

4) Budget and Community Services Requests

Mayor Carlson stated they are looking at about 8.4 mill rate as the budget presently stands. The assembly needs a definition of TVA's goals. Stringer said TVA will be moving from the borough offices and a meeting of TVA board and the assembly would be useful. One portion of a work session will be set aside for TVA.

Shouldn't some of the sommunity service requests be under P&R budget? Brennen suggested a non-revenue fund for community services. If the fund became large enough, the grants could be funded from the interest. Deisher would like to see a percentage of P&R's budget go toward the preforming arts. Younker believes the P&R commission should be directing how the budget is spent. Stein said symphony and theater are not government function and should not be funded.

Terese Kaptur, Fairbanks Symphony, stated all orchestras are supported in part by some of tax support dollars. They are asking for educational and promotional grant. Mailing list is 150 very small fraction of population. All money would be spent in the borough for the borough. This would not be a continuing request. This is their first request because they have found ticket sales do not cover costs. Average attendance is 600 with tickets at $4.00 general and $1.00 students.

Phil Gilbert, Hospitality House, stated they would continue mental health program as is now and add about 9 needed services. They need 25% match funding and endorsement with state matching fund with 75%.

Brennen stated endorsement can be given to all applicants for grant and state will pick best bidder. They have most of their 25% money and are only asking for endorsement as suitable group for grant. Consensus was that assembly is not qualified to consider this and cannot endorse one group without listening to all.

Linda Hulbert, Adult Learning Center, stated this is non-profit, private organization. The borough does not offer basic adult education program. Provide no charge service and serve Fairbanks and all interior villages. Rural funding comes from native corporations. They are asking for funding for teachers for special classes, i.e., English as second language, GED. State provided $124,000 last year and native corp. $50,000. Younker felt this should be under the school board budget. School board will not get into operating adult education.

5) Chena Wayside

Consensus was not to take it from the state unless it is completed or they will add administrative costs to the offered $269,000.

FRANK J. GOLD, ED. D.
Registered Psychologist
3098 Airport Way
FAIRBANKS, ALASKA 99701
(907) 456-4409

May 19, 1978

Eric Lee, Director
Division of Community & Rural Development
619 Warehouse Avenue, Suite #230
Anchorage, Alaska 99501

Dear Mr. Lee,

This is being written in response to the PROPOSED REGULATIONS for the administration of the Day Care Assistance Program.

The Department of Community & Regional Affairs, Division of Community & Rural Development, is charged with contracting with local communities for the administration of the Day Care Assistance Program; the Department has consistently voiced support for local versus state control of the Program; the Department has held the local community financially responsible for unallowable expenses (as defined by the Division) incurred in the administration of the Program.

Thus, one section in particular is of import and concern in the PROPOSED REGULATIONS: ACC .20(b). In that section, the Department proposes to eliminate the option of subcontracting for communities whose grant is in excess of $100,000. This I find inconsistent and incomprehensible--in fact, discriminatory!

The Fairbanks North Star Borough Assembly has consistently gone on record as being opposed to administering the Day Care Assistance Program "in house". The Assembly has publically stated, on numerous occasions, that it is their wish to subcontract the Program administration. During the current fiscal year, on just as many occasions, the Division has thwarted that publically-elected body's desire.

Four communities are presently receiving funds in excess of $100,000: Anchorage, Fairbanks, Juneau, and Kodiak. Two of these communities are consolidated municipalities with departments designed to handle a variety of health/social services; the third is a second class borough presently subcontracting the Program administration successfully. In spite of findings issued by the Office of the Ombudsman, and in spite of the expressed will of elected officials, the fourth community--Fairbanks--does not fall in either category. Because of the obstinance and arrogance found within the Department, the Fairbanks community has been forced to choose between eliminating the Program and operating it "in house".

Neither the Department nor the Division should allow itself to be placed in the position of opposing the public will; neither the Department nor the Division should allow itself to be accused of dictating unnecessary administrative procedures to a local community; neither the Department nor the Division should allow itself to be charged with authoritarian discrimination.

I request that the Department of Community & Regional Affairs and the Division of Community & Rural Development eliminate ACC .20(b) and allow every local community the option of subcontracting the administration of the Day Care Assistance Program.

Sincerely yours,

Frank J. Gold, EdD

cc: Commissioner Lee McAnerney
Special Assistant Bill Gordon
Special Assistant Jessie Dodson
Governor Jay Hammond
Senator John Butrovich
Senator John Huber
Senator Glenn Hackney
Representative Fred Brown
Representative Steve Cowper
Representative Charles Parr
Representative Don Bennett
Representative Larry Carpenter
Representative Sally Smith
Representative Lisa Rudd
Office of the Ombudsman
Mayor John Carlson
Members, Fairbanks North Star Borough Assembly
Acting Borough Manager Stuart Benslow, Kodiak

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

F. Harvey Pitts
Child Care Programs Coordinator

January 25, 1978

Eric Lee, Director
Community and Rural Development

Implementation of
Recommendations of
the Ombudsman

All directives in this memorandum are in reference to your January 23, 1978 memorandum on the subject of recommendations of the Ombudsman in his October 20, 1977 letter to you, concerning Dr. Gold's complaint. You are hereby directed to implement as soon as is possible and practical, within staff time restraints, the following:

1) Insert a clarifying paragraph dealing with permission to subcontract, per your memorandum.

2) Execute an appendix to all Contracts, redefining the term "to serve" as per your memorandum.

3) Add the Program Manual section V C relating to Notice of Termination, as per your memorandum.

4) Subcontractor criteria - Implement the changes that you recommend, with the exception of number 7, under the Requirements, requiring seventy-five percent of the Administrator's work time to the program. This needs to be reworded to allow for flexibility, dependent upon the size and nature of the community involved. Seventy-five percent is certainly reasonable for Fairbanks, however, an area such as Nome, or Kotzebue, etc. it might not be appropriate.

5) Contract advertising - I would recommend that we insert language into our guidelines that require broad public advertising of all subcontracts, and that the Contractor provide us with their advertising plan, with their permission to subcontract.

6) Direct public involvement - Implement your recommendation.

Please advise me when these directives have been carried out.

EL/dt

cc: Lee McAnerney
Commissioner

OCT 29 1977

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF COMMUNITY AND RURAL DEVELOPMENT

619 Warehouse Avenue
Suite 230
Anchorage, Alaska 99501

October 27, 1977

Mr. Frank Flavin
Ombudsman
360 "K" Street
Anchorage, Alaska 99501

Dear Mr. Flavin:

Re: Ombudsman Complaint 77-1421 (findings)

We have reviewed your findings in the above referenced complaint and offer the following responses to specific items mentioned in those findings. Items not specifically referred to, we agree with or do not view as significant enough for comment. All notations are in reference to your Letter of Findings of October 20, 1977.

To set the record straight, page 2 paragraph 3 of your letter states that "he (Pitts) would extend the FY 1977 Contract to the end of September, 1976." This is incorrect. It was the FY 1976 Contract which was extended.

A major point around which you have based your findings and which we have expressed concern in the program administration by Dr. Gold is the question of who may, should, or must be served (page 3).

We would agree that, to an uninformed party, there could appear to be a conflict between the language of Appendix A to the Contract and the Day Care Assistance Manual. The phrase, in Appendix A, "The Contractor agrees to serve all families with reasonable access to licensed day care facilities within the Fairbanks North Star Borough", was included in all the Day Care Contracts after a problem arose in Petersburg with City of Petersburg, as the Contractor, wanting to refuse "service" to persons living in the adjacent community of Kupreanof. "Service", by our definition, means "accepting applications from" or otherwise not discriminating solely on the basis of the geographic location of the individual clients residence.

The phrase referred to in the Day Care Assistance Manual, which is part of the Contract, is absolutely clear that the program is underfunded and that it is not the intention to "subsidize" (as opposed to "serve") all eligible families. We are certain that all contractors and administrators were aware of this fact.

The fact that I specifically reinforced this in person with Dr. Gold is documented in my Trip Report of February 9, 1977 and referred to, by you, on page 6.

You indicate (page 15) that Dr. Gold admits a conflict in philosophy between himself and the Department. As subcontractor his duties were to perform the administrative functions necessary to deliver the required service not to establish policy. If, in fact, his philosophy of the program differed dramatically from that of the State, and his actions did lead to an imposition of his philosophy, there is a serious question of a conflict-of-interest in accepting the subcontract. Dr. Gold's direct and overt actions in the political arena (legislature) were only made possible as a result of information he had access to as a result of his contractual relationship.

As the agent for the Borough and the State, Dr. Gold was acting in a manner contrary to the policies of the agency with whom he was obligated to represent.

In this same regard, we would like to point out that contrary to your statement on page 8, paragraph 5; "During the same time Dr. Gold was testifying against Community and Regional Affairs day care proposals in front of legislative committees", the Department had no day care proposals before the Legislature. Dr. Gold on his own volition was attempting to have a supplemental appropriation introduced.

Much is made of local flexibility, by you, by Dr. Gold and certain by Community and Regional Affairs. On page 4, paragraph 2 you indicate the law "...actually encouraged where applicable.. the local governments to subcontract to a local administering agency." The law is permissive, and permits subcontracting only with the approval of the Department. We can no where find where the law "encourages" subcontracting. You state (page 2) and we agree, that the subcontracting portion of the Statute was designed for rural areas. Fairbanks does not fall in that category.

We disagree with your chronology as portrayed on page 5, paragraph 4. Dr. Gold was instructed verbally (he never requested clarification in writing so it was never given) on more than one occasion that it was not mandatory that he cut off clients already on the program to "make room" for newer applicants with lower incomes. If this were true every program, every day, would need to realign their eligibles with each new applicant. The only requirement was that new AFDC or WIN recipients must be subsidized and an appropriate reserve of funds made available to this group only.

In paragraph 5 of page 5, we feel that Dr. Gold was fully aware that he was not obligated to subsidize all eligible families in the area. His own actions and records will indicate he did not attempt to subsidize all eligibles.

His explanation of short notice to applicants, as stated in your letter, (page 5) was that certain Legislators were working for a speedy supplemental appropriation. It would be considered poor management (and probably illegal) if we were to over expend our funds on the supposition that the Legislature might appropriate additional funds to us in the future. It was no less poor management on the part of Dr. Gold. You indicate that in fact the money was appropriated. We would point out, however, that it was not "speedy" as Dr. Gold anticipated. It in fact was not appropriated until it was too late to be utilized to any extent. Fairbanks utilized only 15 percent of the supplemental.

Your letter reports on page 7 paragraph 3 that:

> "Of the $3,068 in auditable exceptions which Brewer reported on return from her April visit, $822 were cancelled by the Department when adequate back-up paperwork was provided."

We would make note that actually $943.96 was cancelled not $822, as you report. The point is that, much of the paperwork referred to should have been done properly by Dr. Gold in the first place or in the 3-month reviews of applicant files. The matter as to who reimbursed the State is not of concern to us and is a matter between Gold and the Borough.

Page 7, paragraph 4, cites the Department for Mr. Pitts not notifying Dr. Gold of the severity of the actions in regard to denying access to the files Dr. Gold did receive a copy of the letter to Blevins from Pitts and the attached monitoring report by Ms. Brewer which clearly outlines the severity of the problem.

We would agree with the finding that the Department technically erred in that the Director did not directly communicate in writing the problem of noncompliance with Dr. Gold. The procedure will be strictly adhered to on future actions. We submit however, that Dr. Gold was fully aware of the seriousness of the problem. The mere fact that he sent the "rather inflammatory" letter to Commissioner McAnerney is an indication that he felt threatened and was concerned.

The situation as it relates to Barbara Morse was unfortunate. She was the only professional Divisional employee in Fairbanks. She also happened to be eligible for the DCAP. We would agree that this clouds her involvement. It, however, would have required undue expense to the State to have dispatched another employee to Fairbanks to undertake routine actions related to the program. For example, I specifically requested that she obtain from the Borough the information on the bidding procedures. Her activities on behalf of the Department were limited and had negligible influence on the actions taken.

You indicate that despite specific problems outlined in Brewer's April report she indicates an improvement in the administration. Improvement is only relative to the previous level and does not in any way indicate the acceptability of the "improved" level.

Findings:

A. Action found to be arbitrary

Concur in the technical sense that the procedure was not adequately followed. We do not agree that, as a result, Dr. Gold was not made aware of the seriousness of the problems.

B. Actions found to be based upon improper grounds

Item #2 and item #4

Dr. Gold had been told that there may be additional funds available later. It was indicated these would be in smaller amounts if at all.

In page 13 paragraph 1 you state "The Contract does not state, as you say, that not every eligible person in the Fairbanks area must or should be served". We still maintain that it does, in fact, state this. Article XIV Procedures and Guidelines to the Contract states:

> The Contractor shall perform all services in compliance with the procedures and guidelines as outlined in the Department of Community and Regional Affairs Day Care Assistance Program Manual (revised June 7, 1976), attached hereto and made a part hereof (emphasis added), and Alaska Statute 44.47.250-310.

The Manual (which is part of the Contract) states on page 2 paragraph 1

> It is not the purpose of this program to provide free day care to all qualifying for assistance. Current funding does not permit the State to subsidize all eligible families;...

We have previously explained the phrase "to serve" as used in Appendix A.

We would agree with you in the statement that the choice to apportion the total funding on a month-by-month average or not, is one of local flexibility, provided:

1. The interests of the State are protected;
2. The interests of the clientele are protected;
3. The local administrator has justifiable grounds to show the advantages of expending the allocated funds in a manner other than on a monthly programmed annual basis;
4. The administrator accepts the responsibility for his management decisions;
5. That the local management decisions are in keeping with the philosophy and intent of the program.

We are of the opinion that Gold applied his own philosophy to the administration of the program; that he mislead recipients, delegated program authority to inappropriate and unqualified members of his staff and did not maintain necessary supervisory controls; exercised poor judgement in expecting to receive all the necessary funding through political activity and operating the program accordingly; improperly used his position as program administrator in attempts to implement his personal policies and thus, exceeded the bounds of his contractual relationship.

Item #5

Your report consistantly refers to Dr. Gold cutting higher income clients to make room for lower clients as he felt he was obligated to do. Dr. Gold filed Monthly Statistically Reports with our office. We have indicated, and you have acknowledged, they were often late. In addition, they are of poor quality and provide conflicting information. One portion of these forms asks for the number of new families placed on the program during the month by income groups. Dr. Gold's reports indicate that he did add 9 new families in November;

not all in the lowest group, but in groups I,II and III. The reports for December, January, and February indicate that no new families were added in any group. He does not begin adding again until he feels the Legislature might act in March. His explanation and interpretation of Appendix A, that he had to cut recipients in the higher group to make funding available for new applicants in the lower group, does not correspond with what Dr. Gold was actually doing by his own reports.

You also state "Exactly how the reports should be filed, and what route each report should take through what local, Borough and State offices is unclear, ..." The Department Forms Preparation Manual for the program specifically states on page 3: "This Manual outlines the purpose of each of the above forms as well as the steps for their completion and submission to the correct governmental unit or agency." The Manual then continues to do just that for each form. Dr. Gold received this Manual and was trained in its use.

C. Action Found Unfair

It is our position that the Borough acted prematurely in informing Dr. Gold he would receive the Contract, especially, in light of my meeting with Helen Blevins in May. Our relationship with Dr. Gold was completed upon expiration of the Contract with the Borough on June 30, 1977. We felt no obligation to deal directly with him after that date. You indicate that Dr. Gold was surprised that we would not accept him as a subcontractor. His surprise must have been that a State agency asserted its authority, not that his program administration was considered unsatisfactory.

Agency Action Justified

A. Statewide perspective needed and obtained through Community and Regional Affairs monitoring.

Concur

B. Program problems properly outlined by the agency.

Concur. In addition, this experience indicates fault on our part for attempting to work out the problem areas with Dr. Gold and the Borough on an informal basis. Our obvious intent was to maintain a cordial working relationship with both. However, as you have indicated (page 16, paragraph 3), "This same patience also lent to the lack of due process..." We have already revised our procedures and taken corrective actions in this regard.

C. Suggestions for future program advertising and proposal guidelines proper and helpful.

Concur

D. However, heavy-handed the Community and Regional Affairs action to discredit, the Borough chose not to challenge the State's authority and chose to accept its critical comments as basis for not renewing the Day Care Contract with Dr. Gold.

We concur with your conclusion that it was rightfully the Borough's decision. However, we would disagree that we were "heavy-handed". You refer to Dr. Gold's emotionally charged and slanderous remarks before the Assembly as advocacy talents and conclude that "he was not precluded by the State from giving his side of the story." We expressed our position in a straight forward manner, as we feel we have the authority and responsibility to do so.

E. RECOMMENDATIONS

We are, and will continue, to consider the recommendations presented. We offer comments on some of these at this time. Others will necessitate a more thorough review to determine their impact and appropriateness. A lack of comment on these here does not indicate a lack of action. We refer to your recommendations by their reference in your letter.

1. Regulations

We have expressed to your staff our position regarding regulations. It is our experience that regulations tend to restrict program flexibility and create bureaucratic barricades. In review of the first two-years operation of the Day Care Assistance program, we agree that some regulations may be appropriate and have began an examination of the same.

The drafting and implementation of Statewide regulations cost approximately $10,000. We will discuss submission of this in our Budget to the Legislature, where they can indicate their desire for regulations or not.

2. Letter to the Borough

Concur

3. Letter to Dr. Gold.

No comment.

SPECIAL FINDINGS

Since you chose to comment on the appropriateness of the A-95 Grant Review and approval system, we would also comment:

This Division (not related to the Day Care program) has for many months been promoting a more efficient, extensive and comprehensive review process.

We would disagree that comments by agencies should only relate to that agency's experience with the Contractor. If this held true, a new applicant would receive no comments, either positive or negati

This agency reviews several grant applications each month on a wide spectrum of subjects. They are reviewed for clarity, objectivity, budget soundness, contractor history, need for project, inter-relationship of the project to others, relationship to stated admini stration policies and philosophy. This is totally appropriate and in fact, absolutely necessary to objectively evaluate the merits of each proposal.

In summary, we feel the investigation of the complaint was conducted in a manner satisfactory to us. Your assistant, Kathy Allen, was very courteous and cooperative in her dealings with this office. Although, as we have indicated, we do not totally agree with your interpretations on some matters, we do completely agree with your final conclusion as stated in your October 21, 1977 letter to Dr. Frank Gold:

> Please understand that we (Ombudsman) are not in a position to determine whether or not you should have, or should now receive the subcontract for the Fairbanks North Star Borough's administration of the Day Care Assistance program this next year. We believe that position is not one that our office can should, or would want to take in light of our own statutory jurisdiction and responsibilities.

Sincerely,

Eric Lee

Eric Lee
Director

EL/dt
cc: Lee McAnerney, Commissioner
John A. Carlson, Mayor,
Fairbanks North Star Borough
Phil Younkers, Chairman,
Fairbanks North Star Borough

Ombudsman

Frank Flavin

State of Alaska
360 "K" Street, Room 246
Anchorage, Alaska 99501

(907) 276-4011

October 20, 1977

Eric Lee, Director
Division of Community and Rural Development
Department of Community and Regional Affairs
Bayview Commercial Building Suite 230
619 Warehouse Avenue
Anchorage, Alaska 99501

Re: Ombudsman Complaint 77-1421
(Findings)

Dear Mr. Lee:

Please be advised that the above-noted complaint has been investigated and has been found to be a partially-justified complaint. However, based on conversations with my assistant, I believe we can come to a mutual agreement regarding future action in this case.

The complaint, filed by Dr. Frank Gold of Fairbanks, alleged that your office improperly and unfairly prevented him from obtaining a contract to administer the Day Care Assistance Program within the area of the Fairbanks North Star Borough. Letters from your office to the Borough Assembly and the Borough Mayor became the basis upon which that governmental body determined not to award a second year's day care contract to Dr. Gold.

Dr. Gold has charged that action, based on erroneous grounds outlined in the letters, was an abusive overextension of the State's authority in administering monies for the program.

We have reviewed the files, both in Anchorage and Fairbanks, interviewed several administrators of the day care program, Community and Regional Affairs personnel, Fairbanks officials, day care assistance recipients, and of course, Dr. Gold.

As the entire complaint and resulting situation is to be considered by the Borough assembly again soon, we find it appropriate, and hopefully helpful to all parties, to detail the history of this day care assistance administration in Fairbanks; our findings regarding the Division of Community and Rural Development; and our recommendations, based on those findings. Our intent, by means of the recommendations, is

to afford an impartial look at the record, set that past record straight, and hopefully, to suggest improvements for this needed program.

SUMMARY OF BACKGROUND RECORD

After the Fairbanks Borough determined there was need for day care assistance, as provided for in AS 44.47.250, the Borough began implementing its own program through funds provided by the Department of Community and Regional Affairs.

The program was administered directly by the Borough through the end of 1976. Due to a transfer of the Central Child Care Coordinator's office from Juneau to Anchorage in the summer of 1976, a timely approval of the FY 1977 Day Care Assistance grant to the Fairbanks North Star Borough was not possible until September, 1976. In a letter dated August 26, 1976, F. Harvey Pitts, the Child Care Coordinator, stated he had received the application for the next year's program funds. At that time, he said the proposal "appears in order and has my approval", but said until the final authorization came through, he would extend the FY 1977 contract to the end of September, 1976. It is important to note here that a copy of that letter was sent to Dr. Frank Gold, who had previously signed a contract with the Borough to begin administering the Day Care Assistance Program on July 1, 1976. Although the FY 1977 contract from the Department to the Borough was not finally approved until September 24, 1976, it was backdated to become effective July 1, 1976.

The Borough, State and Dr. Gold's files all are in agreement that Dr. Gold began administering the Day Care Assistance program in July of 1976. He had not solicited the contract, but rather, he had been approached and asked by borough officials if he would be interested in a contract. He was interested and soon took over full administration of the program.

Regarding legislative intent concerning the statute requiring the Department's permission prior to subcontracting, the record and your recollection of this provision indicate the inclusion was aimed at rural areas. Fairbanks is not a rural area, but the law does not distinguish a difference, between urban and rural areas, thus letting the Fairbanks Borough Assembly opt for subcontracting.

In FY 1977, (contract signed in September, 1976) there was no discussion of the merits of in-house versus subcontracting the program, nor was there any request or demand for permission to subcontract. The reading of the law at the time and the

interpretation up until this past May was that "permission to subcontract" meant the State could allow a municipal government to move the Day Care Assistance Program administration out of its own offices and subcontract. The involvement the State had in the actual subcontractor choice was negligible, at least according to the Borough's interpretation and the 1976 experience.

After a month and a half of program administration, Dr. Gold found he had more applicants than he had anticipated money for the rest of his contract term. Part of this reason was the expressed desire of the State that the program be advertised widely in the North Star Borough area. And, examination of the contract, the regulation manual and the statute are in conflict regarding what the responsibility of the administrator actually is in meeting the demands of all those applicants that qualify for the assistance.

The statutes potentially (from AS 44.47.250 through AS 44.47.3.0) allow for the Department to establish guidelines for parent eligibility, provides for subcontracting the assistance program administration, and sets out the parent responsibility in finding a licensed day care facility for his or her child. It does not directly address how eligible families are to be cut from the program.

The Day Care Assistance Manual (page 2) states: "It is not the purpose of this program to provide free day care to all qualifying for assistance. Current funding does not permit the State to subsidize all eligible families; therefore, lower income families will be given priority."

The contract between the State and the North Star Borough as well as the subcontract between the North Star Borough and Dr. Gold, however, both contain the following section (5) as part of Appendix A, which is to be considered a part of both contractual agreements:

"(5) The contractor agrees to serve all families with reasonable access to licensed day care facilities within the Fairbanks North Star Borough."

Observing that he had reserve money to fund AFDC and WIN recipients, and in light of the aforementioned conflict in interpretation limiting subsidies amongst eligibles, Dr. Gold chose to exercise the flexibility called for in the Day Care Assistance Manual's stated purposes and goals of the program. These purposes, directly quoted, are:

"The act gave responsibility for administration of the program to the Department of Community and Regional Affairs in the hope of encouraging local government participation in the delivery of day care services.* The Department will contract with local communities for direct program administration in order to allow as much local responsibility as possible while assuring the requirements of the law are met."

Where the law gave the department responsibility for allocating its appropriated funds, it also allowed -- and actually encouraged where applicable -- the local governments to subcontract to a local administering agency. The law (AS 44.47.250 (b) (2)) requires C&RA's permission to subcontract; the manual and subsequent contracts call for that permision to be in writing.

Less than one month after the State and Borough had firmed up their mutual contract for FY 1977 funds (on September 24, 1976), Dr. Gold determined that the contractual amount would be far short of the Fairbanks North Star Borough's demand. On October 18, 1976, he wrote to Pitts requesting an additional $70,000 to $100,000 to meet the needs projected for the entire fiscal year. Pitts responded in an October 20, 1976 letter that an additional $22,125 was allocated to the Fairbanks program. He stated, "The problem is, of course, insufficient funding to accommodate all persons eligible for Day Care Assistance." He further suggested that a maximum monthly mean subsidy be established as a monthly ceiling. This would allow for continued funding of AFDC families for the entire year. Pitts stated that after the additional October allocation, there would be "no more additional funds which can be made available" to the Borough during fiscal '77. He suggested that to stay within the monthly ceiling allocations, Dr. Gold curtail assistance beginning with those recipients in the higher income groups.

On October 26, 1976 (or two days after receiving Pitts' letter), Dr. Gold computed a monthly average and sent out a letter to some of the recipients that their assistance would be dropped November 1, 1976. Copies of this letter were sent to both Pitts and Helen Blevens, the Borough's Treasurer.

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* This is consistent with the statutory powers and duties of C&RA "to advise and assist local governments" (AS 44.47.050 (1); and to supervise, monitor, and otherwise help make local governments eligible for State, federal and other grants.

That letter, which became the form for future notification of other applicants who would have to be dropped to allow Dr. Gold to stay within his monthly mean averages, included the following paragraph:

"Due to the inadequate amount of funds provided to the Fairbanks North Star Borough Day Care Assistance Program, it is impossible to continue funding all day care payments for the entire year."

Pitts' Anchorage file shows this copy with no corresponding letter even mentioning--much less criticizing--the explanation Dr. Gold was using.

More low income applicants continued to apply for new Day Care Assistance, thus mandating Dr. Gold to rework his allowable "eligibles" list to stay within his monthly mean. In order to continue giving priority to applicnats with lower incomes, even if they were newer applicants than some other higher income eligibles still getting subsidies, Dr. Gold had to revert to cutting off new groups of eligibles within the higher income brackets. This is his understandable explanation of the necessity of staggered elimination of higher income group recipients as the fiscal year progressed.

Admittedly, the above was not his only reason for delaying notification of those who eventually were cut from the program with only a few days' notice. Dr. Gold operated under apparently acceptable interpretations of the contractual terms of serving all eligible families in the Fairbanks Borough area and under the expressed C&RA desire for local flexibility. Dr. Gold considered this short notice (which caused some admitted hardships) as serving the client community until he was forced to cut them from the program. His explanation is that at least four Fairbanks legislators were openly working to expedite a speedy supplemental allocation to the Statewide program, with special attention to the Fairbanks plight.

More money from within C&RA was forthcoming on February 10, 1977, when Pitts and Dr. Gold discussed the new availability of $18,054 which came from unspent day care assistance money not used by another community. With the initial $106,495 contract monies, the October $22,125 monies and this new February allocation of $18,054, the Fairbanks North Star Borough allocation was a total of $146,674. This figure was still some $55,000 short of Dr. Gold's first forecast of the Fairbanks day care needs of $200,000 in early fall--and about half his January, 1977 forecast to legislators based on increased demands for the assistance from Fairbanksans.

The administration of the program by Dr. Gold was of no serious concern to the Department's Chief Day Care Coordinator, as is evident in the letter Pitts sent Gold confirming the above additional allocation. Pitts, in a letter dated February 18, 1977, stated, "As in the past, Frank, keep up the good work. I still plan to stop by and visit with you as soon as I can find the time to get out of the office."

File records show that Dr. Gold had incurred no major criticism by the Department, at least through Pitts' previcusly mentioned letter. The first signs of unrest due to Dr. Gold's management can be evidenced in your trip report dated February 9, 1977 (which was prior to Pitts' above comments of good work.) In that report where you detail discussions with Dr. Gold, you stated, "It is difficult to get the idea across that this is not a "welfare" type program where everyone who meets the guidelines is entitled to service . . . We must address this as a political issue. I would strongly recommend against any supplemental appropriations to Fairbanks or other communities. In my opinion, a supplemental would be rewarding poor planning and mismanagement and penalizing those communities who have conducted a responsible program. They wanted flexibility and authority but are quick to shirk responsibility for problems created . . . We need to work more closely with the grantee communities in preparation of the FY '78 program to avoid a repeat of this years problems."

Ironically, it is about this time when Dr. Gold and other day care administrators Statewide began to address this funding supply as a political issue also. They began intense lobbying with their respective legislators for more funds to last the FY '77 year. And since Pitts' letter followed your report to Commissioner McAnerney (with no subsequent comment to Dr. Gold), we cannot assume he was placed on any notice for rectifying any major or minor concerns you expressed.

Shortly after this public testimony before the legislature, apparent conflicts arose between the day care administrator (Dr. Gold) and the Department. After one visit by the Department's field officer (Jan Brewer) on March 30th, several errors (according to Brewer's March 31st field report) were noted in the administrator's operations. Since Dr. Gold had just hired a new program administrator, Brewer recommended that a subsequent visit to the Fairbanks office take place within a month to better review all the files

after the new program person was more familiar with the job and files.

Brewer returned to the Fairbanks office on April 11, 12 and 13, at which time relations between the local administrator and the agency deterioriated significantly. Dr. Gold, who admits he was made aware of the impending visit by Brewer, was reluctant to allow her access to any files, except the terminated ones, until his program assistant returned to work. He had said his assistant was out sick and Brewer reviewed only the closed files. The next day, (April 12) the assistant was still out sick and Brewer was denied access to the files. She had reminded Dr. Gold of Article VII in his contract with the Borough that mandated the files be open to the Department during regular business hours. Whether Dr. Gold opened his files to her or the following day (April 13) due to the fact his assistant had returned to work or because Borough Treasurer Helen Blevins had called him (at Brewer's request) to mandate Dr. Gold open the files (or a combination of both) is a matter of interpretation. In any event, the files revealed some audit exceptions.

Of the $3,068 in auditable exceptions which Brewer reported on return from her April visit, $822 were cancelled by the Department when adequate back-up paperwork was provided. Of the remaining exceptions, it is unclear where the responsibility falls in regards to the errors as the Borough paid at least portions of those exceptions. According to Borough Administrator Ron Garzini and Dr. Gold, several of the exceptions were based on miscalculations made while the Borough still administered the program in-house. Dr. Gold has stated he has not paid any of those audit exceptions in question.

Shortly after the April staff visit, Dr. Gold received a copy of a letter written by Pitts to Blevins in which he outlined the disallowed audit exceptions and detailed the problem regarding access to the files. The letter did not outline actions which Pitts thought were mandatory to insure continuation of the program with Dr. Gold nor did Pitts notify Dr. Gold of the severity of the actions in regard to denying access to the files. We refer here to the Department's Day Care Assistance Application Manual; Page 19, Article 5 of the Department's responsibilities in this program:

"5. When the Director finds that the local agency is not in compliance with the work program and contract, he shall notify the agency of the problem and the requirement for compliance. If after a reasonable period satisfactory

adjustments are not made, he shall notify the agency that further payments will be withheld until the deficiencies are corrected."

Pitts' April 19 letter to Blevins, however, prompted Dr. Gold to fire off a rather inflammatory letter to Commissioner McAnerny asking that Pitts apologize for the letter, and for Pitts' failure to talk with Dr. Gold before concluding Dr. Gold was in the wrong. Dr. Gold recalls hand-delivering the letter to the Commissioner on April 26.

Dr. Gold received no response from the Commissioner, nor did he receive any letter from Pitts. However, the Anchorage file shows an interesting (however irrelevant) memo from Pitts which carries a date of April 27. It concerns a proposal by Dr. Gold for a drug abuse grant he applied for in another department--the Drug Abuse Office. The memo was initially written by Pitts on non-ordinary stationery and the copy in the Anchorage file we copied, shows a stamp as having been received by the Drug Abuse Office on May 16, 1977. The memo was written to McAnerney, but the only paragraph to mention Pitts' involvement with Dr. Gold in the day care contract experience vaguely questions Dr. Gold's management of the day care program and Dr. Gold's refusal to allow Brewer access to the files. The last paragraph recommends the following:

"I recommend that the A-95 Grant Request referenced above be denied and that a search be undertaken for a more suitable Drug Abuse Program Administrator."

During the same time Dr. Gold was testifying against C&RA day care proposals in front of legislative committees, the Department began collecting a variety of paperwork regarding Dr. Gold's other involvements.

For example, in the Anchorage day care assistance file on the Fairbanks program, there are some 61 different documents (at least as recorded in September by my assistant, Cathy Allen). Of those 61, 31 documents deal with subjects other than the day care program. A large portion detail problems and criticisms other people had with Dr. Gold's proposed mental health clinic. Eight other pieces of paper dealt with Borough zoning problems--some dating back two years.

Barbara Morse, a Departmental employee directly under your supervision, was also receiving day care assistance through Dr. Gold's administration. She had recorded problems with Dr. Gold's administration of the program as he had required more back-up paperwork in order to adjust the level

of her income to what she thought was appropriate. The problems with her individual subsidies were not major ones, but it does cloud any involvement she might have had in discrediting Dr. Gold's administration of the program. Borough officials have reported she inquired about several different problem areas, including whether or not proper advertisement had preceded the request for new bidders. In the meantime, John Swan had also been interested as a potential administrator and Morse had been working to interest Swan in the day care program administration. He had been running a day care facility where Morse had taken her child. When you traveled to Fairbanks for your May 19 meeting with Blevins, Morse was in attendance.

That same trip report includes the following statement: "it was the borough's responsibility to monitor the activities of their subcontractor." You also stated, "that we would be very reluctant to approve a subcontract with Dr. Gold for next year, and recommended that they heartily consider operating the program in-house next year."

Regarding Brewer's field report from the next departmental trip on May 31, she reflected a much brighter picture of Dr. Gold's operation of the program. Although she details one case where a family had to have its payments terminated and the notice was somewhat short and indirect (the day care center was informed), the incident prompted her recommendation that a form and standard termination notice be worked out.

This Brewer report appears to contain other unfavorable impressions concerning Dr. Gold, but no examples were provided; they were requested for the future. Brewer's report states of Dr. Gold's administration of the program that applications were now complete; the back-up data was in place and no other close monitoring would be required before the "contracts are ready for renewal."

In the "Effectiveness of Program In Meeting Goals," Brewer wrote, "The program's effectiveness apparently has improved since the last visit. Applicants are now more carefully screened and clients are not being assisted at correct percentages for their income group."

To maintain a proper perspective, we should point out that the April field trip report with the same evaluation forms, detailed several problem areas: audit exceptions, refusal to allow access to all the files, files were incomplete, etc. To adequately insure we don't overlook that report, we have also included a copy of it as an attachment. The point is that

with the prior report or without it, Dr. Gold's administration of the program as is reflected by Brewer, certainly improved.

There are two final letters (one June 24 and a second dated July 25) which culminated in the Borough's action of not awarding a contract renewal to Dr. Gold.

On June 24, you responded to a June 22 letter from Fairbanks Mayor John Carlson which indicated the Borough's intent to apply for day care funds for fiscal 1978. This letter includes the following paragraph:

"Alaska State Law (AS 44.47.250) allows the borough to subcontract its obligations only with the consent of the Department of Community and Regional Affairs. The Department in examining and evaluating the appropriateness of the grant application, must weigh the commitment, the plan and capabilities of the Borough in administering the program."

It also states:

"Unless the borough can present evidence to indicate and guarantee a significant change in the program management by Dr. Gold that will assure a proper level of performance, the Department will not grant approval to the Borough to subcontract.

Prior to this letter's arrival on Mayor Carlson's desk, the borough had informed Dr. Gold that he was the only agency that responded to the Borough's request for bidders. He was told that he would receive the contract though no official paperwork had been signed. The mayor then informed Dr. Gold of the Department's letter.

Dr. Gold took great exception to your letter in public testimony. The Borough opted to operate the program in-house until it could gather more information about the entire matter and seek proposals from others who might also wish to administer the program. Garzini, in public testimony said had there been no letter from C&RA threatening a discontinuation of the day care assistance funding with Dr. Gold, he would have had little objection to the Borough's renewal of the contract with Dr. Gold.

In a July 25 letter from your office, you further outline other problems with Dr. Gold's past administration of the program and offer the following:

"Subsequent to our initial rejection, the Department has become aware of many other circumstances related to Dr. Gold and his other business activities, contracts and zoning

problems which would preclude Dr. Gold from being acceptable as the administrator of this program under any conditions."

Since that second letter, the borough has requested and accepted applications from six sources. These applicants all presented proposals for the day care program's administration based on new proposal guidelines that we feel your agency properly assisted in developing. Certainly, with this relatively new program, guidelines for those who might administer the program would be hard to develop based on no prior experience. Also, since your office has noted problem areas--not only in Fairbanks but Statewide--it is appropriate you should assist the local governments in proposal guidelines.

Dr. Gold has since charged the nature of these guidelines was such that it sought to exclude him. Since some valid concerns with his administration of the program prompted such proposal guidelines, we do not find your involvement here to be faulty.

Presently, the Borough is operating the day care assistance program in-house, awaiting the settlement of this Ombudsman complaint, as well as other factors (such as the local election) before opting to award a contract to any of the six proposal applicants (which includes Dr. Gold).

According to Phil Younker, the Borough will take action--one way or another--on this matter in the near future.

FINDINGS:

Pursuant to AS 24.55.150, we have found Departmental actions: 1) to be arbitrary regarding the enforcement of rules set out in the Day Care Assistance Manual; 2) to be based, in part, on improper grounds; 3) to be unfair, procedurally; and 4) unreasonable in the scope of information and materials collected in regard to Dr. Gold.

A. Actions Found to be Arbitrary

In many areas, you have held Dr. Gold accountable for following rules and procedures outlined in the Day Care Assistance Applications' Manual (which was made part of the contract to the Borough and also the subcontract to Dr. Gold). His refusal to allow Brewer access to files; exact compliance with the subsidy scale; required back up information for each applicant; his determination of who should continue to receive subsidies and who should be cut off; and the Borough's failure

to secure written permission from your division are all covered in the contract and/or manual.

Yet, page 19, article 5 of the manual calls for the Director (identified as you by manual definitions), to notify the agency (identified as Dr. Gold by means of the same manual definitions) of those problems inconsistent with either the work program or contract. If "after a reasonable period satisfactory adjustments are not made" the Director is then to notify the agency that payments will be withheld until the deficiencies are corrected."

Notification of the audit problems went to the Borough Treasurer almost immediately upon Brewer's filing of her trip report. The money was to be immediately withheld and Blevins was warned of the seriousness of Dr. Gold's refusal to allow the C&RA field worker access to all the files. No notice for compliance was given Dr. Gold.

B. Actions Found to be Based Upon Improper Grounds

The July 25 letter to Assembly Chairman Dave Brennan specifically outlined six major criticisms you defined as problems with the day care program administration by Dr. Gold. We find fault with four of those items discussed.

Item #2 and Item #4

We would like to couple Item #2 and Item #4 together as they are similar in our comparison of the facts regarding both. These criticisms deal with the original grant ceiling for the program being $106,495; that Dr. Gold should have apportioned an equal amount each month for the program's subsidies so that the money would last the year; that there was no mandate to serve all "eligibles" (as you allege is clearly stated in the contract); and that his expressed shortcomings due to improper training is invalid due to four trips made by your staff for auditing and training purposes.

First, we find that although the original grant amount was $106,495, Dr. Gold had been told from the start of his administering the program that there would be more money available. Pitts had told him that pending reports from other communities regarding whether these other areas would be able to use their allocated day care funds, more money would become available. Extra money was already accumulated from communities which could not get a program established for fiscal 1977 by the time Dr. Gold took charge of the Fairbanks program.

Dr. Gold chose not to apportion money on a month-to-month average, which was reasonably his prerogative based on the manual, law and contract (plus subcontract). The contract does not state, as you say, "that not every eligible person in the Fairbanks area must or should be served". The contract (in Appendix A) states that the contractor "agrees to serve" all families with reasonable access to licensed day care facilities in the Fairbanks area. The contract states just the opposite, according to our reading, of what you list as its clear statement regarding who should be served.

Whether or not Dr. Gold chose to apportion his total amount on a month-by-month average seems to fall in the category of local flexibility. How else would you interpret Pitts' suggestion that a monthly average be determined and adhered to as was stated in his October 22 letter to Dr. Gold? As long as Dr. Gold held enough money aside for the total subsidizing of WIN and AFDC recipients, then he was not in violation of the contract, according to our review. And, as new applicants qualified as eligibles and had lower incomes than those still receiving subsidies, we believe Dr. Gold was following the priority expressed by the law, guideline manual, contract and subcontract to favor lower income eligibles.

Finally, the lack of training or auditing Dr. Gold alludes to as reason for his shortcomings in administration of the day care program is difficult to determine as valid or invalid. You indicate that he cannot blame base line data projections as his basis for not terminating higher income eligibles. From the first moment he realized he would run short on funding for the year at the maximum subsidizing of all those eligibles, you indicate he should have averaged out his funds based on a month-to-month average. Since the funds did increase (and he had confidence there would be more coming) and there were more new applicants with lower incomes applying for subsidies, we believe Dr. Gold showed a management plan that was not prohibited by his contract--nor even criticised by your agency until after he had terminated many of those on the program under his plan of serving as many as he could as long as he could. Regarding training and auditing help, the field trip report for October only states that Dr. Gold wasn't able to make a meeting. Your February report does not mention any training or auditing other than your attempt to bring home the point the program was not "a free lunch". (And, Dr. Gold's records show the meeting as more of a strategy one for the legislative effort for supplemental

and fiscal 1978 funding of the program). Brewer's March report allows that new staff were on baord and that she would await that staff's familiarization with the back files before auditing. The April field report was covered above and the May report also indicates the Department's action in training Dr. Gold's staff and auditing the Fairbanks files. Proper training and auditing prior to the acknowledged problems in April are hard to detail in light of the field reports on file.

Item #5

The letter to Brennan questions Dr. Gold's method of cutting eligibles from the program; the short time frame in notifying eligibles that they are being cut; the explanation used in the form letter; and the lack of proper monitoring and analysis. The latter, you theorized, might have resulted in fewer cutbacks sooner and addition of new eligibles with lower incomes through natural attrition. Dr. Gold, however, cut eligibles, upon your October suggestion of terminating those from Group V, the Group IV, the Group III, etc. The time frame was short as he expected more funding and exercised his local management flexibility to keep eligibles in the program until the last moment. Regarding the misleading explanation you fault, Dr. Gold had sent the same letter terminating eligibles three different times (with copies to Pitts each time) using the same standard form letter he initiated in October for the first cut-off. No criticism was voiced until your July letter. Had Pitts voiced his concern over the explanation Dr. Gold used, it is likely (according to Dr. Gold) that the form letter would have been changed. Additionally, in the October 20, 1976 letter from Pitts which preceded Dr. Gold's first form letter, Pitts declared the problem "is, of course, insufficient funding to accommodate all persons eligible for Day Care Assistance." Dr. Gold's terminology to recipients of day care subsidies was, "Due to the inadequate amount of funds provided to the Fairbanks North Star Borough Day Care Assistance Program, it is impossible to continue funding all day care payments for the entire year." We don't find the two explanations significantly different.

Since it was (by contract and manual guidelines) the responsibility of both the Borough and the State to "monitor" the local program, we find it inconsistent to solely fault Dr. Gold with failure to properly monitor the program with regard to analyzing the list of eligibles in time to cut higher income eligibles to accommodate new applicants with lower incomes. In fact, the Borough received notice of its

monitoring problems, but the actual local administering agency (Dr. Gold) received none. Also, Dr. Gold's records show no natural attrition where he could have added those new eligibles in question with lower incomes.

Item #6

Here, you report that there were several audit exceptions "for which the borough is financially responsible." You further stated these exceptions "were due primarily to inadequate and inaccurate applicant screening on the part of Dr. Gold's staff". This is not true, according to your files and those of Dr. Gold, as well as information from Garzini. Your contract with the Borough and the subsequent subcontract with Dr. Gold holds the administrator responsible for problems in subsidy eligibility. The Borough paid all the audit exceptions that weren't adjusted after back-up information was obtained from the eligible applicants. Although Garzini states that Dr. Gold paid "a negligible amount" of the exceptions, his files show he paid none. Garzini clarified that most of the exceptions could be traced back to screening work done by the Borough when it first began the program--before Dr. Gold was contracted for the program's administration.

Information regarding the timely filing of monthly reports is difficult to detail except that the departmental files show the reports were late. Exactly how the reports should be filed, and what route each report should take through what local, Borough and State offices is unclear, but it is our finding that these reports were received in your offices late in at least three cases.

C. Action Found Unfair

Even if all the above criticisms and problems with Dr. Gold's administration of the Fairbanks program were accurate, we find it unfair to notify Dr. Gold (and at that, notify him indirectly through a letter to Mayor Carlson) of his total unacceptability for a contract renewal after the Borough has asked him to submit a letter requesting a contract renewal.

We have considered your argument that it was easier not to inform Dr. Gold of each problem as it arose in the hopes he would become a more conscientious administrator as time went by, but it, nevertheless, came as a su prise to him that you would not accept him as a subcontractor. Dr. Gold, and several other agency and local officials, certainly admit there were conflicts of philosophy between him and the Division. All admit there were deep personality conflicts (evident in Dr. Gold's letter to the Commissioner of April 26 and

Pitts' letter to the Commissioner of April 27). The Borough obviously did not think the problems so severe that they would not have rejected the contract renewal with Dr. Gold. Dr. Gold, after Brewer's May 31 trip, did not think his administration so faulty that a contract renewal would be jeopardized or, he felt, he would have received some feedback, as the Department certainly had been vocal about the program in the past few months.

In addition, Brewer's last field report shows Dr. Gold as improving, though each piece of correspondence from the State to the Borough gets progressively worse in its assessment of Dr. Gold's operation of the day care program in Fairbanks.

In the interest of making the Fairbanks program viable, it is understandable your field worker would attempt (and is evident by her continued patience) to try and correct problem areas as opposed to confronting Dr. Gold and his assistants with each error or criticism. But this same patience also lent to the lack of due process we feel Dr. Gold should have been afforded according to the manual procedures which call for the Director's calling attention to contract and work program problems.

Brewer's last comments in the May field report that additional monitoring in person was not necessary until the "contracts are ready for renewal", raises an inference that the subcontract to Dr. Gols would be acceptable.

The paragraph precluding Dr. Gold from "being acceptable as the administrator of this program under any conditions" based on "other circumstances related to Dr. Gold and his other business activities, contracts and zoning problems," is an unreasonable statement concerning Dr. Gold. The paperwork in his Anchorage file regarding establishment of a new mental health association for possible State grant funding does not show any positive letters about the fledgling group (which is now in the final stages of being approved for funding). The Borough zoning problems you allude to are being pursued through the court system. The "other business activities" reflected in paperwork in the file could include the proposal by Dr. Gold for continued grant allocations for drug treatment programs. Although Pitts' letter pointed out problems with his proposal, Dr. Gold received another year's funding approval just recently. And last, references made by Pitts to my assistant about other "alcoholism" grants awarded Dr. Gold that might interfere with day care recipients using Dr. Gold's same premises,

simply do not exist. He does not now have (nor has he had recently) any alcoholism programs which he is running or administering.

It is in addition to the voluminous paperwork in our files that are not direcly germane to the day care program's administration; the somewhat unprecedented letter by Pitts regarding Dr. Gold's drug abuse proposal; the harshness about Dr. Gold's running the program, as is reflected in your letters at the same time his field report evaluations by Brewer were showing improvement the questionable involvement of staff in Fairbanks; and the cloud of doubt by the non-specific paragraph cited above that prompt us to find your agency's actions unreasonable. These unreasonable statements figured heavily in Dr. Gold's not being awarded a second year's subcontract for the Fairbanks North Star Borough Day Care Assistance Program.

AGENCY ACTION JUSTIFIED

A. Statewide perspective needed and obtained through C&RA monitoring

Since the entire amount of day care assistance monies comes from the State with no federal matching monies, the State is in the best position to judge Statewide need and it can best ascertain how the money should best be allocated to the different programs. Through surveillance and monitoring, it is in a better position to determine how any one program measures up to another. In this regard, it was indeed proper that C&RA did outline all problem areas; we only would ask that more time be afforded in reviewing the cited grounds presented to the Borough Assembly as background for the action against Dr. Gold. Careful review of the Department's file would have cleared up the most serious and certainly the majority of problem areas cited.

B. Program problems properly outlined by the agency

The untimely filing of monthly reports, the refusal to allow field workers to review day care assistance recipient files at any time during the work day, as well as smaller, case-by-case details that required clarification or more attention are best brought out by the State agency. In some cases, the local government might not watch nor wish to closely monitor a program. The State, which has the background and knowledge of program administration throughout the State, is in a better position to pick up administrative

details that could tighten any single rural or urban program's administration. It would appear that at least some minor paperwork sloppiness as well as the lack of file access were proper criticisms for whatever reasons.

C. Suggestions for future program proposal advertising and proposal guidelines proper and helpful.

The mere questioning of how the contract was advertised in May was appropriate and suggestions for future advertisement were proper. It is possible that the Borough did not think any other local agency would be interested in the day care program's administration as the local government had initially approached Dr. Gold and asked him to administer the program in July of 1976. If the State were made aware of other potential candidates for the administration, it is their duty to inform the local government of such concern. Also, the guidelines for future subcontractors as recommended and mutually-worked out by the Borough and the agency were appropriate. The role of the State in carrying out its statutory authority in this program is primarily to assist the local governments--which it did in both questioning the form and extent of the advertising and working with the Borough on guidelines for future subcontractors.

D. However heavy-handed the C&RA action to discredit, the Borough chose not to challenge the State's authority and chose to accept its critical comments as basis for not renewing the day care contract with Dr. Gold.

If no fair comment had been afforded the subcontractor, we might have pointed out how unfair it was for a State agency--with all its implied power as a government authority--to barrel over a subcontractor. Obviously, given the advocacy talents of our complainant and the time he has been afforded before the Assembly to counter the C&RA comments, he was not precluded by the State from giving his side of the story.

The Borough may have based its action to nullify plans for renewing Dr. Gold's 1977 contract on the State's expressed authority mandating written approval of the exact subcontract. Or, the Borough may have based its action to readvertise the contract based on new guidelines worked out with the agency staff. Most likely, the Borough chose to accept the total accumulation of critical data from your agency along with your assertion that a subcontract with Dr. Gold would not be approved by them. The July 25 letter with the critical comments about advertising and the offer to work out better guideline proposals for subcontractors became the basis for

Dr. Gold's not getting a second year contract based on the old subcontract provisions.

In the same light, we feel it was the Borough's determination not to renew the contract, but that action was heavily based on your letter. Whether the Borough chooses to accept your authority is a matter of Borough or court jurisdiction. Whether the Assembly chooses to accept our analysis of the entire situation as a basis for reexamining their past action or future action is up to them. It is because we do not want to become overly involved in a related matter of municipal and State concern that we have offered these comments regarding action we think the State took that was justified and appropriate.

D. RECOMMENDATIONS

We hope that the review, as we have painstakenly presented it, will provide you with a careful enough review of the facts surrounding this complaint to weigh the following recommendations. It is my understanding that each recommendation has already been broached with you by my assistant. We hope these suggestions will provide you with meaningful alternatives that will tighten up the program's Statewide administration.

1. To straighten any confusion that might have been evidenced in this Fairbanks day care assistance program administration, we would suggest you begin the tedious but needed process of promulgating regulations, at least in the following areas:

A. What is the State's intent and interpretation of "permission to subcontract"? With that permission, is it then the responsibility of the Borough to determine the exact subcontractor? Other State agency examples provide for mixed interpretations as do court rulings on the authority of the State in subcontracting matters. Some rulings and agency examples reflect the contract law's strict interpretation of a due process of authority from the State to the contractor and the subsequent authority from the contractor to the subcontractor, with only minor connections from the State to the subcontractor.

B. In the application manual, it outlines how a day care assistance grant is made to a local government. However, the procedure of how one should obtain permission for subcontracting is not clear. For example, it calls for "written permission from the Department" for a

municipality to be able to subcontract. Yet, when should the permission, if so desired, be obtained? The application manual does not say, but alludes to subcontractor Articles of Incorporation as being necessary for the local government's complete grant application and possible approval. The manual also calls for subcontractor forms to be filled out after the grant is approved. Yet, with this complaint, the Borough was chastised for not seeking and/or obtaining prior written approval before it sent in the grant application for this upcoming year. One way or another, the procedure should be clarified.

C. Since the initial intent of the subcontractor option was to assist the particularly small communities, what kind of consideration should in-house vs. outside municipal subcomtract administration be given? Should a municipal government have to substantiate why it prefers to operate the program through subcontracts as you once intended? This clarification might be opportune now with other clarifications sought and, perhaps with the promulgation of regulations.

D. What does the Department infer by the local administering agency's responsibility to serve eligibles in the designated grant area? The confusion that exists through not addressing this point in the statute but addressing it rather contradictorily in the manual and the contract appendix should be clarified. It might make more overall management and planning sense to prioritize eligibles from the start of the fiscal year and apportion monthly subsidies to a determined ceiling, as now appears to be left up to the local government's or local agency's mandate to determine. If you believe the program better run (Statewide) by stricter management guidelines, then those should be clarified and made part of regulations.

E. Other specific areas brought to light by this inquiry stemming from the 1977 Fairbanks program experience should also be clarified in this review process. These areas include exact breakdown of State, contractor (or local government) and subcontractor (or local administering agency) responsibility. Appropriate termination procedures for recipients whose money begins to dwindle faster than anticipated; methods of accurately informing recipients in a properly-designated time frame to insure adequate time for easier adjustment; guidelines important for subcontractors' proposals Statewide, as well as advertising for new proposals; and a spelled-out monitoring effort regarding how problem areas are to be discussed, corrected, challenged and made a basis for disciplinary action should be readied.

Under litigation and court rulings regarding the applicability of the Administrative Procedures Act to agencies which have the permission to promulgate regulations (which you have in C&RA Day Care Assistance Program statutory authority--AS 44.47.250(b)(1), the courts have held that when you may promulgate regulations, you must.

Regulations for this program have already been discussed. Where we recognize a responsibility of your agency to establish some regulations to clarify the above-cited confusions, we would only suggest you begin work on these matters. However, if the line of agencies now awaiting regulations is too long to accommodate clarifications this year, we would suggest that the applications' manual include the needed clarifications. These additions and changes, as well as specific delineation of responsibilities might also--or might instead--be made a part of the applicable contracts and subcontracts. We are striving for equal enforcement of rules and regulations--no matter what form they should take.

An argument you have presented for not including all those points and matters within the policy manual as perspective regulations is the entire program's "armslength" attitude in its dealing with the general public. (Actually, we would like to see all manual procedures covered by regulation as the actual subsidy scale provides for the real flexibility you seem to desire in the program's administration.) Since a recipient's appeal is to Pitts' office, and since there have been recipients who have been penalized because the subsidy scale was not mandatorily followed by the administrator locally, we believe you have more of a direct link with the general public than your initial establishment of the program first indicated.

We would suggest, if you are considering these recommendations to tighten up on the mutual accountability of all agencies involved, that you expand your direct involvement with the public at large. More carefully outlining procedures and manual interpretations brings you into closer scrutiny by the public. We would suggest you further this involvement (not necessarily dramatically) and include selective recipient interviews in the field trips by your staffers. It is in this monitoring effort that you will get a more direct evaluation of a contractor or subcontractor's work effort.

As another step to involve the public, we would suggest public hearings or some public response mechanism where you might get the general response from State residents on the

matters outlined above. The public may have its own ideas about local versus State control and the guidelines for a contractor's involvement.

2. To clarify the record, which we hope we have detailed adequately to show problems with the grounds you cited for not wanting Dr. Gold involved in a subcontract for the day care program, we would recommend a clarifying letter be sent to Fairbanks Borough Mayor John Carlson and Fairbanks Borough Assembly Chairman Phil Younkers. We would hope the letter might explain the improper grounds we believe might have unfairly weighted Borough opinion against Dr. Gold. The same letter, we would suggest, also include a clarification of your apprehension of Dr. Gold as a future administrator. In talks with my assistant, you have indicated you would not protest Dr. Gold's acquiring of the contract (through criticisms or assertion of C&RA authority) if he were to abide by the guidelines worked out by you and the Borough staff. This explanation would be helpful in the recommended letter to the Borough Assembly and Mayor. Where we would appreciate a clarification of what we think are improper grounds, we would also offer that other proper grounds about Dr. Gold's administration of the program would appropriately be forwarded in this same letter. Assistance in the form of comments about other proposed administratiors would also be pertinent and proper here, we feel. Suggested monitoring efforts that might correct future problems while still insuring the Borough and local administering agency the right to due process could be included in this same proposed letter.

3. We would suggest a letter to Dr. Gold, although a copy of the above letter to the Fairbanks Borough would be appreciated as an alternative. Acceptable guidelines that would allow him to obtain the contract without any State controversy should the Borough opt to contract with him again, should be specified in this second letter. A forward, clear assessment of his past performance as an administrator; day care program spokesman before the legislature; and outspoken public critic of the Department would appropriately be outlined in this letter. And, by means of this complaint resolution, perhaps a future meeting between you, Pitts, Dr. Gold, the Commissioner and appropriate Borough contracts could take place to iron out personality conflicts that might remain.

SPECIAL FINDINGS

In the perusal of the file, we took special note of the letter Pitts forwarded to Commissioner McAnerny regarding Dr. Gold's early spring proposal for drug abuse funding. Through the A-95 grant approval process (those being specific funds administered through the State), grant proposals are routinely circulated throughout sister agencies in the hopes that others having dealt with proposed contractors will comment about the contractor in question. The process, although still somewhat rudimentary and selective in the circulation of proposals, is a good one.

The State should have a central information system which would allow cross-referencing and more complete examination of contractors. In this case, comments forwarded by Pitts, however, lead us to examine this process more closely. We find no problem with the concept of cross review of contractors' past performances within the evaluating agency. But, Pitts' assessment of Dr. Gold's proposal is inappropriate. The two-page evaluation (for reasons we have not been able to justify) recommends that another contractor/administrator be found for the Fairbanks drug treatment program. In the six lengthy paragraphs critical of Dr. Gold's drug program proposal, only one paragraph deals with Pitts' direct dealing with Dr. Gold through the day care program he actually oversees. The memo to C&RA Commissioner McAnerny was written on April 27 by Pitts--a day after the Commissioner was hand-delivered an inflammatory letter by Dr. Gold about Pitts' actions in regard to Brewer's controversial field trip to Fairbanks in April.

As there are no regulations, laws, procedures, or even standard practices exercised in the review of A-95 grant application proposals, we cannot find direct fault in Pitts' action except to say it was inappropriate.

Since the comments apparently did not get to the Drug Abuse Review Board in time for their full consideration and since they chose to award the contract to Dr. Gold for this upcoming year, we suggest no future action in this matter. We do feel that the process of cross referencing evaluations be reviewed toward insuring objectively, accountability and due process so that a valuable tool does not become a "blacklist".

We would recommend that future evaluation by C&RA staff of A-95 proposals be restricted to specific past

involvement with the contractor and that it be as precise as possible. Hopefully, through central agency, the Division of Policy Development and Planning personnel, there will be adequate response mechanisms afforded the contractor in question so that a fair evaluation is afforded by the State.

In summary, we hope this exhaustive look at the record has been helpful in your own review of the inquiry to our office by Dr. Gold. We have given much thought to the recommendations and options presented for your consideration in the hopes of bettering the program while setting the past record straight. In constantly weighing the findings and recommendations, we have attempted to set reasonable goals, which we believe are not arbitrary, given your initial discussions with our office last month. Please let us know if you have any questions or comments. We would like some response, even if it is an oral response within a week.

We are forwarding the exact copy of these findings, except for the section which details the staff situation and the details of any specific day care recipients as those names are confidential, to Dr. Gold, the complainant.

As everything but the names and files of day care assistance subsidy recipients are already part of the public record, in light of our prior consultation with you in regard to this matter, and the Borough's involvement as the prime contractor, we will make this report available to the Borough pursuant to their request as is outlined in the letter attached from Mayor Carlson. We will do this unless you have a reasonable objection to this procedure. If so, please give me a call this weekend (October 22 or 23; we plan to be in the office for a good part of the weekend) or call us on Monday or Tuesday, October 24 or 25.

We appreciate your cooperativeness in this matter and thank you for your consideration.

Sincerely,

Frank Flavin
Ombudsman

CA:FF:

cc: Jan Brewer, C&RA Anchorage staff
Harvey Pitts, Day Care Coordinator, C&RA Anchorage staff
Commissioner Lee McAnerny, C&RA
Dr. Frank Gold, former Fairbanks Day Care Assistance Program Administrator

5-31-78

Harvey Pitts C R/A 279-3402
re CSHB 913

Very much opposed to it.

Eric Lee flying to Juneau to see Rosini re bill.

Bill redundant - already governing regulations. Change language — pg. 250. Useless. Also removes department's regulatory review authority.

Local fairbanks problem. But legislation would have harmful statewide effects.

Sam Cotten has received unfavorable comments by telegram.

John Hartle Enlist Child Care Centers Fairbanks -

re CS for HB 913 -

"with the approval of the department" -

NO benefit to child care centers or providers. Hamp Pitts opposed because it makes it impossible for CFRA to administer.

Mun. of Anchorage opposed ??

CFRA opposed.

Ch. Scott Colton.
CFRA position paper opposite.

FN - proceed

CSHB 913 - Day Care Programs

in 5/26

John Hartle - opposition 586-2753

Changes language -

making mandatory -

removing C&RH Dept.

Nancy Pitts - C&RH Dept -

Arch Nunic. opposition)

FRANK J. GOLD, ED. D.
Registered Psychologist
3098 Airport Way
FAIRBANKS, ALASKA 99701
(907) 456-4409

June 5, 1978

Senator Joe Orsini
Chairman
Community & Regional Affairs
Alaska State Senate
Juneau, Alaska 99811

Dear Senator Orsini,

I have been told that CS HB 913 (an act relating to day care programs) is now in your committee.

Being aware that the session must be drawing to a close, but also being aware that at least in Fairbanks and Kodiak the contracting municipality's hands are about to be tied by the proposed regulations offered by the Department, I am requesting that your committee act on this legislation if at all possible.

The Department would like to refuse to allow these two communities future sub-contracting privileges. This is most distressing here in Fairbanks since the Fairbanks North Star Borough has continually gone on record as wanting to sub-contract the administration of the Day Care Assistance Program. My contact with Kodiak indicated that they too would like to continue sub-contracting.

This may not be the most important item to come before your committee, but it would be appreciated if you and your associates would find the time to put a minor stop in the irresponsible and dictatorial Department bureaucracy.

Thank you for your time.

Sincerely,

Frank J. Gold

cc: Glenn Hackney
Bill Sumner

HB
919

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE MEETING

June 3, 1978

Present: Senators Orsini, Ferguson, Sumner and Willis.

Absent: Senator Hackney

The Senate Community and Regional Affairs Committee met June 3, 1978 directly after session and passed out HB 919, grants-in-aid to municipalities and associations maintaining public libraries with a "DO PASS" recommendation. The Committee also amended the amount of the grant from "$500" to "$1,000".

HB
934

CONTACTS -

AK Assoc. of School Boards

Bill Oberstecket

NEA - Alaska - Bob Van Houte

Dept. of Ed - Steve Hoe ~~3891~~ 2896

Oxford Pendaflex

STOCK No. 7531/3

MADE IN U.S.A.

Bob VanHoude

NEA - support

(feeling) vehicle for binding arbitration -

---

affirming current practice

No fiscal impact

5-30-78
Overheat - Ass. AK School Boards
"No big deal
Affects current
practices.

Introduced: 4/14/78
Referred: Health,Education &
Social Services

IN THE HOUSE

BY THE LABOR AND MANAGEMENT COMMITTEE

HOUSE BILL NO. 934 am

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to sick leave and certificated employees of school districts; and providing for an effective date."

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

* Section 1. AS 14.14.107 is repealed and re-enacted to read:

Sec. 14.14.107. SICK LEAVE AND SICK LEAVE TRANSFER. (a) Every school district shall allow its certificated employees * ^ one and one-third days of sick leave a month with unlimited accumulation of sick leave days.

* DELETE "AT LEAST"

(b) A certificated school district employee who changes employment from one school district to another district, or from a school district to the Department of Education, or from the department to a school district, may transfer all of the cumulative sick leave to the new employer. It is the responsibility of the employee to notify the new employer, within 90 days of commencing work, of the number of days to be transferred.

(c) The department may implement this section by regulation.

* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-070(c).

Van Winter NEA - reg. Waiver. no fiscal impact

Per Oxton 5-30-78 will get out shortly

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE MEETING

June 1, 1978

Present: Senators Orsini, Hackney and Sumner; Ann Mawn, Lt. Governor's office; Don M. Berry, Municipality of Anchorage; Steve Hole, DOE; Bob Cooksey, NEA-Alaska.

Absent: Senators Willis and Ferguson

The meeting was called to order at 3:10 p.m. and the bills before the Committee were SB 454 and HB 934 am.

SENATE BILL 454

Chairman Orsini stated that the Committee had a committee substitute for the bill. He stated that it took out all references to municipalities. There was no public testimony given at this time.

Senator Sumner moved that SB 454 pass out of committee with "INDIVIDUAL RECOMMENDATIONS".

HOUSE BILL 934 am

Chairman Orsini stated that this bill came of HESS committee with a "DO PASS" recommendation.

Bob Cooksey, NEA-Alaska, stated that they had no objections to the bill.

Steve Hole, Department of Education, stated that the Department was in favor of HB 934 am

Senator Sumner moved that HB 934 am pass out of committee with "INDIVIDUAL RECOMMENDATIONS".

The meeting was adjourned at 3:30 p.m.

HB
941

Richard Burnham AG's office

Oxford Benedictine

STOCK No. 753 1/3

MADE IN U.S.A.

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE MEETING

May 25, 1978

Present: Senators Orsini, Willis, Hackney and Sumner; Roger Allington, City and Borough of Juneau; Stuart H. Bowdoin, Bristol Bay Borough; Phil R. Holdsworth, S.E. Conference; Richard M. Burnham, Attorney, General's Office; Floyd Johnson, Division of Emergency Services, Jim Rolle, AML; Pat Conheady, Department of Natural Resources; Jack Chenoweth, LAA; Don Berry, Municipality of Anchorage; Annette Smith, H/C&RA; Royce Weller, Hugh Malone's Staff

Absent: Senator Ferguson

The meeting was called to order at 3:04. The bills before the Committee were HB 941 and CSHB 133.

HOUSE BILL 941

Richard Burnham, Assistant Attorney General representing the State in the litigation over the Highway complex in Anchorage, stated that that agreement may not have been entered into in good faith. He moved that there was an affidavit form filed in the AG's office giving the Municipality of Anchorage notice that it was doubtful that the Commissioner of the Department of Highways had the authority to dispose of the land on which the complex is located. He also stated that the Department of Administration appraised the land in 1973 at 3 1/2 million dollars. The next spring an appraiser, presumably hired by the Municipality and approved by the Commissioner, appraised the property at 1 million dollars. It was on the second appraisal that the lease purchase agreement was made. He stated that he did not feel that this was in the best interest of the state to lose 2 1/2 million dollars between two appraisals. Senator Orsini pointed out that he was assuming the first appraisal was correct and the second appraisal incorrect.

Floyd Johnson, Division of Emergency Services, Department of Military Affairs, stated that the division would need a supplemental appropriation for rent due to the Municipality of Anchorage if this bill were to pass. He stated that the supplemental would require $92,467 and asked that the bill be amended to require the Municipality and his agency to sit down in good faith and negotiate a new 3 year rental sublease agreement. He told the Committee that his agency can get 50/50 matching monies from the federal government for construction of emergency operation center, that it would take about 2 to 3 years to get this money committed, and any relocation of his office would be complicated by the need to move the division's complex communication system. He stated that it would take around $100,000 to make a move to another location, preferably to another downtown location, even if one were available.

Don Berry, Municipality of Anchorage, supplied the Committee with a letter from the Assistant Municipal Attorney.

Senator Willis moved to pass out HB 941 with "INDIVIDUAL RECOMMENDATIONS".

CS FOR HOUSE BILL 133

Roger Allington, City and Borough of Juneau, asked the Committee to take a second look at the 13,600 acreage allotment for Juneau and restore at least the amount of 19,584 acres which came out of the Senate Resources version. He stated that the city was in need of the land specifically in Juneau because of the need to relocate persons now living in hazardous downtown slide areas. Mr. Allington noted that an allotment of 24,000 acres for Juneau would be more appropriate for the Muricipality's needs.

Stuart Bowdoin, Bristol Bay Borough, stated that his borough was in support of the bill. He stated that the Borough was in dire need of the land and would take about anything that becomes available.

Phil Holdsworth, Southeastern Conference, stressed the need for Southeastern communities such as Petersburg, Wrangell and Skagway to have access to trust lands which now hem them in and restrict any future growth.

Jim Rolle, Alaska Municipal League, stated that the League does not feel that access to trust lands should be based on population and urged that cities, as well as boroughs, also be eligible for trsut lands and deficiency payments.

Pat Conheady, Department of Natural Resources, opposed the increase of the Anchorage allotment to 44,893 and referred to a letter of May 19 from the Director of the Division of Lands, Mike Smith. According to Mr. Conheady, a correct allotment figure for Anchorage would be 37,655 acres. He discussed the section of payment for land deficiency and supported the need for cities to have access to trust lands, particularly in Southeastern.

Mr. Conheady expressed concern regarding the January 1, 1980 deadline for determining land deficiency payments, the State was not sure when the 6A selections would be made and available for municipal selection.

Senator Sumner moved that the amendments be passed and pass out SCS for CSHB 133 with "INDIVIDUAL RECOMMENDATIONS".

The meeting was adjourned at 4:10 p.m.

THE FOLLOWING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

of ALASKA

TO: H. B. Wellman, Director
Division of General Services/Supply
Department of Administration

DATE: September 27, 1973

FROM: Tom E. Nain, Area Supervisor
Division of General Services/Supply
Department of Administration

SUBJECT: Acquisition of Department of Highways Buildings

Please refer to Mr. Don Lowell's August 29 memo, subject as above. You asked for my recommendation concerning the Alaska Disaster Offices' request to obtain the maintenance facility at 1305 East 4th Avenue, Anchorage.

The facility is approximately 20.0 acres in size, of which approximately 16.0 acres is within a 6' chain-link fence. It is ungrade with 4th Avenue and a small portion of the north boundary is ungrade with 3rd Avenue. The east and south boundaries abut embankments that make access impractical from these sides. The enfenced area serves as a vehicle parking lot.

The fenced area has the following buildings:

a. Office building: Three stories of reinforced concrete having approximately 9330 gross square feet and approximately 7870 net square feet. This building houses the administrative offices of the Alaska Disaster Office which leases the space from the Department of Highway.

b. Maintenance building: Three stories of structural steel and metal siding. This building is approximately 66' x 150'.

A 60' x 66' section has three stories, each with 8' ceilings, served by a freight elevator. The first two floors are primarily shop and storage areas. The third floor is partitioned into offices.

The remaining 66' x 90' section has a shop with a 16' ceiling above which is another storage area.

c. Gas station: A wood frame building approximately 60' x 66' with 4 service bays. The station itself is approximately 20' x 60' and has offices on the second floor.

d. Paint storage area: Comprised of one wood frame building approximately 20' x 40' and 2 quonsets approximately 16' x 36' each.

e. Storage area: Comprised of 5 quonsets approximately 16' wide and from 36' to 54' long with a wooden loading dock.

f. Soils laboratory: (Leased to City of Anchorage.) A building approximately 50' x 150' consisting of a concrete structure and wood frame structure. The City uses this as their sign shop.

g. Open storage: Approximately 10.0 acres.

The Department of Highways reports their expenses to operate the maintenance building during FY 73 as follows:

Gas	$ 6866.65
Electricity	5178.51
Water	2907.14
Garbage	567.24
Other	3289.16
Personnel Services	568.62
Commodities	380.17
Overhead	3275.39
TOTAL	$23433.28

Based on 23,750 gross square feet, this building costs 6.8¢ per square foot per month. Used as storage, the buildings costs should be less. This is cheap storage on an actual cost basis. However, on a rate of return based on an appraisal of the value of the facility, the real cost to the State is much greater. If the land is worth $4.00 a square foot, the total value—exclusive of buildings—is $3,400,200 for which a minimal 6% return is $209,283 annually.

It has been suggested that this facility could be used to store USDA commodities and to be used for state surplus property sales. The available storage space is not ideally suited to food storage because of the 8' ceiling which restricts the use of equipment. Only 2500 square feet would be available for this use. The area could be used for state sales; however, the major attraction to buyers seems to be vehicles and construction equipment which are generated by the Department of Highways at 5700 Tudor Road. It appears more feasible to move the other miscellaneous sale items to that location.

There is always a need for miscellaneous storage by field offices in Anchorage. The quonsets and the maintenance building would be suitable for this purpose; however, control of access would be difficult and vacant storage areas have a way of becoming junk piles.

The Alaska Disaster Office does have storage problems and a facility adjacent to their present office seems to be practical; therefore, as the only outright expense for ADO to use this is the cost of transferring the property, I recommend that they be permitted to use the facility until permanent plans are made for either ADO or the facility.

cc: Alaska Disaster Office

TO: [illegible] Joseph H. Ehrl
Department of Administration

DATE: August 20, 1973

FROM: Donald Lovell, Director
Alaska Disaster Office
Department of Military Affairs

SUBJ: Acquisition of Department of Highways Buildings

The Department of Highways will be moving their equipment maintenance personnel from the old Department of Highways yard to their new facilities somewhere around November, 1973. The facilities they vacate will be empty, with the exception of a one-story building leased to the City of Anchorage for their sign shop and the building the Alaska Disaster Office occupies.

I request that the old Highway maintenance building (a three-story building) and five Quonset huts be assigned to the Alaska Disaster Office for storage of emergency supplies when Highways moves out. This is urgent, since equipment and supplies we now have are scattered around in several buildings, bonans, and Quonsets, creating a waste in manpower and time in receiving and distributing these items.

We have storage in a warehouse in Seward, eight bonans in Girdwood, a Quonset on Kingsport, a basement of a fire station, etc.

We would, upon acquisition of the building and Quonsets, move in our emergency hospitals, emergency medical, sanitation, and water supplies, tents, cots, blankets, and other equipment as it is acquired through Excess and Surplus Property for distribution to the several communities we serve. Additionally, the building would house our emergency vehicles and our mobile communications center.

Also, there should be adequate room in the building to store surplus commodity foods for your Department.

We have been desperately short of adequate, secure storage ever since my predecessor relinquished an 80'x120' warehouse to the Department of Highways.

Your early approval of this request would be appreciated.

THE PRECEDING DOCUMENT(S) MAY NOT FILM
LEGIBLY BECAUSE OF POOR QUALITY OF THE
ORIGINAL.

Since 1974

used for "people mover" $850K/yr from State

Lease; 100 K/yr

10 K/yr option to purch

Dir of Emer Svc - leave then '84 occupy 1 of 3 bldgs

"prop" $123 K/yr (now ~$93K)

value $115 K/yr

state contests legality of lease

(contract entered by D. of H)

verbal agreement btwn Sullivan & Egan

Good Faith

5/25

CSHB 941

AG's office

Good faith - ?

AG's ltr informed mine of ques of
Dep of N Comm. authority to convey

In best interest of state ? '73 appraisal $3½ M (Dept of Admin
74 appraised $1 M (by ~~appraisal~~
(by appraisers under contr to muni.)

no formal opinion on legality

Court decision 1-2 months

$772 K supplemental necessary

wants amendment for good faith negotiation
muni & state for 3 year extension (from '79)

could get 50% matching funds from feds

$1.20 /sq ft $115 K /yr $23 K paying

~~$74 - $78~~ $90 K owed

CSHB 941

5/18/78

Mitch Gravo - Muni of Anch

1974 - And Record bldg from Dept of Hwys w/option to purch
Downtown space element supposed to find - need to be downtown

'91 appraisal ~ $1M
option to purch $10K/yr for 10 yrs
lease $100K/yr

'76 - state wanted to record lease, filed suit
- lease under litigation; 1 2 yrs to settle
1) C of H & locked auth
2) ~~xxx~~ no oppos pub noted
3) appraisal 6 mos prior rather than 3 mos

This bill notifies lessee - directs DNR & DTPF to negotiate

Pete Freylick - AG's off - (on Rich Burnham absence)

Did state have a need for property? (bottom p. 1 AG's letter)
what agency? (apparently, not DOT)
no communic between agencies (?)

If bill passes know issue of ability of DOT to sell/lease land; don't know if particular issue will be settled
Admin not known if have a pos yet

Superior Ct should decide by mid-summer

CSHB 941 cont'd

Floyd Johnson - Ak Div Emer Svc - Dept Mil Aff

~72 lease w/dept of Hwys for 1 of 3 bldgs (waited 2)
'74 instructed by AG not to make rent payments
'75, '76 rent money lapsed
77 - still have (carried forward)
78 - "
Total $93,430 owed to muni

concern w/impact on budget

don't have to be downtown

Rep. Rudd

good faith - even tho of questionable legality

if this is overturned in court, then there may be other leases which will be voided also on same basis

supports bill

Pg Borough muni Atch
also would agreement between Mayor & Gov on this
lease & at the need for more trans purposes (this not City responsib)
$850 K/yr from state → muni for more trans

re CSHB 94 [illegible]
Audio. Eds
x 3610

1574 April 15 -

$90,000 less the
rent.

---

only state agency [illegible]
Center.

Original sponsor:

Offerred:
Referred:

IN THE HOUSE

BY THE COMMITTEE FOR COMMUNITY AND REGIONAL AFFAIRS

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act ratifying the lease-purchase agreement between the State and Municipality of Anchorage, concerning the former State Highway Complex at 4th and Post Roads in Anchorage."

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

Section 1. PURPOSE.

(1) Whereas, the State of Alaska, acting through the Commissioner of Highways, entered into a lease-purchase agreement with the City of Anchorage on November 14, 1974 concerning the former State Highway Complex at 3rd and Post Roads in Anchorage, Alaska, described more particularly as:

> Blocks 28-C, 28D, 29-A, 29-B, 29-C, 29-D, 30-A, and Lot 2, Block 30-B, all in the East Addition to the Anchorage Townsite, Anchorage, Alaska, with all fixtures and improvements except for the Northwesterly 90 feet of Block 28-C, East Addition, containing 32,930 square feet more or less; and the North 90 feet of Blocks 29-A, 29-B, and 30-A, East Addition, together containing 72,707 square feet, more or less.

Such agreement being recorded on November 20, 1974, in Book 232 at Page 317, Anchorage Recording District, Third Judicial District, State of Alaska; and

(2) Whereas, pursuant to the lease-purchase agreement the Municipality pays the State $100,000 a year in rent plus $10,000 a year in consideration for its option to purchase the property, such funds being applied to the purchase price of $1,000,000 if the Municipality chooses to exercise the option; and

(3) Whereas, the complex has been used by the Municipality as a maintenance and vehicular storage yard for the People Mover Mass Transit System; the Municipality intends to use the Complex as ~~the~~ a future operations center of the People Mover mass transit system; and

(4) Whereas, it is in the public interest to encourage development of such mass transit system; and

(5) Whereas, the lease-purchase agreement was entered into by both the State and City in good faith; and

(6) Whereas, for many years the City and Municipality of Anchorage have provided the street lighting systems on the State Highway System within the City and Municipality at no cost to the State; and,

(7) Whereas, the City of Anchorage has leased 8.7 acres of valuable land at Lake Spenard to the State as a site for the National Guard at a lease rate of $1 a year for 102 years, and in addition, the City has leased the State Division of Aviation 21 acres of valuable land adjacent to the shoreline of Lake Spenard at a nominal rate of $1,800 a year; and

(8) Whereas, question has arisen concerning whether execution of the conveyance by the Commissioner of Highways on behalf of the State created a valid instrument; and

(9) Whereas, enactment of a general law would be inappropriate to correct the statutory confusion from which such dispute arises since the Department of Highways no longer exists as a separate entity, having been merged into the Department of Transportation and Public Facilities pursuant to Executive Order No. 39(1977); and

(10) Whereas, the Legislature finds it in the best interest to both the State and Municipality of Anchorage to declare the lease-purchase agreement to be a valid document binding on both parties;

Section 2. IT IS HEREBY ENACTED THAT:

(1) The action of the former Commissioner of Highways in enacting the lease-purchase agreement between the State and City of Anchorage which was recorded on November 20, 1974 in Book 232, Page 317, Anchorage Recording District, Third Judicial District, State of Alaska, is hereby ratified.

(2) The Commissioner of Natural Resources and Director of the Division of Lands are empowered and directed to approve the lease-purchase agreement, as written, pursuant to the authority vested in them by AS 38.05.315(A).

Section 3. This Act takes effect immediately in accordance with AS 01.10.070(C).

LEASE-PURCHASE AGREEMENT

THIS AGREEMENT is entered into this 13 day of November 1974, by and between the STATE OF ALASKA, DEPARTMENT OF HIGHWAYS, hereinafter referred to as the "STATE," and the CITY OF ANCHORAGE, a municipal corporation organized and existing under its charter and the laws of the State of Alaska, hereinafter referred to as the "CITY."

WHEREAS, the STATE is the owner of the following described real property:

Blocks 28-C, 28D, 29-A, 29-B, 29-C,
29-D, 30-A, and Lot 2, Block 30-B,
all in the East Addition to the
Anchorage Townsite, Anchorage, Alaska,

which has improvements and fixtures located upon it, such real property, improvements and fixtures being hereinafter referred to as the "Premises"; and

WHEREAS, the CITY desires to lease the premises, excluding the excepted parcels described below, and desires to have the option to purchase the Premises and a contingent option to purchase the excepted parcels described below.

NOW, THEREFORE, in consideration of the mutual covenants described below, the STATE and the CITY hereby agree as follows:

1. Subject Property.

The STATE leases to the CITY, and the CITY leases from the STATE, all of the Premises, with the exception of the following four parcels, which are hereinafter referred to as the "Excepted Parcels": the Northwesterly 90 feet of Block 28-C, East Addition, containing 32,930 square feet more or less; and the North 90 feet of Blocks 29-A, 29-B, and 30-A, East Addition, together containing 72,707 square feet, more or less.

2. Rent and Terms of Lease.

The lease will be for a period of ten (10) years, commencing on August 14, 1974. The rent shall be One Hundred

RECORDED Nov 20 1974 BOOK 332 PAGE 347

cc: Treasury
Controller (Cloy Rodgers) 12/4/74
Purchasing (for conveyance purposes)

Thousand Dollars ($100,000) per year. The first year's rent shall be payable on Dec. 1, 1974. Each year's rent thereafter shall be payable, in advance, on August 14 of that year.

3. Option to Purchase Premises, Excluding Excepted Parcels.

A. Option, Price and Terms. At any time after one year of this lease has expired, the CITY shall have the right, at the CITY's option, to purchase the premises, excluding the Excepted Parcels, for the sum of One Million One Hundred Twenty-Six Thousand Dollars ($1,126,000). No interest shall be paid on this purchase price. The purchase price shall be paid in cash on the closing date. The price to be paid by the CITY for this option shall be Ten Thousand Dollars ($10,000) per year, commencing with the second year of this agreement, until the option is exercised or abandoned. This annual option price will be paid in advance on the same date on which the annual rent is to be paid (excluding the first rental payment date). If the CITY exercises this option, then the lease shall terminate and all of the payments of rent made by the CITY pursuant to paragraph 2, above, and all of the $10,000 per year payments made by the CITY for this option, will be credited to the above $1,126,000 purchase price.

B. Exercise of Option. The exercise of this option shall be accomplished by the CITY giving notice to the Commissioner of Highways, in writing, of the CITY's desire to exercise the option,

C. Closing Date. The sale transaction shall be closed within sixty (60) days of the exercise of this option.

D. Warranty Deed. Upon closing, the STATE will deliver to the CITY an executed warranty deed for the premises, excluding the Excepted Parcels, in favor of the CITY, subject only to encumbrances and restrictions of record as of August 14, 1974.

4. Contingent Option to Purchase Excepted Parcels.

A. Option, Price and Terms.

The Excepted Parcels, which have been described above, are being withheld from the present lease of the premises, and from the option described in paragraph 3, above, for possible use by the STATE for street or highway right-of-way expansion purposes. If the STATE decides that it does not need all or a portion of the Excepted Parcels for the above-described purpose, or upon the expiration of fifteen (15) years from the date of execution of this agreement without use for the above-described purpose being accomplished by the STATE, whichever is earlier, then the STATE will immediately offer the Excepted Parcels, or the portions of the Excepted Parcels not used for the above-described purpose, for sale to the CITY. The CITY shall have until August 14, 1984, or one year from the date of the above-described offer by the STATE, whichever is later, to decide whether to accept such offer. The purchase price of the Excepted Parcels, or portion thereof, shall be $2.00 per square foot, and shall be paid in cash on the closing date. No interest shall be paid on this purchase price.

B. Exercise of Option. The exercise of this option shall be accomplished by the CITY giving notice to the Commissioner of Highways, in writing, of the CITY's desire to exercise the option.

C. Closing Date. The sale transaction shall be closed within sixty (60) days of the exercise of this option.

D. Warranty Deed. Upon closing, the STATE will deliver to the CITY an executed warranty deed for the Excepted Parcels, or portion thereof, in favor of the CITY, subject only to encumbrances and restrictions of record as of August 14, 1974.

E. If the CITY has exercised the option described in paragraph 3, above, then the STATE will give the CITY one year's

notice of any right-of-way expansion upon any portions of the Excepted Parcels which have structures located upon them, so that such structures may be salvaged if the CITY so desires.

5. Possession.

The CITY has the right to possession of the Premises, excluding the Excepted Parcels, as of August 14, 1974. Commencing on August 14, 1974, the CITY will be responsible for all maintenance and utility costs.

6. Replat.

The CITY will prepare and submit a replat of the Premises to the appropriate platting authority. The replat will separate the Excepted Parcels from the remainder of the Premises.

7. Clean-up of Premises.

The STATE will clean up the Premises by November 1, 1974. Such clean-up will include the removal of all items which the CITY designates for removal. Such items will include, but will not be limited to, designated equipment, lumber, metal objects, barrels, drums, damaged pipe and culvert. Further, such clean-up will include the removal of all rubbish and refuse from the premises, and the removal of all spilled creosote, tar, and other chemical compounds. This clean-up will meet the standards of the City Department of Public Works, the Greater Anchorage Area Borough Department of Environmental Quality, and the State Department of Environmental Conservation. If the above-described clean-up is not completed by the date specified above, the CITY may perform such clean-up and deduct the costs of the clean-up from the next rental payment.

8. Termination.

The City may terminate this Lease-Purchase Agreement at any time by giving sixty (60) days notice. Rent and option payments shall be pro-rated to the date of termination.

9. Sub-Leases to Greater Anchorage Area Borough and Alaska Disaster Office.

The CITY will execute the sub-leases, which have been attached to this agreement and have been designated Exhibits A and B, to the above entities, for the portions of the Premises described in the sub-leases, pursuant to the terms and conditions contained in those sub-leases.

In the event of termination of this Lease-Purchase Agreement prior to the expiration of the terms of the sub-leases, such sub-leases shall be binding on the STATE for the remainder of the terms.

IN WITNESS WHEREOF, the parties have executed this agreement on the date first written above.

ATTEST:

City Clerk

CITY OF ANCHORAGE

By: City Manager

APPROVED AS TO FORM:

City Attorney

STATE OF ALASKA, DEPARTMENT OF HIGHWAYS

By: D. A. Campbell
Commissioner of Highways

STATE OF ALASKA)
)ss:
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 13 day of November 1974, before me, the undersigned, a Notary Public in and for the State of Alaska, duly sworn and commissioned as such, personally appeared DOUGLAS G. WEIFORD, known to me and to me known to be the City Manager of the CITY OF ANCHORAGE, Alaska, the municipal corporation that executed the foregoing instrument, and he acknowledged that he signed the foregoing instrument freely and voluntarily for the uses and purposes therein mentioned and acknowledged that he is authorized to execute said instrument on behalf of said municipal corporation, and that the seal affixed is the corporate seal of said municipal corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year in this certificate first above written.

Alice Lawman
Notary Public in and for Alaska
My Commission Expires: 11-26-77

STATE OF ALASKA)
FIRST)ss:
JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 28 day of Oct., 1974, before me, the undersigned, a Notary Public in and for the State of Alaska, duly sworn and commissioned as such, personally appeared B. A. Campbell, known to me and to me known to be the Commissioner of Highways, of the STATE OF ALASKA, DEPARTMENT OF HIGHWAYS, and he acknowledged that he is authorized to execute said instrument on behalf of said Alaska Disaster Office, that he signed said instrument freely and voluntarily for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Mary J. Hoff
Notary Public in and for Alaska
My Commission Expires: _____

My Commission Expires
November 13, 1977

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA

THIRD JUDICIAL DISTRICT

STATE OF ALASKA,	)
Plaintiff,	)
vs.	)
CITY AND BOROUGH OF ANCHORAGE a/k/a MUNICIPALITY OF ANCHORAGE,	)
Defendant.	)

No. 76-7012 E. Civ.

AFFIDAVT OF DALE P. TUBBS

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

I, Dale P. Tubbs, being first duly sworn, deposes and says:

1. I have been retained by the Municipality of Anchorage to research and obtain past practice evidence of land disposal procedures used by the Alaska Division of Lands and other Alaska state agencies, particularly the former Department of Highways and the Department of Public Works, Division of Aviation.

2. My knowledge and experience with state agency land disposal practices is predicated on 14 years and 4 months employment with the Alaska Division of Lands in the following capacities:

January, 1962 - February, 1963: District Forestor - Duties included state timber sales.

February, 1963 - March, 1967: Area Forester - Duties included state timber sales and planning report preparation for state land management.

March, 1967 - January, 1969: Realty Officer II - Duties included coordination of state land disposal program for Southcentral Alaska, prepare right-of-way permits, lease agreements, and material sale contracts.

January, 1969 - December, 1973: Southcentral District Land Manager - Duties included supervision of the district land management planning, and disposal through sale, lease, and grants of state land.

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December, 1973 - November, 1974: Acting Chief of Land Section - Duties included supervision of state land appraisal activities and the land disposal section for the division. This included the signing of state leases, permits, and sale contracts.

November, 1974 - April, 1976: Deputy Director of the Division of Lands - Duties included land disposal policy making and signing of state land permits in the absence of the director.

May, 1976 - Present: Land Management Consultant employed by Moening-Grey & Associates, Inc.

3. The information shown in Attachment I and II is derived through my research of the State Division of Lands records and case files. The material is a matter of public record.

Attachment I summarizes the type of land and resource disposal activity, approximate minimum number of transactions involved, the past practice treatment in regard to providing an appraisal as required by AS 38.05.310, and the past practice treatment of giving public notice as prescribed in AS 38.05.345. The treatment of disposals by public auction follow the prescribed appraisal and notice. Negotiated transactions did not include an appraisal when the legislation prescribed a land grant, such as borough selections, and in all instances except for some coal, oil, gas, and shore fishery offerings no public notice was given. This policy was derived from the belief of the Division of Lands that statutory authorized negotiated transactions did not require public notice.

Pages 5 and 6 of Attachment I summarizes the types of cases by recipient categories that have received land without public notice and in instances of AS 38.05.315(a) without appraisal.

Attachment II is a sampling of case files showing actual recipients of leases, sales, or grants of state land found within the Division of Lands case files. This table depicts the type of recipients involving negotiated transactions without public notice. Land appraisals were made for these parcels when trust lands were involved or the statute

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authorizing the conveyance required a fair market value return.

4. Contact was made with the land leasing and right-of-way sections within the Alaska Department of Transportation to reconfirm known past practices used by them. Ted Richards, an employee for the highways right-of-way section, confirmed that excess state lands, from highway projects, are commonly conveyed to abutting owners with a commissioners deed. No public notice is given for these transactions when the land was originally purchased with state money. Most of these transactions involve remnant land parcels.

Mr. Steve Parish, chief of airport leasing, confirmed the former division of aviation conducted all of its leasing activities without public notice. This policy was changed in November of 1976 when a directive was received to subject the leases being offered to public notice. The directive exempts the public notice requirement when a lease is being offered to another state agency.

5. A decision to void the negotiated lease transaction between the State and Anchorage for the former highway maintenance site on East Third Avenue because of the lack of public notice would put a cloud on the validity of all the existing negotiated lease, sale, and grant transactions entered into by the various state agencies conveying land or interest in land. These agencies include: Alaska Division of Lands, former Department of Highways, Alaska State Housing Authority, Division of Waters and Harbors, Division of Buildings (school sites), and the Division of Aviation.

Specific sites or types of facilities particularly impacted by such a decision would include:

a. Borough and municipal land selections - 350,000 acres.

b. Five schools in the Anchorage Municipality.

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c. Department of Highway sites in Glennallen and Fairbanks.

d. The prison facilities in Eagle River and Palmer.

e. All of the earthquake grant transactions at Port Lions and in the Anchorage vicinity.

f. Booth Memorial Home and the Alaska Crippled Childrens Treatment Center in Anchorage.

g. The Anchorage Ski Club lease for the Arctic Valley Ski site.

h. The only authorized solid waste sanitary fill site in the Anchorage Municipality.

i. The Nike site at Goose Bay.

j. Chugach Electric Association, Inc. power plant site at Beluga.

k. All sewer, telephone, water, electric power, and road easements issued to municipalities and boroughs.

Dated this 23rd day of September, 1977.

Dale P. Tubbs
DALE P. TUBBS

Subscribed and sworn to before me this 23rd day of September, 1977.

Richard A. Wanning
Notary Public in and for Alaska.
My commission expires: 1/6/81

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ATTACHMENT I

Division of Lands Land Disposal Practices Prior to 1976

Land disposal actions by the Alaska Division of Lands fall within definite patterns with little variation. These procedures remained essentially unchanged until about February-March, 1976. By that time disposal activity decreased to almost zero and new procedures were being implemented. Reasons for the procedural change include:

1. The court case involving the sale of state land on the Aleutian Islands and Alaska Peninsula - Aleut Corp vs State, Superior Court, 3rd Jud Dist GA 72-2893(1973).

2. Questions raised in the sale of oil and gas leases in Kachemack Bay.

3. Procedures used for lease and sale of lands to Alyeska Pipeline Service Company as provided in AS 38.35.

At the time of my resignation from the Division of Lands, I was working on a check sheet to outline which procedures must be followed to consumate a disposal. New legislation has since cleared up questionable areas as to review and public notice. The remaining decisions are administrative.

Prior to the 1976 legislation and the almost halting of disposals, the past practices of the Division of Lands can be documented as follows:

		Past Practice	
		AS 38.05.310 Appraisal within 90 Days	AS 38.05.345 Public Notice
Advertised Disposals - Public Auction	(Number of Cases)		
Land Sales (AS 38.05.045)	(3500+)	Yes	Yes

Past Practice

	(Number of Cases)	AS 38.05.310 Appraisal within 90 Days	AS 38.05.345 Public Notice
Land leases (AS 38.05.070)	(4000+)	Yes	Yes
Material Sales (AS 38.05.110) Upland & tide	(50+)	Informal	Yes
Timber Sales (AS 38.05.110)	(100)	Yes	Yes
Grazing leases (AS 38.05.070)	(50+)	-	Yes
Oil and Gas (AS 38.05.180)	(1600+)	-	Yes
Tid[illegible] leases (AS 38.05.070)	(25+)	Yes	Yes
Negotiated Disposals or Grants			
Transfer of State Land to Cities (AS 38.05.347)	(?)	No	No
1. Agricultural Preference (AS 38.05.069)	(30)	Yes	No
2. Forest Service Preference (AS 38.05.068)	(200+)	Yes	No
3. Preference Grazing leases (AS 38.05.075)	(20)	No	No
4. Upland Shore Fishery Sites Sale (AS 38.05.66)	(45)	Yes	No
5. Open to Entry (AS 38.05.077)	(4200)	Yes	No
6. State, Federal and Political Subdivisions (AS 38.05.315(a))	(hundreds)	Grantland No	No
		Trustland Yes	No

Past Practice

	(Number of Cases)	AS 38.05.310 Appraisal within 90 Days	AS 38.05.345 Public Notice
7. Non profit Organizations (AS 38.05.315(b-d))	(42)	Yes	No
8. Earthquake Grants (Chapter 116 SLA 1964)	(200+)	Statute Limit No	No
9. Material Sales (Tideland & Upland) (AS 38.05.110)	150	Informal	No
10. Timber Sales (AS 38.05.110)	(400+)	Informal	No
11. Preference right lease or sale (AS 38.05.035(b)(2))	(10)	Depends on Circumstance	No
12. Preference right sale (AS 38.05.035(b)(3)	(20)	Back dated Yes	No
13. Preference right sale (Nigh bill) (AS 38.05.035(b)(5)	(50)	Back dated Yes	No
14. Shore Fishery Lease (AS 38.05.082)	(275)	Administrative minimum	Yes
15. Negotiated lease (AS 38.05.070(b))	(100-200)	Minimum with clause for adjust. or appraisal	No
16. Off Shore Prospecting Permits	(Several thousand)	No	No
17. Tideland leases (AS 38.05.070(b)	(225)	Yes	No

Past Practice

		AS 38.05.310 Appraisal within 90 Days	AS 38.05.345 Public Notice
	(Number of Cases)		
18. Coal Prospecting Permits	(760)	No	Yes
19. Land exchanges (except Cook Inlet)	(20)	Yes	No
20. Occupied tidelands and Submerged lands (AS 38.05.320)	(382)	Grant	No
21. Oil and Gas leases - Noncompetitive	(2000+)	No	Yes
22. Right-of-way Permits	(1000+)	No	No
23. Inter-Agency Land Management transfers			
Tidelands	(200+)	No	No
Uplands	(hundreds	No	No
Municipal Selections AS 29		No	No

The above mentioned information can be summarized into several catagories. Disposals that were offered at public auction were appraised within 90 days of the auction date and public notice was published 3 times and or posted.

Negotiated transactions, except for shore fishery leases and openings of mineral lands were not given public notice. The statutes were interpreted to mean that if the transaction was within negotiable limits or as directed by statute, public notice was not necessary. Appraisals for the disposals was dependant on the type of action. Disposals to governmental agencies are for $1.00 if they involved general grant land. When trust lands were involved - (after about 1970) the market value was charged.

Cases of particular interest that have special color are:

1. Earthquake grants - (Chapter 116 SLA 1964) Allowed for granting land to those that lost land in the earthquake. Only administrative cost were to be charged.

2. Preference sales - AS 38.05.035(b). This section provides for negotiating a sale to a party that lost his land through administrative error. Appraisal is back dated to the claimants entry on the land.

3. Shore Fishery Sites - (AS 38.05.66). This section provided for a negotiated sale to certain persons that had a BLM special use permit. Appraisal was current market value but no public notice was made.

4. U.S. Forest Service Preference rights. (AS38.05.068). Provides for negotiated sale to valid U.S.F.S. permit holders. Appraisal is at current market value but no public notice is given.

5. Disposals to Governmental entities (AS 38.05.315(a)). Lands are conveyed by sale or lease for $1.00 if the lands are used for public purposes. Market value for trust land, no public notice was given. Particular disposals of interest.

   a. Lease to City of Anchorage for $1.00/yr. at Pt. Woronzof.
   b. Reconveyance of State land back to the BLM:
      (1) 2 townships - 46,000 acres - Tangle Lakes.
      (2) Campground with improvements at Lake Louise.
      (3) 10 acre site at Delta for BLM adm. site.
   c. OCD's to BIA for school facilities.
   d. Leases to the Military - such as Nike site at Goose Bay.
   e. OCD's or leases to cities.
      (1) Homer
      (2) Anchorage
      (3) Ketchikan
      (4) Kenai
      (5) Juneau
      (6) Hydaburg
      (7) Hoonah
      (8) Haines
      (9) Girdwood
      (10) Fairbanks
      (11) Delta Junction
      (12) Craig
      (13) Cordovia
      (14) Bethel

(15) Fort Yukon
(16) Soldotna
(17) Kodiak

6. Transfer of State land to cities. AS 38.05.347. Surplus state lands made available to cities for the asking. This is a land grant so no appraisal was made and no notice was given. Kenai and Anchorage were recipients of this grant.

7. Assoc. for Retarded Children - - Chapt 167 SLA 1960 Provided for a 75 year lease at $1.00 per year. No reappraisal. No public notice.

8. None of the $1.00 leases to governmental entities are reappraised at 5 year intervals as provided in AS 38.05.105.

9. No transactions transferring state public domain lands from ADL to another state agency was addressed in this report.

10. The Commissioner of Hwys. (Walt Parker) gave away the down stream side of the Yukon Bridge to Alyeska Pipeline Service Co. See agreement in court case file. State of Alaska vs Alyeska -- Civil.

Statutes that govern disposals by Dept. of Hwys.
AS 38.05.030(b)
AS 19.05.040(2)
AS 19.05.080-120
Federal Statutes
23 USC 317(c)
48 USC 364(a)
Omnibus act - section 21 (Hwys) found in 48 USC page 9031.
QCD conveying the Hwy site to the State.
PLO that set the Hwy sites aside for BPR use.

ATTACHMENT II

State Case File Number	Purchaser or Lessee	Type of Transaction	Effective Date of Contract	Remarks
58031	Dept. of Air Force	15 Yr. Lease	5/25/73	60 acres AS 38.05.315
58033	Dept. of Air Force	15 Yr. Lease	5/25/73	AS 38.05.315
34810	Salvation Army	55 Yr. Lease	10/2/68	Booth Memorial Home AS 38.05.315
56400	Greater Anch. Area Borough	55 Yr. Lease	2/24/72	AS 38.05.315
52379	Hope Cottage, Inc.	55 Yr. Lease	8/20/70	
02130	Assoc. for Retarded Children	75 Yr. Lease	9/1/60	Chapter 167 SLA 1960
242	Alaska Crippled Children Assoc.	55 Yr. Lease	8/6/68	AS 38.05.315
24054	BIA	QCD	8/6/64	17.5 acres Nome Vocational School Site
24123	BIA	QCD	7/27/64	At Nome
50451	BIA	QCD	4/9/70	Tok Dormitory Site
51232	BIA	QCD	9/17/70	Kenai Area
51937	BIA	QCD	8/7/70	Fort Yukon
52337	BLM-Dept. of Interior	QCD	8/20/70	45,818 acres Tangle Lakes-reconveyance to BLM
55555	BLM	QCD	8/19/71	2 acres
55556	BLM	QCD	8/19/71	4.38 acres Fbx
59592	BLM	QCD	1/30/73	10 acres Delta
32594	BLM	QCD	7/13/66	Campground at Lake Louise
22412	City of Anchorage	55 Yr. Lease	1/28/64	At Int'l. Airport 500 acres
00273	City of Anchorage	55 Yr. Lease	7/26/61	Willow Crest School Site
02384	U.S. Army	25 Yr. Lease	5/1/62	Nike Site at Goose Bay
112	City of Haines	55 Yr. Lease	7/2/75	AS 38.05.315
2564	City of Haines	55 Yr. Lease	4/7/66	
24338	City of Homer	QCD	8/3/64	Small boat harbor
47370	City of Homer	QCD	8/28/69	
51066	City of Homer	QCD	4/24/70	
37483	City of Hydaburg	QCD		School site. Deed issued by Div. of Bldg.
20649	City of Juneau	55 Yr. Lease	4/17/63	AS 38.05.315
38738	City of Juneau	Patent #751	7/1/68	Land exchange
22694	Juneau-Douglas Ind. School Dist.	QCD	5/21/64	
51056	City of Kenai	5 Yr. Lease	7/27/70	AS 38.05.315
55120	Kenai Peninsula Racing Assoc.	5 Yr. Lease	4/24/72	AS 38.05.315
22469	Kenai Pen. Public Utilities Dist.	QCD	2/26/64	

ATTACHMENT II

...e Case Number	Purchaser or Lessee	Type of Transaction	Effective Date of Contract	Remarks
0249	Kenai PUD #1	QCD	12/15/58	
7906	City of Ketchikan.	QCD		
0111	City of Ketchikan	QCD	5/15/63	
732	City Of Ketchikan	55 Yr. Lease	7/22/64	
780	City of Ketchikan	QCD		
746	USA-Air Force Corps of Eng.	25 Yr. Lease	5/16/64	Seward Recreation Camp
354-30380			11/1/65	Chap. 116 SLA 1964 Sec. 5
others		Grants for Earthquake Loss	11/1/67 Vari	89 grants in Zodiak Manor Alaska Subd.
057	Abbott Loop Community Chapel In	55 Yr. Lease	7/9/64	
+Leases	Various	5 Yr. Leases	Various	North Slope Lease Tracts
956	Polar Oil Field Services	5 Yr. Lease	9/3/70	
954	U.S. Forest Service	55 Yr. Lease	8/2/71	Girdwood area
036	Chugach Electric	55 Yr. Lease	5/19/66	Power Plant site at Beluga
094	Chugach Electric Assoc.	55 Yr. Lease	1/29/73	
462	Golden Valley Electric Assoc.	55 Yr. Lease	9/23/64	AS 38.05.315
148	Golden Valley Electric Assoc.	55 Yr. Lease	12/7/64	
593	Golden Valley Electric Assoc.	55 Yr. Lease	3/29/66	
947	Golden Valley Electric Assoc.	55 Yr. Lease	10/3/74	
018	Anchorage Sk. Corp.	55 Yr. Lease	11/20/67	
134	W. S. Jones	Sale Contract	1/13/71	Ag. preference right AS 38.05.069
304	Tanana Valley State Fair Assoc.	55 Yr. Lease	1/25/67	AS 38.05.315
37	Curtis Hoxworth	Sale Contract	2/21/75	
473	City of Girdwood	55 Yr. Lease	5/26/67	AS 38.05.315
649	City of Juneau	55 Yr. Lease	4/17/63	AS 38.05.315
831	The Salvation Army.	55 Yr. Lease	4/21/72	AS 38.05.315
011	City of Kenai	Land Sale-St. Pat. 1924	5/7/74	AS 38.05.315(a)
398	Wm. & Eleanor Grediagin	Land Sale	5/30/74	Cordova AS 38.05.068
382	George & Kathryn Anderson	Land Sale	5/30/74	Cordova AS 38.05.068
394	James Johnson	Land Sale	5/30/74	Cordova AS 38.05.068
395	Keith & Ernestine Hawley	Land Sale + 27 more like it	5/30/74	Cordova AS 38.05.068
186	Bachner & Assoc.	Sale Contract	9/21/70	Agricultural Preference
278	Clayton Beard		9/9/68	
113	Berman Packing Co.		9/28/68	
295	City of Bethel	QCD	6/21/68	
742	City of Bethel	Patent	9/25/68	School Site
144	Better Concrete Products, Inc.	5 Yr. Lease	8/21/70	
460	Douglas Blossom	Sale	4/5/66	Pref. sale AS 38.05.036(b)(5)

CHAPTER 142

AN ACT

Relating to the Ferries, Roads and Highways Construction Fund; appropriating $1,000,000 therefrom for highway construction; and providing for an effective date.

(C.S.S.B. 175)

Be it enacted by the Legislature of the State of Alaska:

Section 1. There is hereby appropriated from the Ferries, Roads and Highways Construction Fund to the Department of Public Works the sum of $1,000,000 contingent on the availability of federal aid highway matching funds for new road construction. Emphasis is to be placed on connecting centers of population to the state highway system that are not connected to the system by ferry or road.

Sec. 2. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.

Approved April 25, 1961

CHAPTER 143

AN ACT

Relating to pre-session meetings of the finance committees; amending Sec. 20, Ch. 157, SLA 1959.

(H.B. 279)

Be it enacted by the Legislature of the State of Alaska:

Section 1. Sec. 20, Ch. 157, SLA 1959, is amended to read:

Sec. 20. Committees. a. Each house shall have standing committees to facilitate the transaction of business in accordance with the provisions of the rules of the legislature. Provisions may also be made in the rules for the appointment of special committees, as needed, by the presiding officer of each house. The legislature shall provide for the utilization of joint committees to facilitate and expedite business.

b. The finance committees of the house and senate shall convene at the capital for a joint meeting during the ten-day period preceding the convening of the second regular session of the legislature. The pre-session meeting shall be devoted to consultation with the executive budget committee, review of revenue and expenditures, and such other business which the finance committees determine will expedite their work and that of the legislature in the ensuing session.

Approved April 26, 1961

CHAPTER 144

AN ACT

Empowering and directing the director of the division of lands of the Department of Natural Resources to lease certain real property to Alyeska Ski Corporation, an Alaska corporation, for a limited use; and providing for an effective date.

(S.B. 141)

Be it enacted by the Legislature of the State of Alaska:

Section 1. The director of the division of lands of the Department of Natural Resources is empowered and directed to offer, by noncompetitive lease, to Alyeska Ski Corporation, an Alaska corporation, the following described real property lying in

the vicinity of Girdwood, in the Anchorage Recording District:

Beginning at a point being the southwest corner, Cor. #4, of U. S. Survey 3569, thence West 20 chs., North 60 chs., East 65½ chs. m/1 to the Chugach National Forest boundary line, thence South 60 chs. along the Chugach National Forest boundary line, thence West 5½ chs. m/1, to the southeast corner, Cor. #3, of U. S. Survey 3569, thence North 40 chs. along the east boundary of U. S. Survey 3569 to the northeast corner of the survey, Cor. #2, thence West 40 chs. along northern boundary of U. S. Survey 3569 to the northwest corner of the survey, Cor. #1, thence South 40 chs. along western border of U. S. Survey 3569 to point of beginning, containing approximately 233 acres.

Sec. 2. The lease shall be for a term of 55 years, conditioned upon the use of the land for the development and maintenance of a year-around resort area, such use including, but not being limited to, skiing, eating, airplane landing and other associated recreational facilities, and lodgings for the public and for employees of the lessee. Rent based on fair market value of the land shall be paid by the lessee and shall be subject to adjustment at five year intervals in accordance with Ch. 169, SLA 1959, as amended, and regulations pursuant thereto. The director, with the consent of the commissioner of the Department of Natural Resources, may impose such additional conditions or limitations in the lease as he determines will best serve the interests of Alaska. The director will make such limited conveyance within a reasonable time after said land has been conveyed to the State of Alaska by the United States of America.

Sec. 3. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.

Became law without signature April 27, 1961

CHAPTER 145

AN ACT

Relating to penalties under the provisions of the Uniform Narcotic Drug Act; amending Sec. 40-3-20, ACLA 1949 as amended by Ch. 26, SLA 1951 and Ch. 106, SLA 1953; and providing for an effective date.

(S.B. 99)

Be it enacted by the Legislature of the State of Alaska:

Section 1. Sec. 40-3-20, ACLA 1949 as amended by Ch. 26, SLA 1951 and Ch. 106, SLA 1953 is amended to read:

Sec. 40-3-20. Penalties. Whoever violates any provision of this Act except that relating to the keeping of records by persons authorized to administer or professionally use narcotic drugs shall upon conviction be fined not more than $5,000.00 and be imprisoned not less than two nor more than 10 years. For a second offense, or if, in case of a first conviction of violation of any provision of this Act, the offender shall previously have been convicted of any violation of the laws of the United States or of any other state, territory or district relating to narcotic drugs, the offender shall be fined not more than $7,500.00 and be imprisoned not less than 10 nor more than 20 years. For a third or subsequent offense, or if the offender shall previously have been convicted two or more times in the aggregate of any violation of the laws of the United States or of any other state, territory or district relating to narcotic drugs, the offender shall be fined not more than $10,000.00 and be imprisoned not less than 20 nor more than 40 years.

Whoever violates any provision of this Act relating to the keeping of records by persons authorized to administer or professionally use narcotic drugs shall, upon conviction, be punished by a fine of not less than $500.00 nor more than $5,000.00 or by imprisonment for not more than five years, or both.

Whoever is convicted of illegally selling, giving or supplying narcotic drugs to a person under the age of twenty-one years shall be punished as follows:

the City of Seward for expenses incurred by the state through the Department of Public Safety for prisoner care during the fiscal year ending June 30, 1961.

Sec. 8. The sum of $475.00 is appropriated from the general fund to reimburse the Frontier Flying Service for expenses incurred by the state through the Department of Public Safety for transportation of personnel during the fiscal year ending June 30, 1960.

Sec. 9. The sum of $250.00 is appropriated from the general fund to reimburse the Wien Alaska Airlines for expenses incurred by the state through the Department of Public Safety for search and rescue during the fiscal year ending June 30, 1961.

Sec. 10. The sum of $116.67 is appropriated from the general fund to reimburse the Del-Air Flying Service for expenses incurred by the state through the Department of Public Safety for search and rescue during the fiscal year ending June 30, 1961.

Sec. 11. The sum of $823.38 is appropriated from the general fund to the Ellis Air Lines for expenses incurred by the state through the Department of Public Works, Division of Aviation, for repair of the Craig float during the fiscal year ending June 30, 1961.

Sec. 12. The sum of $300.00 is appropriated from the general fund to the Trading Union, Inc. for expenses incurred by the state through the Magistrate Courts for office rental during the fiscal year ending June 30, 1960.

Sec. 13. The sum of $2,052.65 is appropriated from the general fund to the General Services Administration for expenses incurred by the state through the Magistrate Courts for remodeling of rooms during the fiscal year ending June 30, 1960.

Sec. 14. The sum of $857.01 is appropriated from the general fund to the Alaska Airlines, Inc. for expenses incurred by the state through the Department of Law for transportation of witnesses during the fiscal year ending June 30, 1960.

Sec. 15. The sum of $34.00 is appropriated from the general fund to Ellis Airlines for expenses incurred by the state through the Department of Commerce for the transportation of a member of the Public Service Commission during the fiscal year ending June 30, 1961.

Sec. 16. The sum of $255.00 is appropriated from the general fund to Walter Muller, Kodiak Mortuary, for expenses incurred by the state through the Department of Health and Welfare for burial costs during the fiscal year ending June 30, 1961.

Sec. 17. The sum of $60.23 is appropriated from the general fund to reimburse the Pacific Northern Airlines for expenses incurred by the state through the Department of Public Works for transportation furnished during the fiscal year ending June 30, 1961.

Sec. 18. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.

Approved March 2, 1962

CHAPTER 20

AN ACT

Empowering and directing the director of the division of lands of the Department of Natural Resources to issue a patent to Lot 3, Section 36, Township 20 North, Range 5 East, Seward Meridian, Alaska.

(H.B. 96)

Be it enacted by the Legislature of the State of Alaska:

Section 1. The director of the division of lands of the Department of Natural Resources is hereby empowered and directed to convey fee title to the following described state lands to John J. Corey:

Lot 3, Section 36, Township 20 North, Range 5 East, Seward Meridian, Alaska.

Sec. 2. Said conveyance shall only be

made on condition that the land be classified as "Residential" under the division of lands classification system and that John J. Corey reimburse the state for all costs in connection with the transfer but not to exceed $10 per acre.

Became law without signature March 8, 1962

CHAPTER 21

AN ACT

Transferring between appropriations made to the Department of Public Works for the fiscal year ending June 30, 1962; and providing for an effective date.

(S.B. 236)

Be it enacted by the Legislature of the State of Alaska:

Section 1. The sum of $1,000 is transferred from the line item appropriation for Commodities, Construction and Engineering Branch, Division of Aviation, Department of Public Works for the fiscal year ending June 30, 1962, to the line item for Contractual Services, Construction and Engineering Branch, Division of Aviation, Department of Public Works, for the fiscal year ending June 30, 1962.

Sec. 2. The sum of $1,000 is transferred from the line item appropriation for Travel, Construction and Engineering Branch, Division of Aviation, Department of Public Works, for the fiscal year ending June 30, 1962, to the line item for Contractual Services, Construction and Engineering Branch, Division of Aviation, Department of Public Works, for the fiscal year ending June 30, 1962.

Sec. 3. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.

Approved March 12, 1962

CHAPTER 22

AN ACT

Providing for the designation of another officer to perform the authenticating functions of the secretary of state in his absence; and providing for an effective date.

(H.B. 358)

Be it enacted by the Legislature of the State of Alaska:

Section 1. The secretary of state may designate a head of a principal executive department, or more than one such officer in the alternative, who shall temporarily be custodian of the state seal and perform the authenticating functions of the secretary of state during such time as the secretary of state shall succeed to the office of governor, act as governor, be absent from the state, or otherwise not be available at the state capital to perform the above authenticating functions. The designation shall be in writing, signed by the secretary of state, and filed in the office of the secretary of state. The designation shall be effective until revoked by a later designation executed and filed in the same manner.

Sec. 2. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.

Approved March 13, 1962

CHAPTER 23

AN ACT

Relating to the penalty for putting or throwing rubbish, garbage, or material on Alaska

merce; provided however, notwithstanding any other provisions of this Act, any domestic bank holding company, as defined by Subsec. b, organized pursuant to Ch. 126, SLA 1957, which shall maintain its principal office and place of business in this state and conduct its principal operations in this state may acquire and own all or any portion of the voting shares or other capital stock of, or all or substantially all of the assets of, any corporation which is subject to the regulations of the Commissioner of Commerce under the provisions of this Act; provided further, any such holding company may be required to post a bond in an amount equal to the par value of the stock held by it with the Commissioner of Commerce under such conditions as may be prescribed by him to assure full protection to the public; provided, any such holding company shall be subject to an examination by the Commissioner of Commerce or a competent person designated by him whenever he deems it necessary, but not less than once each year, and that the actual cost of each examination shall be paid to the Commissioner by every holding company so examined, and the Commissioner may maintain an action for the recovery of such costs in any court of competent jurisdiction.

b. "Domestic bank holding company" means any domestic corporation, business trust, association, or other similar organization which on the effective date of this Act or hereafter is designated a holding company affiliate by the Board of Governors of the Federal Reserve System rather than a bank holding company per se because such company is an owner or holder of shares of stock in a single banking corporation rather than of two or more banking corporations.

c. The Commissioner of Commerce is empowered to promulgate rules and regulations regulating domestic bank holding companies to insure financially sound banking organization and practice.

d. Any person or persons, company, or corporation, or any of the officers, servants, agents, or employees of any such person, company, or corporation who shall violate any of the rules and regulations promulgated pursuant to Subsec. c. shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not more than $5,000, or by imprisonment for a period of not more than one year, or by both; and in the case of a corporation, by a fine of not more than $5,000.

Sec. 2. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.

Approved April 4, 1962

CHAPTER 54

AN ACT

Empowering and directing the director of the division of lands of the Department of Natural Resources to issue a patent to a portion of Lot 20, Section 1, Township 7 South, Range 13 West, Seward Meridian, Alaska; and providing for an effective date.

(C.S.S.B. 284)

Be it enacted by the Legislature of the State of Alaska:

Section 1. The director of the division of lands of the Department of Natural Resources is empowered and directed to convey fee title to certain state land described as a portion of Lot 20, Section 1, Township 7 South, Range 13 West, Seward Meridian, Alaska, to Charles B. Abbott, according to the following legal description:

Commencing at a G.L.O. Brass monument, which is the Southwest corner of Lot 14, said section, township, and range; thence due East 1560.00 feet to a point; thence South 0 degrees 01 minutes East 60.00 feet to a point; thence due East 90 feet to point of intersection to West line of said Lot 20; thence South 0 degrees 01 minutes East 79.00 feet on the West line of Lot 20 to a point designated as Corner Number 1 and POINT OF BEGINNING; thence South 54 degrees 05 minutes East 220.00 feet to a point

designated as Corner Number 2; thence North 35 degrees 55 minutes East 162 feet, more or less, to point of intersection with G.L.O. meander line of Kachemak Bay, which point is Corner Number 3; thence along the meander line in a northwest direction 220 feet, more or less, to a point from which the Point of Beginning bears South 35 degrees 55 minutes West, said point designated as Corner Number 4; thence South 35 degrees 55 minutes West 146 feet, more or less, to Corner Number 1 and POINT OF BEGINNING. The land thus described aggregates 0.79 acres, more or less.

Sec. 2. The conveyance provided for in this Act is in consideration of the voluntary relinquishment by Charles B. Abbott of a claim to this and several other contiguous lots in order to permit state selection and prompt development thereof. The conveyance is made at no cost to the patentee.

Sec. 3. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.

Approved April 4, 1962

CHAPTER 55

AN ACT

Relating to land preference rights; amending Subsec. (16), Sec. 5, Art. II, Ch. 169, SLA 1959, as amended by Sec. 4, Ch. 61, SLA 1960; and providing for an effective date.

(H.B. 440)

Be it enacted by the Legislature of the State of Alaska:

Section 1. Subsec. (16), Sec. 5, Art. II, Ch. 169, SLA 1959, as amended by Sec. 4, Ch. 61, SLA 1960, is amended to read:

(16) The Director may grant preference rights for the lease or purchase of Alaska lands in order to correct the past or future errors or omissions of any state or federal administrative agency where inequitable detriment would otherwise result to a diligent claimant or applicant due to situations over which the claimant or applicant had no control. The exercise of this discretionary power shall operate only to divest Alaska of its title to or interests in lands, and shall be exercised only with the express approval of the Commissioner. Any claimant who shows bona fide improvement of Alaska lands made prior to March 31, 1960, and who has in good faith sought to obtain title to such lands, but who through error or omission of others has been denied title thereto may, on a showing satisfactory to the Commissioner, be accorded a preference right to lease or purchase same at an appraised price determined by the Division. Error or omission of a predecessor in interest or an agent, administrator, or executor which has clearly prejudiced the claimant may be the basis for granting a preference right.

Sec. 2. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.

Approved April 4, 1962

CHAPTER 56

AN ACT

Relating to the fish and game resources of Alaska; amending Sec. 8, Art. II, Ch. 94, SLA 1959, as amended by Sec. 17, Ch. 131, SLA 1960; and providing for an effective date.

(H.C.S.C.S.S.B. 21)

Be it enacted by the Legislature of the State of Alaska:

Section 1. Sec. 8, Art. II, Ch. 94, SLA 1959, as amended by Sec. 17, Ch. 131, SLA 1960, is amended to read as follows:

Sec. 8. License Forfeiture. Upon con-

CHAPTER 91

AN ACT

Relating to the licensing of chiropractors; and providing for an effective date.

(H.B. 230)

Be It Enacted by the Legislature of the State of Alaska:

Section 1. AS 08.20.120 is amended to read:

Sec. 08.20.120. **Qualifications for License.** An applicant shall be issued a license to practice chiropractic if he

(1) is at least 21 years of age;

(2) has had a high school education or its equivalent;

(3) has successfully completed at least two academic years of study in a college of liberal arts or sciences;

(4) is a graduate of a legally chartered accredited school or college of chiropractic, approved by the board, which requires for graduation a residence course of instruction of not less than four years of nine months each;

(5) passes an examination given by the board;

(6) has a certificate of registration in the basic sciences as provided by AS 08.16.200.

Sec. 2. AS 08.20.130(c) is amended to read:

(c) A general average rating of 75 per cent is a passing grade on the examination.

Sec. 3. AS 08.20 is amended by adding a new section to read:

Sec. 08.20.135. **Associate.** A person who complies with sec. 120(1), (2), (4), (5), and (6) of this chapter shall, pending compliance with sec. 120(3) of this chapter, be licensed to serve as an associate in an existing chiropractic clinic or office under the direct supervision of a licensed chiropractor for a period not to exceed three years.

Sec. 4. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.

Approved April 22, 1965

CHAPTER 92

AN ACT

Empowering and directing the director of the division of lands, Department of Natural Resources, to lease certain real property to Pioneer Memorial Park, Inc., an Alaska nonprofit corporation, for a limited use; and providing for an effective date.

(C.S.H.B. 238)

Be It Enacted by the Legislature of the State of Alaska:

Section 1. The Legislature finds that it is in the best interests of the state to convey certain lands in the Fairbanks Recording District to Pioneer Memorial Park, Inc., under certain unique conditions.

Sec. 2. The Legislature further finds that a conveyance which would be satisfactory in this situation could not be made under the existing general sale or leasing laws, and that any reasonable general sale and leasing laws which the Legislature might enact, and which would be acceptable in the vast majority of sale or leasing situations, would necessarily be, like the existing general laws, too restrictive or inapplicable in this situation, and would not provide for the multiple and special uses which are present in this situation.

Sec. 3. The Legislature further finds that the instant situation is of a rare and unique nature, and that the necessary and desirable conveyance can be accomplished only by a special act of the Legislature.

Sec. 4. The director of the division of lands of the Department of Natural Resources shall offer, by noncompetitive lease, to Pioneer Memorial Park, Inc., an Alaska nonprofit corporation, the following scribed real property in the Fairbanks cording District:

A parcel of land located within section 9, T. 1 S., R. 1. W., Fairbanks Meridian, consisting of: all and the whole of section Lot 12, of said section 9, and that portion of the SW ¼ SW ¼ of said section 9 which lies north of the north right-of-way line of Airport Road, said right-of-way being 50 feet on either side of said road center line, all of the above said land containing 44.85 acres, more or less.

Sec. 5. The lease shall be for a term of 55 years and for a nominal rental, conditioned upon the use of the land as a site of a pioneer park which is to include a facility for the preservation and display of historical items for the benefit of all Alaskans, students and tourists. The director may impose limitations in the lease which will ensure that the use of the land will be consistent with this basic purpose and in the best interest of the state. The lease may provide for a limited number of profit-making concessions, which will not detract from the primary use of the land as a pioneer park, and for subleases.

Sec. 6. The lease shall be granted only on the condition that Pioneer Memorial Park, Inc., immediately sublease the property to 67 North, a nonprofit Alaska corporation, or its successor, for use as a site for the 1967 centennial exposition and celebration. The term of the sublease shall be for as long as is necessary to accomplish this purpose, but not to exceed five years. The sublease may provide for a rental not to exceed one per cent annually of the fair market value of the property, excluding improvements, as determined by the director, and shall provide for construction, at no expense to Pioneer Memorial Park, Inc., of at least one structure suitable for use as a permanent exhibit hall for the pioneer park. The sublease shall provide that the property be returned to Pioneer Memorial Park, Inc., in a condition suitable for its use as a pioneer park. The sublease shall be subject to approval by the director, who may require other provisions which are in the best interest of the state.

Sec. 7. (a) Nothing in this Act shall prevent the director from including any provision in the lease or requiring any provision in a sublease which he considers to be in the best interest of the state.

(b) The director may agree with the Board of Regents of the University of Alaska that the Board of Regents may exercise any or all of the powers vested in the director by the lease.

Sec. 8. All transfers and management agreements concerning the property described in sec. 4 of this Act, made by or between state agencies, including the University of Alaska, are revoked and terminated.

Sec. 9. The director shall offer the lease within a reasonable time after this Act takes effect.

Sec. 10. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.

Approved April 22, 1965

CHAPTER 93

AN ACT

Permitting treatment of residents in isolated areas by Public Health Service dentists and physicians.

(H.B. 244)

Be It Enacted by the Legislature of the State of Alaska:

Section 1. AS 08.36 is amended by adding a new section to read:

Sec. 08.36.271. Permits for Isolated Areas. (a) The Departme. of Health and Welfare shall designate as isolated areas those specific places and regions remote from major population centers which are not served by dentists licensed under this chapter and which have a

#3610

Alaska Division of Emergency Services

Financial Impact (HB-941)

Monies owed City of Anchorage (Sub Lease)

FY-75 - # 23,116.80
FY-76 - 23,116.80
FY-77 - Encumbered 23,116.80
FY-78 - 23,116.80
FY-79 - 23,116.80

92,467.20 Required Supplemental (Total Lease

Sub lease runs through June, 1979.

In addition To above, impact is as follows:

Commercial Rental in Anchorage # 100,000.00 per year (if available) Commencing in FY-80.

Removal and re-installation of communications equipment # 100,000.00, in FY-80.

THE FOLLOWING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

Lorence / Davis / Smith 7-17-74 11:30 AM D.C.

Sent by Highway TeleType: 274-1321 "RM"

BRUCE CAMPBELL COMMISSIONER OF HIGHWAYS

ATTENTION FRANK BAXTER, DEPUTY DIRECTOR, ADMISTRATION

THIS IS TO CONFIRM THE CONTINUANCE OF THE DEPARTMENT OF HIGHWAYS, DEPARTMENT OF MILITARY AFFAIRS AGREEMENT EFFECTIVE APRIL 17, 1972, THROUGH JUNE 30, 1973, FOR THE ALASKA DISASTER OFFICE HEADQUARTER SPACE IN THE OLD ANCHORAGE HIGHWAY COMPLEX. IN ANY SALE AGREEMENT WITH THE CITY OF ANCHORAGE, PLEASE PROVIDE CONTINUED HEATED GARAGE SPACE FOR OUR EMERGENCY COMMUNICATIONS VAN VALUED AT $150,000. ALSO, IF POSSIBLE, ALLOW CONTINUED USE OF THE QUONSET HUTS UNTIL OTHER WAREHOUSING CAN BE PROVIDED.

DONALD LOWELL/DIRECTOR/ALASKA DISASTER OFFICE.

AGREEMENT

Between: DEPARTMENT OF HIGHWAYS and DEPARTMENT OF MILITARY AFFAIRS

The Alaska Disaster Office, Department of Military Affairs, is located in Department of Highways Building #400-140-701 (T-07559) at 1306 East 4th Avenue, Anchorage, Alaska.

The space assigned to the Alaska Disaster Office consists of a total of 9,632 square feet.

The Department of Military Affairs will be charged 20 cents a square foot, or $1,926.40 a month, $23,116.80 a year for office and shop area space.

This charge will be the proportionate share of expenses for heat and utilities for the building. Maintenance and janitorial services for space assigned to the Alaska Disaster Office will be the responsibility of the Department of Military Affairs. All costs incurred in performing same will be paid by them.

It is understood and accepted that the duration of this space rental agreement may be terminated upon a sixty (60) day notice whenever disposal of land and buildings at 1306 East 4th Avenue becomes required. Otherwise, the duration of this lease will be from April 17, 1972, through June 30, 1973.

B. A. Campbell
Commissioner
Department of Highways
State of Alaska

Major General William S. Elmore
Adjutant General
Department of Military Affairs
State of Alaska

STATE of ALASKA

MEMORANDUM

TO: Donald Lowell, Director
Alaska Disaster Office
Department of Military Affairs

DATE: April 4, 1975

FROM: Andrew S. Nerwick
Commissioner
Department of Administration

SUBJECT: Old Anchorage Highway Complex

Thank you for your letter regarding the requested sublease for the subject.

I have forwarded copies of the Lease Purchase and proposed Sublease for the complex to the Attorney General and requested that he make a determination of the legality of the Lease Purchase Agreement. Prior to further action on the proposed Sublease, we must have the Attorney General's decision on the Lease Purchase Agreement.

Your previous correspondence concerning this complex indicates that you are somewhat familiar with the circumstances of the Lease Purchase, therefore, I will not explain further. However, I must request your patience until we can obtain further word from the Attorney General.

By copy of this memorandum, Mr. Avrum Gross is requested to provide a decision relative to the above at the earliest convenience.

Thank you, and we will advise you of the outcome.

ANCHORAGE AK JULY 17, 1974 1722GZ ACO

B CAMPBELL
COMMISSIONER HWYS
344-2121 EXT 111

ATTN FRANK BAXTER/DEPUTY DIRECTOR, ADM

THIS IS TO CONFIRM THE CONTINUOUS OF THE DEPARTMENT OF HIGHWAYS, DEPARTMENT OF MILITARY AFFAIRS, AGREEMENT EFFECTIVE APRIL 17, 1972, JUNE 30, 1973, FOR THE ALASKA DISASTER OFFICE HEADQUARTERS SPACE IN THE OLD ANCHORAGE HIGHWAYS COMPLEX. IN ANY SALE AGREEMENT WITH THE CITY OF ANCHORAGE PLEASE PROVIDE CONTINUE HEATED GARAGE SPACE FOR OUR EMERGENCY COMMUNICATIONS VAN VALUED AT $15?,CCC. ALSO, IF POSSIBLE, ALLOW CONTINUE USE OF THE QUONSET HUTS UNTIL OTHER WARE-HOUSING CAN BE PROVIDED.

DONALD LOWELL
DIRECTOR/DISASTER OFFICE

1722GZ CAW

DH-4A2
8-69

STATE OF ALASKA
DEPARTMENT OF HIGHWAYS

SECTION ADMINISTRATIVE DIRECTOR

DATE JULY 17, 1974

FILE NO. [illegible]

TELETYPE

DONALD LOWELL
DIRECTOR/DISASTER OFFICE
ANCHORAGE

RE YOUR TWX OF JULY 17, 1974, WE AGREE TO CONTINUE THE LEASE BETWEEN THE DEPARTMENT OF HIGHWAYS AND THE DEPARTMENT OF MILITARY AFFAIRS UNDER THE TERMS OF THE ORIGINAL CONTRACT. YOUR ADDITIONAL REQUESTS WILL BE TRANSMITTED TO THE CITY OF ANCHORAGE.

FRANK BAXTER
DEPUTY ADMINISTRATIVE DIRECTOR
DEPARTMENT OF HIGHWAYS
JUNEAU

FB/kk

mplex

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you

TO: Donald Lowell, Director
Alaska Disaster Office
Department of Military Affairs

DATE: August 22, 1975

FROM: A. M. Saylors, Director
Division of General Services & Supply
Department of Administration

SUBJECT: Old Anchorage High

Pursuant to my recent discussion with the Attorney General's off
hereby advised to immediately terminate rent payments to the Ci
for space occupied in the subject facility. The rent monies sh
in a pending status until the Attorney General's office resolve
situation.

Your patience and cooperation in this matter are appreciated.
have further questions don't hesitate to ask.

cc: Andrew S. Warwick, Commissioner
Rodger Pegues
Lois Richardson
Leasing & Facilities

THE PRECEDING DOCUMENT(S) MAY NOT FILM
LEGIBLY BECAUSE OF POOR QUALITY OF THE
ORIGINAL.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K – STATE CAPITOL
JUNEAU 99811

May 15, 1978

Honorable Chancy Croft
Alaska State Senate
Pouch V, State Capitol
Juneau, AK 99811

Re: CS HB 941

Dear Senator Croft:

I am writing this letter to you at the request of Representative Rudd. It is my understanding from her that the free conference committee wishes to know the State's side of the case involving what is commonly referred to as the "Old Anchorage Highway complex" located at Third and Post Road in Anchorage. You should be aware that this letter expresses no view on the question of the legality of CS HB 941. Frankly, I have serious doubts that the legislature can "ratify" an illegal transaction.

The litigation involving the Old Anchorage Highway complex began in the summer of 1976 with the filing of a complaint by the State. In July of 1977, the State moved for summary judgment and oral argument on the State's motion was held on September 26, 1977. Additional oral argument was held in the fall of 1977 and final oral argument was heard on April 25, 1978. We are now awaiting the court's decision.

I. Facts of the Case

The land referred to as the Old Anchorage Highway complex came to the State pursuant to the Alaska Omnibus Act of June 25, 1959 and was accepted by the Governor on behalf of the State on July 2, 1959. From that date until late 1973, the property and buildings located thereon were utilized by the Department of Highways as a maintenance yard and office compound.

The Department of Highways discontinued use of the property in 1973 and the property remained virtually unused until late 1974. During this period of inactivity, discussions ensued among various State departments concerning the best use to be made of the property. It was definitely conceded by all that the State did have a need for the property.

On October 21, 1974, during the course of the discussions concerning use of the property, it came to the attention of the Department of Law that the Commissioner of the Department of Highways was engaged in negotiations with the Municipality of Anchorage for the property's lease and possible sale. The Department of Law examined the issue and wrote a memo concluding that the Commissioner of the Department of Highways did not have the authority to enter into a lease-purchase agreement concerning the subject property.

Prior to writing that memorandum, David Shaftel, an attorney representing the Municipality in the negotiations, contacted Richard Bradley of the Department of Law. He advised Mr. Bradley that he was reviewing the purchase of the property by the Municipality and had certain misgivings about the legal aspects of the purchase. Mr. Bradley and Mr. Shaftel discussed the legality of the lease-purchase and Mr. Bradley informed Mr. Shaftel at the time that his conclusion was that the Commissioner of the Department of Highways did not have the authority and he specified which statutes he based his decision on.

Despite having knowledge that the Department of Law believed the Commissioner of the Department of Highways did not have the authority to enter into the lease-purchase agreement, the Municipality entered into the agreement on November 13, 1974. The agreement provides that the Municipality of Anchorage will pay $100,000 a year rent for ten years and $10,000 per year, starting the second year for ten years, for an option to purchase. The purchase price is set in the agreement at $1,126,000. The agreement does not provide for the payment of any interest whatsoever. In other words, at the end of ten years, the Municipality will have paid $1,000,000 in rent and $90,000 for the option to purchase, making a total of $1,090,000. By paying $36,000 at the end of ten years, the Municipality would be the owner of the property under the agreement. What the agreement really amounts to is nothing more than a ten-year interest-free loan in the amount of $1,126,000. The end result would be that despite tremendous inflation having occurred during the life of the agreement, and despite the continuously rising property costs in the Anchorage area, the Municipality will be in a position to purchase the property in 1984 at its 1974 value. The difference between the two amounts in this particular case could be as much as $3-4,000,000.

II. Legal Issues

Three major legal issues are involved in the litigation:

A. Which State agency first obtained jurisdiction over the subject property?

Under AS 38.05.030(b), all lands assigned by the Division of Lands to the Department of Highways are required to be returned to the Division of Lands when no longer needed by the Department of Highways. It is therefore important to determine whether the subject property constitutes property assigned by the Division of Lands to the Department of Highways. It is the State's position in the lawsuit that the subject property first came within the jurisdiction of the Division of Lands for the reason that AS 37.20.030(b) provides all Omnibus lands received from the federal government fall within the jurisdiction of the Department of Natural Resources.

The Municipality has taken the position that the property first came within the jurisdiction of the predecessor of the Department of Highways under AS 37.20.030(c), which provides that all public buildings accepted from the federal government under the Omnibus Act are subject to the jurisdiction of the Department of Public Works. Given the fact that the 1974 appraisal of the subject property found the buildings to be of no value while the land was valued in excess of $1,000,000, we believe the Municipality's assertion that public buildings, and not land, are at issue has no basis in fact.

B. Whether the Commissioner of the Department of Highways possessed the authority to sell State property of the type at issue?

The State has taken the position that even if the subject property is found to have first come within the jurisdiction of the predecessor of the Department of Highways, the Commissioner of the Department of Highways had no authority to sell the property, based upon AS 38.05.030(d) which specifically mandates that the Department of Highways turn over to the Division of Lands jurisdiction over all property it no longer needs except for property acquired by eminent domain or purchase. The subject land not having been acquired by eminent domain or purchase, the Commissioner of the Department of Highways had no choice but to turn the land over to the Division of Lands when it was no longer needed by his Department.

The Municipality has argued that under AS 19.05.070, the Commissioner of the Department of Highways had the authority to dispose of the property for it constituted property "no longer necessary for highway purposes." Again, in the State's view the Municipality's argument is without merit. What AS 19.05.070 was intended to do was to authorize the Commissioner of the Department of Highways to dispose of essentially remnant pieces of property. For example, if the Department of Highways had condemned a portion of property only to find after construction of the highway that a small piece of the property was unnecessarily condemned, the Department under AS 19.05.070 could return the land to its prior owner or an adjacent landowner or sell the land outright. This interpretation is borne out by the committee report on Ch. 35 SLA 1971 which appears at 1971 House Journal, page 776.

If the court were to side with the Municipality, the result would be an ad hoc land acquisition and land disposal system for the State with various departments acting as entirely independent entities in purchasing and disposing of property. What the State has sought from the court is a determination that there exists but one department responsible for disposing of all State property and that department is the Department of Natural Resources. We believe this is what the Legislature intended when it enacted AS 38.05 et seq., the Alaska Land Act, which states at AS 38.05.035(a)(7) that the Director of the Division of Lands is to have jurisdiction over all State lands.

C. Whether there was adequate public notice prior to entrance into the lease-purchase agreement?

Article VIII, Section 10, of Alaska's Constitution provides:

> No disposals or leases of State lands, or interests therein, shall be made without prior public notice and other safeguards of the public interest as may be prescribed by law.

The only notice given prior to the signing of the lease-purchase agreement was the listing of the lease-purchase agreement as one of at least nineteen agenda items to be considered at an Anchorage City Assembly meeting. It is

the State's view that the constitutionally required public notice means more than the mention of the transaction on a City Assembly agenda. It is just not reasonable to expect citizens to look to the agenda of an Anchorage City Assembly meeting to determine what is happening with the public's property.

The above is a succinct summary of the case and only briefly addresses the major legal issues. The facts of the case make it apparent that the Municipality of Anchorage saw a good deal and took it. And they did so with full knowledge that the Attorney General's office considered the transaction to be illegal. The arguments presented to the court by the Municipality are nothing more than attempts to justify ex post facto the Municipality's prior misconduct. Any ratification of the lease-purchase agreement would allow the Municipality to retain its outrageous bargain at the expense of the State and the public. It would also mean that two years of effort by the Department of Law have been wasted.

Sincerely,

AVRUM M. GROSS
ATTORNEY GENERAL

By:
Richard M. Burnham
Assistant Attorney General

RMB/bl

F. Mun. Af
AJC

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2525

GEORGE M. SULLIVAN,
MAYOR

OFFICE OF THE MUNICIPAL ATTORNEY

April 5, 1978

Senator Joseph Orsini
Pouch V
Juneau, Alaska 99811

Dear Senator:

On November 14, 1974, the City of Anchorage and the State of Alaska entered into a Lease Purchase Agreement whereby the City leased from the State the industrial complex situated at the intersection of Third Avenue and Post Road in Anchorage. During territorial days, the complex was utilized as a maintenance and operations center for equipment for the Federal Bureau of Public Roads in Southeast Alaska. It was conveyed to the State of Alaska under the Omnibus Act of 1959 and was utilized as the Southcentral office and maintenance center of the Department of Highways and its predecessors until the Department moved to the new complex on Tudor Road in 1974. The Lease Purchase Agreement, which was negotiated at arm's length between the City and Commissioner Campbell between 1971 and 1974, provided that the City would pay the State rent of $100,000.00 per year plus $10,000.00 per year for the option to purchase. The term of the lease was to run for 10 years from August 14, 1974, and the purchase price, if the City chose to exercise the option, was to be $1,000,000. Prior rent and option payments were to be credited to the purchase price. Since August, 1974, the former highway complex has been used by the City and, for a time after the unification in 1975, by the Municipality of Anchorage, as a central maintenance center for city vehicles and, more importantly, as the maintenance center for the People Mover--a mass transit system which serves the needs of half the population of Alaska. If disputes surrounding this property can be resolved, the Municipality intends to utilize the former highway complex as a satellite operations center for the People Mover.

Shortly after the present administration took office, the State announced its intention to repudiate the Lease Purchase Agreement. It has subsequently filed a lawsuit to have the Agreement declared null and void and to have the Municipality ejected from the premises. The suit alleges that the Commissioner of Highways lacked authority to enter into the Lease Purchase Agreement, that the Director of the Division of Lands was the only official who could execute such an agreement, that appropriate public notice was lacking, and that the

property was appraised six, rather than three months prior to the effective date of the Agreement. The matter is still pending before the courts.

During the course of negotiations the Commissioner of Highways repeatedly assured City officials that he had full authority to execute the Agreement. The property was appraised by the State in February, 1974, six months prior to initiation of the Lease in August, 1974. The appraised value was a little over $1,000,000.00, approximately the purchase price set forth in the Agreement. Yearly rent paid to the State by the City is approximately 10% of the appraised value.

If the state succeeds in its efforts to have the Lease invalidated, the Municipality will need to seek new quarters for the pr[illegible] maintenance and operations center for the People Mover. [illegible]e property values in downtown Anchorage have been escalat[illegible] at approximately 2% per month since 1974 when the Agreement was executed, the cost of such relocation would be extremely oppressive to the taxpayers and highly disruptive to the financial structure of the mass transit system. The spectacle of the State seeking to interfere with the future growth of the Municipality's mass transit system through invalidation of the Lease becomes even more ridiculous when one considers that the State pays the Municipality $857,710 a year in state revenue sharing to promote mass transit.

The State's suit is even more ridiculous when one considers the past history of cooperation between local government in Anchorage and the State concerning matters affecting the public interest. For many years, the City of Anchorage provided the street light systems for the portion of the State Highway system within the City at no cost to the State. The Municipality has continued to do so. The City of Anchorage has leased 8.7 acres of valuable land at Lake Spenard to the State as a site for the National Guard at a lease rate of $1 a year for 102 years. In addition, the City leased the State Division of Aviation 21 acres of valuable land adjacent to the shore line of Lake Spenard at the nominal rate of $1,800 a year.

Basis of the State's Challenge to the Lease Purchase Agreement

The State contends that the Lease Purchase Agreement should be invalidated because the Commissioner of Highways lacked authority to execute it, that adequate public notice was not given, and that the property was appraised six months, rather than three months, prior to the effective date of the Agreement. The critical question is whether the Commissioner had such authority; unfortunately, that answer is masked in a bewildering tangle of statutes.

AS 38.05 (The Alaska Land Act) requires that most conveyances of state land be made by the Director of the Division of Lands, pursuant to the provisions of the Land Act. However, AS 38.05.030(B) of the

Alaska Land Act exempts certain conveyances by the Department of Highways from the procedural requirements of the Land Act. It provides:

> (B) The provisions of this chapter do not apply to any power, duty or authority now or in the future granted to the Department of Public Works and the Department of Highways in the name of the state, to acquire, use, lease, dispose of, or exchange real property, or any interest in real property. Lands assigned by the Division of Lands to the Department of Public Works and the Department of Highways shall be returned to the management of the Division of Lands when they are no longer needed for the purposes assigned.

AS 38.05.030(d) provides:

> (d) Real property acquired by, and under the management of, the agencies referred to in (a) and (b) of this section, which is no longer needed for its intended use, shall be returned to the jurisdiction of the Division of Lands, except that the Department of Highways may dispose of real property acquired by it under AS 19.05.040(2) and AS 19.05.080-19.05.120.

AS 19.05.070 gave the Commissioner of Highways the following powers to dispose of land:

> 19.05.070. Vacating and disposing of land and rights in land.
>
> (a) The department may vacate land, or part of it, or rights in land acquired for highway purposes, by executing and filing a deed in the appropriate recording district. Upon filing, title to the vacated land or interest in land inures to the owners of the adjacent real property in the manner and proportion considered equitable by the commissioner and set out by him in the deed.
>
> (b) If the department determines that land or rights in land acquired by the department are no longer necessary for highway purposes the department may:
>
> (1) transfer the land or rights in land to the Department of Natural Resources for disposal, or
>
> (2) sell, contract to sell, lease, or exchange land or rights in land according to terms, standards and conditions established by the commissioner.
>
> (c) Proceeds received from disposal of land or rights in land as authorized by this section shall be credited to the

> funds from which the purchase of the land was made originally. (§ 4 art IV title IV ch 152 SLA 1957; am § 4 ch 35 SLA 1971).

The key question is whether the highway complex was ever assigned to the Department of Highways by the Division of Lands. If there was an assignment, the property should be returned to the Division of Lands for conveyance. If not, the Commissioner of Highways had the authority to execute the Lease Purchase Agreement. The State concedes there was no express assignment by the Division of Lands; however, it argues that there was a constructive assignment by operation of law. Historically, the situation is very confused.

In 1959, the State received the highway complex from the United States under the Omnibus Act. Chapter 176 SLA 1959 provided that public lands were to fall into the jurisdiction of the Division of Lands or its successor and all public buildings were to be placed under the jurisdiction of the Alaska Highway and Public Works Department or its successor. In 1974 the Department of Highways was a direct successor in interest to the Alaska Highway and Public Works Department, being created from the Public Works Department by Executive Order No. 23 in 1962. The latter vested the Department of Highways with all highway powers and responsibilities formerly exercised by the previous department. The highway complex was used as the Anchorage headquarters for the Department until 1973. These factors indicate that the Commissioner of Highways had authority to execute the Lease Purchase Agreement, but it will probably take a Supreme Court ruling a year or two hence to decide the matter finally.

Public notice of the transaction was given in the Anchorage Daily Times concerning Anchorage City Council consideration of the Lease Purchase Agreement although it was not formally given by the State. If the transaction is not covered by the Alaska Land Act, as discussed above, Alaska Statutes did not require public notice.

The property was appraised by the State by Paul M. Dirksen in February, 1974, some six months prior to August 14, 1974, the date of the Agreement. The State alleges that the transaction is invalid because the appraisal was made six, rather than three months, prior to the effective date.

If the Agreement is invalidated as a consequence of lack of notice and deficiences in appraisal, title to hundreds, if not thousands, of other land conveyances by the State could be affected. I have enclosed a copy of an Affidavit of Dale Tubbs, formerly of the Division of Lands, which indicates the effect that invalidation of this conveyance for want of notice and appraisal would have upon other conveyances if the same standards were applied.

Appropriate Remedy

The Municipality believes the Commissioner of Highways had authority to execute the Lease Purchase Agreement and that it was an entirely proper conveyance. However, because of the State's challenge, the issue will probably not be resolved for at least another year or two because of litigation. In the meantime, the future of the State's largest mass transit system is cast into doubt because of the hopeless ambiguity of statutes concerning the authority of the Commissioner of Highways to make the conveyance. The Municipality has put many thousands of dollars into improving the property to keep the building habitable and in conformity with OSHA standards. The Municipality believes that because of the confused statutory situation and because of the State's commitment to improving mass transit in urban Alaska, that the Legislature should resolve this impasse by enacting a bill doing two things:

1. Ratifying the actions of the Commissioner of Highways in executing the Lease Purchase Agreement;

2. Directing the Commissioner of Natural Resources and the Director of the Division of Lands to approve the Lease Purchase Agreement as a conveyance to another government entity pursuant to AS 38.05.315(A). The following provision allows the Director of the Division of Lands to convey or lease to another government body for less than fair market value and without auction.

Such legislative action has been used frequently in the past. Examples are Chapter 144 SLA 1961; Chapter 20 SLA 1962; Chapter 54, SLA 1962; and Chapter 92, SLA 1965, copies of which are enclosed.

I have enclosed a copy of the draft bill which probably accomplishes these things. There is no pride in authorship, so please feel free to rework the draft as you see fit.

Thank you for considering this matter. Speedy resolution of the dispute could end an unseemly battle between government entities at the taxpayers' expense and remove a cloud from the future of mass transit in Anchorage.

Sincerely yours,

Theodore D. Berns
Municipal Attorney

TDB/ckb

cc Rep Rudd

SCR

125

Official Business

Alaska State Legislature

Senate

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

June 9, 1978

LETTER OF INTENT

Information received by the Senate Community and Regional Affairs Committee has identified six sections of the coastal zone regulations submitted by the Alaska Coastal Policy Council which, in the opinion of the Committee, warrants change. These appear in the standards for timber harvest (6AAC 80.100). Three of these sections, namely 6AAC 80.100 (a),(b)(3), and (d) were deleted entirely by the House of Representatives. We concur in this result.

There are three other sections which are also of concern. Section (b)(2) of the regulations, as submitted by the Policy Council, requires that timber harvest activities in the coastal area be conducted so as to "assure unrestricted fish movement in coastal waters". The word "unrestricted" as appears in this section is absolute in its requirement, therefore placing an unreasonable burden upon the timber industry. On the other hand, the Committee does desire that fish movement in coastal waters be assured. Since we cannot amend this section and therefore have a choice only between adopting it entirely or deleting it entirely, we wish to pass the section without change. However, we strongly urge the Alaska Coastal Policy Council to delete the word "unrestricted" as it appears in this section for the reason given.

For the same reason we also urge the Alaska Coastal Policy Council to delete the word "unrestricted" as it appears in Section (c)(4). Again, we will pass this section as written, but believe that the word "unrestricted" places an unreasonable burden upon the timber industry.

Finally, we urge the Alaska Coastal Policy Council to delete the words "potential for" in Section (b)(1) as submitted by the Council. As presently written, that section requires that timber harvest activities in coastal areas be conducted so that "the location of facilities and the layout of logging systems shall be managed so as to minimize potential for adverse environmental impacts". Industry should minimize adverse environmental impacts. However, the words "potential for" add an open-ended burden, the meaning of which we are uncertain; we therefore strongly urge that these words be deleted by the Alaska Coastal Policy Council.

It is the intent of the Committee with respect to the timber harvesting process section under review that, for the reasons stated above, the Alaska Coastal Policy Council review the sections discussed above and resubmit them with the recommended changes.

Joe Orsini

JOE ORSINI, Chairman

SENATE COMMUNITY & REGIONAL AFFAIRS
COMMITTEE MEETING

June 9, 1978

Present: Senators Orsini, Ferguson, Sumner and Willis

Absent: Senator Hackney

The Senate Community and Regional Affairs Committee met directly after session this day and passed out CSHB 134 with "INDIVIDUAL RECOMMENDATIONS" and CSHCR 125 am (C&RA) with a 'Letter of Intent' that passed out with "INDIVIDUAL RECOMMENDATIONS".

ALASKA HOUSE OF REPRESENTATIVES

Community and Regional Affairs Committee

LISA RUDD, Chair

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3870

LETTER OF INTENT -- CSHCR 125

By the Community and Regional Affairs Committee

Testimony received by the Community and Regional Affairs Committee identified two provisions of regulations submitted by the Alaska Coastal Policy Council for which change is suggested. Both bear upon the desire of members of the committee to maintain the broadest possible opportunity for public participation in the understanding of the process of developing district and state coastal management programs. Specifically,

(1) in 6 AAC 85.120(b), it is the intent of the committee that, in addition to giving of notice of public hearing by newspaper advertisement, where no newspaper of general circulation exists within a community or region, general notice should be given by radio;

(2) in 6 AAC 85.140, it is the intent of the committee that broad public circulation through general notice or radio broadcast be given to recommendations of the Coastal Policy Council in its review of district programs, that the public at-large (rather than only those persons specifically served a written copy of the Council's recommendation) have opportunity to respond with written comments, and that the public at-large enjoy the opportunity to attend all subsequent sessions, including mediation sessions.

Language adopted by the Coastal Policy Council in each of the sections cited complies with the letter of each underlying statute; the committee recommends reconsideration and change to more nearly accord with the spirit of public participation and understanding which is the basis of the coastal management program.

Lisa Rudd

LISA RUDD, CHAIR
HOUSE C&RA COMMITTEE

LR/vb

Agricul-
TURE

Allen Zinn

745-3236

3/24/78

Primarily from an interview
for eg. a ... + formula

did not consider other
competing factors - e.g.
... residential development

Joe
F. Ag/21

NOTES ON TELCON WITH ALLAN LINN RE SB 14 - 2-23-78

Linn confirmed that neither he nor the Division of Agriculture was involved in drawing up the criteria for the formula which the Division of Lands devised for the classification of agricultural lands under the bill. Nor was he actively involved in the classification process itself for the lands.

He pointed out that the Division of Lands has the responsibility for land classification and that the Division of Agriculture does not have the funding to carry out such a classification process. Linn said that he had no problems with the agricultural criteria set up by the division of lands, but noted that his expertise and involvement lay in the direct agricultural assessment, not in determining the applicability of access, other potential land uses, transportation facilities, state policies on d-2, etc.

Ben Harding

LINN COMMENTS RE CSSB 14 am IMPLEMENTATION

Linn said that the classification of state agricultural land had not been carried out by his office (the Division of Agriculture) but by the Division of Land.

He said he was not specifically aware of how much of the 650,000 acres called for in CSSB 14 had been classified, but he recalled the following general figures:

first year - 85,000 acres - scattered in the Susitna valley, Nenana, the Chena river valley, and possibly Kenai.

2nd year -125,000 acres - primarily in the Delta area for the barley project.

He was not directly aware that any "formula" had been used to classify agricultural land under CSSB 14. He did say, however, that the Division of Land had developed a process in which a number of factors were quantified and weighed to evaluate whether lands should tentatively be classified as agricultural or not. He said he could not rule out the possibility that Division of Land people might have used this weighing process to select land under CSSB 14, although he said he was aware it was being used for the state's agricultural selections under d-2. He also mentioned that "access to transportation" was one of the factors that was used in the process.

He assumed, however, that the classification of agricultural land has been completed for CSSB 14.

The state is using data compiled by the USDA Soil Conservation Service to estimate its total potential agricultural land. The SCS figure is 17.5 million acres, which Linn said has been revised upwards, since the SCS estimates are deliberately low. Linn said that the SCS is the only agency which has been involved in field work to select agricultural land. The state has not been, and Linn asked for $200,000 in his budget to be used as a contribution to the SCS work. That amount, he said, was deleted in the administration's budget.

Ben Harding
3-14-78

D. Hanson Interview 3/23/78

SB 14

State land
- 432 K in detailed survey by USGS
- 56 K reconnaissance " "

87 K clear since statehood - much sold
170 K " " passage of act

only 130 K more in all that is possible (w/ G. Johnson full time)
brought to oppose ; ~~[redacted]~~ smaller blocks

C. J been working w/SCS - sm. to U(14) passed

some ~~[redacted]~~ state matching funding for SCS -
DH will find out $

C. J worked w/Tom on land [illegible] suitability

"small" areas dropped
- Rice area - Ft-Ks - 4-6 K acres
- Ft C. " - Sinclair - ~30 K acres

w. Valley potato area

FY 77 - ? fiscal note ?
FY 78 & 79 - in DNR budget ?

acquis of info – recon survey cost ?

~~action~~

relative value & formalities

Dir Ag – criteria
" – weighting
" – rating scales
" – quant. input for each area of land

maps – SCS maps & ESCUPC maps

weighting of criteria

DNR COMMENTS REGARDING THE IMPLEMENTATION OF CSSB 14 am

Summary

At this time, 165,144 acres have been classified for agricultural use under the bill, according to Gary Johnson, Planning and Research Section, DNR. Another 479,185 acres have been identified, but not classified, for agricultural potential. "Things look tight" for the classification of 650,000 acres by the end of the three year deadline in CSSB 14. Additional funds and manpower could ensure that the minimum acreage figure could be classified. Although some land between Circle and Fort Yukon has been tentatively applied for by the State from the BLM, the decision was apparently made by the State not to request agricultural land in the heart of the Yukon Flats, even though this is the best contiguous farming land in Alaska, because of the d-2 situation.

Location and Amount of Land Classified

Johnson gave the following breakdown of the 165,144 acres so far classified:

Jan. 1977	Kenai area	6,798	acres
" "	Mat-Su area	33,638	"
" "	Fairbanks	4,393	"
" "	Nenana/Tolchaket	42,119	"
Nov. "	Delta (barley project)	78,205	" (est.)

An additional 479,185 acres have been identified as potentially classifiable into an agricultural use category.

Johnson also believes that further agricultural acreage could be found in the following areas:

Delta	50,000	acres
Nenana/Tolchaket	25/30,000	"
Nenana (elsewhere)	120,000	"

He said that there is significant agricultural potential for land in the Susitna valley, but that insufficient funds and land data have so far prevented its identification and classification.

Johnson said that "things look tight" for meeting the 650,000 acreage figure set by CSSB 14 am within the three year time frame. He said, however, that he could not say that it was impossible but indicated that with increased funding and manpower it was more likely that sufficient land can be found and surveyed for agricultural use. At this time, the State has no capability to perform soil surveys in the field. The USDA Soils Conservation Service is the only agency doing such work and the State is using this data. Johnson thought that $50,000 had originally been considered for a matching grant to the SCS to carry out additional soil survey work but he did not know whether the money was still in the administration's budget.

Agricultural Potential of the Yukon Flats and D-2

According to Johnson, the Yukon Flats and the Delta area contain the greatest amount of contiguous, good quality agricultural land in Alaska. Of the two areas, the Yukon Flats is the best. The State has tentatively applied for land with the BLM between Circle and Fort Yukon, but Johnson said that the decision was apparently made for the State not to apply for land "in the heart" of the Yukon Flats because of d-2 considerations. He estimated that of the approximately 18 million acres of potential agricultural land in Alaska about 40% would be

withdrawn under HR 39. Of that, he estimated as much as 7 million acres in the Yukon Flat of potential farm land would be withdrawn under the d-2 proposals.

Elsewhere in the state, Johnson said that there is no doubt that enough agricultural use land exists to meet the 650,000 acre figure; it's only a matter locating it through soil surveys or through more general reconnaissance.

Formula for Determining Agricultural Classification

Johnson said that a formula was devised with the Division of Agriculture for classifying state land for agriculture. He described the formula as one of locating "core areas" of a minimum of 90 acres (he noted that much farm land in the state was scattered in small patches among muskeg bogs). Then minimum 10 acre adjacent areas were located, along with minimum 40 acre areas lying within 10 chains of the core area. Johnson explained that the formula was essentially "to identify land in blocks large enough to have agricultural usefulness" for farmers in the future. Another criterion was for the land to contain 50 percent or more Class II or III soils.

Initially Johnson said that such factors as transportation facilities, access to the land, or nearness to population centers were "not really considered" in the formula. Later on he indicated that, to some extent, these factors were taken into consideration

He also noted that before the land was classified for agricultural use, it underwent an "interagency review" which consisted of the Department of Fish and Game, the Department of Community and Regional Affairs, and the eight divisions within the Department of Natural Resources. This review had resulted in the deletion of three areas initially included in the agricultural classification: the area adjoining the capital site in Willow, a very important moose habitat, and an area near Fairbanks that had been used for recreational purposes

Knowledgeable persons in the USDA SCS, Johnson said, were Wayne Long, Ted Freeman, or Bill Fibbish (sp?), all of whom could be reached at 276-4246. The author of an upcoming SCS soils survey is Sam Reiger in Palmer.

Ben Harding

3-15-78

213-825-2824 Lippman

213-825-4726 Weitz

Explore -

Recon = all print

Retail =

Second Tr cmte

Lock contracts w/ DVR -

Lock Nanna [illegible]

Lock DJ [illegible]

[illegible]

ERTS by 7/1 the cards

set [illegible] - define rules

[illegible]

(80% [illegible])

Sunitha & Nanna [illegible]

about ~ 150K acres for the

650K titles

need meeting w/ SCS, DVR & Stringer

& SDK with - monthly [illegible] act

IS BEN HARDING THERE?

•
GOT JNU
OK

GEOPH INST FBK
ZCZC 022 FAIRBANKS AK MAR 27
ATTN: SENATOR ORSINI
BT
IN RESPONSE TO YOUR INQUIRY REGARDING USE OF LANDSAT IMAGERY TO MAP LANDS FOR AGRICULTURAL CLASSIFICATION, I HAVE THE FOLLOWING OBSERVATIONS:

THE SOIL CONSERVATION SERVICE HAS MAPPED MUCH OF THE STATE IN TERMS OF SOILS AT VARIOUS LEVELS OF SPATIAL RESOLUTION AND SOIL CLASSIFICATION DETAIL. THESE MAPS ARE, OF COURSE, THE PRIMARY DATA SOURCE FOR ANY PROCEDURE FOR CLASSIFYING LANDS FOR AGRICULTURAL PURPOSES.

WE HAVE WORKED WITH THE SOIL CONSERVATION SERVICE ON A NUMBER OF PROJECTS AND ALONG WITH THEM COME TO THE TENTATIVE CONCLUSION THAT BROAD CATEGORIES OF SOILS CAN BE INFERRED FROM LANDSAT IMAGERY. THE BEST EXAMPLE OF THIS IS A RANGE AND SOIL SURVEY PERFORMED JOINTLY IN THE SEWARD PENINSULA. THIS WORK WAS DONE TO IDENTIFY AND MAP REINDEER RANGE FOR THE NANA CORPORATION. THESE RESULTS APPEAR TO BE QUITE SATISFACTORY.

THE SATELLITE DATA IS BASED ON LIGHT REFLECTED FROM THE SURFACE COVER OF THE EARTH. GENERALLY, THEN, ATTRIBUTES ARE IDENTIFIED THROUGH SPATIAL RELATIONSHIPS AND IDENTIFICATION OF SURFACE MATERIALS. IN ALASKA THE SURFACE MATERIALS ARE USUALLY VEGETATION. HENCE, SOILS MAPPING WOULD DEPEND LARGELY ON RECOGNITION OF PATTERNS (MORAINES, ABANDONED STREAM CHANNELS, DUNES, ETC.) AND VEGETATION TYPES AND THE ASSOCIATION BY INFERENCE OF THESE ATTRIBUTES WITH THE UNDERLYING SOILS.

WE HAVE NOT YET PERFORMED A FEASIBILITY ANALYSIS TO DETERMINE WHETHER THE KIND OF RESULTS FOUND ON THE SEWARD PENINSULA CAN BE OBTAINED IN THE REGIONS OF ALASKA WHERE AGRICULTURAL SOILS ARE FOUND. HOWEVER, WE AND MEMBERS OF THE SOIL CONSERVATION SERVICE HAVE SUSPECTED THAT BROAD ASSOCIATIONS CAN BE MADE.

THE AGRICULTURAL CLASSIFICATIONS TO DATE HAVE PROBABLY BEEN MADE ON THE BASIS OF "DETAILED" SOILS MAPS. I BELIEVE SCS HAS MAPPED A MUCH LARGER AREA OF THE STATE ON A "RECONNAISSANCE" LEVEL. PERHAPS THESE "RECONNAISSANCE" LEVEL MAPS COULD BE USED WITH LANDSAT IMAGERY AND TOPOGRAPHIC MAPS TO CLASSIFY OTHER AREAS. THE ACCURACY AND DETAIL OF PREVIOUS CLASSIFICATIONS COULD NOT BE MATCHED. THE SMALLEST MAP UNIT WOULD PROBABLY BE ON THE ORDER OF 360 ACRES.

I WOULD ENVISION SUCH AN ANALYSIS TAKING PLACE ALONG THE FOLLOWING LINES:

THE "RECONNAISSANCE" MAP WOULD IDENTIFY THE GENERAL AREA WITH THE DESIRED SOILS. TOPOGRAPHIC MAPS WOULD BE USED TO ELIMINATE STEEP SLOPES AND OTHER AREAS OBVIOUSLY NOT SUITED TO AGRICULTURE. FINALLY THE LANDSAT IMAGERY WOULD BE USED TO ELIMINATE POORLY-DRAINED AREAS, AND LANDFORMS GENERALLY NOT SUITABLE FOR AGRICULTURAL USE. THIS WOULD BE FOLLOWED BY A SHORT AERIAL (WINDOW) SURVEY TO MAKE SURE GLARING ERRORS HAD NOT BEEN MADE.

THESE ARE MY THOUGHTS. CERTAINLY THE SOIL CONSERVATION SERVICE SHOULD BE QUESTIONED ON THIS. THEY ARE THE EXPERTS. SHOULD THEY BE INTERESTED IN PURSUING THE MATTER WE WOULD BE HAPPY TO WORK WITH THEM. OVER THE NEXT FEW DAYS WE WILL LOOK A LITTLE DEEPER INTO THIS MATTER AND SEND YOU FURTHER INFORMATION.
BILL STRINGER
ASST. PROF. APPLIED SCIENCE
NNNNEND

JUST SEC

ZCZC 022 CONTINUED
ATTN: ORSINI
THE FOLLOWING IS MY OPINION ONLY AND IS BASED ON ASSUMPTION OF OUR INVOLVEMENT. IT WOULD TAKE A MAXIMUM OF TWO MONTHS AFTER FUNDING TO COLLECT THE NECESSARY MATERIALS AND DO THE PRELIMINARY GROUND WORK. FOLLOWING THA THE AREAS WITH A POTENTIAL FARMING CLIMATE COULD BE ANALYZED AT 1:250,000 SCALE WITHIN FOUR MONTHS TO ESTABLISH GENERAL FARMING POTENTIAL AREAS. RESULTS WOULD BE IN TERMS OF TWO TO FOUR SQUARE MILE SECTORS. FOLLOWING THIS SELECTED AREAS COULD BE ANALYZED AT 1:63,360 SCALE (INCH TO MILE) WITH RESULTS IN TERMS OF 1/2 SQUARE MILE SECTORS. THIS SECOND PHASE WOULD TAKE ANOTHER FOUR MONTHS THIS INCLUDES BASIC AERIAL RECONNAISSANCE.

TOTAL TIME FROM INITIATION: 10 MONTHS. ASSUMING SCS AND DIV. OF LANDS COOPERATION, OUR TOTAL COST WOULD BE $50,000 FOR PHASE 1 (1:250,000 SCALE) AND $35,000 FOR PHASE II (1:63,360 SCALE). A FINAL FIELD CHECKING PHASE MIGHT BE ADVISABLE PERFORMED BY SCS WITH OUR PARTICIPATION. ESTIMATED COST FOR OUR PART: $15,000.
BILL STRINGER
TLX 35414
NNNNEND.
GOT JNU
R U GOING TO SEND MSG?
BEN HARDING THERE????
ANYONE THERE?
V
ACKNOWLEDGE RECEIPT. MANY THANKS.
BEN HARDING

DO YOU RECEIVE?
GOTY
JNU
YES WE REC'D IS THAT ALL?
ROGER.

GEOPH INST FBK
)))))

Business Property Tax

V.I.J.C.
2 F: BUSINESS
PROPERTY TAX

FURTHER COMMENTS BY ORRIN POMEROY (STATE ASSESSOR'S OFFICE)

RE YOUR BILL ON BUSINESS PROPERTY TAX IN UNORGANIZED BOROUGH

Pomeroy had the following concerns regarding the draft bill:

1) By restricting the tax to business property, would in fact the measure cost more to administer than it would raise in revenue?

2) Why should property tax exemptions be granted for communities with exisiting sales taxes? He believed that the two were different in nature and affected different segments of the local population. For the sake of equity, he agreed that exemptions should be stipulated for communities already having some form of property tax.

He noted that from his preceding remarks it was clear that he still favored the approach of SB 35 which taxed all real property in the unorganized borough. He remains concerned that absentee, "foreign" i.e. non-local, land owners possess considerable unimproved property in the unorganized borough which they are allowing to appreciate free from taxation.

He also remains concerned about what defines the concept of business property. He suggested that you might want to include language in your bill stipulating that records such as business licences should be made available to the Assessor's Office, but acknowledged that the legality of this would have to be determined first.

Pomeroy has not yet drawn up a fiscal note although he says his original rough estimate ($200-300,000 and 3/4 additional positions) is still a good ball park figure. If you would like him to start on the fiscal note, he said he would be ready to begin.

Ben Harding
1-24-78

DEPT. of
C + RA

F: CSHB 483 am

STATE OF ALASKA

JAY S. HAMMOND, Gover

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE / *POUCH B - JUNEAU 99811*

May 25, 1978

The Honorable Joseph Orsini
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

Your have requested comments from this Department concerning CS for House Bill 483am relating to "clean-up" of the Municipal Code (Title 29).

Although the bill, in its current form, received some minor amendments from the House, we very strongly support the bill. Our only concern is that Section 16, which repeals a section of Title 14 perhaps should not be in a "clean-up" bill to amend Title 29, but I presume your legal advisors can more adequately respond to this concern.

Basically, the bill originated with this Department. A group of municipal attorneys who participated in the original drafting of the 1972 version of Title 29 were invited to a special work session to offer suggested amendments to Title 29. Once drafted, the bill was widely circulated among municipalities for comment. Among others, the Association of Municipal Clerks offered additional amendments, some of which are incorporated in this bill.

Billy Berrier, now Director of the Legal Services Division for the Legislative Affairs Agency (and one of the participants in the original drafting of this bill) will hopefully be available to your committee when this bill is calendared, since he, perhaps better than anyone, can explain the reasoning for many of the proposed, technical amendments offered by HB 483.

Although this bill, if enacted by the Legislature, won't "clean-up" all of the problems of Title 29, we feel that passage of HB 483 will markedly improve the language of the Municipal Code and eliminate some of the more obvious problems which we, in this Department, and municipalities have had to live with during the past few years.

If we can provide additional comments, please advise.

Sincerely,

LEE McANERNEY
COMMISSIONER

by: Palmer McCarter
Director

PMcC:ssh

cc: Billy Berrier, Director
Legal Services - LAA

F, D C/RA

31 01LH

STATE OF ALASKA

AUDIT DIVISION
POUCH W—ALASKA OFFICE BUILDING

FINANCE DIVISION
POUCH WF—STATE CAPITOL

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE JUNEAU 99801

March 3, 1978

SUMMARY OF: A Review of the Department of Community and Regional Affairs

PURPOSE OF THE REVIEW

In accordance with the provisions of Title 24 of the Alaska Statutes, a review of the Department of Community and Regional Affairs was conducted to determine if the financial statements appearing in the State's Annual Financial Report for fiscal year 1976-1977 are fairly presented.

FINANCIAL STATEMENTS

Because of scope limitations, we do not express an opinion on the Statement of Revenues-Estimated and Actual. Because the unencumbered balances for continuing programs were overstated $7,392,880, the Statement of Expenditures and Encumbrances Compared with Appropriations and its related schedules are not presented fairly. The Statement of General Fixed Assets is presented fairly.

NOTE TO FINANCIAL STATEMENTS

Audits of grants under the Comprehensive Employment and Training Act (CETA), for which the Division of Manpower is the prime sponsor, have disclosed questioned costs of $868,561.

FINDINGS AND CONCLUSIONS

1. The Division of Budget and Management, Office of the Governor, should obtain Legislative Budget and Audit Committee approval on all transfers between budget request units and new positions.

During the fiscal years 1977 and 1978 positions were created and funds transferred between appropriations without Budget and Audit Committee approval.

2. The Department should review year-end contract encumbrances and reduce or close out unrealistically high encumbrance balances.

Year-end encumbrances for the Child Assistance program were overstated by $183,497.98, 11% of program expenditures and encumbrances. Community Services was overstated by $78,950.27, 7% of program expenditures and encumbrances.

3. The Department should be more timely in submitting billings for reimbursement on Federal grants.

Revised final billings on a Federal grant were not submitted until a year after grant closing.

4. The Division of Finance, Department of Administration, should report all General Fund revenues in the financial statements and should enforce administrative regulations regarding receivables. The Department of Community and Regional Affairs should follow those regulations.

Errors by the departments in recording receivables and prior year revenues, and the method used by Finance to calculate adjustments to revenues are among the reasons why some revenues are never reported as revenues in the financial statements.

5. The Department should take a complete inventory to update the property list.

The use of the property list as a management tool is reduced because divisions swap equipment and never record the exchange.

Ombudsman's report Anchorage Daily News, March 23, 1978

State 'glacially slow'

By ROSEMARY SHINOHARA
Daily News Staff Writer

It's nasty in a couple of spots, funny in others, and if there were a best seller's list for annual reports, it would definitely be a candidate.

The third annual report of the Ombudsman for the State of Alaska is most remarkable for its brevity. The gist of the story can be absorbed in 10 or 15 minutes.

IT'S SMALLER than a comic book, larger than a paperback, a total of 65 loosely-filled pages.

The brevity is explained in the introduction:

"In light of the legislative desire to minimize pomp and paperwork, we have reduced the size of last year's report and have attempted to present the relevant facts and statistics in as clear and concise a manner as possible."

THE NASTINESS starts on page 15, prefaced by a comment that "most" state agencies are very cooperative in resolving complaints which poured into the office at the rate of 7.31 for every day of the year in 1977.

So, acknowledging that most people are nice, let's look at the facts: for the best agencies, cases closed equal more than 80 percent of the new cases opened in complaints about dealings with the agency.

"The major exceptions are Community and Regional Affairs, in which closures equalled only ten percent of openings; Environmental Conservation, where closures equalled 56 percent of openings; and Natural Resources where closures equalled 50 percent of openings."

THE REPORT, signed by chief ombudsman Frank Flavin, says the Natural Resources Department is "glacially slow" at making decisions, but when they're made, they're generally well-researched and documented.

And Environmental Conservation is excused because of the "complexity of the complaint load."

But, says the report, "Community and Regional Affairs complaints are open 'forever,' due to an agency tendency to 'dig in and lower the flak shields' at the least hint of criticism — no matter how constructive."

NO SPECIFIC mention is made in the report of the biggest complaint to surface involving the Community and Regional Affairs Department — a complaint against the hiring practices of a division

(Continued on Page 2)

• Ombudsman's report

(Continued from Page 1)

director that led to his indictment by a state grand jury. Charges were eventually dismissed.

The department takes exception to the comments in the annual report. Carl M. Gonder, deputy commissioner, said there's a "very strong inference" on page 15 that the department was uncooperative. "We felt that anytime they had a request for information or an investigation they were conducting we were cooperative."

People in the department who dealt with the Juneau representative of the ombudsman felt they had good relations, Gondor said.

"I THINK the crux of the thing in our view is that the ombudsman, when he makes an investigation, draws his own conclusions. If somebody disagrees with his conclusions, then he's unwilling to admit he might be wrong himself."

The ombudsman's report also passed out praise to individuals, and gave a "most improved" accolade to the people in state government who handle the longevity bonus system.

Occupational Licensing, Revenue, Audit, Student Financial Aid and Workmens Compensation agencies were also cited for being easy to deal with.

ON THE WHOLE, the report concludes Alaskans are complaining at a higher rate than elsewhere, and they're doing it more every year.

The 1977 complaints, totalling 2,569, were up 31 percent over 1976 complaints. And the number of Alaska complaints exceeds those in Hawaii by 46 percent, in Iowa by 51 percent, and in Nebraska by 2-7 percent.

Bureaucratic 'Shuffle' Spurs Lawmakers

By The Associated Press

In voting overwhelmingly last week to override Gov. Jay Hammond's veto of a bill to give a legislative committee authority to suspend administrative regulations between sessions, lawmakers were expressing a rising frustration with the state's growing bureaucracy.

Just about every member of the House and Senate has a favorite story about alleged bureaucratic blundering in the implementation of regulations which often have more impact on people that the acts of the Legislature itself.

One classic example of what lawmakers call the "bureaucratic shuffle" surfaced Tuesday in a letter from Rep. Bill Miles to Rep. Bob Bradley, chairman of the House State Affairs Committee, over the status of regulations necessary to fully implement a $7.5 million bond issue for elderly housing approved by voters in the 1976 general election.

The two Anchorage Democrats want the current Legislature to begin appropriating money from the bond issue for projects around the state, but found they couldn't proceed without the regulations.

So, Miles took on the job of trying to find out what was going on. The following is a summary of his account to Bradley about the effort.

Last Wednesday, Kevin Waring of the Department of Community and Regional Affairs told Miles that the regulations were completed and were in the lieutenant governor's office awaiting the expiration of a statutory 30-day grace period before they could be implemented.

Miles sent his administrative assistant to the lieutenant governor's office to obtain a copy of the regulations, but was told they had not arrived yet.

On Friday, Miles received a letter from Community and Regional Affairs Commissioner Lee McAnerney, containing a copy of what was listed as the final regulations approved by the attorney general's office for filing with the lieutenant governor.

Miles then contacted Waring again and was told that, yes, it was true that the attorney general's office had completed its review and, yes, the regulations were on file in the lieutenant governor's office.

Once again, Miles sent his assistant up to the lieutenant governor's office and once again she came down with the message that the regulations weren't there.

Miles then asked the attorney general's office in Juneau if it knew anything about the regulations and was informed that they were being worked on in the Anchorage office, and had not yet been approved.

A short time later, however, the attorney geneal's office called Miles back to report that the regulations were not in Anchorage after all but were being reviewed in the Juneau office.

"If a legislator has this hard of a time getting information on regulations from the bureaucracy, imagine what a citizen has to go through," said Miles, chairman of the House Democratic caucus.

Miles said he concluded that "either the department does not know where the regulations are located or misinformation is being deliberately spread."

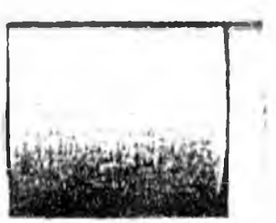
In his letter to Bradley, Miles said he was particularly upset because the Department of Community and Regional Affairs had been promising him all year that the regulations soon would be ready.

"Regardless, housing for Alaska's elderly is most important," Miles said. "We cannot allow continued delay and risk missing another construction season."

Bradley responded to Miles' letter with a resolution wh asks the governor to dir McAnerney to adopt the re lations within 90 days.

McAnerney could not reached for comment.

Bradley said he didn't think resolution was unreasonable light of Miles' experience and fact that the department was a to adopt emergency regulatio within less than two month passage of the bond issue spend $2 million to compl elderly housing projects Ketchikan and Juneau.



LOCAL

BOUNDARY

COMM.

First Equity inc.
REALTORS®
Office 276-4555
Res. 243-1772
Sigvald J. Strandberg
Broker/Owner
Suite 201
555 W. Northern Lights Blvd.
Anchorage, Alaska 99503

February 15, 1978

Honorable Joseph L. Orsini, Chairman
Community & Regional Affairs Committee
Alaska State Senate
Pouch V
Juneau, AK 99811

Dear Senator Orsini:

Enclosed is my resume in conjunction with review of my reappointment to the State Local Boundary Commission.

Thank you for the many courtesies extended to me while I testified before your committee last week.

Sincerely,

Sigvald J. Strandberg

Enclosure

Résumé

Sigvald John Strandberg, 7235 Blackberry Street, Anchorage, Alaska 99502

Personal Data

Birth Date: January 29, 1943 Birth Place: Anchorage, Alaska

Height: 5 ft. 10 in. Weight: 165 lbs. Hair Color: Dark Blonde
Eyes: Brown

Married: Wife, Arlene, sons, Sigvald, Jr. (6/8/68) and Neil (1/18/70)

Health: Excellent

Education

Primary & Secondary:

Entered first grade 1948 @ Chugach School, attending through first half of sophomore year @ Anchorage High School; thence to Fairbanks (family move) in January 1957, enrolling in Fairbanks Lathrop High School through May, 1959 when family returned to Anchorage. Graduated from Anchorage High School in 1961. Member, National Honor Society.

Post Second: Attended Willamette University, Salem, Oregon, 1961/62. General studies preparatory to law school. Transferred to Alaska Methodist University in 1962 and graduated therefrom in 1965 with B. A. degree (major concentration in math, chemistry and physics). Attended fall semester 1965 at Long Beach State College, Long Beach, California, taking supplemental courses in chemistry prior to entrance into graduate school. Attended night school at AMU fall semester 1966.

Military

Contracted recruitment in the Alaska Army National Guard in spring 1966. Served in Kenai, Anchorage and Juneau units. Honorably discharged 1972 after completing 6 years enlistment. Rank Spec. 5. Scored highest in State in 1971 and 1970 M.O.S. (occupational speciality) exams.

Personal History

Lifelong Alaskan resident, member of Pioneer gold (placer) mining family. Grandfather, David Strandberg, participated in Fairbanks gold rush in early 1900, and walked, snowshoed and dogsledded much of Alaska's Interior (walked from tidewater at Seward through Anchorage prior to its establishment and across the Alaska Range). Father, E. Odin Strandberg, born in Flat, Alaska in 1915 and family established permanent winter residency in Anchorage in 1923, the year after President Harding drove the golden spike in the Alaska Railroad at Nenana. Mother, Marie Strandberg. Three brothers.

Wife a 30 year Alaskan resident raised in Southeastern Alaska. Her late father a career Coast Guardsman, having extensive world travel and sea duty throughout Alaskan waters including Bering Sea ice patrols.

Interests

Having had the opportunity to serve in policy-making capacity in State Government, I am interested in continuing participation in community and state affairs. (See elaboration of state government duties in Work History section.)

Am very much personally committed to continuing my public service contribution to help ensure that Alaska State and local government continues to operate under policies which respect orderly growth and responsibly control resource and community development.

Served as chairman of the State Local Boundary Commission by appointment of Governor Jay S. Hammond from December 1974 through February 1, 1978. Extensive travel throughout Alaska and acquainted with community leadership and diverse economy of State and in its various regions. As chairman conducted hearings throughout Alaska from small villages such as Selawik, Kasaan and Angoon to cities such as Kodiak on matters relating to municipal services and jurisdiction.

Presently Vice President of Sand Lake Community Council, and past President and currently serving on the Alaska Methodist University Alumni Association board of directors. Past director of the Anchorage Board of REALTORS and the Alaska Association of REALTORS.

Republican candidate from District 12 in the August 1976 Alaska House Primary.

Work History

1974 - present	Private businessman involved in real estate sales. Spring 1977 along with several partners, formed First Equity, Inc. REALTORS, and First Equity, Inc. (an Alaskan corporation) with principal offices in Anchorage. Real estate broker, March 1977 till present, associate broker 1976 until 1977. Also have an Alaskan business license to perform appraisal work and other real estate services; counselor, property development consultant.
1973 - 1974	Independent contractor in municipal consulting.
July, 1972 to August, 1973	Director, Division of Local Government Assistance, Department of Community and Regional Affairs.
January 5, 1971 to July 23, 1972	Senior Local Government Specialist on Local Affairs Agency, Office of the Governor, staff.
March 23, 1972	Honorably discharged from the Alaska Army National Guard, 910th Engineers Company, after completing 6 years enlistment.

Work History - 1971

to

1960

and

Personal Interests

and

References

- See Attached -

RESUME
Sigvald John Strandberg
Page 2

Work History
continued

December, 1969 to January 4, 1971

Appointed by Governor Keith H. Miller to direct the functions of the Local Affairs Agency. Supervised five professional level staff members (four local government specialists and the State Assessor) and four clerical personnel. Functions of the agency involved extensive contacts and coordination with other Departments and programs in the Executive Branch. Appeared frequently before legislative local government and other committees to offer testimony on bills impacting municipal governments. Supervised development and implementation of agency advisory city manager program, serving selected cities throughout the State with comprehensive interim professional municipal managerial assistance. Keyed to development of council-manager form of local government, assistance was directed to cities of Haines, Dillingham, Unalaska, among others. Supervised preparation and publication of the agency's Alaska Municipal Bond Report to the Governor and Legislature. Other publications included the agency's Fiscal Manual and Chart of Accounts for Small and Medium Sized Cities, and the agency Residential Cost Appraisal Manual for Alaskan Assessors and Appraisers. Coordinated Local Boundary Commission public hearings and meetings involving boundary changes proposed by the cities of Anchorage, Fairbanks, Valdez, Cordova and Haines, among others. Supervised the development and implementation of Federal Title IX (Demonstration Cities and Metropolitan Development Act of 1966), Title VIII (Housing Act of 1964) Community development training services, and 701 (Housing Act of 1954) Community Development Advisory Services programs. Other functions included representation of the Governor's Office on the Rural Alaska Community Action Program Board of Directors and Executive Committee, and Chairman of the State Geographic Board.

February 19, 1968 to December 1969

Transferred from Department of Labor to Office of the Governor, Local Affairs Agency as Local Government Specialist. Working under the supervision of the Agency Director, provided technical assistance to municipalities including development of ordinances, budgeting and accounting advice, and interpretation of Alaska municipal law. Duties also involved specific research in municipal service allocation schemes and analysis of the structure and function of the Alaskan borough and city system of local government. Served in staff capacity to the State Local Boundary Commission, an independent agency attached to the State Executive Branch for administrative services. Arranged for and attended public hearings and meetings of the Commission. Participated in the drafting and review of proposed standards and procedures for municipal boundary changes. Assisted in the formulation of administrative procedures governing State Aid to Local Government Program (Revenue Sharing).

Work History
continued

September 27, 1967 to February, 1968	Returned to former position as employment interviewer at Alaska State Employment Service, Juneau Local Office.
May 15, 1967 to September 11, 1967	Active Duty training, Alaska Army National Guard 6 month obligation (24 March 1966 date of enlistment ANG). Duty completed at Fort Bragg, North Carolina and Fort Belvoir, Virginia. Seven week poverman course in U.S. Army Engineer School at Ft. Belvoir; graduated number 1 in class of 62.
March to May 1967	Employed by Department of Labor, Employment Security Division, Alaska State Employment Service, Juneau Local Office: employment interviewer. Interview unemployed individuals, determine suitable occupation from analysis of previous work background, educational level, skills, knowledge, abilities and personal preference. Refer applicants to existing job openings. Arrange interviews with employment counselor for those people who are not job-ready. Recruit and screen for various Federally sponsored programs such as MDTA and Job Corps. Administer proficiency tests to clerical applicants. Make employer visits to determine manpower needs. Coordinate with various State and Federal agencies such as Vocational Rehabilitation, State Division of Welfare, Bureau of Indian Affairs, Neighborhood Youth Corps and Youth Opportunity Campaign. Assist Unemployment Insurance personnel in claims filing.
November through January 1966	Employed by Department of Army, Petroleum Distribution Office, Anchorage Terminal: petroleum pumping equipment operator. Defueled ocean-going tankers at Port of Anchorage, unloaded railroad tank cars into storage facilities at depot. Issued diesel oil and automotive gasoline to military base stations. Issued jet fuel and aviation gasoline to hydrants under aprons at Elmendorf Air Force Base.
October to November 1966	Employed by Department of Army. Drove 45 passenger school bus transporting military dependent children to and from schools on Ft. Richardson.
February through September 1966	Installation, operation and maintenance of diesel, dual fuel, and spark fired natural gas engines driving AC generators, supplying power to City of Kenai and Wildwood Air Force Station. Supervised up to four other operators and mechanics.

Work History
continued

1964 through 1965	During college terms, employed by Alaska Methodist University doing miscellaneous work, including messenger services, custodial work.
1961 through 1965	Summers employed at Consolidated Utilities, Ltd., Kenai, Alaska. Job duties same as noted above.
1960 through 1961	Part-time winters, part-time June through August employed by E. Odin Strandberg & Associates, Anchorage, Alaska. Chainman and rodman, general land, tideland and commercial surveys.
1957 to 1960	Summers (June through September) employed at Strandberg Mines, Inc., Folger, Alaska. Operating engineer and general mine operations: stripping, clean-ups, maintenance of camp landing field and facilities, mine survey work.

Personal Interests

Since 1961 I have been interested in aviation. This has enabled me to see a large portion of Alaska on business and pleasure flights. Private Pilot License (airplane single-engine land) obtained in 1963; 250 hours logged to date.

Family interests include sport fishing and cross-country skiing.

References

Mr. John R. Beard, 7014 Madalyne Way, Anchorage, Alaska 99504

Mr. M. Roy Goodman, 7030 Foothill Drive, Anchorage, Alaska 99504.

Mr. John S. Hedland, Rice, Hoppner, Blair & Hedland, Suite A, 1016 6th Avenue, Anchorage, Alaska 99501

Sigvald J. Strandberg 2/15/78
Prepared by Sigvald J. Strandberg

Alaska State Legislature

Senate

Committee on
Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

January 27, 1978

Mr. Sigvald Strandberg
Chairman
Local Boundary Commission
7235 Blackberry
Anchorage, AK 99502

Dear Mr. Strandberg Sig

Further to your telephone conversation this morning with my Administrative Assistant, I would like to invite you and any other members of the Local Boundary Commission to attend the hearings which the Senate Community and Regional Affairs Committee will be holding in regard to your recommendations on the proposed annexations by the Cities of Skagway and Petersburg and the Haines Borough.

The committee meeting is scheduled for 3:00 P.M. in Room 100 of the Assembly Building Tuesday, February 7, 1978.

I look forward to seeing you and any other Commission members who wish to attend at that time.

Sincerely,

Joe Orsini

Joe Orsini
Chairman
Community and Regional
Affairs Committee

JO/tb

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LOCAL BOUNDARY COMMISSION

✓ Mr. Sigvald Strandberg Chairman 7235 Blackberry Anchorage, AK 99502	243-1772 home 276-4555 business
Mrs. Shiela Jones 3201 G. Street, Suite 201 Anchorage, 99503	276-8356 home 276-7614 business
✓ Mrs. Josephine Anderson P. O. Box 351 Wrangell, 99929	874-3590 home 874-3621 business
Mr. Jim Dodson 2.5 Mi, Steese Highway Fairbanks, 99701	452-5671 home 456-7670 business
Mr. Edwin Hobson P. O. Box 143 Barrow, 99723	852-5141 home 852-6970 or 852-6930 business

City of Kodiak

PHONE (907) 486 - 3224
P.O.BOX 1397
KODIAK, ALASKA 99615

April 24, 1978

Local Boundary Commission
Department of Community and
Regional Affairs
211 West Fourth Avenue
Anchorage, Alaska 99501

Gentlemen:

As I understand it, the Boundary Commission is holding a hearing in Kodiak to consider three items. The first is to make a decision on the Mill Bay Road annexation. This was heard by the Boundary Commission on December 12, 1977. The second item is to discuss two 1963 annexations: one involving the City's airport property and the other is the Frontier Southern Baptist Church property. The third item is to discuss the boundary question in the total urban area of Kodiak.

The City of Kodiak has supplied the Boundary Commission with a great deal of information regarding the Mill Bay annexation. The Borough has gone ahead with their plans to create a service area in the Kodiak urban area adjacent to the city limits. The City of Kodiak has decided to stop this service area creation through the court system. If it turns out that the courts will not allow the service area to be created, the responsibility will be placed on the City of Kodiak to provide services to the projected service area.

There is another area that I would like to bring to your attention as well. This involves the Coast Guard Base adjacent to the City of Kodiak. At the present time, the State of Alaska leases part of the Coast Guard Base for the State airport and is currently considering expansion of that facility. The Coast Guard Base, including the airport, is not within the boundaries of the Kodiak Island Borough, therefore, we have a difficult situation.

The City of Kodiak Police Department is the security agency involved at the airport. Our police officers provide the necessary anti-hijacking protection for the State. There are areas at the airport that are leased to individuals and the property is not taxed in any way. As the airport grows and develops, increased commercial activity will be present at that facility. It is obvious that the Kodiak Island Borough

Fr Local Boundary Commission

is missing out on a great deal of personal property tax at the airport. I am not certain about the real property taxes since it is Federal property.

Another issue is the fact that Koniag Native Corporation is receiving excess property from the Coast Guard. There are plans to develop this property, of course. As long as the property remains outside of the jurisdiction of the Planning and Zoning function, the area could be developed without adequate controls. I feel it is important that the Boundary Commission take a look at this situation as well.

The immediate concern is to annex the State airport. I believe that part of the Coast Guard Base could be annexed without any residents taken in. I realize this is another whole dimension to the boundary situation in the Kodiak urban area; however, I think that if you are going to be looking at the total urban area around the City of Kodiak, the Coast Guard facility and State airport should be taken into consideration.

I have done some research regarding the formation of boroughs and utilization of service areas in the context of what is happening currently in the Kodiak urban area. I must apologize that the amount of research done and the limits of my resources does not make this study a complete one; however, the basic issues as I see them are presented below.

The most adequate source of information is a publication called "The State and Local Government System" by Thomas A. Morehouse and Victor Fisher. I was only able to find the SFG interim report #23, March, 1970.

I would like to take the liberty of quoting the specific paragraphs and furnishing you with Xerox copies of specific pages of the report. By utilizing this method I will not take things out of context and give you incomplete information. This, of course, will make this communication to you a rather lengthy one; however, I think the end result will be much more convincing.

Since the subject report was published in March of 1970, I am certain the research was done in 1969 and before. That means that at least for the last nine years the State of Alaska has been aware of the problems existing between cities and boroughs. There are references to other publications in this study that show that the State of Alaska has been aware of the problem prior to 1969. Due to lack of resources and adequate time, I will not go into a long dissertation regarding the Constitutional Convention, creation of boroughs and other instrumentalities of local government. However, I do plan to dwell on the issues that were brought out by Mr. Morehouse and Mr. Fisher that relate to the specific problem that the Boundary Commission is concerned with in the Kodiak urban area.

On Page I-18, the situation that we now have here is presented. At the top of the page, it mentions the Boundary Commission's responsibilities and ability to affectuate the necessary controls. The next paragraph talks about the borough form of government and I quote: "In its current stage of evolution, then, the borough possesses the form but not the substance of authoritative area-wide government. It is 'general government' within which a powerful special government--the school district--has maintained and even increased its autonomy. It has 'exclusive authority' for area-wide functions, but in practice, its functions are divided and shared with independent city and school administrations. It is a 'regional government' but it competes with city government for both territory and function. It speaks of promoting 'area-wide' policy and programs but it is so structured as to facilitate the expression of local selfinterest and localized service area needs"

The next paragraph on Page I-18 and I-19 further develop this idea: "The basic problem is that in most areas two forms of local government--the city and the borough--are attempting to occupy political and physical 'space' where there is room only for one. This is so particularly where a borough centers on a single urban core served by a well established city (Anchorage, Fairbanks, Sitka, Ketchikan). The case for a single urban area-wide governmental unit for these places would seem clear. Much less clear, however, is the rational used for superimposing the borough as a second unit for local general government on the existing municipal base in these more developed regions of the State. On the other hand, where the borough, as a regional government, might serve smaller areas of settlement and rural areas, as well as region-wide needs, more room could be considered available for both borough and city governments (e.g. Kenai, Kodiak, Matanuska-Susitna)."

The fact that growth in the last nine years has placed the City of Kodiak in the same situation as Anchorage, Fairbanks, Sitka and Ketchikan is pointed out by your addressing the same issues as discussed in the report.

On Page I-21, at the top of the page, there is a discussion regarding cities. "City boundaries should be so located as to encompass an entire 'natural' socio-economic and political community. Since most of Alaska's urban settlements are small and relatively compact, there is no technical reason why this criterion cannot easily be met. This would minimize the need for service areas in organized boroughs to perform urban services that can be performed by a city."

On the same page there is a discussion regarding service areas. This goes on to the next page as well and is certainly germain to the discussion at hand. "While it is generally desirable that matters of government organization and functions

be determined locally, past experience of borough-city conflict over annexation and the creation and operation of service areas indicate that the State probably through the Boundary Commission should review local action and play a mediating role. The purpose would be to insure that appropriate incorporation and annexation standards are met, that a new service area is actually warranted and, if so, that it is properly constituted. Any area bordering on a city should be subject to annexation rather than permitting its establishment as a borough service area or its incorporation as a separate city. If annexation or incorporation is not feasible or desirable, expansion of an existing service area would be considered providing that a determination is made that the existing service area should not itself be annexed or incorporated. Only after each of these options is considered in order should it be permissible to establish a new service area and then only with a clear understanding that it is subject to future adjustment within the broader system of organized local government."

Further on in the study, on Page IV-37, the same kind of information is presented. "The State was to assume a continuing responsibility for the overall design and performance of the local governmental system. Specifically for this purpose two new State agencies were mandated by the Constitution: a Local Boundary Commission and a 'local government agency'. The Boundary Commission would assure that borough and city boundaries were properly aligned in the first instance and subsequently were responsive to changing needs and conditions. The Commission was thus authorized by the Constitution to 'consider any proposed local government boundary changes' and subject to legislative veto it could implement such changes."

On Pages VI-16 and VI-17 there is a discussion of city versus borough. "It was apparent from the start that a potential stalemate between cities and boroughs was built into the new local governmental system set forth in the Constitution. Boroughs and the cities within them were very likely to compete with each other for territorial jurisdiction over urbanizing areas outside city limits. To service these places the borough would need to acquire additional powers or create special service areas. If additional area-wide powers were sought these would be at the direct expense of city authority since area-wide powers assumed by the borough are denied to the cities. If nonarea-wide (outside city) powers were sought or if service areas were created, these could constitute blocks to city expansion."

On Page VI-18, there is a discussion of annexation versus service areas. "As viewed by the Public Administration Service (PAS) in its report to the Statehood Committee in 1950, there were two contrasting approaches to local government reorganization in the more urbanized areas of the state. On the one hand, the borough could be established with a view toward eventual absorption of the city within it. On the other, the jurisdiction of the city could be expanded through annexation of the urbanizing areas around it. In most of urban Alaska, there appeared to be no need for more than one unit of local government to provide urban services.

Population and economic bases were small and duplication of governmental machinery would be wasteful. 'By all odds' reported PAS, 'the most direct and least complicated line of evolution for many communities would be expansion of the central city with all of its existing plant, political structure, credit and fiscal base and political know-how'. But, 'if this line of reasoning is valid what foreseeable use is there for organized boroughs . . .'"

> PAS concluded: "It may be that the best solution for the problems of urban government in most areas will be to concentrate the full responsibility in a single level, the city, or the completely consolidated city-borough. On the other hand, it may be that the borough will provide a very useful agency in rural Alaska for the exercise of local responsibility for administration and at least partial financing of education and a growing list of local or regional services such as local roads, fire protection, utilities (water, sewer and others), health, recreation, etc., some of which would be provided on a borough-wide basis and some in special service areas organized and governed under the authority of the borough."

"Ignoring these considerations, the State layered borough government over the cities of urban Alaska and established no borough units in rural Alaska."

On Page VI-20, this thought continues. "At the same time, the borough service area has been available as a vehicle for meeting service needs for developed enclaves outside the city. This tends to neutralize whatever attraction city annexation may have for those seeking more and higher quality urban services. With the borough service area, residents outside the city may select the particular mix of services they wish and be assured of paying, through differential mill rates, only for those additional services directly received in their immediate area of residence. For this reason, however, service areas also fragment the borough. The separate suburban enclaves develop, a built-in resistance to unified or consolidated area tax and service structures, and service area status insulates their residents from the cost of city facilities and services that they share or benefit from, perhaps most obviously as owners of property whose value is enhanced simply because the city is accessible."

I find that the above paragraph gets to the heart of the problem and I think that to go further would just elaborate this very same thinking and belabor the point.

One of the outgrowths of the current Kodiak Borough-City conflict has been the idea of unifying the governments in the Kodiak Island Borough. Resolutions have been passed by both the City of Kodiak and the Kodiak Island Borough regarding unification. At the Borough Assembly meeting on April 7, the Borough Assembly

did adopt a Resolution to put the question on the ballot next October. Hopefully, the Boundary Commission will look at the problem in the immediate context of what is going on now rather than what might happen in the future. I am certain that you are aware of the unification procedures and the fact that the Kodiak Island Borough is fragmented with a home rule city, five second class cities and the Borough. In addition, there are many residents outside of the cities that compound the complexity of unification. While I personally see unification as the only answer and ultimately it is bound to occur, the process will probably take two to three years before unification becomes a reality.

The Boundary Commission is the only body that has the power, authority and responsibility to mediate the conflicts described above. I feel that the State of Alaska is certainly at fault by allowing the borough-city annexation-service area conflicts to exist in the first place. In the last nine or ten years the situation has gotten worse and it has even reached Kodiak Island which in itself is isolated from the rest of Alaska. This is certainly not the time nor the place to lay blame but to look at answers within the context of legalized solutions.

The obvious is clear. The Boundary Commission should consider steps to annex the total urban area into the City of Kodiak by using the stipulation for differential taxation as described in 19AAC 05.020 (3) and (4). Without the total picture being reviewed and the Boundary Commission taking appropriate action, I see this situation continuing for a number of years. Since the Boundary Commission decided not to act on the Mill Bay Road annexation when you were here in December because of a decision to look at the entire urban area, I think it is encumbent that the Boundary Commission act positively to stop the squabbling and hassles that have resulted because of the City-Borough conflicts.

If Kodiak were an isolated case and our problems were unique to Alaska, I would be the first one to bring that to your attention; however, it is clear that since the creation of the Kodiak Island Borough and the fact that City Council-members do not sit on the Borough Assembly and removal of the weighted voting provision, many conflicts were bound to result. Only through the good offices of the Boundary Commission will the Kodiak Island taxpayers and residents see a resolution to their problem.

Hopefully, unification is the final solution to the problems, perhaps, that is what this is all about. The Constitutional Convention was aware that unification was probably the only answer; however, they did not deem it practical to mandate that from the beginning. It seems as though the only answer is unification, however, in the meantime we must look to the political realities of that process. As mentioned above, the City is taking legal action against the Borough to stop the formation of the service district immediately outside of the city limits. The Borough plans on utilizing City water and sewer to serve the residents of these service areas. As long as the Boundary Commission refuses to take positive annexation action,

the taxpayers will be the losers. In addition, the residents of Kodiak will divide up into groups and destroy the harmonious relationships that have developed over many years. The Boundary Commission has the responsibility and authority to resolve this problem before it gets carried to extremes. Your assistance will be greatly appreciated. Hopefully, the Boundary Commission will remedy the situation by annexing all the urban area of Kodiak to the City of Kodiak.

Thank you for your time and attention.

Very truly yours,

CITY OF KODIAK

Ivan L. Widom

Ivan L. Widom
City Manager

ILW/lp

cc: Governor Hammond
Senator Poland
Representative Snider
Representative Rudd
Senator Orsini
Commissioner McAnerny
Borough Assembly

Encs.

4. The state was to control local government boundary changes that could be made objectively in response to changes in urban population and economic growth patterns. Just as the Boundary Commission was unable to substitute its authority for local determinations in the initial setting of borough boundaries, so it has since played a minor role in controlling subsequent alterations of borough and city boundaries. As in pre-statehood days, most significant boundary changes are subject to several procedural checks and to elections in the areas immediately affected. The commission has not been in a position to counter or withstand the political pressures brought to bear, particularly when proposed boundary changes are perceived as affecting values associated with local autonomy, suburban separatism, or tax and service independence.

In its current stage of evolution, then, the borough possesses the form but not the substance of authoritative areawide government. It is a "general government" within which a powerful special government -- the school district -- has maintained and even increased its autonomy. It has "exclusive authority" for areawide functions, but in practice these functions are divided and shared with independent city and school administrations. It is a "regional government," but it competes with city governments for both territory and functions. It speaks of promoting "areawide" policies and programs, but it is so structured as to facilitate the expression of local self-interest and localized service area needs.

The basic problem is that in most areas two forms of local government -- the city and the borough -- are attempting to occupy political and physical

"space" where there is room only for one. This is so particularly where a borough centers on a single urban core served by a well established city (Anchorage, Fairbanks, Sitka, Ketchikan). The case for a single, urban areawide governmental unit for these places would seem clear. Much less clear, however, is the rationale used for superimposing the borough, as a second unit of local general government, on the existing municipal base in these more developed regions of the state. On the other hand, where the borough, as a regional government, might serve smaller areas of settlement and rural areas, as well as region-wide needs, more room could be considered available for both borough and city governments (e.g., Kenai, Kodiak, Matanuska-Susitna).

Borough government does not exist at all in most of Alaska, for the "unorganized borough" does not function. Current developments in unorganized Alaska suggest, however, that the social and political conditions for increased local self-government are now emergent. Therefore, in considering the governmental needs for unorganized Alaska, it will be necessary to avoid outmoded notions of the "readiness" of its residents for self-government. In the absence of formal governmental institutions, Native leaders are building their own regional organizations and promoting local participation in a number of federally funded social and economic development programs. Unless these realities are taken fully into account, local government policies developed at the state level will meet with no more success in rural Alaska during the 1970's than did state policies concerning the organized borough in urban Alaska during the 1960's.

The momentum of the statehood movement has been spent, making it all the more difficult to effect basic alterations in the existing scheme.

3. Cities. Cities are viewed as the basic units of local government, located both within and outside of organized boroughs. City boundaries should be so located as to encompass an entire "natural" socio-economic and political community. Since most of Alaska's urban settlements are small and relatively compact, there is no technical reason why this criterion cannot easily be met. This would minimize the need for service areas and organized boroughs to perform urban services that can be performed by a city.

The city classification scheme should parallel the borough's. That is, there should be but two classes of municipal corporation -- home rule and general law. As in the case of organized boroughs, general law cities should have the option of assuming home rule status and privileges.

4. Service Areas. Service areas in organized and unorganized boroughs would be vehicles primarily for meeting special service needs and applying differential tax rates, as at present. In unorganized borough areas, they would be directly under the jurisdiction of the state and the advisory councils. The service area should not be used as a substitute for organized borough or city status. The determination of the need to establish a service area should be based upon consideration of settlement patterns within the borough, proximity to a city or existing service area, the desire for special types and levels of service on the part of the area's residents, and their capacity to provide the additional revenues necessary to support the desired types and levels of services.

While it is generally desirable that matters of government organization and functions be determined locally, past experience of borough-city conflict over annexation and the creation and operation of service areas

indicate that the state, probably through the Boundary Commission, should review local action and play a mediating role. The purpose would be to ensure that appropriate incorporation and annexation standards are met, that a new service area is actually warranted and, if so, that it is properly constituted. Any area bordering on a city should be subject to annexation rather than permitting its establishment as a borough service area, or its incorporation as a separate city. If annexation or incorporation is not feasible or desirable, expansion of an existing service area would be considered, providing that a determination is made that the existing service area should not itself be annexed or incorporated. Only after each of these options is considered in order, should it be permissible to establish a new service area, and then only with clear understanding that it is subject to future adjustment within the broader system of organized local government.

Functions and Finances

Issues of governmental structure, functions, and finances are closely interrelated; one cannot properly be considered in isolation from the others. State policies such as the following would help create and reinforce the local government structure outlined above.

1. Financial incentives. State financial aid policies should be designed to (a) eliminate current disincentives to local incorporation or annexation, and (b) provide positive incentives for performance of urban area functions by cities and regional functions (including special service areas) by boroughs. The state should re-examine all provisions of law and fiscal relations (e.g., tax and revenue sharing) that tend

to the long term goal of a unified local governmental system, and provisions were included in the constitution for the purpose of encouraging close cooperation between boroughs and cities within them.

Cities, then, would continue to exist within the new boroughs and, between them, they would eventually exercise all local government powers in the state. Special districts, including school districts and public utility districts, would be absorbed into these two constitutional forms of local government. While elective school boards could remain in existence, they would be under the general budgetary control of the borough assemblies.

The state was to assume a continuing responsibility for the overall design and performance of the local governmental system. Specifically for this purpose, two new state agencies were mandated by the constitution: a local boundary commission and a "local government agency." The boundary commission would assure that borough and city boundaries were properly aligned in the first instance, and subsequently were responsive to changing needs and conditions. The commission was thus authorized by the constitution to "consider any proposed local government boundary change" and, subject to legislative veto, it could implement such changes. The local government agency, on the other hand, would broadly "advise and assist local governments . . . review their activities," and perform other functions assigned by law.

Within this very open and apparently simple constitutional framework, the state legislature was to specify and elaborate essential features of local government and state-local relations. The ultimate goal, however, was not state control, but maximum local control of the internal

serve the city and is obligated to work with the borough planning staff. In the hopeful words of the state's Attorney General, "the system is a carefully balanced one which demands a great deal of cooperation between city and borough."[17]

Thus, although the borough presumably has "exclusive" planning and zoning authority, effective arrangements are anything but clear-cut. They are, in part, the outcome of practical, and often unstable, compromises in the writing and interpretation of statuatory provisions. Complicating the issue in this case is a concept of planning that does not account for differences in scale or level. Consequently, political and administrative accommodations must be reached at the local level in order that even routine planning tasks -- at project, neighborhood, city, and areawide levels -- can be accomplished. By denying planning authority to the city, the borough act tended to complicate rather than clarify borough-city administrative relationships -- it helped create a structure within which conflict was bound to occur, and one that has in some cases operated to eliminate city planning functions altogether. But the planning conflict only reflects larger differences between the city and borough.

City Vs. Borough

It was apparent from the start that a potential stalemate between cities and boroughs was built into the new local governmental system set forth in the constitution. Boroughs and the cities within them were very likely to compete with each other for territorial jurisdiction over urbanizing areas outside city limits.[18] To service these places, the borough

[17] Quoted in Alaska, Local Affa'rs Agency, Alaska Local Goverament, Vol. VII, No. 7, October 1964, p. 4.

[18] See PAS, op. cit., pp. 63-73.

would need to acquire additional powers or create special service areas. If additional areawide powers were sought, these would be at the direct expense of city authority, since areawide powers assumed by the borough are denied to the cities. If non-areawide (outside city) powers were sought, or if service areas were created, these could constitute blocks to city expansion. Moreover, borough assemblymen from outside the city could be expected to resist city annexation cutting into their constituency. And if, at the same time, this meant that assemblymen from the city would acquire the weighted vote advantage because of an increase of the city population (to a majority of the borough population), the resistance would be all the more intense.

Assembly Structure

Since the city is represented on the assembly by city council members, the ground is already prepared for city-suburban splits and polarization because of the assembly's own internal structure. This can directly channel and reinforce the internal divisions that would in any case exist because of the normal political reality of competition and conflict among the different interests that assemblymen are elected to represent.[19] Direct city representation, as required by the constitution,[20] enhances certain naturally unstable aspects of the political process that have already been

[19] Cf. Paul Ylvisaker, "Some Criteria for a 'Proper' Areal Division of Governmental Powers," Area and Power, Arthur Maass, ed. (Glencoe, Ill.: The Free Press, 1959), p. 33.

[20] Alaska, Constitution, Article X, Section 4. This, it should be noted, is the only instance in which the article prescribes a specific feature of internal organization, a practice otherwise avoided, and deliberately so, by the article's framers.

built into the borough structure. Another method of city representation (e.g., borough sections, at-large, or some combination of both) would not mean the elimination of conflict. Indeed, it is possible that confrontations between completely separate city and borough governments might even be more intense in the absence of assembly "screening" and internal stalemating. However, these confrontations would more likely occur in political arenas larger than the assembly structure, often forcefully presenting themselves for more definitive resolution at the state level.

Annexation Vs. Service Areas

As viewed by the Public Administration Service (PAS) in its report to the Statehood Committee in 1959, there were two contrasting approaches to local government reorganization in the more urbanized areas of the state. On the one hand, the borough could be established with a view toward eventual absorption of the city within it. On the other, the jurisdiction of the city could be expanded through annexation of the urbanizing areas around it. In most of urban Alaska, there appeared to be no need for more than one unit of local government to provide urban services. Population and economic bases were small, and duplication of governmental machinery would be wasteful. "By all odds," reported PAS, "the most direct and least complicated line of evolution for many communities would be expansion of the central city with all of its existing plant, political structure, credit and fiscal base, and political know-how." But, "if this line of reasoning is valid, what foreseeable use is there for organized boroughs . . .[?]"[21] PAS concluded:

[21] PAS, op. cit., p. 71.

> It may be that the best solution for the problems of urban government in most areas will be to concentrate the full responsibility in a single level, the city, or the completely consolidated city-borough. On the other hand, it may be that the borough will provide a very useful agency in rural areas for the exercise of local responsibility for administration and at least partial financing of education and a growing list of local or regional services such as local roads, fire protection, utilities (water, sewer, and others), health, recreation, etc., some of which would be provided on a borough-wide basis and some in special service areas organized and governed under the authority of the borough.[22]

Ignoring these considerations, the state layered borough governments over the cities of urban Alaska and established no borough units in rural Alaska.

As described above, the state was confronted with the problem of "integrating" all areas served by special districts. City annexation of all, or even a larger part, of these surrounding areas appeared to be politically out of the question. Even in the case of a small public utility district completely encompassed by the city of Anchorage, opposition to city annexation was intense, although the annexation was finally accomplished. In this case, the Boundary Commission exercised its constitutional prerogative of ordering the annexation, subject to legislative veto, without a vote of the residents of the district. Its action was upheld by the state Supreme Court.[23] This was a relatively simple case of a special district that was required under the constitution to be integrated into a city or borough. Completely surrounded by Anchorage, it was an obviously practicable and logical move for the city to annex it. On the other hand, the Boundary Commission had been most respectful of political realities in cases where suburban residents, often fearing that the cost in new taxes will outweigh the benefits of additional services received, object

[22] Ibid.

[23] City of Anchorage vs. Fairview Public Utility District No. 1, Alaska Supreme Court (1962).

to city annexation. Certain groups of outside-city residents have also been extremely possessive of their identity and autonomy, much in the tradition of suburban and rural separatism, with central cities often cast in somewhat morally suspect roles.[24]

At the same time, the borough service area has been available as a vehicle for meeting service needs of developed enclaves outside the city. This tends to neutralize whatever attraction city annexation may have for those seeking more and higher quality urban services. With the borough service area, residents outside the city may select the particular mix of services they wish and be assured of paying, through differential mill rates, only for those additional services directly received in their immediate area of residence. For this reason, however, service areas also fragment the borough. The separate suburban enclaves develop a built-in resistance to unified or consolidated area tax and service structures, and service area status insulates their residents from the cost of city facilities and services that they share or benefit from, perhaps most obviously as owners of property whose value is enhanced simply because the city is accessible.

So, following the line of least relative resistance, boroughs were established in large part to solve the special district problem. Critical by-products of this action were the blocking of significant annexation activity by the cities within them and, in several cases, the fragmenting of the urban area. This outcome was foreseen by PAS in its 1959 report: "The conclusion is inescapable that it would often be more difficult to

[24] Although Alaska's "central cities" are really small and medium-sized towns by U.S. standards, such anti-city sentiments often seem to be magnified here. This is, in part, the result of Alaska's peculiar socio-economic characteristics and political "culture" as described in Chapter III above, as well as traditional American attitudes toward the "city."

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

February 28, 1978

Mr. Sigvald Strandberg
Chairman
Local Boundary Commission
7235 Blackberry
Anchorage, Alaska 99502

Dear Mr. Strandberg:

The Senate Community and Regional Affairs Committee would like to express its support for your reappointment by Governor Jay Hammond to serve an additional term of office on the Local Boundary Commission.

The Committee deeply appreciates your years of public service on the Commission and looks forward to the continuation of your work.

Sincerely,

Joe

JOE ORSINI
Chairman, Senate
Community and Regional
Affairs Committee

JO:gd

Alaska State Legislature

Senate

Committee on
Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

January 27, 1978

Mr. Sigvald Strandberg
Chairman
Local Boundary Commission
7235 Blackberry
Anchorage, AK 99502

Dear Mr. Strandberg Sig

Further to your telephone conversation this morning with my Administrative Assistant, I would like to invite you and any other members of the Local Boundary Commission to attend the hearings which the Senate Community and Regional Affairs Committee will be holding in regard to your recommendations on the proposed annexations by the Cities of Skagway and Petersburg and the Haines Borough.

The committee meeting is scheduled for 3:00 P.M. in Room 100 of the Assembly Building Tuesday, February 7, 1978.

I look forward to seeing you and any other Commission members who wish to attend at that time.

Sincerely,

Joe Orsini

Joe Orsini
Chairman
Community and Regional
Affairs Committee

JO/tb

F: Local Boundary Comm

Alaska State Legislature

Senate

Office of the Secretary

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

January 31, 1978

MEMORANDUM:

TO: Chairman, Community & Regional Affairs

SUBJECT: Governor's Appointments - Information only

The following appointment is not specifically required by statute and is submitted for your information only:

LOCAL BOUNDARY COMMISSION

*Sigvald Strandberg, Anchorage, term expiring January 31, 1983

*Reappointed

7235 Blackberry Street
Anchorage, AK 99502
January 30, 1978

Honorable Lisa Rudd, Chair
Alaska House of Representatives
Community & Regional Affairs Committee
Pouch V
Juneau, AK 99811

Dear Lisa:

Have discussed your scheduled hearings (February 6 & 8 @ 9:00 a.m. & February 7 @ 3:00 p.m.) with my fellow commissioners and they request that I represent the Commission on the matters submitted for legislative review.

I'm looking forward to appearing before your committee and, on behalf of the commission, wish to thank you for your courteous invitation.

Sincerely yours,

Sigvald J. Strandberg
Chairman

cc: Senator Joseph Orsini
Commissioner Lee McAnerney
Local Gov't. Specialist Patrick Poland
LBC Commissioners

LOCAL
BOUNDARY
COMM.
LISTING

Alaska State Legislature

Senate

Committee on
Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

January 27, 1978

Mr. Sigvald Strandberg
Chairman
Local Boundary Commission
7235 Blackberry
Anchorage, AK 99502

Dear Mr. Strandberg Sig

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I look forward to seeing you and any other Commission members who wish to attend at that time.

Sincerely,

Joe Orsini

Joe Orsini
Chairman
Community and Regional
Affairs Committee

JO/tb

Dear Mr. Strandberg,

Further to your telephone conversation this morning with my Administrative Assistant, I would like to invite you and any other members of the Local Boundary Commission to attend the hearings which the Senate Community and Regional Affairs Committee will be holding in regard to your recommendations on the proposed annexations by the Cities of Skagway and Peterburg and the Haines Borough.

The committee meeting is scheduled for 3:00 P.M in Room 100 of the Assembly Building Tuesday, February 7, 1978.

I look forward to seeing you and any other Commission members who wish to attend at that time.

Sincerely,

Joe Orsini
Chairman, etc.

bfh
1-27-78

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LOCAL BOUNDARY COMMISSION

Mr. Sigvald Strandberg Chairman 7235 Blackberry Anchorage, AK 99502	243-1772 home 276-4555 business
Mrs. Shiela Jones 3201 G. Street, Suite 201 Anchorage, 99503	276-8356 home 276-7614 business
Mrs. Josephine Anderson P. O. Box 351 Wrangell, 99929	874-3590 home 874-3621 business
Mr. Jim Dodson 2.5 Mi., Steese Highway Fairbanks, 99701	452-5671 home 456-7670 business
Mr. Edwin Hobson P. O. Box 143 Barrow, 99723	852-5141 home 852-6970 or 852-6930 business

MUNICIP.
OF
ANCHORAGE

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1. STATE REVENUE SHARING

Undoubtedly you have read or heard the Governor's proposed revision of revenue sharing; that of basing the amount a municipality would receive on its relative tax base per capita. While the goal may be equity, tax base per capita is only one factor in looking at such programs. There is no simple correlation between tax base and what state revenue sharing should be.

To begin, tax base is only indicative of the size of the physical plant(buildings, dwellings, etc.) within a given community. The Governor's unstated hypothesis is: the greater the tax base per capita, the greater the capacity to fulfill local service needs by local funds. This is an oversimplification of a longstanding urban problem which has two dimension : the need for service and complexity of that service delivery. Tax base does not necessarily relate to service needs or demands. Urban densities, congested traffic, large numbers of unemployed and the crime rate are more closely connected to the need for service. Service demands (needs) criteria are the factors to consider before making any judgments on tax base and its relationship to state revenue sharing.

Service demands or need criteria must be evaluated very carefully in order to avoid falling into the argument that not having the funds is tantamount to having a service need. While this may sound ludicrous, the argument is used with surprising frequency. Conversely, the argument that because a community has a high tax base per capita it should receive lesser revenue sharing funds misses the point of service need to capacity to fulfill those needs.

Returning to the need criteria and the faulty argument mentioned above, the State Administration may be unintentionally "helpful" in this establishment of need through the efforts of the Department of Community and Regional Affairs when it fosters municipal incorporation of very small villages. Additionally, new services are encouraged as early after incorporation as possible. This process, while a valid concern of the state's, may simply outstrip the local government's capacity to generate revenue to pay for the "new services". The point here is not that the state shouldn't be assisting in the creation and development of local governments, but that the state can press for too fast a development and thereby create false service demands. Until the "real" service needs and the revenue needed to provide them is established through objective research, the current method of revenue sharing should not be changed.

House Bill 70 does not substantially change the current approach to state revenue sharing. It adds a few categories as separate item. Specifically, HB 70 would separate water and air pollution, make small boat harbors or ports, mass transit and airports separate categories, and add as new categories solid waste disposal and ambulance. The formula used is B X P = Amount. B is the base revenue sharing amount of $1 times the units for each service category and P is the population of the community. Thus, for example, if Anchorage's population is 200,000, its share for police protection would be $12 times 200,000 or $2,400,000. However, the recent expansion to Muldoon, Sand Lake, and Eagle River of police services will increase greatly the need for a greater amount for the police category. Another way of looking at an increase in the police service category is to remember that the state's responsibility for policing in those areas will no longer be needed. Hence, a larger share of state funds could be made available to the police protection category.

Anchorage Municipality strongly supports passage of HB 70 and endorses an amendment that would increase the police units to twenty dollars per capita. The cost for police services in Anchorage is currently over $120 per capita. Any relief in this category would be most welcome.

In addition to the above support for the HB 70 revenu sharing bill and possible amendment in police services funding, the Municipality requests consideration be given to building into the annual revenue sharing formula a cost of living(inflation) increase. Such a cost of living index could be based upon the Consumer Price Index (CPI) published by the U.S. Department of Commerce. An example of how this might work is illustrated below.

The base year for the CPI is 1967; therefore 1967 equals 100 points (keep in mind these are not percentage points but can easily be converted to percentage points)

Year	Anchorage CPI	Example Service
1967	100.0	$8.28
1973	120.8	10.00
1974	133.8	11.08
1975	151.0	12.50
1976	163.3	13.52
1977	177.4	14.69
*1978	191.6	15.86

* The 1978 figure is estimated based on 1973-77 average annual increases.

AS you can see the impact of using the CPI would be to increase annually the revenue sharing in an equal amount as the cost of living has increased (inflationary increase). In accordance with the format of HB 70 it would be better to amend the formula wording of AS 43. 17.030 to the following:

Sec. 43.17.030. BASIC GRANTS TO MUNICIPALITIES. (a) If a municipality elects not to receive the grant provided for under sec. 20 of this chapter, the amount of revenue sharing for which it is eligible shall be B X P where

(1) "B" is the base revenue sharing amount of $1.00 times the Consumer Price Index issued by the U.S. Department of Commerce for that year times the service units for each service performed by the municipality established as follows:

(A) police protection	20 units
(B) fire protection	7.5 units
(C) water pollution control	2 units
(D) land use planning	2 units
(E) parks and recreation	5 units
(F) small boat harbor or port	5 units
(G) mass transit	5 units
(H) airport	5 units
(I) solid waste disposal	2 units
(J) ambulance	2 units
(K) air pollution	2 units

(2) "P" is the population of the municipality rounded up to the nearest 100.

The purpose for this request is to enable local governments to maintain a status quo in the services they are able to render through state revenue sharing than lose ground to inflation. A look at what inflation has done to recent revenue sharing in one category will be illustrative.

In 1973 five dollars per capita was given to municipalities. That figure has not been changed since. The impact of inflation is as follows:

Year	CPI	Parks and Recreation
1973	120.8	$5.00
1974	133.9	$5.42
1975	151.0	$6.92
1976	163.3	$7.48
1977	177.4	$8.13

What this says is that it takes $8.13 to buy in 1977 what it took $5.00 in 1973. Another comparison that can be made is what the 1977 actual revenue sharing was for Anchorage and what it would be under the CPI method. The comparison is shown in Appendix "A". The CPI is applied to road maintenance and health facilities dollars that are not direct pass through funds.

Original sponsor: Community and Regional Affairs Committee

Offered: 2/16/77
Referred: Finance

IN THE HOUSE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

CS FOR HOUSE BILL NO. 70

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to municipal revenue sharing, and the Alaska Business License Act; and providing for an effective date."

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

* Section 1. AS 43 is amended by adding a new chapter to read:

CHAPTER 17. MUNICIPAL REVENUE SHARING.

Sec. 43.17.010. CONSTRUCTION AND IMPLEMENTATION OF CHAPTER. (a) This chapter may not be construed so as to create a debt of the state.

(b) The special municipal services account is established. The legislature may annually appropriate funds to the account to carry out the provisions of this chapter. If there are not enough funds in the account to provide for each local government's or other recipient's share authorized under this chapter, the funds which are available shall be distributed in proportion among eligible local governments and other recipients.

(c) If any money remains in the special municipal services account at the end of the fiscal year for which the money is appropriated and this remaining money is more than the amount required for the allocations authorized in this chapter, this money reverts to the general fund.

Sec. 43.17.020. MINIMUM GRANTS TO MUNICIPALITIES. (a) A municipality proposing to provide administrative services or a service provided for in sec. 30(a)(1) of this chapter may, in lieu of obtaining revenue sharing money as provided in this chapter, obtain instead a

APPENDIX A

	RATE	POPULATION	1977 CPI	1977 W/CPI AMOUNT	1977 ACTUAL AMOUNT
POLICE PROTECTION	12	106,690	1.08	1,382,702	1,280,280
MILITARY	6	18,897	1.08	122,452	113,382
FIRE PROTECTION	7.50	175,189	1.08	1,419,031	1,313,918
AIR/WATER	2	175,603	1.08	379,302	351,206
LAND USE PLANNING	2	175,603	1.08	379,302	351,206
PARKS AND RECREATION	5	164,400	1.08	887,868	822,100
MILITARY	1.25	18,897	1.08	25,511	23,621
TRANSPORTATION	5	245,454	1.08	1,325,452	1,227,270
MILITARY	2.50	37,794	1.08	102,044	94,485
ROAD MAINTENANCE	1,500	35,948	1.08	582,358	539,220
HOSPITALS	2	175,603	1.08	379,302	351,206
	1000/bd	235	1.08	253,800	235,000
				7,239,124	6,702,894

minimum grant of $25,000.

(b) The department shall issue regulations regarding procedures and time limits for making an election under this section.

Sec. 43.17.030. BASIC GRANTS TO MUNICIPALITIES. (a) If a municipality elects not to receive the grant provided for under sec. 20 of this chapter, the amount of revenue sharing for which it is eligible shall be B x P where

(1) "B" is the base revenue sharing amount of $1 times the service units for each service performed by the municipality established as follows:

(A)	police protection	12 units
(B)	fire protection	7.5 units
(C)	water pollution control	2 units
(D)	land use planning	2 units
(E)	parks and recreation	5 units
(F)	small boat harbor or port	5 units
(G)	mass transit	5 units
(H)	airport	5 units
(I)	solid waste disposal	2 units
(J)	ambulance	2 units
(K)	air pollution	2 units

(2) "P" is the population of the municipality rounded up to the nearest 100.

(b) If a municipality provides one or more of the services in (a)(1) of this section under contract to a defined area outside the boundaries of the municipality, the revenue sharing amount for those services shall be increased by the service units for each service times the population of the area served rounded up to the nearest 100.

(c) If a municipality contains areas having differential rates of

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OFFICE

taxation, the entitlement shall be calculated for areawide services and for each area separately and totaled to reach the entitlement of the municipality. Revenue sharing money for which the entitlement is based upon areawide services may be used for areawide purposes only. Revenue sharing money for which the entitlement is based upon service area services may be used for that service area only.

Sec. 43.17.040. HEALTH FACILITIES AND HOSPITALS. (a) During each fiscal year the state shall make payments as follows:

(1) $2 per capita to a municipality which has the power to provide health facilities and services and in which a hospital is located;

(2) in addition to the payment made under (1) of this subsection

(A) the state shall make payments to a municipality which has the power to provide hospital facilities and services and which exercises the power on the basis of $1,000 per bed for each bed actually used for patient care limited to the number of beds provided for in the construction design of the hospital, or $75,000 a hospital for those hospitals with 10 or more beds, or $25,000 a hospital for those hospitals with less than 10 beds, as the municipality may elect; funds received under this subparagraph may be used only for hospitals and shall be apportioned among qualifying hospitals as the municipality determines;

(B) the state shall make payments on the basis set out in (A) of this paragraph to a municipality for nonprofit hospitals not operated by a municipality if the municipality first certifies to the department that the hospital is in compliance with all standards for hospitals which have been adopted by the municipality; in the absence of this certification the funds which would

have gone to the hospital lapse into the state general fund; payments to the municipality shall be transferred to the hospital in accord with the basis by which the entitlement was generated by the hospital and shall be applied to the annual cost of operation and maintenance of the hospital or for the provision of health care service at the hospital as the directors of the hospital determine;

(C) a hospital may not receive payment under both (A) and (B) of this paragraph;

(3) $1,000 per bed to an organized borough or city outside an organized borough in which a health facility is operated for each bed actually used for patient care, limited to the number of beds provided for in the construction design of the health facility, or $4,000 for each health facility as the local government may determine;

(4) funds received by a municipality under (1) or (3) of this subsection shall be used for expenses of health services or operation and maintenance of facilities as the municipality determines.

(b) If construction of a hospital or health facility began before January 1, 1976, and state matching aid for construction approved under AS 18 for payment to a municipality or other facility sponsor constitutes less than 25 per cent of the total project cost, the state shall pay to the municipality or other facility sponsor each fiscal year a sum equal to $2,500 a bed for the maximum number of beds provided for in the construction design of the facility. State aid provided for in this subsection shall continue until the municipality or other facility sponsor has received an amount which, combined with state matching money for construction of the facility approved under AS 18, equals 25 per cent of the total project cost. No funds received for construction shall be used for any other purpose.

(c) In this section

(1) "hospital" means a licensed hospital determined by the Department of Health and Social Services to be a general hospital; the term excludes facilities operated or wholly supported by the state or the federal government;

(2) "health facility" means public health centers, maternity homes and community mental health centers, facilities for the mentally or physically handicapped, nursing homes and convalescent centers which are licensed, when required, by the state under AS 18.20.010 - 18.20.130 and are owned or operated or both by a local government or by a nonprofit corporation or other nonprofit sponsor; the term excludes facilities operated or wholly supported by the state or the federal government.

Sec. 43.17.050. VOLUNTEER FIRE DEPARTMENTS OUTSIDE MUNICIPALITIES. The state shall pay to a volunteer fire department registered with the state fire marshal and serving an area not in an organized borough or a city a sum for protection purposes equal to $7.50 per capita for the population served by the department, as determined by the state fire marshal using the latest figures of the United States Bureau of the Census or other reliable data. Grants shall be made on the same basis to facilitate the organization of volunteer fire departments in an area not in an organized borough or a city. Payment shall be made upon application by the proposed fire protection group to the department and approval of the application according to standards of organization and service prescribed by regulations promulgated by the department.

Sec. 43.17.060. AREA COST-OF-LIVING DIFFERENTIAL. (a) State payments under this chapter shall reflect area cost-of-living differential. Amounts distributed shall be based upon the sum of the grants due multiplied by the appropriate area cost-of-living differential. The area cost-of-living differential shall be determined annually by election district under the provisions of AS 39.27.030; however, the area

cost-of-living differential to be applied shall not result in an amount to be distributed less than the base allocation.

(b) The election districts used in (a) of this section are those designated by the proclamation of reapportionment and redistricting of December 7, 1961, and retained for the house of representatives by proclamation of the governor September 3, 1965.

Sec. 43.17.070. FINANCIAL REPORTS. No final payment may be distributed to a municipality under this chapter unless that municipality first submits to the department (1) a financial report for each of the two fiscal years immediately preceding the fiscal year in which funds are to be distributed; and (2) a budget for the municipality's fiscal year in which funds are to be distributed. The department may, by regulation, prescribe procedures and filing dates for submitting financial reports and for obtaining all information required to determine the municipality's tax effort.

Sec. 43.17.080. POPULATION DETERMINATION. For purposes of this chapter, population shall be determined by the latest figures of the United States Bureau of the Census, Department of Labor estimates or other population data which, in the judgment of the department, is reliable. However, a municipality may not receive state shared revenue based on the population residing on that portion of a military reservation annexed to a city or borough after January 1, 1973, except as provided in this section. If a military reservation is located within a city or borough, the city or borough is limited in its entitlement to state shared revenue under this chapter, based on the population residing on the reservation, as follows: 50 per cent of the amount paid per capita for police protection; 25 per cent of the amount paid per capita for parks and recreation; 50 per cent of the amount paid per capita for mass transit; 50 per cent of the amount paid per capita for

water pollution; and 50 per cent of the amount paid per capita for air pollution.

Sec. 43.17.090. ADDITIONAL LIMIT. In addition to the limitations on expenditure of funds contained in sec. 40 of this chapter:

(1) if a borough exercises the powers in sec. 30(a)(1) of this chapter in the borough area outside cities only, or in a service area only, the grants authorized under this section shall be based on the population of the borough area outside cities or the service area respectively;

(2) if a city within an organized borough provides police protection services, the borough may not qualify for aid under sec. 30(a)(1)(A) of this chapter unless

(A) police protection services are provided in the borough area outside cities, or if limited to a service area, in the service area, through borough contract with a city or with the state or

(B) the borough assumes and exercises power to provide police protection services on an areawide basis in the manner provided by law.

Sec. 43.17.100. ROAD MAINTENANCE. (a) During each fiscal year the state shall pay to a city or organized borough which has and exercises power to provide road maintenance $1500 a mile for each mile of road, street, or highway maintained by that local government. No payment may be made for

(1) the official state highway system;

(2) roads, streets, or highways not dedicated to a public use;

(3) roads, streets or highways maintained under the local services road program;

(4) alleyways; or

(5) maintenance of roads not used by automotive equipment.

(b) Frozen waterways and connections from inhabited areas to the waterways which may be safely used for public transportation by automotive equipment and are so used during a portion of a year are eligible for payments of $900 per mile if the waterways and connections are maintained during the period of use by a municipality or combination of municipalities. The Department of Community and Regional Affairs, after consultation with the Department of Highways, shall determine which waterways and connections qualify and, where the waterways or connections lie outside the corporate limits of a municipality, which municipality is eligible for the shared revenue unless the municipalities involved have agreed in writing to a particular distribution.

Sec. 43.17.110. REGULATIONS. The department shall adopt regulations necessary to carry out the purposes of this chapter. The regulations shall include

(1) minimum standards of service required to qualify a municipality for service unit credit for each service; and

(2) provisions for a performance report adequate to demonstrate to the department that each service for which credit was allowed was actually performed by the municipality at least at the prescribed minimum level.

Sec. 43.17.120. EXPENDITURE OF FUNDS. Funds received by a municipality under this chapter may be expended for any public purpose for which the municipality has power to expend funds except as provided in sec. 40 of this chapter.

Sec. 43.17.130. UNIFICATION, MERGER OR CONSOLIDATION OF MUNICIPALITIES. If a borough and the cities within the borough merge, consolidate or unify in accordance with AS 29.68, the amount of revenue

sharing to which the successor municipality is entitled shall be computed for the first year and each year thereafter as if the merger, consolidation or unification had not occurred, and the successor municipality shall receive not less than the amount so computed.

Sec. 43.17.160. DEFINITIONS. In this chapter

(1) "department" means the Department of Community and Regional Affairs;

(2) "municipality" for revenue sharing purposes means a city, borough or unified municipality incorporated under the laws of the State of Alaska except a second class city incorporated after the effective date of this Act and lying within an organized borough.

* Sec. 2. AS 43.18.010 - 43.18.045 are repealed.

* Sec. 3. Other provisions of this Act notwithstanding, a municipality which would receive less money under the provisions of this Act than it was entitled to receive in fiscal year 1977 under the provisions of AS 43.18 repealed by this Act shall continue to receive an amount equal to that authorized for fiscal year 1977 under the former provisions of AS 43.18, in accordance with those provisions.

* Sec. 4. AS 43.70.010 is repealed.

* Sec. 5. AS 43.70.030(a) is amended to read:

(a) The license fee for each business is $25 [PLUS A SUM EQUAL TO ONE-HALF OF ONE PER CENT OF THE GROSS RECEIPTS IN EXCESS OF $20,000 FROM THE BUSINESS DURING THE YEAR FOR WHICH THE LICENSE IS ISSUED, EXCEPT THAT ALL GROSS VOLUME IN EXCESS OF $100,000 A YEAR IS TAXED AT THE RATE OF ONE-QUARTER OF ONE PER CENT. THE ANNUAL LICENSE FEE PAID BY A PROFESSIONAL PERSON TO HIS PROFESSIONAL BOARD SHALL BE CREDITED AGAINST THE INITIAL FEE REQUIRED UNDER THIS CHAPTER].

* Sec. 6. AS 43.70.030(c) is amended to read:

(c) The licens for the privilege of taking orders through use of

catalogs and by mail order offices in the state is the same as set out in this chapter for business generally [AND GROSS VOLUME OF BUSINESS OF THOSE OFFICES INCLUDES ALL ORDERS TAKEN AT THEM WHETHER DELIVERY OF THE MERCHANDISE IS MADE THROUGH THE OFFICES OR NOT].

* Sec. 7. AS 43.70.030(d) is amended to read:

(d) The initial fee of $25 applies to all of the provisions of this section, and shall accompany the application. The balance under sec. 30(b) of this chapter is due and payable on December 31st of each year and shall be paid before the first day of March following, except that the department may extend the time until the 30th of the following April upon application showing that the extension is necessary to enable the applicant to ascertain the amount of license money due. To enable accurate determination of the balance of the tax due at the end of each year, each person to whom this chapter applies shall keep records, give statements under oath, and make returns which the department requires. Returns are made under penalty of perjury.

* Sec. 8. AS 43.70.040 is amended to read:

Sec. 43.70.040. REVIEW AND DETERMINATION OF LICENSE TAX. As soon as practicable after the final payment of the tax under sec. 30(b) of this chapter, the department shall examine the return and determine the correct amount of the tax and, if an error is found, shall notify the taxpayer of the error and examine the taxpayer's records as authorized in AS 43.05.040, and take other proper steps to determine the amount due.

* Sec. 9. AS 43.70.110(2) is repealed.

* Sec. 10. AS 43 is amended by adding a new section to read:

CHAPTER 17. MUNICIPAL REVENUE SHARING.

Sec. 43.17.150. ADDITIONAL GRANTS TO REPLACE LOST REVENUE. In addition to all other revenue sharing with municipalities, a munici-

pality is entitled to and shall receive each year an amount equal to the amount of money it was entitled to receive under AS 43.70.080 for the year 1978.

* Sec. 11. Sections 1, 2 and 3 of this Act take effect July 1, 1977. Sections 4, 5, 6, 7, 8, 9, and 10 of this Act take effect January 1, 1980.

2. Supplemental Appropriation for Police Protection

Police service expansion costs have been a major aspect in Anchorage local elections with Muldoon, Sand Lake and Eagle River voting to assume local police services. Sand Lake and Muldoon will begin to incur costs January 1, 1978. Eagle River will begin January 1, 1979. However, the Sand Lake and Muldoon new service will not have been included as a part of the State's 1977 (1977-78) budget for state revenue sharing. Anchorage Municipality therefore requests consideration for a supplemental appropriation to cover state revenue sharing from January 1, 1978, through June 30, 1978, for the Sand Lake and Muldoon areas. The revenue sharing calculation is as follows:

Area	Population	1/2 Year	Rate	Amount
Muldoon	23,349	.5	12	$140,094
Sand Lake	18,914	.5	12	113,484
	Total Supplemental			$253,578

The above figure is arrived at by using the revenue sharing calculation. However, it would be illustrative to demonstrate the full costs to the Municipality for that time frame. These costs are for one-half year with the expectation that the State's 1978 budget would pick up the remainder of the year as a matter of regular procedure.

MULDOON/SAND LAKE POLICE SERVICE EXPANSION COSTS FOR JANUARY 1, 1978 THROUGH JUNE 30, 1978

Personnel Services		$696,490
46 sworn officers		
6 communications clerks		
Supplies		68,140
Uniforms and various personal equipment supplied		
Other Services and Charges		225,920
Vehicles	$190,000	
Misc.	35,920	

Machinery and Equipment	89,970
Total Direct Costs	$1,080,520
Intergovernmental Charges	65,790
Total Costs	$1,146,310

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act Entitled: "An Act Making a Supplemental Appropriation to the Municipality of Anchorage for Police Protection and Providing for an Effective Date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA

Section 1. The sum of $253,578 is appropriated from the General Fund to the Municipality of Anchorage for the purpose of increased police protection.

Section 2. This Act takes effect immediately in accordance with AS 01.10.070(c).

3. ınicipal Land Selection

Senate Bill 241 and Committe Substitute for HB 133 both present an opportunity for the State to "clear up accounts" in municipal land selection while at the same time regain the land management control it claims it needs desperately. Since these bills have already been introduced, it is necessary to provide some history behind their evolution, support and progress.

While Senate Bill 241 was introduced by request of the Governor, HB 133 was concurrently introduced by Representatives Parr, Cowper and Brown. Both bills started out as identical bills and are still substantially the same although the House version has undergone a few minor changes. What does not show in the bill is the extensive effort by most of the boroughs to compromise individual desires in order to arrive at a consensus in support of the bill. With this basic broad support the bill passed the House Community and Regional Affairs Committee with only a few changes. The Senate version still resides in the Senate Community and Regional Affairs Committee.

It was not until the bill reached the House Finance Committee near the end of the session, that the North Slope Borough expressed a desire to alter the bill giving the Borough 200,000 acres instead of the 695 acres listed in the bill. Since the bill has an in lieu payment feature the changed position of North Slope Borough also could have drastically changed the fiscal note of the bill. This situation caused aprehension among the Finance Committee members and since the end of the session was so near, the Finance Committee elected to postpone action in the bill.

The Committee's Chairman, Steve Cowper, appointed an interim committee to review the bill's provisions and submit an alternate proposal.

The current bills major provisions are: that cities and boroughs with selectable land (state land that is vacant, unrestricted and unreserved) would get their ten percent, or whatever figure of acres spelled out in the bill. (This feature is included to remove difficulty in land selection where there are large tracts of federal and state reserved lands, thereby reducing the percent selectable if ten percent of state selectable lands is used as the base); that cities or boroughs which find it impossible to select their ten percent of state land be entitled to a dollar in-lieu payment (Anchorage and to a lesser extent Kodiak); and finally, that selection of land, if available, automatically excluded that party from the in-lieu payment option. It is anticipated that the House Finance Committee will come up with a proposed change in acreage and possibly a new schedule of in-lieu payments. Since Anchorage is one of those local governments which can not select more land, the crucial concern the Municipality has will be for the specific dollar payment in-lieu of selectable land. Another point to remember is that early passage of the land selection bill is essential since this is a second session as well as election year. Therefore Anchorage supports early passage of CSHB 133.

Original sponsors: Parr, Brown and Cowper

Offered: 5/4/77
Referred: Finance

IN THE HOUSE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

CS FOR HOUSE BILL NO. 133

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to selection and transfer of state land to municipalities; and providing for an effective date."

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

* Section 1. STATEMENT OF PURPOSE. The purposes of this Act are to remove uncertainties in the existing municipal land selection law of the state; to provide for an immediate, final determination and settlement of municipal land entitlement; to provide for the completion of rational ownership patterns for sound land management; and to provide for timely patent of land to municipalities to fulfill their respective entitlements.

* Sec. 2. AS 29.18 is amended by adding new sections to read:

ARTICLE 3A. GENERAL GRANT LAND.

Sec. 29.18.202. DETERMINATION OF ENTITLEMENT. (a) The general grant land entitlement of each of the municipalities in this subsection is the amount set out opposite each:

(1) Municipality of Anchorage -- 20,865 acres;

(2) City and Borough of Juneau -- 13,600 acres;

(3) City and Borough of Sitka -- 9,200 acres;

(4) Bristol Bay Borough -- 1,940 acres;

(5) Fairbanks-North Star Borough -- 112,000 acres;

(6) Haines Borough -- 1,080 acres;

(7) Kenai Peninsula Borough -- 155,780 acres;

(8) Ketchikan Gateway Borough -- 9,200 acres;

(9) Kodiak Island Borough -- 45,200 acres;

(10) Matanuska-Susitna Borough -- 355,210 acres;

(11) North Slope Borough -- 645 acres.

(b) The general grant land entitlement of a city eligible to receive general grant land under the former provisions of secs. 190 - 200 of this chapter repealed by this Act is 10 per cent of the maximum total acreage of vacant, unappropriated, unreserved land within the boundaries of each city at any time between the initial date of eligibility under former secs. 190 - 200 of this chapter and the effective date of this Act.

(c) Within six months of the effective date of this Act, the director shall determine the entitlement for each city eligible to receive general grant land under (b) of this section and certify that entitlement to the city.

(d) General grant land entitlements provided in this section constitute vested property rights which shall be fulfilled as provided in sec. 204 or sec. 208 of this chapter, but no municipal selection vests any interest in or right to receive a particular tract of land except as provided by sec. 204 of this chapter.

(e) General grant land entitlements vested under this section may be exercised at any time before the date which is two years after the expiration of the state's right to make selections under secs. 6(a) or (b) of the Alaska Statehood Act (P.L. 85-508); however, the time limitation imposed by this subsection does not apply to payments in lieu of land under sec. 208 of this chapter.

Sec. 29.18.204. FULFILLMENT OF LAND ENTITLEMENTS. (a) The acreage of each municipality's land selections under former secs. 190 - 200 of this chapter for which patent has been issued before the effective date of this Act shall be credited toward fulfillment of the entitlement of that municipality.

(b) All approved selections under former secs. 190 - 200 of this chapter for which patent has not been issued to a municipality on the effective date of this Act shall be reviewed by the director within nine months of the effective date of this Act. Any approved selection of land which was vacant, unappropriated or unreserved on the date of selection is valid as of the date of the approval under the former secs. 190 - 200 of this chapter, and a patent shall be issued to the municipality within three months after approval by the director of a plat of survey. The acreage shall be credited toward fulfillment of the municpality's entitlement. No municipality is entitled to receive patent under this chapter to more than its entitlement determined under sec. 202 of this chapter. Any prior approval by the director of municipal selections for land which was not vacant, unappropriated or unreserved on the date of selection shall be rescinded, and patent may not be issued except when disposal to a third party by sale or lease has occurred. Transfers of general grant land to municipalities under this chapter are subject to AS 38.05.321. Classification actions as reflected upon the land status records of the Department of Natural Resources are determinative of land classification status for purposes of this chapter.

(c) All municipal land selections under former secs. 190 - 200 of this chapter not approved as of the effective date of this Act shall be recognized by the director as representing the priority interests of the municipalities, and the selections shall be given first consideration under (e) of this section unless the municipality indicates different priorities.

(d) On the effective date of this Act and for five years thereafter no classification of a parcel of general grant land in excess of 3,200 acres under AS 38.05.300 shall be effective, unless otherwise required by law, if the municipality in which the parcel is located, within 30

days after receipt of notice of the proposed classification, advises the director in writing that it does not consent to the classification and indicates the reasons for its nonconsent.

(e) Each eligible municipality and the director shall jointly consider which vacant, unappropriated, unreserved land, including federal land of interest to a municipality which may be selected by the state as general grant land, located within the boundaries of the municipality is appropriate for municipal selection and approval by the director to fulfill any remaining municipal general grant land entitlement. The joint consideration made by the parties shall include a cooperative land planning process which will, in addition to the normal objectives of such a process, seek to identify both local and state interests in tracts of vacant, unappropriated and unreserved land remaining within the municipality. Adjacent tracts shall be considered simultaneously except when such simultaneous consideration would cause significant delay or expense. Once a tract has been jointly considered, it may be selected by a municipality. Each selection must be approved or disapproved for patent by the director under (f) of this section within nine months of its selection by a municipality, and a patent shall be issued to the municipality within three months after approval by the director of a plat of survey.

(f) In reviewing a municipal selection, the director shall consider the state's responsibilities for developing and protecting values which are of greater than local concern, including development which will have statewide impact, and critical environmental concerns. Specific state responsibilities to be considered, if such responsibilities have not been authorized or delegated by the state to a municipality, include air quality; water; minerals and energy; timber; agriculture; grazing; fish and wildlife and their habitat; public recreation, natural, historical,

and archaeological areas of greater than local concern; access to public land and water; transportation; communications; and public safety. Specific municipal responsibilities to be considered include residential, commercial and industrial needs; support of municipal services; education; local transportation; private recreation; public recreation, natural, historical and archaeological areas of local concern; and other responsibilities authorized or delegated by the state to a municipality. A selection by a municipality of land which is primarily of local concern shall be approved. When the interests of the state may be protected through the conveyance of title that is less than a fee title, the municipality, at its option, may accept the title in acre-for-acre fulfillment of its entitlement.

(g) Every decision of approval or disapproval of a municipal selection by the director under (f) of this section shall include a written explanation of the decision based upon the criteria of that subsection. Before issuing any decision to disapprove a selection, the director shall notify the affected municipality in writing, by certified mail, of his reasons for the proposed decision. The municipality shall have 30 days from receipt of the proposed decision to respond to the director in writing enumerating the reasons for which the municipality believes the proposed decision to be in error. After receipt of the municipality's statement of reasons, or after expiration of the period in which the municipality may respond to the proposed decision, the director shall, within 30 days, affirm, modify or reverse his proposed decision in writing and give written notice of his decision to the municipality. The decision of the director constitutes final administrative action in the matter. A municipality may appeal an adverse decision by the director to the superior court under AS 44.62.560 - 44.62.570.

(h) Within 30 days after convening of the first regular session of the Eleventh Alaska Legislature and the first and second regular sessions of the Twelfth Alaska Legislature, the director shall report to the legislature on the implementation of secs. 202 - 218 of this chapter.

Sec. 29.18.206. SELECTION AND CONVEYANCE PROCEDURE. (a) All municipal selections shall be made in reasonably compact tracts, taking into account the use capabilities of a tract and its relationship to surrounding land uses. A selection filed by a municipality which has not been approved by the director may be relinquished at any time. An approved selection may be relinquished by a municipality if the relinquishment is approved by the director. An approved selection relinquished by a municipality increases the remaining entitlement of the municipality on an acre-for-acre basis.

(b) A municipality may maintain selections for not more than 110 per cent of its remaining entitlement. Municipal selections for general grant land which is withdrawn under sec. 11(a)(2) of the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq., P.L. 92-203) is not included in the limitation of this subsection.

(c) If land selected by a municipality is unsurveyed at the time of approval, the director shall survey, or may approve the municipality's survey of, the exterior boundaries of an approved selection without interior subdivision, and shall issue patent in terms of the exterior boundary survey. The cost of the survey shall be borne by the municipality. If land selected by a municipality has been surveyed at the time of its selection, the boundaries shall conform to the public land subdivisions established by the approved survey.

(d) The director may approve municipal selections of land which has been tentatively approved or patented to the state by the federal government, but he may not issue patent to a municipality until the land

has first been patented to the state. After approval of a selection by the director, but before patent to a municipality, the municipality may execute conditional leases and make conditional sales only with the consent of the director. Conditional sales and conditional leases made before the effective date of the Act do not require the consent of the director.

(e) Nothing in this chapter affects a valid existing claim, location or entry under the laws of the state or the United States whether for homestead, mineral, right-of-way or other purposes. Nothing in this chapter affects the rights of an owner, claimant, locater or entryman to the full use and enjoyment of the land so occupied.

Sec. 29.18.208. PAYMENT IN LIEU OF LAND. (a) There is established within the general fund the Alaska municipal land account for the purpose of allowing eligible municipalities to receive payment in lieu of land entitlements provided in sec. 202 of this chapter.

(b) By August 1 of each year the director shall certify to each municipality having an entitlement under sec. 202 of this chapter the acreage of patented selections, approved selections not yet patented, pending municipal land selections neither approved nor disapproved by the director, and the remaining entitlement of the municipality. If at the time of certification the ratio of the remaining entitlement of the municipality to the vacant, unappropriated, unreserved land within the municipality is greater than two to one, or if there are less then 1,000 acres of vacant, unappropriated, unreserved land within the municipality, the municipality may, at its option, request payment in lieu of land from the account established in (a) of this section; however, no payment may be made to the City and Borough of Juneau, the City and Borough of Sitka or the Ketchikan Gateway Borough under this subsection until the fiscal year after cumulative appropriations to the account exceed $12,000,000

or until the fiscal year beginning July 1, 1984, whichever occurs first.

(c) A municipality eligible for payment under this section may, by October 1 of each fiscal year of eligibility, notify the director of its election to accept payment in lieu of land from the account. A municipality may accept payment for not more than 15 per cent of its entitlement under sec. 202 of this chapter, to a maximum of 10,000 acres, in each fiscal year. A municipality which chooses to accept payment in lieu of land shall be entitled to an amount based on the cumulative total number of acres of remaining entitlement which it relinquishes according to the following schedule:

(1) 10,000 acres or less -- $1,500 per acre;

(2) 10,001 to 20,000 acres -- $750 per acre; and

(3) more than 20,000 acres -- $350 per acre.

(d) The governor shall annually submit to the legislature a request for an appropriation to the account for the municipalities which have elected to receive payment in lieu of land under this section.

(e) If the total appropriation is not sufficient to meet the amount due to all municipalities which have elected to accept payment in lieu of land under (c) of this section, the governor shall apportion the appropriation among the municipalities in proportion to the payment calculated for each municipality for that year. When a distribution of payments is made under this subsection, the remaining entitlement of a municipality to which payment is made shall be reduced in an amount equal to the number of acres for which payment was received. An apportionment may increase the acreage for which a municipality may request payment in a succeeding year, but this increase in acreage does not authorize a municipality to request payment in lieu of land of more than 10,000 acres in any one year.

Sec. 29.18.210. AUTHORIZATION FOR LAND EXCHANGES. The director,

with the concurrence of the commissioner, and any municipality are authorized to exchange land or interests in land when it is in the public interest. Land or interests in land exchanged under this section must be of approximately equal value, including the non-monetary value of public benefits. Exchange procedures shall comply with applicable law and municipal ordinances. The notice and review provisions of AS 38.05.305 and 38.05.345 are applicable to exchanges of land under this section. The provisions of AS 38.50 do not apply to exchanges of land under this section.

Sec. 29.18.212. PUBLIC PURPOSE AND EXPANSION NEEDS. (a) Consistent with the best interests of the state, if a municipality does not contain and cannot reasonably acquire sufficient nonfederal land within its boundaries to meet its legitimate needs for public or private settlement or development, it shall be the policy of the state to select federal land reasonably necessary to meet the needs of the municipality and to make the land selected available to the municipality under AS 38.05.315 or (b) of this section.

(b) Where state land is the most logical location for demonstrated municipal expansion for nonpublic settlement and development purposes, and when an exchange of land under sec. 210 of this chapter is not possible or is not in the public interest, it is the policy of the state to sell or lease the land at public auction. The state may contract with a municipality to act as its agent in an auction of state land under applicable statutes. When a municipality acts as the agent of the state in an auction, the municipality may retain from the proceeds of the auction the expenses which the director determines to be necessary and reasonable.

(c) Nothing in this chapter limits or impairs the authority of the director to transfer land to municipalities, without limit or considera-

tion, for public purposes in accordance with AS 38.05.315. If there is a remaining entitlement of the municipality, land transferred under AS 38.05.315 shall be credited toward fulfillment of the entitlement; however, land conveyed to the state under sec. 12(d)(2) of Public Law 94-204 and subsequently conveyed by the state to a municipality under secs. 202 - 218 of this chapter or AS 38.05.315 may not be credited against the municipality's remaining entitlement.

Sec. 29.18.214. ELECTION OF BENEFITS. (a) A municipality which on the effective date of this Act is engaged in litigation, or which becomes engaged in litigation, regarding a claim to state land under former secs. 190 - 200 of this chapter shall elect either to obtain the benefits provided in secs. 202 - 218 of this chapter or to pursue the litigation and thereby waive any claim to entitlement under secs. 202 - 218 of this chapter. An election shall be made by filing a motion for dismissal with prejudice in the court in which the litigation is pending. If the claim involves a municipality identified in sec. 202(a) of this chapter, the municipality shall file its motion for dismissal within 60 days of the effective date of this Act. If the claim involves a municipality not listed in sec. 202(a) of this chapter, the municipality shall file its motion for dismissal within 60 days after receiving the certificate of entitlement provided by the director under sec. 202(c) of this chapter. Failure of the municipality to file a motion for dismissal during the time period provided in this subsection shall be considered a waiver of entitlement under secs. 202 - 218 of this chapter.

(b) A municipality which was eligible to file land selections under the former secs. 190 - 200 of this chapter and which does not enter into litigation over a claim to rights under those sections before the expiration of the time period within which it could make an election under (a) of this section shall be considered to have elected to receive benefits

under secs. 202 - 218 of this chapter and to have waived any claim which might have been raised under former secs. 190 - 200 of this chapter.

Sec. 29.18.216. ADMINISTRATION. The commissioner may adopt regulations in accordance with the Administrative Procedure Act (AS 44.62) necessary to carry out the purposes of secs. 202 - 218 of this chapter.

Sec. 29.18.218. DEFINITIONS. In secs. 202 - 218 of this chapter, unless the context otherwise requires,

(1) "approved selection" means a municipal land selection which has been approved in writing by the director for transfer by patent to a municipality;

(2) "director" means the director of the division of lands, Department of Natural Resources, or his designee;

(3) "general grant land" means land patented or tentatively approved to the state from the United States under secs. 6(a) or (b) of the Alaska Statehood Act;

(4) "municipal land selection" means a request by a municipality, filed in writing with the director under authority of secs. 190 - 200 of this chapter repealed by this Act or under secs. 202 - 218 of this chapter for vacant, unappropriated, unreserved general grant land within its municipal boundaries in partial fulfillment of its municipal entitlement;

(5) "municipality" means a home rule or general law city or organized borough of any class, and includes third class boroughs and unified municipalities established under AS 29.68.240 - 29.68.440;

(6) "patent" means a document, issued by the director to a municipality for a previously approved selection, which conveys and quitclaims all the right, title and interest of the state without reservation or condition except as may be required by law;

(7) "remaining entitlement" means the general grant land

entitlement determined in accordance with sec. 202 of this chapter, reduced by the total acreage of approved selections, including both patented and unpatented parcels;

(8) "vacant, unappropriated, unreserved land" means general grant land as defined in (3) of this section, excluding minerals as required by sec. 6(i) of the Alaska Statehood Act, which

(A) has not been set aside by statute for one or more particular uses or purposes;

(B) has not been approved for patent to a municipality under secs. 202 - 218 of this chapter or former secs. 190 - 200 of this chapter repealed by this Act; or

(C) is unclassified or, if classified under AS 38.05.300, is classified for agricultural, grazing, commercial, industrial, private recreational, residential, utility or open-to-entry purposes.

* Sec. 3. AS 38.05.321 is repealed and re-enacted to read:

Sec. 38.05.321. RESTRICTION ON SALE, LEASE OR OTHER DISPOSAL OF AGRICULTURAL AND GRAZING LAND. (a) The sale, lease or other disposal of state land classified as agricultural or grazing land transfers only rights for agricultural and grazing purposes, and all other interests in the land remain with the state unless otherwise required by law.

(b) State land classified as agricultural or grazing land which has been selected by a municipality under AS 29.18.190 - 29.18.200 or 29.18.204(e) may be approved by the director for patent under AS 29.18.204(f); however, only rights in the land for agricultural or grazing purposes may be transferred and all other interests in the land will remain with the state. Agricultural or grazing land approved for patent to a municipality under AS 29.18.204(f) shall be credited, acre for acre, toward fulfillment of that municipality's entitlement under AS 29.18.202.

If the director later determines it to be in the best interests of the state to transfer some or all of the additional rights in that approved or patented agricultural or grazing land, those rig' ts shall pass without consideration to the municipality in which the land is located.

(c) The provisions of this sectic n do not apply to state land classified as agricultural or grazing land which has been selected by a municipality under the provisions of AS 29.18.190 - 29.18.200 if the selection is an approved selection valid under AS 29.18.204(b).

* Sec. 4. AS 38.05.290 is amended by adding a new subsection to read:

(b) Consistent with the best interests of the state, in the selection of general grant land it is the policy of the state to make available the maximum land area from which municipalities may fulfill land entitlements under AS 29.18.202 - 29.18.218.

* Sec. 5. AS 29.18.190, 29.18.200, and 29.18.420 are repealed.

* Sec. 6. This Act takes effect immediately in accordance with AS 01.10.-070(c).

Introduced: 3/11/77
Referred: Community & Regional Affairs and Finance

IN THE SENATE

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

SENATE BILL NO. 241

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to selection and transfer of state land to municipalities; and providing for an effective date."

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

* Section 1. STATEMENT OF PURPOSE. The purposes of this Act are: to remove existing inequities and uncertainties in the existing municipal land selection law of the state; to provide for an immediate, final determination of municipal land entitlement; to provide for the completion of rational ownership patterns for sound land management within five years; and to provide for timely patent of lands to municipalities to fulfill their respective entitlements.

* Sec. 2. AS 29.18 is amended by adding new sections to read:

ARTICLE 3A. STATE LAND.

Sec. 29.18.202. DETERMINATION OF ENTITLEMENT. The total state land entitlement of each municipality eligible to receive state land, under the former secs. 190 - 200 of this chapter, is 10 per cent of the maximum total acreage of vacant, unappropriated, unreserved general grant land within the boundaries of each municipality at any time since the initial date of eligibility under the former secs. 190 - 200, but in no event later than December 31, 1976. For purposes of determination of entitlement, the boundaries of each municipality are those which existed on the initial date of eligibility under the former secs. 190 - 200.

Sec. 29.18.204. FULFILLMENT OF LAND ENTITLEMENTS. State land

entitlements of eligible municipalities shall be fulfilled in the following manner:

(1) Within six months of the effective date of this Act, the director shall determine each municipality's entitlement as defined in sec. 202 of this chapter and shall certify that entitlement to each municipality.

(2) The acreage of each municipality's land selections under the former secs. 190 - 200 of this chapter, for which patent has been issued before the effective date of this Act, shall be credited toward fulfillment of that municipality's entitlement.

(3) All approved selections under the former secs. 190 - 200 of this chapter, for which patent has not yet issued to a municipality as of the effective date of this Act, shall be reviewed by the director within six months after the effective date of this Act. Any approved selection for land which was vacant, unappropriated, or unreserved on the date of approval is considered valid, and a patent shall be issued to the municipality within six months after approval by the director of a plat of survey for the approved selection. This acreage shall be credited toward fulfillment of that municipality's entitlement. No municipality is entitled to receive patent under this chapter to more than its entitlement under sec. 202 of this chapter. Any prior approval by the director of municipal selections for land which was not vacant, unappropriated, or unreserved on the date of approval shall be rescinded, and patent may not be issued except where disposal to a third party by sale or lease has occurred. Patent for approved municipal selections of land under agricultural or grazing lease as of the effective date of this Act is subject to AS 38.05.321. Classification actions as reflected upon the land status records of the Department of Natural Resources are determinative of land classifi-

cation status for the purposes of this chapter.

(4) All municipal land selections under the former secs. 190 - 200 of this chapter not yet approved as of the effective date of this Act shall be recognized by the director as representing the priority interests of the municipalities under this Act and those selections shall be given first consideration under (6) of this section unless a municipality indicates different priorities.

(5) No filing of a municipal land selection vests any rights to the land selected unless approved by the director as being in the best interests of the state. As of the effective date of this Act, and for a period of five years after that date, no classification under AS 38.05.300 of a parcel of state land in excess of 5,760 acres is effective, unless otherwise required by law, if the municipality in which the land lies, notifies the director in writing of the reasons for any objections to the classification within 30 days after receipt of notice of the proposed classification.

(6) Commencing on the effective date of this Act, and within five years after that date, each eligible municipality and the director shall jointly determine which vacant, unappropriated, unreserved land, including federal land of interest to a municipality which is selectable by the state as general grant land, within the boundaries of the municipality is appropriate for selection and approval to fulfill any remaining municipal land entitlement. This joint determination must include a cooperative land management and planning process which will, in addition to the normal objectives of such processes, identify both local and state interests in the remaining vacant, unappropriated, unreserved land within each municipality. The director shall expeditiously review municipal selections for that land jointly identified as being of predominantly local interest. Following

approval of a municipal selection, a patent shall be issued to the municipality within six months after approval by the director of a plat of survey for the approved selection.

(7) In determining whether a municipal selection of vacant, unappropriated, unreserved land is in the best interests of the state, the director shall consider the state's responsibilities for developing and protecting those land values which are of statewide concern. Responsibilities which are of general statewide concern include: large scale development, development of regional impact, and critical environmental concerns. Specific land values to be considered include: air quality; water; minerals and energy; timber; agricultural; grazing; fish, wildlife, and their habitat; public recreation, natural historical, and archaeological areas of greater than local significance; public access to public land and water; transportation; communications; public safety; and other values of greater than local significance.

(8) Every action of approval or disapproval of a municipal selection by the director must include a written explanation of that decision based upon the values enumerated in (7) of this section. If the interests of the state may be protected through conveyance of less than fee title, the director may only convey title less than fee title in acre-for-acre fulfillment of the municipality's entitlement.

(9) Within 30 days after the convening of the first regular session of the Eleventh Alaska Legislature, and the first and second regular sessions of the Twelfth Alaska Legislature, the director shall report to the legislature on the implementation of secs. 202-216 of this chapter.

Sec. 29.18.206. SELECTION AND CONVEYANCE PROCEDURE. (a) All selections must be made in reasonably compact tracts, taking into account the use capabilities of a tract as well as its relationship to

surrounding land uses. Selections filed by a municipality, but not yet approved by the director, may be relinquished at any time. Approved selections may be relinquished by a municipality if agreed to by the director. Selections or approved selections relinquished by a municipality increase its remaining entitlement on an acre-for-acre basis.

(b) If land selected by a municipality is unsurveyed at the time of approval, the director shall survey, or may approve the municipality's survey of, the exterior boundaries of such an approved selection without interior subdivision, and he shall issue patent in terms of the exterior boundary survey. The cost of the survey shall be borne by the municipality. If land selected by a municipality has been surveyed at the time of its selection, the boundaries must conform to the public land subdivisions established by the approved survey.

(c) The director may approve municipal selections for land tentatively approved or patented to the state by the federal government, but he may not issue patent to a municipality until that land has been first patented to the state. After approval of a selection by the director, but before patent to a municipality, the municipality may execute conditional leases and make conditional sales only after approval by the director of a plat of survey of the area to be leased or sold.

(d) Nothing in this chapter affects a valid existing claim, location, or entry under the laws of the state or the United States whether for homestead, mineral, right-of-way or other purpose, nor affects the rights of an owner, claimant, locater, or entryman to the full use and enjoyment of the land so occupied.

Sec. 29.18.208. AUTHORIZATION FOR LAND EXCHANGES. The director, with the concurrence of the commissioner, and the municipalities are

authorized and encouraged to exchange land or interests in land among themselves where it is in the best public interest. Land or interests in land exchanged under this section must be of approximately equal value, including values of public benefits. Exchanges under this chapter are not subject to the provisions of AS 38.50, but are subject to the notice and review provisions of AS 38.05.305 and AS 38.05.345.

Sec. 29.18.210. DIRECTOR'S AUTHORITY. Nothing in this chapter limits or impairs the director's authority to transfer land to municipalities for public purposes under AS 38.05.315, except that the acreage of such transfers must be credited toward fulfillment of a municipality's land entitlement so long as any unfulfilled entitlement remains.

Sec. 29.18.212. ELECTION OF BENEFITS. (a) A municipality which is or becomes engaged in litigation against the state regarding a claim to state lands under the former secs. 190 - 200 of this chapter shall elect either to obtain the benefits afforded by secs. 202 - 216 of this chapter, or to pursue that litigation and thereby waive any claim to entitlement under secs. 202 - 216. That election must be made by filing a motion for dismissal with prejudice in the court in which the litigation is pending within 60 days after the effective date of this Act. Failure to file such a motion within the time period allowed is considered a waiver of entitlement under secs. 202 - 216.

(b) A municipality which has filed land selections under the former secs. 190 - 200 of this chapter and which is not in litigation with the state regarding a claim to rights under those statutes may, within 60 days after the effective date of this Act, elect to pursue its claim under the former secs. 190 - 200 by filing a legal action in the superior court to perfect the claim. A municipality not so

filing within the time period specified is considered to have elected to receive benefits under secs. 202 - 216 of this chapter, and to have waived any claims which might have been raised under the former secs. 190 - 200.

Sec. 29.18.214. REGULATIONS. The commissioner may adopt regulations under the Administrative Procedure Act (AS 44.62) necessary to carry out the purposes of secs. 202 - 216 of this chapter.

Sec. 29.18.216. DEFINITIONS. In secs. 202 - 216 of this chapter, unless the context requires otherwise

(1) "approved selection" means a municipal land selection which has been approved in writing by the director as being in the best interests of the state for transfer by patent to a municipality;

(2) "director" means the director of the division of lands, Department of Natural Resources, or his designee;

(3) "general grant land" means land patented or tentatively approved to the state from the United States under Section 6(a) or (b) of the Alaska Statehood Act (72 Stat. 339, et. seq.);

(4) "municipal land selection" means a request by a municipality, filed in writing with the director under authority of the former secs. 190 - 200 of this chapter or under secs. 202 - 216 of this chapter, for vacant, unappropriated, unreserved land within its municipal boundaries in partial fulfillment of its municipal entitlement;

(5) "municipality" means an incorporated city or organized borough of any class, whether home rule or otherwise, and includes a municipality unified under AS 29.68.240 - 29.68.440;

(6) "patent" means a document, issued by the director to a municipality for a previously approved selection, which conveys and quitclaims all the state's right, title, and interest, without reserva-

tion or condition except as may be permitted by law;

(7) "vacant, unappropriated, unreserved land" means the surface estate of general grant land as defined in (3) of this section, exclusive of shoreland, which

(A) has not been set aside by statute for one or more particular uses or purposes; or

(B) is unclassified or, if classified under AS 38.05.-300, is classified for agricultural, grazing, commercial, industrial, private recreation, residential, utility, or open-to-entry purposes.

* Sec. 3. AS 38.05.321 is repealed and re-enacted to read:

Sec. 38.05.321. RESTRICTION ON SALE, LEASE OR OTHER DISPOSAL OF AGRICULTURAL AND GRAZING LAND. (a) The sale, lease or other disposal of state land classified as agricultural or grazing land transfers only rights for agricultural and grazing purposes, and all other interests in the land remain with the state unless otherwise required by law.

(b) State land classified as agricultural or grazing land and selected by a municipality under the former AS 29.18.190 - 29.18.200 or under AS 29.18.202 - 29.18.216 may be approved and patented to that municipality; however, only rights in the land for agricultural and grazing purposes may be transferred and all other interests in the land will remain with the state. Agricultural or grazing land patented to a municipality shall be credited, acre for acre, toward fulfillment of that municipality's entitlement under AS 29.18.202. If the director later determines it to be in the best interests of the state to transfer some or all of the additional rights in that approved or patented agricultural or grazing land, those rights shall pass without consideration to the municipality in which the land is located.

* Sec. 4. AS 29.18.190, 29.18.200, and 29.18.420 are repealed.

* Sec. 5. This Act takes effect immediately in accordance with AS 01.-10.070(c).

4. Municipal Court Costs

House Bill 214 sponsored by Malone and Senate Bill 179 sponsored by Huber, Willis, Bradley, and Rodey are identicle bills. These bills would forgive all debts incurred and outstanding against political subdivisions for payment to the state for judicial services rendered under AS 22.15.270 (as it read prior to 1976). The Municipality has approximately $250,000 in outstanding debt which would be forgiven if this legislation were to pass. Hence, Municipal Assembly and Administration strongly support passage of these legislative proposals.

RECEIVED
FEB 23 1977
MUNICIPAL MANAGER'S
OFFICE

Introduced: 2/14/77
Referred: Finance

IN THE HOUSE BY MALONE

HOUSE BILL NO. 214

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act forgiving amounts owed by political subdivisions for judicial services; and providing for an effective date."

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

* Section 1. FORGIVENESS OF JUDICAL SERVICES DEBTS. All debts incurred and outstanding against political subdivisions for payment to the state for judicial services under AS 22.15.270 as it read before 1976 are forgiven.

* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.070(c).

RECEIVED
FEB 23 1977
LEGISLATIVE AFFAIRS
OFFICE

Introduced: 2/24/77
Referred: Community & Regional Affairs

IN THE SENATE

BY HUBER, BRADLEY, ROSS AND WILLIS

SENATE BILL NO. 179

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act forgiving amounts owed by political subdivisions for judicial services; and providing for an effective date."

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

* Section 1. FORGIVENESS OF JUDICAL SERVICES DEBTS. All debts incurred and outstanding against political subdivisions for payment to the state for judicial services under AS 22.15.270 as it read before 1976 are forgiven.

* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-070(c).

5. Mandatory Minimum Sentencing

(Drun' Driving)

Alcohol abuse is well recognized as a major contributing factor to traffic accidents and fatalities in Alaska. Nonetheless under present law, a person arrested for the first time for driving while intoxicated is not required to serve time in jail but may escape with merely a fine and suspended sentence. He or she may therefore take lightly the seriousness of the offense and the tragedy which may result from driving while intoxicated.

House Bill 127 amends AS 28.35.939 to provide that first time offenders be required to serve a minimum of three consecutive days in jail. No portion of that sentence may be suspended. Additionally, sentences imposed for subsequent offenses must be served consecutively.

The imposition of a mandatory minimum sentence and a requirement that the jail sentence be served consecutively will have a substantial economic impact on the violator. This is a strategic part of the legislation which combines legal and economic sanctions as a deterrant to alcohol abuse.

FEB 14 1977
LEGISLATIVE AFFAIRS
OFFICE

Original sponsors: Meekins, Dankworth and Swanson

Offered: 2/9/77
Referred: Rules

IN THE HOUSE BY THE JUDICIARY COMMITTEE

CS FOR HOUSE BILL NO. 127

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to penalties for driving while intoxicated."

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

* Section 1. AS 28.35.030 is amended to read:

Sec. 28.35.030. DRIVING WHILE UNDER THE INFLUENCE OF INTOXICATING LIQUOR OR DRUGS. A person who, while under the influence of intoxicating liquor, depressant, hallucinogenic or stimulant drugs or narcotic drugs as defined in AS 17.10.230(13) and AS 17.12.150(3) operates or drives an automobile, motorcycle or other motor vehicle in the state, upon conviction, is punishable by a fine of not more than $1,000, or by imprisonment for not more than one year, or by both and [. UPON A SECOND CONVICTION WITHIN FIVE YEARS AFTER A FIRST CONVICTION UNDER THIS SECTION,] the court shall impose a minimum sentence of imprisonment of not less than three consecutive days. Upon a subsequent conviction within five years after a [SECOND] conviction under this section, the court shall impose a minimum sentence of imprisonment of not less than 10 consecutive days. The execution of sentence may not be suspended nor may probation or parole be granted until the minimum imprisonment provided in this section has been served, nor may imposition of sentence be suspended, except upon the condition that the defendant be imprisoned for no less than the minimum period provided in this section, nor may the punishment provided for in this section be reduced under AS 11.05.-150. In addition, his operator's license shall be revoked in accordance with AS 28.15.210(c).

6. Public Utility Rate Making

INCLUSION OF CONSTRUCTION WORK IN PROGRESS (CWIP) IN RATE BASE

Plant construction has always been a vital part of utility planning and operations and is a function which is necessary to provide the plant required for adequate utility service. The practice of excluding CWIP from rate base and deferring recovery of such capital costs has been common for many years. While the theory of cost deferral is sound, and for many years there was very little challenge as to these deferrals, conditions have changed dramatically in the past few years and the combined impetus of substantial construction additions, prolonged construction periods, and the high costs of capital, with depressed earnings from operations, now cause very severe financial results.

It is now appropriate to include CWIP in the rate base so as to recover, on a current basis, the capital costs associated therewith, rather than deferring such costs for future recovery. There are a number of benefits to such an approach, with no concurrent disadvantage to the consumer or to the utility. The benefits which will flow from including CWIP in rate base, which inure to both the utility and to the consumer, include the following:

(1) offset to attrition
(2) improved cash flow
(3) improved debt coverages
(4) reduced business risks

Nor does the customer appear to be put to a disadvantage by including CWIP in rate base. True, the customer will pay for the cost of service at an earlier date and, therefore, the rates initially will be higher to that extent; but on a time value of money, the cost is exactly the same to the customer and it is a question of <u>when</u> the costs are recovered, rather than <u>whether</u> such costs are recovered. In addition, on an absolute dollar cost basis, the cutomer will actually pay less in total dollars.

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act Entitled: "An Act Relating to Rate Making for Public Utilities"

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA

Section 1. AS 42.05.441(b) is repealed and reenacted to read:

Section 42.05.441(b). Valuation of Property of a Public Utility.

(b) For rate making purposes the Commission shall determine the rate base of a public utility by calculating the acquisition of cost [OR, IF LOWER, THE ORIGINAL COST] of utility property used and useful in rendering service to the public [TO THE PERSON FIRST DEVOTING IT TO PUBLIC SERVICE] less accrued depreciation, plus construction work in progress, plus materials and supplies and a reasonable allowance for cash working capital when required.

7. Small Basiness Guaranty Corporation

Small Business Surety Guaranty Corporation of Alaska

Legislation is being drafted to assist small Alaskan businesses which are currently unable to participate in Municipal and state contract bidding because they are unable to obtain the requisite bid, construction or performance bonds. The proposed legislation would set up a state agency which would be guarantor of surety bonds (up to 90%) which the Small Business Administration has declined to guaranty, and would also be authorized to provide surety bonds in instances where private financial institutions have refused to give bond. The result will be a responsible agency which assists these small businesses in obtaining bonds when all other bonding sources have failed.

8. HEALTH AND SOCIAL SERVICE

PROGRAM COSTS

The attached position paper was presented to the House HESS committee last year in regards to House Bills 206 and 207.

The legislature increased the line item contract amount to the Municipality from $500,000.00 to $700,000.00. The Governor, however, line item vetoed $100,000.00 of that amount.

We obviously need to have the 1978/79 budget amount increased again especially if it is to be a floor as spoken to in the legislation.

DEPARTMENT OF HEALTH AND ENVIRONMENTAL PROTECTION
MUNICIPALITY OF ANCHORAGE

March 9, 1977

TESTIMONY PRESENTED BY ROBERT A. "BERT" HALL BEFORE THE HESS COMMITTEE OF THE HOUSE OF REPRESENTATIVES.

Mr. Chairman, members of the House HESS Committee, my name is Bert Hall; I am the Director of the Department of Health and Environmental Protection for the Municipality of Anchorage.

We have been studying very carefully House Bills 206 and 207 and have accomplished some analysis of the potential impacts, both positive and negative, of that legislation upon the Municipality. Our prime concern is obviously with H.B. 206 since, by definition, we would be excluded from consideration under H.B. 207.

The testimony we offer today, especially any statistics, are intended to be preliminary in nature with dollar figures used only for illustrative purposes. We are attempting to document some accurate reflection of the history of our past experiences in joint funding public health services in the Anchorage area.

Let me begin by stating that we believe that there needs to be established a formal and equitable system for the orderly delegation of state authority to municipalities and for the authorization of grants to local governments to assist in providing public health services. We agree with the stated purpose - to provide and safeguard the health of the general public. However, if our understanding of the system suggested in H.B. 206 as it would apply to the Municipality of Anchorage is accurate, then we have some real problems endorsing the legislation without amendment.

Since the Municipality of Anchorage has the only history of joint governmental funding of public health services in Alaska, perhaps it would be helpful to review briefly our past experiences.

As early as 1926 the City of Anchorage employed a sanitarian and a nurse to look after some of the health and sanitation problems for the community. Over the years various combinations of efforts by the city and adjacent utility districts with assistance from the Territory and the State have maintained an agency to provide public health services.

Full St. G Grant $800,000

For about ten years the Greater Anchorage Area Borough Health Department operated as a district agency serving Anchorage and the metropolitan area technically under State authority, and financed by a combination of local, State and Federal funds. A succession of health officers brought variations in emphasis, but for the most part the services included general sanitation and public health nursing.

The assumption of health powers by the Borough in 1964 brought no significant changes in services for several years, though steadily the local agency grew in experience and assumed many responsibilities once carried almost wholly by the State. Even yet the Department lacks some of the most important services such as: Laboratory, Child Guidance, Nutrition and Health Education. Of these only laboratory services are available through the Southcentral Regional Laboratory operated by the State Department of Health and Social Services.

The Department of Health and Environmental Protection's responsibilities include the full scope of health powers, including environmental, since no other official agency of local government has such powers assigned.

"The scope of health is considered to be a state of complete physical, mental and social well being, and not merely the absence of disease or infirmity". This definition has been adopted by the World Health Organization, the American Public Health Association, The Alaska Public Health Association, and by most official health agencies throughout the Country. The practical boundaries of health functions assumed by Federal, State and local official and voluntary agencies are more often defined by limits of resources and recognized needs than by definition of public health which states that "public health includes those services and functions which the people can better provide for themselves collectively rather than as individuals". This definition also implies that as needs change services change to meet them.

As noted above the Department of Health Environmental Protection has grown and has assumed many of the State's public health responsibilities. In recognition of the assumption of these State responsibilities the State gave the Department in fiscal year 1970-71 the amount of $265,000. Included in this amount was $125,000 for Alaska Crippled Children's Association and Alaska Retarded Citizen's Association thus leaving $140,000 for public health services. The $125,000 for ACCA and ARCA was for the provision of

exceptional children's programs. The $140,000 was for the provision of communicable disease control, vital statistics collection, environmental sanitation, health education, promotion of individual health and collection and preparation of laboratory samples.

We, the local health authority were expected to accomplish many specific tasks, including the following:

We would provide immunications for all citizens without charge,
We would perform chest x-rays,
We would provide diagnostic consultation for TB and for venereal diseases,
We would accomplish epidemiological investigations where appropriate.

In the environmental health area;

We would inspect public facilities: eating and drinking establishments, grocery stores, bakeries, etc.; housing and mobile home communities, schools, hospitals, nursing homes, swimming pools, etc.
We would respond to complaints and public nuisances,
We would deal with most matters of pollution, especially water and sewer.

To promote individual health;

We would provide for visits of the Public Health Nurse in the home,
We would conduct family planning clinics,
We would conduct classes for expectant parents and run well child clinics,
We would provide consultation to child care centers.

Additionally, we would provide certain limited laboratory services, and the services of the physician.

All of these and many more would be provided in the basis of total health needs.

When the first contract was signed in 1970, it was agreed that the State support would allow for the provision by the Municipality of a proportionally greater amount of services than would have been provided if no contract or grant existed.

It should be pointed out that there was little rhyme nor reason regarding the dollar amount included. The contract instead was a document intended to legally transfer the line item budget amount.

For the next fiscal year, 1971-72, the contract was renegotiated to a total amount of $500,000, $140,000 was earmarked for ACCA and ARCA, the exceptional children's programs... $100,000 was dedicated to environmental health and $260,000 to public health. The total amount budgeted for these services by the Municipality for that period was $1,391,000. The State's share of that budget was therefore, 25.9%. It is my belief that that contract was the first sincere attempt to share reasonable costs.

I have studied all of the contracts since 1971. All are basically the same; all use the same words, all have the same conditions, all have the same scope - and unfortunately all have the same dollar amount.

Meanwhile, the population of Anchorage has grown about 50%, services have been expanded to meet the recognized needs; inflation has eaten away at the purchasing power or service delivery capability of the $360,000 we received from the State for the provision of the public health services described above.

Attached is a graph which illustrates the growth of the true costs and shows also the level of State support.

The true cost of delivering public health services in Anchorage for the present year is $2,930.170. The Municipality is receiving $335,430 in other revenue. The State is still contributing $360,000 which means that its share is now only 13.9%. If the 1971-72 proportion of State investment was interpolated to today's budget then the State would be paying $754,000 for its share of public health services and a total of $894,000, recognizing that the $140,000 was legislatively intended for passthrough projects.

House Bill 206 provides under Section 18.10.031(1) for a grant to a Municipality in an amount equal to 90% of the State budget for public health services funished by a municipality in that fiscal year; the same level of basic grant support shall be provided in subsequent fiscal years. In order to get this grant the Municipality must only agree to maintain the same level of public health services as furnished by the Department in the fiscal year preceding application for the grant. There is also a hold harmless clause which we cannot interpret.

Under House Bill 206, will the State be willing to go 90% of the true cost of delivering public health services in Anchorage or is it the intent of the State to continue paying the Municipality $360,000 as provided under Section 18.10.031(d)? Herein lies our major problem with the legislation.

Up until this time the Municipality of Anchorage has provided the public health services in the Anchorage area which are the historic delegated responsibility of the State. The State, through House Bill 206 would contract with local governments and under H.B. 207 create health entities to contract with where no local government exists for the delivery of public health services. In other areas of the State the local residents will only have to pay 10% of the true cost of the delivery of public health services; H.B. 207 provides that where local governments do not exist federal monies can be used to match the State contribution.

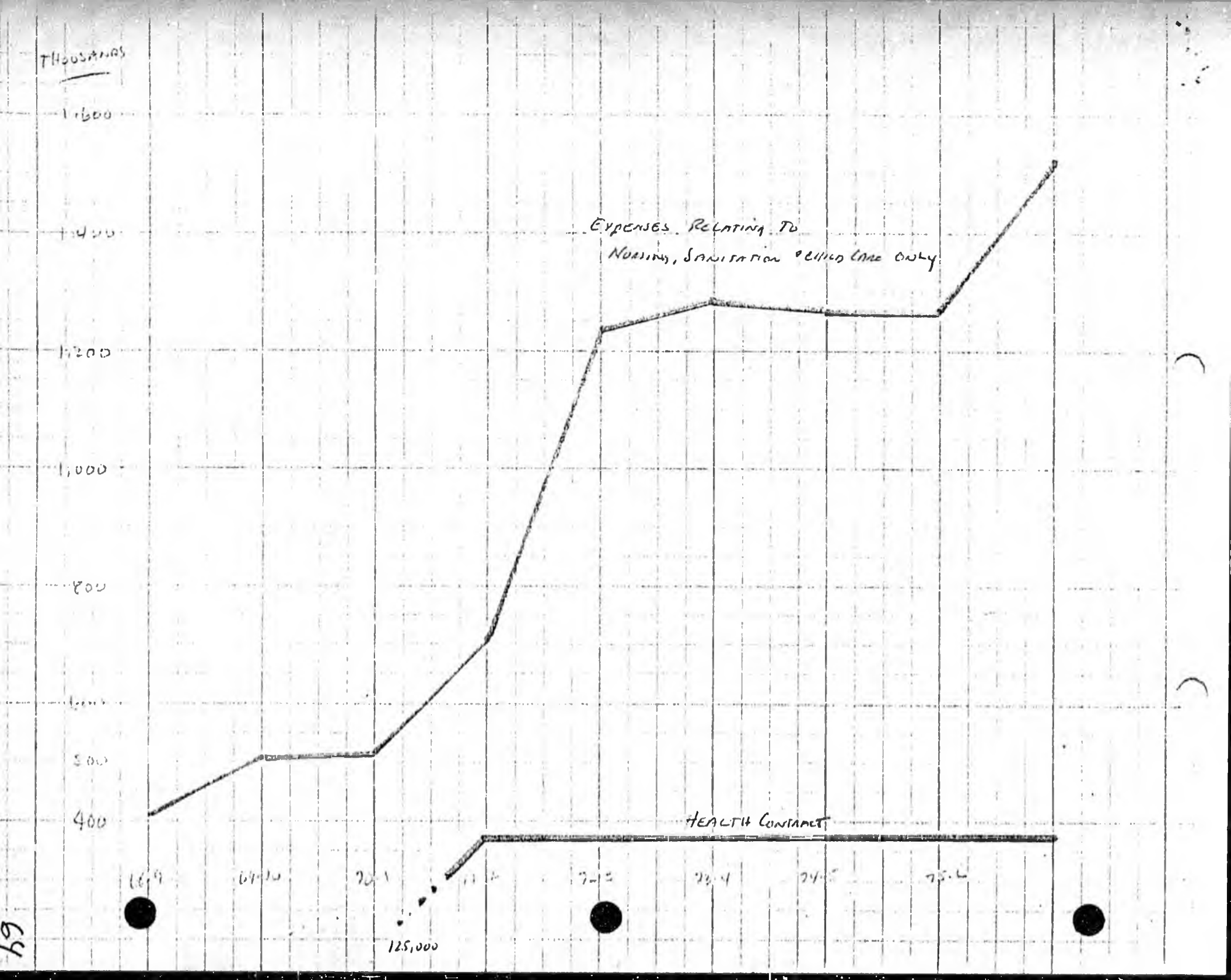
Today in Anchorage, the local taxpayers directly pay for 86.1% of the cost of providing public health services as well as their share of State taxes. The people in other communities are not directly paying for any public health services.

In essence, we are questioning whether or not the base figure which would be used to calculate a 90% support for 1980, and would be reflected in all future years, bears any relationship to the true costs as would be the case elsewhere in the State.

Another major concern is the potential disincentive that may be built into the Bill. If a local government knew that it would get 50% support for a new program a few years down the road, why expand services for less support? Someone might even conclude that local autonomy might not be worth spending 85%-90% of the costs with local funds when the basic services could be provided by the State at 100% support if no agreement existed.

A final concern relates to the lack of a clear mechanism for providing for State support of any dramatic increase in needs which comes into being with little warning. In a similar vein, there appears to be no opportunity for passing along any major availability of new health dollars that may come to the State from one source or another.

Thank you.


THOUSANDS
1,600
1,400
1,200
1,000
800
600
400
EXPENSES RELATING TO
NURSING, SANITATION & CLINIC CARE ONLY
HEALTH CONTRACT
125,000

9. PUBLIC EMPLOYEES RETIREMENT SYSTEM

SICK LEAVE AND SERVICE CREDITS

HB 25 causes some problems for local governments who participate in the State's Public Employee Retirement System, yet have different sick leave or service credit practices than the state.

For example, Under the proposed HB 25

Sec. 1 - The municipality would incur additional financial liability because this section would require the employer to reinstate in full the sick leave accumulated at time of termination if he is reemployed within three years by any participating employer. Thus, if a municipal employee were to terminate today and cash in his sick leave then be rehired by the municipality or state, or any other municipal participant in PERS, his sick leave accrued at time of termination would have to be reinstated. The bill does not address whether, if cashed out for sick leave, the rehired employee would have to repay the money paid him for sick leave upon termination. In this sense, HB 25 needlessly complicates the orderly administration of local government participants in PERS if their personnel practices differ from that of the states. By changing the reference section to AS 39.20 rather than AS 39.35 the problem of adversely affecting participant municipalities would be removed. Anchorage Municipality, as one of those participant communities, opposes the passage of HB 25 without changing the sectional reference from AS 39.35 to AS 39.20.

IN THE HOUSE BY MILLER AND DUNCAN

HOUSE BILL NO. 25

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to sick leave credited as service credit in the Public Employee's Retirement System of Alaska."

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

* Section 1. AS 39.35 is amended by adding new sections to read:

Sec. 39.35.355. REINSTATED SICK LEAVE. If an employee's employment is terminated for any reason before he becomes eligible for a retirement benefit and the employee is subsequently reemployed within three years by the same participating employer, the employee is entitled to have reinstated in full the sick leave he had accumulated at the time of his last termination

Sec. 39.35.365. SICK LEAVE COMPUTED AS SERVICE CREDIT. Upon retirement, a participating employee is entitled to receive service credit for his accumulated sick leave. For purposes of determining his service credit for the entire period of employment, the employee's sick leave shall be computed as service credit at the same rate of pay as his salary on retirement.

Sec. 39.35.370. OPTION FOR ANNUAL LEAVE COMPUTED AS SERVICE CREDIT Upon retirement a participating employee shall have the option to receive service credit for his accumulated annual or personal leave or receive cash payment for his accumulated annual or personal leave. For purposes of determining his service credit for the entire period of employment, the employee's annual or personal leave shall be computed as service credit at the same rate of pay as his salary on retirement.

Sec. 39.35.375. SERVICE CREDIT FOR SICK LEAVE. An employee who completes five years of service and whose employment is terminated for any reason except retirement is entitled to receive service credit for his accumulated sick leave.

10. REPEAL OF BUSINESS LICENSE TAX

SB 41, SB 7 and HB 106 all propose to eliminate the Alaska Business License Tax. This tax provides substantial income to many communities. It contributes approximately $3,000,000 in revenue to the Municipality of Anchorage. Yet the Municipality is not unsympathetic to the goals of the proposed legislation. However, some source of funding is necessary to replace this important resource to local governments. It is essential that these proposed bills identify an alternate source of funding.

RECEIVED
JAN 13 1977

Introduced: 1/13/77

IN THE SENATE BY HUBER

SENATE BILL NO. 41

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the Alaska business license tax; and providing for an effective date."

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

* Section 1. AS 43.70.030(a) is amended to read:

(a) The license fee for each business is $25 [PLUS A SUM EQUAL TO ONE-HALF OF ONE PER CENT OF THE GROSS RECEIPTS IN EXCESS OF $20,000 FROM THE BUSINESS DURING THE YEAR FOR WHICH THE LICENSE IS ISSUED, EXCEPT THAT ALL GROSS VOLUME IN EXCESS OF $100,000 A YEAR IS TAXED AT THE RATE OF ONE-QUARTER OF ONE PER CENT. THE ANNUAL LICENSE FEE PAID BY A PROFESSIONAL PERSON TO HIS PROFESSIONAL BOARD SHALL BE CREDITED AGAINST THE INITIAL FEE REQUIRED UNDER THIS CHAPTER].

* Sec. 2. AS 43.70.030(c) is amended to read:

(c) The license for the privilege of taking orders through use of catalogs and by mail order offices in the state is the same as set out in this chapter for business generally [AND GROSS VOLUME OF BUSINESS OF THOSE OFFICES INCLUDES ALL ORDERS TAKEN AT THEM WHETHER DELIVERY OF THE MERCHANDISE IS MADE THROUGH THE OFFICES OR NOT].

* Sec. 3. AS 43.70.030(d) is amended to read:

(d) The initial fee of $25 applies to all of the provisions of this section, and shall accompany the application. The balance under sec. 30(b) of this chapter is due and payable on December 31st of each year and shall be paid before the first day of March following, except that the department may extend the time until the 30th of the following April upon application showing that the extension is necessary to enable

7!

the applicant to ascertain the amount of license money due. To enable accurate determination of the balance of the tax due at the end of each year, each person to whom this chapter applies shall keep records, give statements under oath, and make returns which the department requires. Returns are made under penalty of perjury.

* Sec. 4. AS 43.70.040 is amended to read:

Sec. 43.70.040. REVIEW AND DETERMINATION OF LICENSE TAX. As soon as practicable after the final payment of the tax under sec. 30(b) of this chapter, the department shall examine the return and determine the correct amount of the tax and, if an error is found, shall notify the taxpayer of the error and examine the taxpayer's records as authorized in AS 43.05.040, and take other proper steps to determine the amount due.

* Sec. 5. AS 43.70.080 is amended to read:

Sec. 43.70.080. DISPOSAL OF MONEY. All money collected by the department under this chapter shall be deposited in the general fund. Each fiscal year, the [THE] Department of Revenue shall refund to each organized borough and each city of any class 60 per cent of the money collected in the local government or an amount equal to the amount of shared business license tax receipts which the borough or city was entitled to receive under this section for the state fiscal year ending June 30, 1976, whichever is greater.

* Sec. 6. AS 43.70.010 and AS 43.70.110(2) are repealed.

* Sec. 7. This Act takes effect January 1, 1978.

RECEIVED
JAN 14 1977
MUNICIPAL MANAGER'S
OFFICE

IN THE SEN. TE BY ORSINI

SENATE BILL NO. 7

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the Alaska Business License Act; and providing for an effective date."

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

* Section 1. AS 43.70.010 is repealed.

* Sec. 2. AS 43.70.030(a) is amended to read:

(a) The license fee for each business is $25 [PLUS A SUM EQUAL TO ONE-HALF OF ONE PER CENT OF THE GROSS RECEIPTS IN EXCESS OF $20,000 FROM THE BUSINESS DURING THE YEAR FOR WHICH THE LICENSE IS ISSUED, EXCEPT THAT ALL GROSS VOLUME IN EXCESS OF $100,000 A YEAR IS TAXED AT THE RATE OF ONE-QUARTER OF ONE PER CENT. THE ANNUAL LICENSE FEE PAID BY A PROFESSIONAL PERSON TO HIS PROFESSIONAL BOARD SHALL BE CREDITED AGAINST THE INITIAL FEE REQUIRED UNDER THIS CHAPTER].

* Sec. 3. AS 43.70.030(c) is amended to read:

(c) The license for the privilege of taking orders through use of catalogs and by mail order offices in the state is the same as set out in this chapter for business generally [AND GROSS VOLUME OF BUSINESS OF THOSE OFFICES INCLUDES ALL ORDERS TAKEN AT THEM WHETHER DELIVERY OF THE MERCHANDISE IS MADE THROUGH THE OFFICES OR NOT].

* Sec. 4. AS 43.70.040(a) is amended to read:

(a) As soon as practicable after the final payment of the tax under sec. 30(b) of this chapter, the department shall examine the return and determine the correct amount of the tax and, if an error is found, shall notify the taxpayer of the error and examine the taxpayer's records as authorized in AS 43.05.040, and take other proper steps to

determine the amount due.

* Sec. 5. AS 43.70.040(b) is amended to read:

(b) If an agreement cannot be reached with the taxpayer as to the amount of a license tax due under sec. 30(b) of this chapter, the department may set a time and place of hearing on the question, upon at least 60 days' notice of the hearing by mail to the taxpayer. At the hearing a person may be required to appear and testify and produce records and other papers as provided in AS 43.05.040.

* Sec. 6. AS 43.70.110(2) is repealed.

* Sec. 7. INTENT AS TO EFFECTIVE DATE. In fixing an effective date of January 1, 1979 for this Act, the legislature relies on current projections of state revenues to be derived from North Slope oil production. If these revenues, as projected at the time of enactment of this Act, do not in fact materialize substantially in the amounts and at the time anticipated, for whatever reason, it is intended that the legislature will take action to further delay the effective date of this Act. It is also intended by the legislature in enacting this Act that revenues lost to municipalities by repeal of the business license taxes under this Act will be reimbursed to the municipalities, or otherwise replaced with state funds, by appropriation of the legislature.

* Sec. 8. This Act takes effect January 1, 1979.

Original sponsors: Bradley, Gardiner, Buchholdt, et al

Offered: 2/23/77
Referred: Finance

IN THE HOUSE BY THE COMMERCE COMMITTEE

CS FOR HOUSE BILL NO. 106

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the Alaska Business License Act; and providing for an etfective date."

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

* Section 1. AS 43.70.030(a) is amended to read:

(a) The license fee for each business is $25 [PLUS A SUM EQUAL TO ONE-HALF OF ONE PER CENT OF THE GROSS RECEIPTS IN EXCESS OF $20,000 FROM THE BUSINESS DURING THE YEAR FOR WHICH THE LICENSE IS ISSUED, EXCEPT THAT ALL GROSS VOLUME IN EXCESS OF $100,000 A YEAR IS TAXED AT THE RATE OF ONE-QUARTER OF ONE PER CENT]. The annual license fee paid by a professional person to his professional board shall be credited against the initial fee required under this chapter.

* Sec. 2. AS 43.70.030(c) is amended to read:

(c) The license for the privilege of taking orders through use of catalogs and by mail order offices in the state is the same as set out in this chapter for business generally [AND GROSS VOLUME OF BUSINESS OF THOSE OFFICES INCLUDES ALL ORDERS TAKEN AT THEM WHETHER DELIVERY OF THE MERCHANDISE IS MADE THROUGH THE OFFICES OR NOT].

* Sec. 3. AS 43.70 030(d) is amended to read:

(d) The initial fee of $25 applies to all of the provisions of this section, and shall accompany the application. The balance under sec. 30(b) of this chapter is due and payable on December 31st of each year and shall be paid before the first day of March following, except that the department may extend the time until the 30th of the following April upon application showing that the extension is necessary to enable

the applicant to ascertain the amount of license money due. To enable accurate determination of the balance of the tax due at the end of each year, each person to whom this chapter applies shall keep records, give statements under oath, and make returns which the department requires. Returns are made under penalty of perjury.

* Sec. 4. AS 43.70.040(a) is amended to read:

(a) As soon as practicable after the final payment of the tax under sec. 30(b) of this chapter, the department shall examine the return and determine the correct amount of the tax and, if an error is found, shall notify the taxpayer of the error and examine the taxpayer's records as authorized in AS 43.05.040, and take other proper steps to determine the amount due.

* Sec. 5. AS 43.70.010, 43.70.070, and 43.70.110(2) and (3) are repealed.

* Sec. 6. AS 43.18 is amended by adding a new section to read:

Sec. 43.18.090. ADDITIONAL GRANTS TO REPLACE LOST REVENUES. In addition to revenue sharing payable to municipalities under secs. 10 - 45 of this chapter, the state shall pay to a municipality each fiscal year a percentage of the amount of business license tax receipts which the municipality was entitled to receive under AS 43.70.080 for the state fiscal year ending June 30, 1977. The applicable percentage payable under this section is

(1) 100 per cent for the fiscal years ending June 30, 1978 and June 30, 1979;

(2) 80 per cent for the fiscal years ending June 30, 1980 and June 30, 1981;

(3) 60 per cent for the fiscal years ending June 30, 1982 and June 30, 1983;

(4) 40 per cent for the fiscal years ending June 30, 1984 and June 30, 1985; and

(5) 20 per cent for the fiscal years ending June 30, 1986 and June 30, 1987.

* Sec. 7. This Act takes effect January 1, 1978.

11. CLASSIFICATION OF STATE LAND-RECREATIONAL TRAILS

HOUSE BILL NO. 116 am

HB 116 am attempts to complement the recreational trails planning and comprehensive planning within municipalities by making state land, within that municipality, appropriate for recreational purposes available for use by a municipality. The bill provides that in making the state land appropriate for recreational purpose available to municipalities, the state will consult with local elected bodies and comply with local comprehensive planning. Anchorage Municipality views this as a most welcome practice and supports wholeheartedly the passage of HB 116.

Introduced: 1/25/77
Referred: Community & Regional Affairs and Resources

IN THE HOUSE BY RUDD

HOUSE BILL NO. 116 am

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the classification of state land; and providing for an effective date."

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

* Section 1. AS 41.20 is amended by adding a new section to read:

Sec. 41.20.065. RECREATIONAL TRAILS LAND. (a) The commissioner of natural resources, or his designee, is authorized to classify state land appropriate for recreational purposes within a municipality as recreational trails land. Before classification of state land within a municipality as recreational trails land under this section, the commissioner shall consult with the appropriate municipal authority so that, to the maximum extent possible, his classification conforms to and enhances existing municipal trail classifications.

(b) With respect to land located within a municipality, classifications under this section shall conform to the overall comprehensive plan adopted for the municipality and all regulations and restrictions on the use of land adopted under the comprehensive plan; however, no municipal regulation may bar public access to the state land.

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

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12. SHORTFALL-SENIOR CITIZEN PROPERTY TAX EXEMPTION

Municipality of Anchorage

MEMORANDUM

DATE: November 22, 1977

TO: Mayor

FROM: Chief Fiscal Officer

SUBJECT: Senior Citizen Property Tax Exemption

I am attaching copies of letters from Pat McKee and an official of the State Community & Regional Affairs Department relating to the shortfall in State revenue available to local governments for the senior citizens property tax exemption. Because of this shortfall, the State intends to reimburse only 90% of the amount due the Municipality of Anchorage. The remaining 10%, or $75,369.00, will be requested as a supplemental appropriation when the State Legislature convenes.

It would be to our advantage to impress upon the Anchorage delegation the urgency of passing the supplemental appropriation as early in the session as possible. Hopefully, the necessity of billing each individual for the remaining 10% can be averted.

Robert M. Nelson

Robert M. Nelson
Chief Fiscal Officer

RMN:ps

Attachment

91-010 (4/76)

Municipality of Anchorage

MEMORANDUM

DATE: Nov. 8, 1977

TO: Chief Fiscal Officer

FROM: Director, Property Appraisal

SUBJECT: 90% PAYMENT FROM THE STATE SENIOR CITIZEN'S EXEMPTION

Attached is a letter from LaDonna Brown with the Division of Local Government Assistance indicating that the Municipality of Anchorage will receive only 90% of the full entitlement of the Senior Citizen's property tax payments from the State of Alaska.

Our full entitlement from the state should have been $753,691.18; we will only be receiving 678,322.06, a difference of $75,369.11.

Under Alaska Law, Section 29.53.020 Sub-section (g) the State is obligated to reimburse the Borough or City as appropriate for the real property tax revenues lost to it by the operation of the Senior Citizen's property tax exemption.

I believe it would be beneficial if the Administration was to make this fact known to our legislators so that they might be prompted to appropriate the required funding in the early days of the next session of the legislature.

Glenn M. McKee
Director

GMM:eea

Att.

STATE OF ALASKA
JAY S. HAMMOND, GOVERNOR
DEPT. OF COMMUNITY & REGIONAL AFFAIRS
DIVISION OF LOCAL GOVERNMENT ASSISTANCE / POUCH B – JUNEAU 99811

November 2, 1977

RECEIVED
NOV 8 1977
ASSESSOR

Mr. Glenn McKee, Director
Property Appraisal Division
Municipality of Anchorage
Pouch 6-650
Anchorage, Alaska 99502

Dear Mr. McKee:

Re: 1977 Senior Citizen Property Tax Exemption

The audits have revealed a funding shortfall which requires proration of municipal reimbursements.

A supplemental grant has been requested and it may take several months to obtain final legislative action after the session convens. Audited accounts completed by our office after September 30, will be paid at 90% of full entitlement.

Should the supplemental grants not receive approval by the legislature, the six municipalities that have been paid in full will be requested to refund the difference between full entitlement and final prorated amount but not more than 10% of the amount received.

The Department will follow and support the supplemental grants request and will make full use of any input you can submit to influence the legislature in assigning a high priority to resolving this problem.

There is no reason to believe that legislative intent was to fund the program at less than 100% and we deeply regret the inconvenience created by this inadvertent shortfall.

Sincerely,

LaDonna Brown

LaDonna Brown
Research Analyst

cc: Helen Garland, Treasurer

11/8/77

84

13. MUNICIPAL TAXATION

Municipality of Anchorage

MEMORANDUM

DATE: Dec. 9, 1977

TO: Chief Fiscal Officer

FROM: Director, Property Appraisal

SUBJECT: SENATE BILL 112

The general features of the senate bill are:

1. There will be a base year. The base year is defined as the last time any property was revalued for assessment purposes.

   PROBLEM: Since we have been on a three-year appraisal cycle and have not yet evolved into an annual cycle, each third of the Municipality would have a different base year.

2. There is a limitation of a 5% annual change in value from the base year.

   PROBLEM: I am assuming they are referring to no more than a 5% increase in value, which obviously would not approach anything close to market value increases. How about if a property, for some reason, decreased in value over and above the 5% limitation; this does happen because of economic situations outside of the boundaries of the property.

3. They indicate that if improvements are made to a property subject to the provisions of the section, that the full and true value of the improvements shall be included in the determination of the limited assessed value in the year in which the improvement is first included on the Municipality's tax roll.

   PROBLEM: Assume a two-bedroom home with a base year of 1975, also assume that two more bedrooms were added in 1978; it would be virtually impossible to determine the increase in value attributed to the total improvement by the addition of two bedrooms several years later without being able to change the base year of total improvement or simply stated having a weighted average base year value.

   This section of the subject bill obviously assumes that all values are based on the cost approach to value and not the market approach to value. In this Municipality we use the market approach to value, which may or may not be equal to the cost approach to value.

4. The bill provides that the Assessor will keep full and true market value figures and limited valuation figures. This would, in essence, double the work load for the first few years and would create problems each time an addition or deletion was made to any structure.

5. Assume a parcel of real estate, land only, with a value of $10,000 without sewer, water or any other utility. Assume that the sewer and water were added or made available to the property and that normally this increase would raise the property value to $17,000. Do we start off with a new base year at $17,000 or do we add 5% to the $10,000 figure? Let us also assume that a property that used to be zoned B-3 was rezoned R-1. We now have a property that is far less valuable than it used to be. Are we to reduce the value by 5% per year and hopefully someday reach the value of the R-1 property?

6. The Municipality would be allowed a 10 mill limit on the limited valuation plus an equivalent of 10 mills from the State based on the full and true value of the property.

   PROBLEM: At the present time Municipalities are allowed a maximum of 30 mills. As proposed, this limitation would be sharply reduced, to what degree, no one would be able to tell from year to year.

7. And I would like to repeat again, the bill would create inequities among taxpayers beyond belief.

   If it is State aid we are looking for in this bill, there has got to be a far less complicated way of receiving it without totally destroying the 'You get what you pay for' theme.

Glenn M. McKee
Director

GMM:eea

14. REPEAL OF MUNICIPAL PROPERTY TAX

Municipality of Anchorage

MEMORANDUM

DATE: Dec. 9, 1977

TO: Chief Fiscal Officer

FROM: Director, Property Appraisal

SUBJECT: SENATE BILL 210

In section 29.33.030, this bill provides that boroughs shall assess property and collect sales and use taxes levied within their boundaries subject to chapter 53 of this title. What this says in essence is that we may only assess property taxes. We may, however, collect on sales taxes, use taxes and special assessments.

In section 43.18.030, it states that the intent of this chapter in authorizing state aid for Municipal purposes, is that local governments which levy, then they excluded the word property, taxes, reduce those levies in reasonable proportion to the amount of state aid received by a local government for a given fiscal year. They also require us to furnish a notice to the taxpayers saying how well the state is treating them from the state level.

They go on to say that the State shall reimburse a Municipality for the property tax revenues lost to it by the operation of this bill. Reimbursement will be made annually in an amount equal to the total of the real and personal property taxes due and payable to the Municipality for the last complete fiscal year of the Municipality ending on or before Dec. 31, 1978. This is confusing to me in that the payment is paid in an amount equal to the total of the real and personal property taxes due and payable in our last complete fiscal year. It does not provide that there shall be an increase in taxes after that year. If we can't tax real and personal property as of Jan. 1, 1979, who is going to make up the difference and how? It would seem that it could be made up only by sales taxes, use taxes or special assessments. I also wonder what this would do to our bonding powers since we don't have the power to levy a tax as such.

In my opinion, it is another one of those bills to spend all of the oil money we don't have; shades of the $900,000,000 that we receive for our leases.

Glenn M. McKee
Director

GMM:eea

91 010 (4/76)

89

Officials Plan Juneau Trip

Anch Times 5/5/78

A score of Anchorage officials will fly to Juneau Sunday for a work session with legislators on pending legislation of local interest.

Those making the trip will include some municipal department heads, assemblymen, school board members and school district officials. The group will essentially lobby for bills of concern to Anchorage.

Among the issues set for discussion at the 3 p.m. meeting:

— The selection and transfer of state land to municipalities.

— Ratification of a lease purchase agreement between the state and the municipality for the former state highway complex at Third Avenue and Post Road here.

— State aid for extending municipal police protection services.

— A special appropriation for Anchorage police services for the Muldoon-Spenard police expansion project due to get underway this fall.

— A bill to authorize state support for construction and development of cultural facilities in municipalities and an accompanying funding measure.

— A bill to provide 50 percent state funding for local capital improvements projects in municipalities. This bill was introduced in the Legislature at the request of Breakthrough, an Anchorage citizens' group boosting local improvements.

— A bill amending the state's procedure of collecting local vehicle tax for municipalities.

Also set for discussion are utilities and health proposals and school district issues.

Anchorage Times May 9, 1978, Tues

Municipal Officials Here To Begin Regular Sessions With Legislators

Municipal officials will meet with the Anchorage legislative delegation weekly from now until the end of the session to confer on bills considered priorities by the municipality.

Some of those meetings — set for Wednesdays — will be by teleconference between the two cities. For others, municipal officials will fly to Southeast.

The meeting schedule was established Sunday in Juneau during a lobbying trip by Anchorage officials to the capital city.

Anchorage assemblymen and administration officials individually have made several trips to Juneau to discuss pending legislation, but not as part of a regular meeting schedule. Such a schedule was advocated by an assembly resolution approved recently and strongly backed by Mayor George Sullivan.

Those who layed over in Juneau Monday got to see approved in the House one of their priority bills — a measure ratifying a lease-purchase agreement between the state and municipality for a former state highway facility at Third Avenue and Post Road. The vote was 33-1.

Fairbanks Rep. Fred Brown cast the only vote against the agreement.

The agreement was negotiated in November 1974 but the state administration has since tried to have it thrown out by the courts. The administration contends the former commissioner of highways who entered into the agreement did not have authority to do so, that public notice of the transaction was inadequate, and that the property was not appraised within the requisite three months before the effective date of the agreement.

Under the agreement the municipality agreed to pay rent of $100,000 a year plus $10,000 annually for the purchase option. Total purchase price of the facility was set at $1 million. The municipality has been making the annual rental and option payments, and plans to use the facility as an operations-maintenance base for the People Mover transit system.

Other measures discussed at the Sunday session:

— A bill that would revise the standards for allocating state revenue sharing funds to local governments in a manner designed to favor economically disadvantaged communities.

The municipal administration, which says Anchorage would be adversely affected by the measure, have opposed it. The measure, now in the House community and regional affairs committee, is supported by most other municipalities and boroughs.

— Several measures concerning alcoholism treatment and funding.

— A bill to provide state aid for extension of municipal police services, and a measure providing for a supplemental appropriation to Anchorage for extension of police services to the Sand Lake and Muldoon areas.

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2525

ANCHORAGE ASSEMBLY

MEMORANDUM TO ALL ANCHORAGE LEGISLATORS

SUBJECT: MONIES APPROPRIATED FOR FUNDING OF SCHOOL DEBT SERVICE

Last session the Legislature passed into law a Bill which provided that past school construction costs would be reimbursed by the State at the 100 percent level.

In this year's budget, the Governor recommended that, despite the law, school construction cost reimbursement be provided at the 80 percent level.

We had planned on 100 percent and had expected that the Governor would have recommended funding at that level.

At a joint meeting of the Anchorage School Board and the Municipal Assembly...convened to discuss this year's school budget and its impact on local taxation...the combined body passed the following Resolution:

> "We jointly resolve that the Legislature be requested to appropriate school construction debt service reimbursement funds at the 100 percent level as intended by State Law."

This appropriation (increase from 80 to 100 percent) represents about 2.4 million dollars which can be built into this year's school budget in direct tax relief areawide throughout the Municipality.

I hope you can support this increase in funding and support the execution as well as the spirit of the law enacted last year.

Sincerely,

Dave

Dave Rose

ANCHORAGE
SCHOOL DISTRICT
4600 DeBarr Road - Anchorage, Alaska
99504
AREA CODE 907-333-9561

March 21, 1978

The Honorable Joe Orsini
Alaska State Senate
Pouch V
Juneau, AK 99811

Dear Senator Orsini:

Pending Municipal Assembly action, Anchorage voters will be asked this fall to approve a bond package proposed by our School Board in the amount of $23,000,000. The sale of these bonds will provide our school system with the ability to build needed schools, improvements, and to acquire building sites for future expansion. At this time, you have a number of proposals to provide state support for the retirement of these bonds. Each of them has merit.

The Anchorage School Board strongly supports the proposal for bond reimbursement advanced by HB 681. This bill provides the simplest formula allocation of state funds for the purpose of bond retirement. It calls for reimbursement, on a delayed basis, of 80% of future local bond expenditures and 100% of bond commitments made prior to 1977.

This measure would give Alaska's citizens and students a direct share in the wealth of our non-renewable natural resources. It would also, by its very simplicity, provide for studied local planning and decisions as to the types of facilities built with bond funds. It would avoid a potentially negative effect generated by rigid state control of what has traditionally been a local decision-making process. We feel that the people of our state know best what their needs are on a community by community basis and we feel that this decision-making activity should be kept at that level within broad general guidelines which should be developed and implemented by the State Board of Education.

The other bond funding bills contain specific proposals and possible oversights which should merit your further attention.

None of the proposals allow for "front-end money" which would be of immense benefit to rural areas. Some of these districts are caught in a "Catch 22" dilemma of having a tremendous need for new and larger facilities while not having the tax base to provide for note retirement immediately following the sale of the bonds.

The State Superintendents' Association has suggested your consideration of a proposal to provide between 80% and 100% of local bond payments on an ability to pay basis for less-able districts.

We would also point out some areas of disagreement which exist in Governor Hammond's bond bill, HB 853.

The Governor's bill sets a state support floor of 50% of local bond payments. This floor should be increased to 80%. It also gives the Commissioner of Education a veto power over future school planning and construction throughout the state. Specifically, we refer to page 4, section "C" of HB 853, lines 3 and 4. This section would be greatly improved by the deletion of the words, "and priority" in line 3 and "and necessary" in line 4.

In the area of labor relations, we would reiterate our stated opposition to proposals such as HB 489 which calls for group representation of REAA's and employee organizations in collective bargaining. This would seriously undermine the principle of local control of education and would saddle the state with labor relation climate similar to that under the state operated school system (SOS). We are opposed to any efforts to broaden the scope of negotiations with employee units, particularly teachers and any broadening of the binding arbitration requirements which now exist.

One of the very important areas under consideration this year lies in the state's commitment to children with special needs. Our handicapped and gifted students require a great deal of staff and financial support from the state and the community. Under the provisions of state and federal law, school districts must provide extensive, ongoing diagnostic services to these students outside of the regular classroom services. It is in this area that we and other school districts are feeling a financial burden.

To alleviate this situation, we would propose a change to our special education funding formula to provide additional foundation support units for the specific purposes of student assessment and diagnosis. The proposed change attached to this letter would provide 30 additional units of support for

RELEASE COPY

Anchorage's handicapped and gifted students and would allow us to provide additional services in the special education classrooms where they are so vitally needed.

We must also ask your support in enforcing a moratorium on any other special education proposals which come to the floor during this session.

Complex federal laws, regulations, and definitions, coupled with enforcement of existing state laws and regulations, have put our special education systems into a state of flux. Frankly, we need some time to catch our breath and put our house in order.

It is our intent to exercise a leadership role in the revision of existing special education legislation prior to the beginning of the next legislature and to present our recommendations to you in the form of a complete package of coordinated and viable bills at that time. It would be our intent to simplify rather than complicate this important body of law and regulation so that we can provide these services with a minimum of delay and overhead, but we need time and a respite from more changes.

Sincerely,

John B. Peper

John B. Peper, Ed.D.
Superintendent

pa

Attachment

DRAFT

FOR AN ACT ENTITLED: An act establishing the public school foundation program special education assessment and diagnostic support formula.

A.S. 14.17.041 is amended to read:

(g) Special Education Assessment and Diagnostic Services Schedule:

ADM	No. Instructional Units
0-50	1
51-100	2
101 +	2 plus 1 for each 100 special education students or fraction thereof

Finance stuff.

ANCHORAGE
SCHOOL DISTRICT
4600 DeBarr Road - Anchorage, Alaska
99504
AREA CODE 907-333-9561

January 27, 1978

The Honorable Joseph L. Orsini
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Mr. Orsini:

During the current legislative session, your committee will be dealing with a number of bills affecting public education.

Since the Anchorage School District enrolls one half of Alaska's public school students, we feel that many of these proposals are of vital importance to us.

Would it be possible for your staff to alert us to committee hearings on bills dealing with these matters? We are most interested in proposals on public employment practices affecting teachers and school employees, educational programs and school finance.

Your assistance in this matter would be appreciated.

For your information, we are enclosing copies of the Anchorage School District's Facts and Figures Digest. This booklet contains a summary of the District's financial activities and student enrollment patterns and may help you place some perspective on the size of our system.

Thank you in advance for your time and cooperation.

Sincerely,

John B. Peper

John B. Peper, Ed.D.
Superintendent

ANCHORAGE
SCHOOL DISTRICT
4600 DeBarr Road - Anchorage, Alaska
99504
AREA CODE 907-333-9561

December 22, 1977

Senator Joe Orsini
2912 Alder Drive
Anchorage, AK 99501

Dear Senator Orsini:

The enclosed is a statement of legislative priorities of the Anchorage School Board as presented at the Chamber of Commerce Legislative Forum.

We apologize for not having a written statement at that time.

Please feel free to call upon Dr. Peper, the Superintendent of the Anchorage School District, or any member of the Board if you have any questions or need further clarification on any of the issues.

Thank you for your time and attention.

Sincerely,

Heather Flynn

Heather Flynn
Legislative Chairperson
Anchorage School Board

pa

enclosure

cc: Anchorage School Board Members

ANCHORAGE
SCHOOL DISTRICT
4600 DeBarr Road - Anchorage, Alaska
99504
AREA CODE 907-333-9561

December 17, 1977

TO: Anchorage Chamber of Commerce Legislative Forum

FROM: Anchorage School Board

SUBJECT: Legislation

The Anchorage School Board has a limited number of priorities. Our primary goal is to prevent an erosion of the constitutional and statutory authority and responsibility vested in the School Board.

To that end the Anchorage School Board and the entire Alaska Association of School Boards is firmly opposed to any form of binding arbitration including last best offer arbitration, or binding arbitration which includes a local referendum on the results. The financial impact on school districts could be disastrous.

Perhaps more important than the financial aspects are the issues of management rights and local control. The legislature, through Title 1 and 29, has wisely determined that the local school board is an autonomous organization, locally elected, and self-determining, subject to federal and state statutes and regulations. The legislature reaffirmed this autonomy with the creation of the regional attendance areas and locally elected regional school boards. Imposing further restrictions upon how locally elected bodies must bargain with unions which enjoy a statewide power base would do violence to the local control the legislature attempted to create in the REAA's.

A local referendum on the results of binding arbitration is the ultimate in buck-passing. It offers insulation of the legislator who finds it a comfortable compromise. And it removes from the local board the accountability to which they should be held.

Management rights, especially in the public sector, is a developing and complex area. We wish to note the recent decision of the Alaska Supreme Court affirming the position of the Anchorage School Board that by allowing some items to be negotiable, we are abrogating our constitutional responsibility of policy making. Quoting from the opinion, "If teachers' unions are permitted to bargain on matters of education policy, . . . the autonomy of the School Boards could be severely eroded, and the effective control of educational policy shifted from the school boards to the teachers' unions".

The line between educational policy and financial control is merely semantic. If we allow educational policy to be bargained, we allow control of our budget to a union which is not accountable to the taxpaying public. We implore the legislature to respect the direct accountability of the School Board to the public.

Both state and federal statutes require that the ASD provide a full range of services to the physically and mentally handicapped, as well as assistance in becoming English language proficient to children who are non-English speaking or bilingual. But while these services are mandated, little or no financial assistance has been provided to support their implementations.

The new PL 94-142 mandates more services to the handicapped than ever before. The current foundation funding ratio of 1.5% is proving inadequate in two ways. It takes more than 1 1/2 times the amount of money to serve handicapped children, ages 3 - 20, as it does normal children, and while Anchorage has 43% of the student population in the state, it has a far greater percentage of special education children largely because of the physical and psychological facilities. State tuition charges do not cover the costs. Our projected increase in costs is between $900,000 and $1.7 million. Currently, the deficit is being borne by the local tax dollar. We suggest an increase in the ratio of funding to 1.75% or 2.0%.

In addition to federal mandates, A.S. 14.30.410 dictates a State program of bilingual education. The program is a necessary one in order to meet the needs of our diversified and cosmopolitan population in Anchorage. We are currently funding the bilingual program with $340,000 in local funds. We request that the State fund at least part of this expense under the foundation formula.

While Anchorage has made some financial headway, we are still penalized for the size of our district by the way in which average daily membership (ADM) is computed to create a foundation unit. We recommend a consistent formula applied more fairly throughout the state.

Parenthetically, we continue to urge the legislature to provide planning time and a phase-in period for any changes in Teachers Retirement System, Public Employees Retirement System or Workmen's Compensation which would impact our budget. Our budget is formalized and sent to the Assembly by April 1. Any legislative changes in the aforementioned programs, without lead time, must be borne by local tax revenues.

Anchorage is looking forward to a unique year of local property tax relief. Thanks to 100% funding of a bond indebtedness for past construction, we will realize approximately a $6 million increase in State funding. This, of course, is predicated upon full appropriation of the amount, which has not always been the case in the past.

This increase could translate into as much as 1.5 mill reduction to local property taxpayers except that we are obligated to fund both special education for the handicapped and bilingual from these same monies. Nevertheless we anticipate a reduction of approximately one mill.

The problem arises in Sec. 43.18.100(c) which clearly says the State may appropriate funds annually. Last year we were shorted over $450,000. Because our budget is finalized prior to the close of the legislature, any funding shortfall must be taken from our program budget.

Anchorage needs a commitment not only to the continuance of 100% bond retirement for school construction debt, but a commitment to full funding for that debt.

The Anchorage School District supports legislation which would deed state lands currently used for educational purposes to the Municipality. Public use may be insured by an automatic reversion clause should the Municipality no longer use the property for educational purposes. The legislation would eliminate costly yearly paperwork and rents.

Finally the Anchorage School Board continues to support the concept embodied in CSSB 30, currently in Senate Rules, which would increase parents' liability to $5,000 for vandalism done by their minor child.

pa

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2525

ANCHORAGE ASSEMBLY

MEMORANDUM FOR: All Anchorage Legislators

FROM: Dave Rose

DATE: January 27, 1978

During the 1976 legislative session, Chapter 256 "An Act Relating to Motor Vehicles; and providing for an effective date" was enacted into law. This act amended AS 28.10 by adding a new section providing for an Annual Motor Vehicle Registration Tax.

The Municipality exercised its local option and substituted this tax in lieu of personal property taxes on automobiles and trailers.

It was believed that more tax revenue would accrue to the municipality's benefit because all owners would be paying the tax rather than a lesser number (many did not file tax forms and were not discovered). At the same time it was believed that the tax imposed would be less, on an individual basis, than the personal property tax because the sliding scale provided in AS 28.10.255 would seem to generate a lower amount due. Additionally, it was assumed that the auto registration tax would be an allowable deduction for Federal and State income tax purposes in the same manner as the personal property tax which it was being substituted for.

Problems have developed. My telephone has started to ring and I suspect that yours will also. The problem is twofold:

1. Some people pay more under this scheme than they did under the personal property tax option. This happens because older vehicles (5th year and over on the chart) pay a constant rate. Thus, an old clunker worth virtually nothing pays the new tax at $20.00 while it would have paid far less under the old tax. To make things worse, the new law violates the 30 mill rule which adequately applied under personal property tax. Eg: any vehicle worth less than $666.67 which is taxed the minimum $ 20.00 converts to a millage in excess of 30.

2. The personal property levy was income tax deductable whereas the new tax may not be deductable. I have seen an opinion from Anchorage IRS which indicates that that office is of the opinion that the tax may not be deducted. I hope legislative files can produce a contra opinion.

Allow me to recommend the following actions. Research the original proposed bill. I believe that it had a sliding scale beyond the five year point. Lower taxation in the $15-$10-$5 range might prevent future inequity. You might wish to investigate the approach that cuts the chart off at the five year point thus making the assumption that all vehicles older than five years have little value for taxation purposes. In any event, you may wish to consult with the municipality assessing department for comment and input. By copy of this letter I am advising the Assessor that you might contact him.

Secondly, seek resolution at the State level of the tax deduction question. Research the record to see what representations were made at the time the bill was introduced, heard in committee, amended, and passed. Perhaps the State could be an advocate for us with the IRS.

Sorry to be the bearer of bad news but thought you might wart to be kept abreast of the situation.

Sincerely,

Dave Rose

City of FBX

By: Phil Younker
Introduced: 1/12/78
Amended: 1/12/78
Adopted: 1/12/78

RESOLUTION NO. 78-2

A RESOLUTION OF THE FAIRBANKS NORTH STAR BOROUGH REQUESTING LEGISLATIVE SUPPORT FOR INDICATED ISSUES OF PARTICULAR INTEREST TO THE BOROUGH

WHEREAS, the Fairbanks North Star Borough Assembly requests that the members of the 1978 Congressional Delegation of the State of Alaska support items of particular interest to the Borough, and

WHEREAS, some of these items relate to pending legislation in the House of Representatives and in the Senate, and

WHEREAS, other topics will require the introduction of legislation to accomplish our purpose;

NOW THEREFORE, BE IT RESOLVED by the Assembly of the Fairbanks North Star Borough that the following be considered as a list of issues of interest to the Fairbanks North Star Borough during the 1978 Legislative Session:

Flood Control - we request funding in the amount of $4,500,000 per AS 35.07.010 to fund the remaining State share to complete the Chena River Lakes Project.

Chena Wayside - we support conveyance of Chena Wayside Park facility to Borough provided necessary safety and health upgrading is done by the State.

Borough Land Selection - we support the concept of fixed acreage allocations to Borough similar to that contained in CSHB 133, we also strongly favor the cooperative selection provisions.

Alaska Railroad Connection to Midwest - we support the study of accelerated development of a rail connection to the midwest which will benefit consumers and business by opening new markets for both purchase and sale.

School Facility Maintenance - we support the concept that the responsibility for school facility maintenance, with the exception of that which can be performed by custodians, should rest with Borough General Government, who in turn may delegate this responsibility if it chooses to do so.

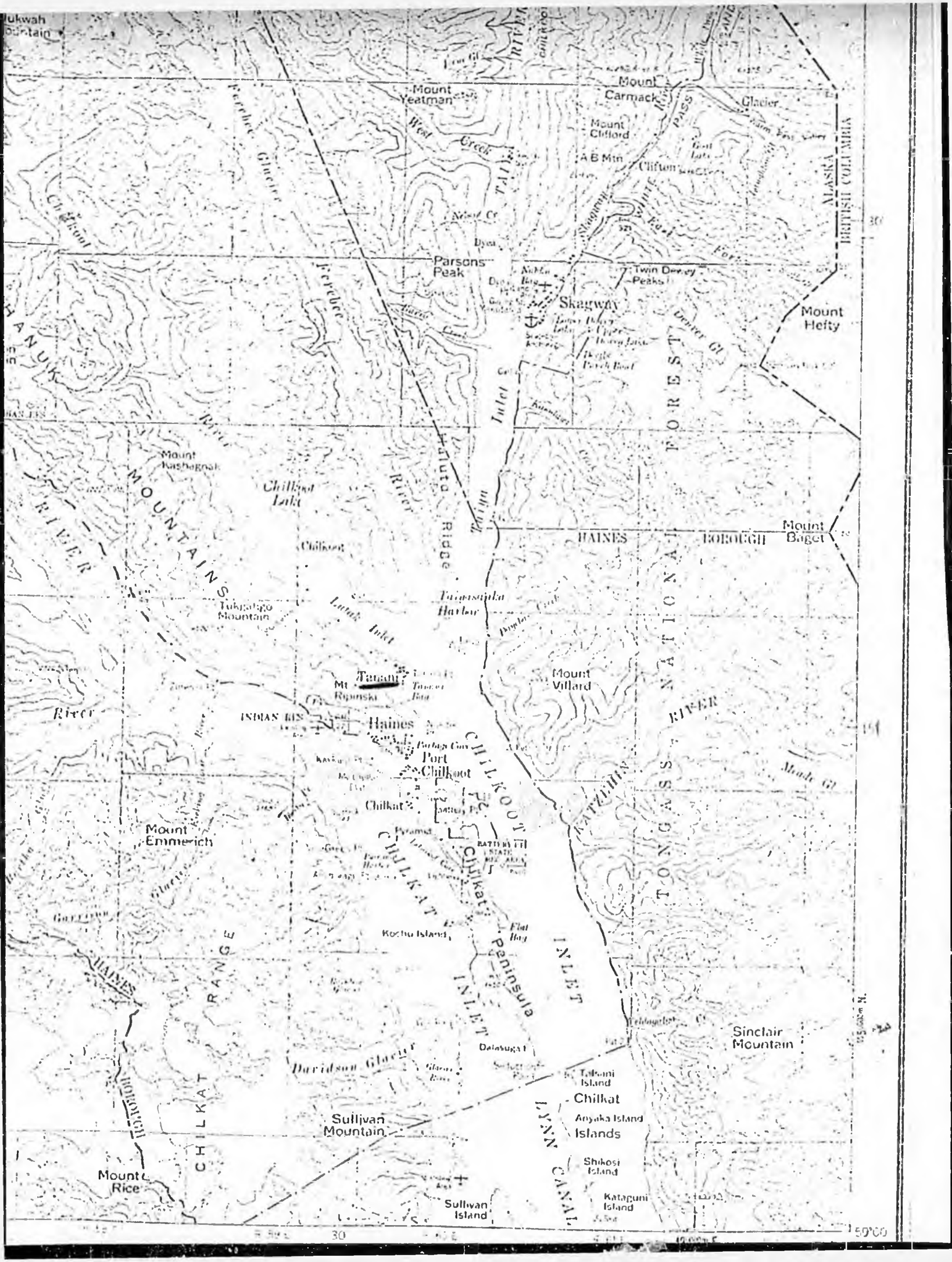
PASSED AND APPROVED this 12th day of JANUARY 1978.

Presiding Officer

ATTEST:

Clerk of the Assembly

HAINES BOROUGH


Mount Yeatman
Mount Carmack
Glacier
Mount Clifford
A B Mtn
Clifton
Pass
West Creek
Ferebee Glacier
Parsons Peak
Twin Dewey Peaks
Skagway
Mount Hefty
ALASKA
BRITISH COLUMBIA
Dyea
Taiya River
Inlet
Denver Gl
Mount Kashagnak
Chilkoot Lake
Chilkoot River
Ridge
Mount Baget
HAINES
BOROUGH
Chilkoot
Taiyasanka Harbor
Lutak Inlet
Takhatago Mountain
MOUNTAINS
Tanani
Mt Riponski
Mount Villard
INDIAN RIV
Haines
Port Chilkoot
Chilkat
CHILKOOT
CHILKAT
Mount Emmerich
Pyramid
Kochu Island
Flat Bay
Peninsula
INLET
Davidson Glacier
Dalasuga I
Sinclair Mountain
Taiyani Island
Chilkat
Anyaka Island
Islands
Sullivan Mountain
Shikosi Island
Kataguni Island
Sullivan Island
Mount Rice
CHILKAT RANGE
HAINES
BOROUGH
LYNN CANAL
TONGASS NATIONAL FOREST
KATZEHIN
RIVER
Mouth Gl
59°30'N
135°00'W
30

NOTE ON HAINES BOROUGH SUPPORT FOR BOUNDARY COMMISSION RECOMMENDATION

This afternoon I spoke to Ray Menaker, Haines Borough Mayor, regarding the Local Boundary Commission recommendation in Senate Joint Resolution number 39.

Menaker said that the Haines Borough "very much" supported the recommendation.

According to Menaker, the area proposed for annexation is approximately 80 acres in size and contains a military tank farm. If this land were annexed, it would not affect the status of the tank farm.

Menaker said that the tank farm area is now an island completely surrounded on all sides by the Haines Borough.

The Haines Borough believes that the proposed annexation recommendation is not opposed by any Haines residents nor by the military. It does not plan to send a representative to the legislative hearings.

Ben Harding
2-6-78

STATE OF ALASKA

LOCAL BOUNDARY COMMISSION

Haines Borough Petition for
Annexation of Petroleum
Distribution Office Haines Depot

Statement of Decision

Whereas, on June 3, 1976, the Haines Borough submitted a petition to the Local Boundary Commission through the Department of Community & Regional Affairs in accordance with Title 29 of the Alaska Statutes requesting annexation of the area commonly known as the Department of Army Petroleum Distribution Office, Haines Terminal & Pumping Station; and

Whereas, the Haines Terminal & Pumping Station, identified as a U.S. Military Reservation, had been excluded from the boundaries of the Haines Borough at the time of the borough's incorporation in 1968, to remain as an exclusion until such time as the area was no longer subject to military reservation status; and

Whereas, the Department of the Army has decommissioned the Haines Petroleum Distribution Office facility and governmental control of the area has now been turned over to the General Services Administration; and

Whereas, the General Services Administration has indicated no objection to the inclusion of the area within the Haines Borough;

NOW THEREFORE, the Local Boundary Commission makes the following findings and enters its decision thereto:

The petition territory meets the regulatory standards for annexsation as follows:

19 Alaska Administrative Code 05.110(a)(1): The territory is entirely surrounded by the Haines Borough.

19 AAC 05.110(a)(4): The location and configuration of the territory, together with the improvements thereon, make the Haines Terminal & Pumping Station a likely location for future development should Haines be somehow tapped as a terminus for a gas line carrying Arctic gas.

19 AAC 05.110(a)(8): The Local Boundary Commission's action in this case formalizes an action called for in the Haines Borough incorporation document; namely, the inclusion within the Borough of the Haines facility once it was no longer subject to military reservation status.

19 AAC 05.120(1): The Local Boundary Commission finds that the Haines Borough has demonstrated that it is capable of and willing to extend its services and jurisdiction into the area.

On the basis of the foregoing, the Local Boundary Commission affirms its decision to include the Haines Depot territory within the Haines Borough with the resultant new boundary description eliminating the present military reservation exclusion.

LOCAL BOUNDARY COMMISSION

January 30, 1978

Approved:

Sigvald J. Strandberg, Chairman

Sheila Gallagher

Edward Hopson

Absent & excused:

James Dodson

Josephine Anderson

STATE OF ALASKA

LOCAL BOUNDARY COMMISSION

JUNEAU, ALASKA

RECOMMENDATION FOR ANNEXATION OF TERRITORY TO THE BOROUGH OF HAINES, ALASKA

SUBMITTED JANAURY 18, 1978

RECOMMENDATION FOR ANNEXATION OF TERRITORY

TO THE

HAINES BOROUGH

WHEREAS, petitioner, the Haines Borough has requested that certain territory be annexed to the Haines Borough, to wit; the base proper of the Petroleum Distribution office, Haines Terminal and Pumping Station, an area within the Haines Borough presently excluded because of its former military reservation status; and

WHEREAS, subsequent to giving proper notice, the Local Boundary Commission conducted a public hearing in Haines on Thursday, June 23, 1977, to hear testimony of the public concerning the proposed annexation; and

WHEREAS, upon conclusion of the public hearing the Local Boundary Commission convened a public decisional meeting at which it reviewed the Haines Borough's petition, supporting brief and all testimony received prior to and during the June 23, 1977 public hearing; and

WHEREAS, the Local Boundary Commission has determined that the territory sought to be annexed meets the standards for annexation in that the subject territory is no longer a military reservation; and

WHEREAS, the exclusion of the subject territory serves no useful or rational purpose;

NOW THEREFORE, the Local Boundary Commission recommeds that pursuant to Article X, Section 12 of the Alaska Constitution and Alaska Statute 29.68.020, that the petition to annex territory to the Haines

Borough be approved and that the following be the official description of the boundaries of the Haines Borough:

IN accordance with Article X, Section 12 of the Alaska Constitution, this recommendation shall become effective forty-five days after presentation to the Legislature or at the end of the Session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the numbers of each House.

Beginning at Eldred Rock Light at Latitude 58°58.3'N and Longitude 135°13.2'W; thence in a straight line east to Mt. Nesselrode, Boundary Peak No. 98 at Latitude 58°57'44.96"W and Longitude 134°18'42.03"W; thence northerly at the Alaska-Canada Boundary line on a meander line to Mt. Bagit at Latitude 59°21'N and Longitude 135°02'W; thence due west on a straight line to a point in the center of Lynn Canal on Taiya Inlet at approximately Latitude 59°21'N and Longitude 135°22.5'W; thence northwesterly to Monument No. 124 on the Alaska-Canada Boundary at Latitude 59°44'N and Longitude 135°43'W; thence in a meandering westerly line following the Alaska-Canada Boundary to Mt. Harris; thence in a southeasterly and southerly manner along the Glacier Bay National Monument Boundary to a point due north of Porpoise Island Light at Latitude 58°22.1'N and Longitude 135°27.2'W; thence south to Porpoise Island at Latitude 58°19.1'N and Longitude 135°27.2'W; thence southeasterly to the southern tip of the Sisters Islands at Latitude 58°10'N and Longitude 135°15'W; thence southeasterly to Hanus Reef at Latitude 58°07.9'N and Longitude 134°59.8'W; thence north to a point midway between Lincoln Island on the east and the mainland on the west, at Latitude 58°30'N and Longitude 135°04.15'W; thence north paralleling the boundary of the City and Borough of Juneau to Eldred Rock Light the point of beginning, containing 2,620 square miles more or less.

Save and excepting therefrom: (1) the lands comprising Klukwan Indian Reservation established by Executive Order numbered 1764 dated April 21, 1913 and amended as to the boundaries thereof by Executive Order numbered 3673 dated May 15, 1922 and further amended by the Act of September 2, 1957, Public Law 85-271, 71 Stat. 596,

particularly described as follows: Lots 1, 2 and 3 of Section 32; all of the north one-half of Section 33, Lots 1, 2, 3 and 4 of the south one-half of Section 33; Lots 1 and 2 and the northeast one-quarter of the southwest one-quarter of Section 34, Township 28 South, Range 56 East, CRM Alaska (and Lots 2, 3 and 4 of Section 5, and Lots 1 and 9 of Section 6, Township 29 South, Range 57 East, Copper River Meridian).

STATE OF ALASKA

LOCAL BOUNDARY COMMISSION

In the Matter of the Petition for Annexation of Territory to the Haines Borough.	)	Docket No. 76-

PETITIONER'S BRIEF

COMES NOW Petitioner, HAINES BOROUGH, through the Borough attorney, and submits the following brief in support of the local government boundary addition to the Borough.

I

GEOGRAPHICAL REASONS

The area proposed by Petitioner for annexation is within the Haines Borough boundaries in Lutak Inlet, about four miles northerly of the City of Haines, and is a logical addition, now that Alaska law permits annexation of military reservations, pursuant to AS. 29.68.020.

II

ECONOMIC REASONS

The fuel storage and distribution system and the personnel employed therein are an integral part of the Haines' economy and have been for many years, since it was constructed in or about 1953 for supplying Eielson Air Force Base near Fairbanks with fuel. Now that the General Services Administration is trying to dispose of the facility it is all the more compelling to include it within the mainstream of Borough influence.

III

TRANSPORTATION REASONS

The area is four miles from Haines on the paved Lutak

Highway and is within one mile of the Haines Ferry Terminal.

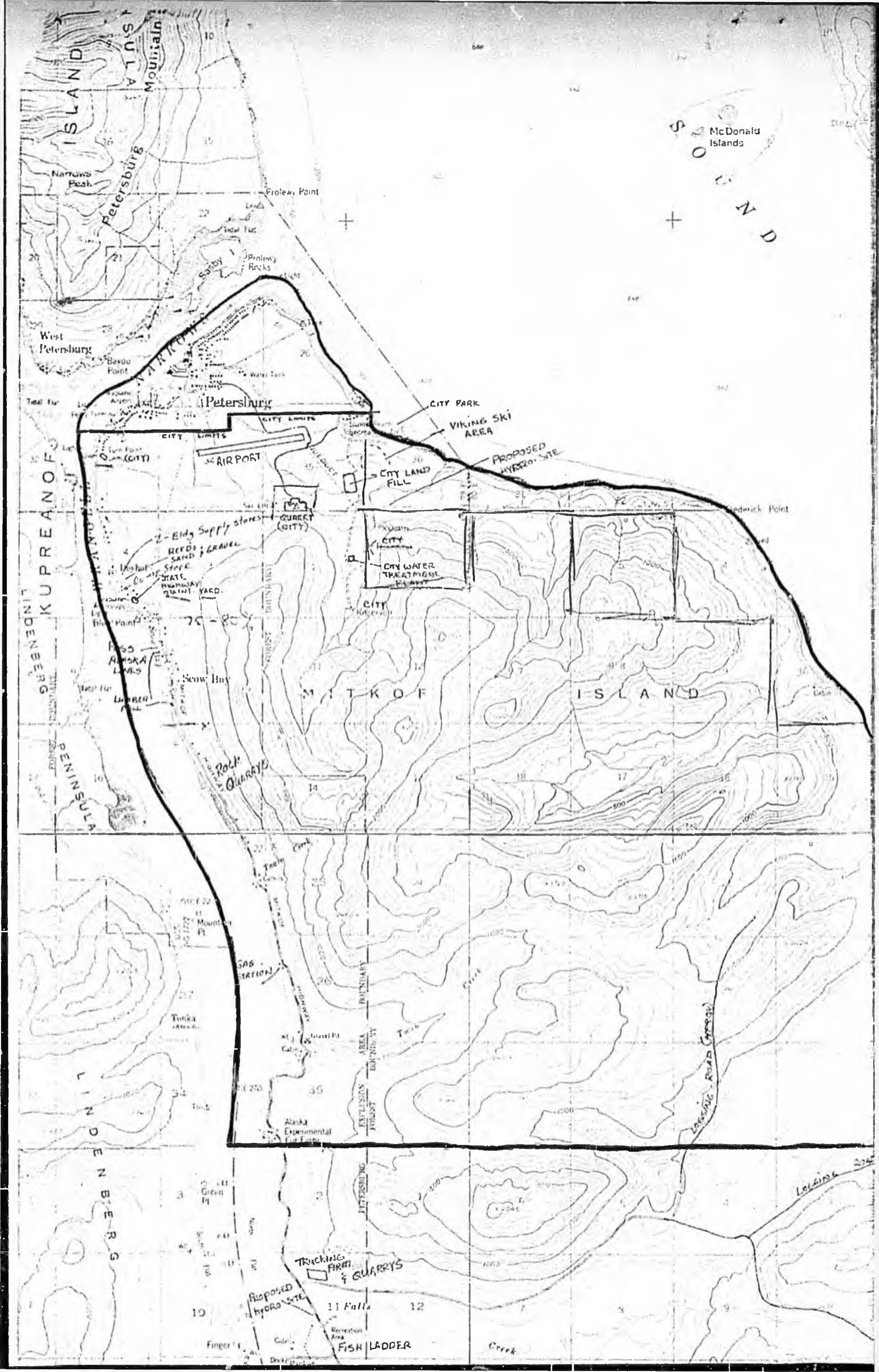
It is respectfully requested that the Haines Borough Petition be granted.

DATED: May June 3 1976 in Haines, Alaska.

HAINES BOROUGH

By: Richard C. Folta
Borough Attorney

PETERSBURG


ISLAND
Petersburg Mountain
Narrows Peak
Petersburg
Frolew Point
Frolew Rocks
Sandy
West Petersburg
Bevou Point
NARROWS
Petersburg
CITY LIMITS
CITY LIMITS
AIRPORT
CITY PARK
VIKING SKI AREA
PROPOSED HYDRO SITE
CITY LAND FILL
QUARRY (CITY)
Frederick Point
2 - Elds Supply stores
REEDS SAND & GRAVEL
STATE HIGHWAY YARD
CITY
CITY WATER TREATMENT PLANT
CITY
Blind Point
Pass
ALASKA LUMBER MILL
Scow Bay
MITKOF ISLAND
Rock Quarrys
KUPREANOF
PENINSULA
LINDENBERG
Mountain Pt
GAS STATION
Tunka
Alaska Experimental Fur Farm
EXTENSION FOREST
AREA BOUNDARY
JEFFERSON
Green Pt
TRUCKING FIRM & QUARRYS
PROPOSED HYDRO SITE
Finger I.
FISH LADDER
Creek
McDonald Islands
SOUND
LOGGING ROAD (PROP.)
LOGGING

January 4, 1978

Lars Eide
P. O. Box 942
Petersburg, Alaska 99833

Dear Mr. Eide:

This acknowledges receipt of your letter stating opposition to the City of Petersburg's proposal for annexation of the entirety of Mitkof Island. Be assured that your comments will be considered by the Local Boundary Commission prior to its entering a decision in this matter.

Sincerely,

Erik J. Simpson
Local Government Specialist

January 4, 1978

Enid Magill
Box 444
Petersburg, Alaska 99833

Dear Ms. Magill:

This acknowledges receipt of your letter stating opposition to the City of Petersburg's proposal for annexation of the entirety of Mitkof Island. Be assured that your comments will be considered by the Local Boundary Commission prior to its entering a decision in this matter.

Sincerely,

Erik J. Simpson
Local Government Specialist

6 January 1978

Mr. L. B. Jacobson
Attorney
City of Petersburg
Petersburg, Alaska 99833

Dear Mr. Jacobson:

I, Emily V. Merriam, Clerk, City of Kupreanof, hereby attest that the City of Kupreanof was in receipt of the petition of the City of Petersburg in the Matter of Annexation on or about November 23, 1977.

Sincerely,

CITY OF KUPREANOF

Emily V. Merriam

Emily V. Merriam
Clerk

Emily V. Merriam personally appeared before me, Notory Public, and subscribed and swore to the above statement, at Petersburg, Alaska, on this 6th day of January, 1978.

Harry R. Merriam

Harry R. Merriam

Notory Public

My commission expires
4/20/79

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ATTORNEYS AT LAW
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510 THE FINANCIAL PLAZA
P. O. BOX 679
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R. E. ROBERTSON (1915-1961)
F. O. EASTAUGH
J. B. BRADLEY
W. G. RUDDY
L. B. JACOBSON
R. B. BAKER (ANCHORAGE)
M. T. THOMAS
L. J. BARKER (ANCHORAGE)
J. F. CLARK
P. M. HOFFMAN
J. P. TANGEN
L. G. BERRY (ANCHORAGE)
C. R. RICH (ANCHORAGE)
D. A. HOLBROOK
J. D. MILLER (ANCHORAGE)
T. A. SOFO
W. R. HULEN (ANCHORAGE)
D. E. CUADRA (ANCHORAGE)

OF COUNSEL
M. E. MONAGLE

January 11, 1978

Erik Simpson
Local Government Specialist
Dept. of Community & Regional
Affairs
Pouch B
Juneau, Alaska 99811

Re: Petersburg Annexation Proposal
L.B.C. Supplemental Information

Dear Mr. Simpson:

This office as legal counsel for the City of Petersburg has been requested by members of the Local Boundary Commission to furnish additional data to supplement the hearing record. This letter constitutes a best-efforts basis to furnish that information and it should be mentioned that since a quorum of members were physically present for the hearing, the City of Petersburg waives any objection to the participation in the deliberations by absent member Sheila Gallagher conditioned on her reading of the documentation and listening to the tapes of proceedings at the hearing.

1. Lost School Revenue. The $47,000 figure submitted by the City of Petersburg as revenue lost from the State for payment of non-resident student tuition is accurate. The figure of $53,000 mentioned by the protestants at the hearing is based on the last school year (when enrollment was slightly up), coupled with failure to consider that five of the non-resident students are from Kupreanof in which case the non-resident payment from the State would continue in any event.

2. Sales Tax Revenues. The afternoon of January 10, I resolved to follow through the best I could on the request for additional sales tax data. Unfortunately, I report that my worst suspicions about obtaining hard information were confirmed. I instructed Patty Curtiss, secretary to

the City Manager, to call out to all of the businesses and ascertain an estimate of gross sales tax revenues from each of them assuming that they were subject to the City's jurisdiction and imposing a 5% sales tax with a $1,000 transactional ceiling. She reported back to me mid-morning of January 11, 1978 and advised that her responses fell into three categories. The first category was the "no contacts" where she was unable to contact the proprietor. The second and largest category was composed of those businesses who said they would call back later and one who requested that Patty call them back later. The third category, including the liquor store, flatly refused to divulge any information. The City of Petersburg is not in a position to obtain from the Alaska Department of Revenue the gross revenue figures reported by the various enterprises since that is privileged information. I am not sure that that would do too much good anyway, because I doubt if all of them file business license returns. For example, and the only enterprise on which I can furnish concrete data, specifically the Petersburg Consumer's Co-op, does not file a business license return notwithstanding that our litigation with them over the sales tax revealed that they order four or five shipments per year varying in range from $14,000 to $24,000 each. The lumber mill reported that it had no retail sales. The proprietors of the building stores were in the "call-back" category, and Sonny Hicks the owner of the Beachcomber could not be located by Patty. We are unable to furnish any meaningful data on the volume of business in the territory outside of the City to justify either an upward or downward adjustment in the original sales tax revenue estimate of $149,000.

3. Property Valuation. Taxes on the total real property were calculated at a 7 mill levy against $6,790,000 on real property and $250,000 on personal property. As indicated in the earlier submitted "Affidavit re Information Sources", the real property was estimated by the City Clerk's taking and updating an appraisal submitted by Mr. Erroll Simmons in 1975. She used an inflation factor of 5% per year. The personal property valuation was predicated on an estimate of equipment owned by the two major logging companies, Reed Brothers and Olsen & Sons, Ltd. The personal property valuation is conservative. No attempt was made to adjust the real property valuation for senior citizen exemptions and leases of government property which would now be subject to tax.

4. Bonded Indebtedness. The City of Petersburg's figures submitted on a separate sheet reciting the general obligation and revenue bond indebtedness are accurate. There have been no bond issues of either kind since June, 1977.

5. Financial Data Generally. To the extent that the City of Petersburg is remiss in submitting financial data to the Commission respecting the fiscal repercussions of the proposed annexation, the broad brush can be attributed to the fact that the City of Petersburg does not have a finance director, and secondly and more importantly, to me as the City's attorney who did not instruct the City Administration to be prepared on that issue any further than the documentation submitted. The reasoning for that was in the three annexation matters which I have previously participated or followed, such data was not requested, nor was I of the opinion that the financial viability of an annexation proposal was one of the standards promulgated in 19 AAC 05.010 or the Alaska Constitution. Inasmuch, however, as an annexation proceeding is a quasi-legislative or political act in contrast to a judicial proceeding, the Commission's concern on that issue is at least understandable.

6. Start-up Costs. The Commission is apparently concerned about the possibility that cost of extending general services circa March 1978 when the Alaska Legislature would approve any proposal would create a financial drain on the City of Petersburg's general fund which was unforeseen, unbudgeted, and could not be made up until the 1979 tax levy. I am strongly inclined to agree with that assessment about a short-term negative cash flow but similarly inclined to discount its magnitude predicated on the knowledge that many of the general services, including extra-territorial fire, police protection and ambulance service have been provided heretofore. In the event of annexation approval and the incurrence of a deficit later in calendar year 1978 and the first part of 1979, the City may issue bond anticipation notes at the time of incurring the deficit according to AS 29.58.070. Alternatively, the City of Petersburg, being a home-rule municipality is not limited to the conventional financing procedures enumerated in the statutes and Sec. 14.1(a)(3) of the City Charter expressly authorizes the issuance of revenue or tax anticipation notes. Moreover, that might not even be necessary since the Legislature's prospective approval of the annexation would be known by the end of February 1978, there is ample time for the City to accomodate any additional expenses foreseen as stemming from the additional services in the annexed area prior to formulation of its budget and adoption of such budget by the June 15 date mandated by Statute.

7. Fifty Percent Tax Levy. The differential tax zones as originally proposed drew a close parallel to those utilized in Wrangell's annexation. Subsequently the Council at a meeting on January 3, 1978 determined that it did not want the tax levy pegged to the utility services afforded since they were at least in theory financially self-sustaining. The City accordingly submitted an Addendum dated January 6, 1978 deleting the tie-in of the tax levy to the utility services, and keeping the 50% tax levy for basic general services and administration. This seemingly comports with the question raised in the January 4, 1978 report to the Local Boundary Commission by the Department of Community & Regional Affairs Local Government Assistance Section wherein it stated:

> "The Department raises the question of whether it would be appropriate for the City to collect property tax for the utility functions. The utilities would normally be considered an enterprise function which would be self-supportive from the user rates or surcharges associated with the particular utility."

The first year 50% figure is admittedly somewhat arbitrary and would invoke some isolated cases of unfairness. Working from the general 50% zone as a starting point, it was felt by the Council that it would be appropriate for the newly-enfranchised taxpayers to participate in the adjustments and fine tuning respecting the establishment of differential zones in tax year #2 (1980).

I apologize for not being able to furnish you with better data respecting the projected sales tax revenues, but please advise if you think I may be of further assistance.

Respectfully submitted,

ROBERTSON, MONAGLE, EASTAUGH & BRADLEY

By: L.B. Jacobson

L.B. Jacobson

Of Attorneys for the City of Petersburg

LBJ:ss

cc: David Moffat
City Manager

Statement on Annexation - 1977-78

There are many aspects to be considered on annexation of the balance of Mitkof Island to the City of Petersburg before a final decision is made. As the ordinance now reads, if I understand it, I'm absolutely opposed to it.

Firstly, I'm opposed to annexation on a moral basis in that the residents of the area in question do not have any say-so in the process. In fact, even the citizens of the town itself, have no direct vote on the issue. It is a decision of six people on the council controlling the destiny of not only the epople now living inside the present city limits, but also those living without. I am quite sure that if a poll were to be taken, those people living outside of the present city would vote 90% to 95% against annexation. To be not able to control your own destiny, is not the democratic way of life as we have known it in this great land of ours.

Now for the hard facts of the cost of this monstrosity. I'm quite sure that in the final analysis, it will actually cost the present residents of Petersburg more than if the area in question is not annexed.

As I understand it, the schools would lose about $53,000.00 in state funds, which is paid to the schools for those children living outside the city. This is a considerable amount, and if the grapevine telegraph is correct, the present school administration is opposed to the move because of the loss of such a sum.

If we were to be annexed, there are services that must be provided. The two main services involved are water and sewer. Looking at the present high cost of construction, I'm quite sure that these two services can not be provided for less than $7,000,000. And these are the two main services of any city!

Another service that must be provided is fire protection and there is not any way under the sun to give fire protection without an adequate water system, with hydrants located within reasonable distances of all homes. Also there must be a fire engine located within the area involved. Even though the City of Petersburg has the best volunteer fire department in the state, it is impossible to get true protection where the fire engines are located 1½ to 38 miles from the areas to be protected.

While on the subject of protection, let us go into police protection. To be properly policed and patrolled in the area that we are talking about, another police car would be needed, as well as three or four patrolmen. I'm sure that all we could get in the line of patrol, would be one or two tours per night if the police force were not increased and another police car not added to the fleet. Then also, while this area was being patrolled, the City itself would not be having any protection whatsoever. Now all of these so-called services would be costing you and I, the tax payer, more money.

Now if this business of annexation is to increase the tax base in order for the city to go in debt farther through bond issues, then I'm very much opposed to

annexation which I'm sure all clear thinking citizens of Petersburg would also be. It must be realized that all bond issues must be re-paid and the only way to repay those debts is by higher taxation. It must be very clear that the residents of Petersburg are highly incensed and opposed to paying more taxes.

In another area of services that are rendered, let us take the hospital for instance. From what I've been made to believe, it is on a paying basis. Perhaps it is not making a huge profit but nevertheless it is paying its own way. I'm quite sure that the Scow Bay residents who use this facility pay for the care given them and that because of the added revenue that is brought in, they help support and make this a going and profitable operation.

Now we will go into the operation of the power and light department. If we are to be annexed, the city will lose the surcharge that is added to our monthly bill. This alone will amount to a considerable amount of monies when added up at the end of the year. It must be remembered that the power lines from the Blind Slough hydroplant go through this area. Also if the area is annexed, I would presume that the city would put in street lighting of sufficient luminosity that we would have a well lighted street at all times. Personally, I would hate to pay for the capital expenditure plus the cost of energy on this operation.

It has been noted by some people that we would not receive all of the services and that we would be taxed only in proportion to the services that we receive. If so, what services will we receive? And also, will the taxes be arbitrarily set on these services? And will the taxes to pay for the administration and clerical work of these services be in proportion to the taxes paid by the city residents. If, for instance, we do not receive sewer or water, will we be taxed for administration of those services within the present city?

As another item of interest, it might be well to remember that the businesses that are bringing <u>new</u> monies into the area at all times, are the businesses that would be hardest hit by these taxes. With the timber industry in its present unsettled state, it would be almost criminal to saddle an industry with new taxes. Something like this might be the "straw that broke the camel's back" and there would be 40 to 50 men on unemployment rolls. And if that should happen there would be no monies coming in with which to pay taxes.

Again let me impress upon your the loss of state school funds, the added capital costs and maintenance of the services if and when provided. Also bear in mind that those people living outside of the present city limits did so at their own choosing, which is the great Americam way of life. Let us have a democracy where people control their own destiny and way of life. This is a moral issue concerning the very roots of democracy.

Lars Eide

Lars Eide, P. O. Box 842, Petersburg, Alaska

Rec'd by LBC 1/9/78 @ Petersburg Public Hearing

Dr. Richard Walsh
Box 652
Petersburg, Alaska 99833

December 21, 1977

Ms. Lee McAnerney, Commissioner
Community & Regional Affairs
Pouch B
Juneau, Alaska 99811

Dear Ms. McAnerney,

Electric System: Self sustaining

I am writing to let you know that I oppose the annexation of the remainder of Mitkof Island by the City of Petersburg.

Fire protection: value in (1) saving lives (2) saving property
Water System revenue sustaining (100% Assess back)
Police: admitted to be of value although @ add'l cost.
P & Z, Uniform building code fire code

For a municipality of just over 2000 people to try controlling all functions on a land area this large seems utterly ridiculous. The city provided services we would receive after annexation are minimum. We already have electricity for which we pay a 15% sur-charge. The extension of water and other services would be prohibitive in cost. We now provide these services on our own. Without a large piped water system fire protection, as provided by city trucks, is of little value. Sea water would provide a water source of limited value only at extreme high tide and then only a small number of houses are close enough to the water to be affected. Police protection would be limited unless new cars were purchased and more officers hired.

It is my understanding that we would lose our State Patrol Officer if the entire island was within the city limits. We would also lose about $50,000.00 of state financial support to our schools.

Perhaps most important is the fact that many, living outside of the city limits on Mitkof Highway, have done so by choice. The annexation, if passed, would place a basically rural area under numerous rules and restrictions designed to help urban business and residential areas run smoothly. These rulings would only frustrate current out of town residents.

In a past election the voters of Petersburg turned down annexation. The vast majority of us, living outside of town, want no part of it. I really don't know who the main backers of this petition are or what they hope to gain.

Let me close by saying that I and all my neighbors are opposed to this petition. I hope it will not be passed in haste to the legislature without careful consideration of all the facts and the opinions of those affected.

Sincerely yours,

Richard J. Walsh, D.V.M.

Richard J. Walsh, D.V.M.

RECEIVED
JAN 6 1978
DEPT. OF COMMUNITY
AND REGIONAL AFFAIRS

Wrangell, Alaska
January 4, 1978

Dept. of Community & Regional Affairs
Div. of Local Government Assistance
Pouch B
Juneau, Alaska

Dear Sirs,

I an writing in regards to the proposed annesation of Mitkof Island. As part owner of U. S. Survey 1226 situated on the East side of Wrangell Narrows, Mitkof Island, Alaska. R.80E T61S abuts sections 20, 21, 28 and 29. I am opposed to the annexation of the Southwest portion of Mitkof Island in which the above survey is located. The area is not connected by road and I doubt if it will be in the foreseeable future. It does not require any municipal services nor does it put any demands on the municipality. My only information on the proposed annexation is from a legal notice in the Dec. 28, 1977 issue of the Petersburg Pilot, which I purchased on Jan. 2, 1978. I feel with my limited information that the area does not meet the requirements of annexation 19AAC 05.010.

I am also specking for the other part owners in USS 1226. They are Lynne Campbell, Wrangell and Carolyn Buseman, Seattle, Wash.

Respectifully,

Kenneth C Mason

Kenneth C. Mason
Box 229
Wrangell, Alaska 99929

Copy to City of Petersburg

January 6, 1978

Kenneth C. Mason
P. O. Box 229
Wrangell, Alaska 99929

Dear Mr. Mason:

This acknowledges receipt of your letter stating opposition to the City of Petersburg's proposal for annexation of the entirety of Mitkof Island. Be assured that your comments will be considered by the Local Boundary Commission prior to its entering a decision in this matter.

Sincerely,

Erik J. Simpson
Local Government Specialist

RECEIVED
DEC 16 1977
DEPT. OF COMMUNITY
AND REGIONAL AFFAIRS

December 12, 1977

Ms. Lee McAnerny, Commissioner
Department of Community & Regional Affairs
Pouch D
Juneau, Alaska 99801

Dear Ms. McAnerny:

This letter is to inform you of the strong opposition in this area to the actions of the Petersburg City Council in the matter of the annexation of Mitkof Island to the City of Petersburg. It is in the records that the people of Petersburg (this does not include those people living outside the present boundaries) voted overwhelmingly against annexation of any more lands to the City. This vote was taken at a general or city election only about two and one half years ago. When talking to residents of the City, it seems that their opinions on thematter have not changed in the slightest. As no vote was taken with the people living outside the City boundaries, there is not exact figure that can be set on those that are "for or against" in that area. But in talking to these people, it appears that over 90% are not in favor of annexation but are in favor of leaving the area as it is.

The passing of the annexation ordinance was a "railroading" job of supreme political engineering. The whole process took about two weeks with only one public hearing immediately preceeding the 2nd and 3rd readin, and passage of the ordinance. The public hearing, the 2nd and 3rd reading and vote for passage all took place within a time space of about 2½ hours!

We people who live outside of the present City boundaries and who would be most affected by annexation feel that our constitutional rights have been abridged in that we have no vote in the matter. If the area to be annexed were contiguous to the City in respect to homes and businesses, then perhaps there would be good cause for annexation. If such were true, I'm sure that there would not be the violent opposition to annexation as there is now.

The City Council and those people who are in favor of this annexation are jealous of the position that we outsider are in. We chose this life style of living in a rural atmosphere. We do not have many of the amenities of living in a city but that is our problem and should not concern those within the city environs as long as we are not a menace to their health and safety.

We feel that we will receive no benefits from this annexation without huge costs, not only to those living within the proposed annexation area but also to those who are presently living within the City. It is almost a certainty that no water or sewage facilities would be provided in years and then only with a

huge outlay of monies obtained by bonding, which is nothing more than a note of indebtedness which must be repaid through taxes or high utility rates. As to other services that would be rendered, there will be huge costs involved as to police protection; another patrol car would be needed plus three or more patrolmen to insure proper patrol and protection. An Alaska State Trooper is stationed in this area at the present time and is doing an adequate job and if past history bears us out, as in the case of Wrangell annexation, he would begone within a month.

If this annexation becomes a reality, the City of Petersburg would become one of the largest area wise cities in the State of Alaska and at the same time it would abe one of the smaller cities, population wise. It seems that this would be nothing but a huge "albatross" tied around the necks of not only those who would be annexed but also of those who are presently residing within the City of Petersburg.

Another service that would be "so-called" provided, would befire protection. How can there be fire protection without hydrants within suitable distance of buildings and dwellings? Fire insurance companies do not recognize any protection unless there are adequate hydrants within 1,000 feet of a building. In order to get this protection, a whole new water system would have to be constructed. There is absolutely no promise of such construction for the future.

There are many, many more reasons against annexation, too many to ennumerate in fact.

It is hoped that you and your cohorts in Community and Regional Affairs will give your utmost consideration to the problems involved in this matter. Again, let me say that this involves not only the "outsiders" but also the "insiders" of Petersburg.

Very truly yours,

Lars Eide

Lars Eide
Post Office Box 942
Petersburg, Alaska 99833

Ms. Lee McAnerny
Commissioner of Community & Regional Affairs
Pouch B
Juneau, Alaska 99801

Dear Ms. McNerny:

I would like to point out a few things I feel have not been adequately studied, pertaining to the proposed annexation of Mitkof Island by the City of Petersburg.

The school presently receives $53,000 from the state for tuition per year for the kids living outside the city limits. This revenue will cease when annexation takes place. Assuming that the city figures are correct and that the assessed valuation outside the city is approximately $7,000,000, at 50% the mill rate this amounts to $49,000. This money will have to be made up by increased taxes. Assuming that the city will collect an additional $25,000 from sales tax, if they are going to provide 24 hour police protection they will have to hire 4 additional patrolmen to adequately give this service. Any less will not afford the same protection the city now enjoys, this would add a minimum of $60,000 per year in payroll plus one or two cars. Again the difference has to be made up in increased taxes.

I understand that many people are concerned about the people outside the city limits getting a free ride. Let's think about this for a moment, after long thought on this subject I can only think of one "the dump". I understnad that is going to change shortly.

We may consider the Fire department or fire protection. I'm sure the people outside appreciate the fire department responding to their calls of fires, but in all fairness and honesty, using common sense it is only a token gesture by mere fact of the distances involved, if and when the city is financially prepared to run fire hydrants out to the proposed annexed area should they be thinking of annexation.

Let us consider for a moment the ambulance. Anyone using this service must pay for that service whether they live in or out of the city. This service is not provided for free to anyone.

Let's talk about the school for a moment. Yes, it is true the kids outside use our schools, however, the state pays the tuition for these kids in the amount of $53,000 per year. The money comes from the state taxes that everyone pays whether they live inside or outside the city. If they don't work for a living chances are they aren't going to pay any taxes at all any way. The state pays 96% of the revenue the school uses now, again coming from state taxes. 4% comes from

a local effort. This 4% in the case of Petersburg, comes from sales tax, this means that those who live outside the city limits and shop inside do in fact contribute to the local effort for schools.

Let us consider water & sewer. The people who receive these services living outside the city limits are paying for these services. I understand that the people receiving water are paying 50% more for thier water than those living inside the city.

Last but not least is electricty. First it must be pointed out that the city did not run the lines out the Mitkof Highway to service those people living out there, but in fact, ran the lines from 19 mile back to service the epole in town. It is only natural and goob business to supply those people on the way back to town. Especially, when you consider they charge them 15% more for their electricity.

Again, I would like to point out after annexation this lost revenue will have to be made up somewhere. I would think in increased power rate.

I would like to sum up by giving some figures I have compiled.

INCREASED INCOME		INCREASED COST	
Real & Personel property tax	$49,000	Additional polic3	$60,000
Sales tax	25,000	Capital Expenditures	6,000
Stumpage	838	Tuition	53,000
		Electric surcharge	29,780
		Water surcharge	3,633
TOTALS	s$74,838		$152,413
NET LOSS	$77,575		

These monies will have to be made up in increased taxes or a raise in power and or water rates or a combintation of all three.

Ed Lapenza

Box 852 PBS. AK.

January 2, 1978

Ms Lee McAnerny
Commissioner of Community & Regional Affairs
Pouch B
Juneau, Alaska 99801

Dear Ms McAnerny,

This letter is regarding the proposed annexation of Kitkof Island by the City of Petersburg. While my comments shall generally be negative in nature concerning the annexation I must admit that I do not totally oppose the idea. However it seems to me that annexation should be of mutual choice and of substantial benfit to all groups envolved. For the second time this does not seem to be the case. Once before while I have been living here annexation came before the people, who live in the city of Petersburg it was turned down. Now neither the citizenry of Petersburg or the rest of the people who live onKitkof Island, who have never had the opportunity of choice, are not being given a voice via the ballot box. This one reason for my opposition. I do not like other people deciding what they think is best for me without my consent. Let the issue agian be decided at the ballot box where it should be.

While I am a member of the group to be annexed my membership was not decided by having some strong desire to be on my own in the wilderness for there are far better places in Alaska to fulfill that desire than "Out the Road" in Petersburg. I simply purchased the first home that met my families needs after arriving in Petersburg three years ago. I am quite willing to pay my fair share for service received. But so far nobody has been able to tell me what my fair share is or will be or what services I might receive. This is my second reason for annexation opposition. At this time I get the feeling that annexation is being used as a bitter pill to cure our ills both in and out of town. Yet the reasons why have not fully been placed before the peole who must take the pill. If I knew the answers to some of the following questions then maybe I could make a decision in favor of annexation, but until I have some answers Imust remain opposed.

What type of fire protection will the community have? What is the cost now and after annexation? Will fire protection reduce my fire insurance.

What kind of police protection will I and the rest of the community recieve? What is this protection going to cost me and the other tax payers. Will we continue to have a state trooper based here?

What will the tax structure be for those who will not recieve full service from the community.

Icould go on and on for theemore I think the more unanswered questions come tomind. I thank you for your time and hope that you will also seek the answers before you act on this matter.

Sincerely yours,
John G. Egeland
John G. Egeland
P.O. Box 351
Petersburg Ak. 99833

RECEIVED
JAN 6 1978
DEPT. OF COMMUNITY
AND REGIONAL AFFAIRS

Petersburg, Alaska #4
Dec. 30, 1977

Ms. Lee McAneny,
Commissioner of Community & Regional Affair
Pouch B,
Juneau, Alaska 99801

Dear Ms McAneny,

I am writing this letter in opposition to the City of Petersburg annexing Wrangell Island to the City of Petersburg. My wife and I have lived on the same place two and one half miles out of town on Wrangell Highway and have enjoyed our freedom and yet have earned our living in town and spent our money there. About a year and a half ago they had a poll vote by ballot in town to see if the town wanted to annex Scow Bay and the vote was a very strong No. Last week paper, The Petersburg Pilot, had a half page ad against annexation paid for by City Residents against Annexation, P.O. Box 837, Petersburg, Alaska 99833. Please leave us alone as we have been for over forty years.

Yours truly
Royal & Donna
Box 273
Petersburg, Alaska 99833

RECEIVED
JAN 3 1978
DEPT. OF COMMUNITY
AND REGIONAL AFFAIRS

January 6, 1978

Royal E. Duval
Box 273
Petersburg, Alaska 99833

Dear Mr. Duval;

This acknowledges receipt of your letter stating opposition to the City of Petersburg's proposal for annexation of the entirety of Mitkof Island. Be assured that your comments will be considered by the Local Boundary Commission prior to its entering a decision in this matter.

Sincerely,

Eric J. Simpson
Local Government Specialist

Ms. Lee McAnerny
Commissioner of Community
& Regional Affairs
Juneau, Alaska

January 3,1978

Dear Ms. McAnerny:

This letter is in reference to the annexation of the Scow Bay area by the City of Petersburg.

I have lived in Petersburg for many years and watched the council attempt to annex this area by the vote of the people. This so far has failed and now they ignore this vote and attempt to do as they please.

I realize I work in Petersburg and also spend most of my money there. I also pay the taxes except for the property tax. I also pay a penalty charge on any service I get from the city, such as power, because I live outside the city limits.

I also realize that in the near future I will probably have to pay a property tax to the state and I have no complaint on that.

The point I would like to make is that just last year I bought property and built a house in Scow Bay so as not to be controlled by the city council and now they want to annex us.

I don't believe this is quite right and I hope you will look at this situation very close before you make your decision.

Respectfully

Warren Morrison
Box 524
Petersburg, Alaska 99833

RECEIVED
JAN 5 1978
DEPT. OF COMMUNITY
AND REGIONAL AFFAIRS

January 6, 1978

Warren Morrison
P. O. Box 524
Petersburg, Alaska 99833

Dear Mr. Morrison:

This acknowledges receipt of your letter stating opposition to the City of Petersburg's proposal for annexation of the entirety of Mitkof Island. Be assured that your comments will be considered by the Local Boundary Commission prior to its entering a decision in this matter.

Sincerely,

Erik J. Simpson
Local Government Specialist

#3

Subject Annexationf of Mitkof Island by City of Petersburg

MAGILL TRAILER PARK
BOX 444
PETERSBURG, ALASKA 99833

Dec 29, 1977

RECEIVED
DEC 30 1977
DEPT. OF COMMUNITY
AND REGIONAL AFFAIRS

Mrs. Lee Mc Anerny
Commissioner of
Community and Regional Affairs
Pouch B
Juneau, Alaska

Dear Mrs. Mc Anerny:

In 1975 the Citizens of Petersburg voted No to annexation of areas outside their boundaries. Those of us adjacant the City were relieved. We were aware the Petersburg City Council wished annexation to occur to provide a broader property base, to be able to sell more bonds, for projects not necessarily approved by the Petersburg voters. We knew the City was already bonded to capacity and suffered a poor credit rating.

Once again annexation is being attempted by the City Council of Petersburg. This time they are not consulting the voters.

When a hearing was held by the council recently, the citizens outside of town were told they would receive no new services in the forseable future. Any services we now receive are revenue producing services. Some of which are very lucrative for the City. In the case of electricity for our Trailer Park, we have paid for both the poles and wires the City sells electricity from for eight customers.

All out of City people pay 50% more for water than City dwellers as well as a 15% surcharge on electricity. Since we put in our own water lines and maintain them, this is a lucrative water tax. Less than twenty out of City families are on the City Sewer system, and since Petersburg itself has large sections without sewer connections to the new sewer system, it will be years before additional sewer service can be granted out of town citizens. When the new sewer plant was built we asked to have our Trailer Park included in the plan, grant Federal funds were availabe. However the Petersburg City Council refused to give us this additional sewer service. Now the cost of puting in the lines and pumps would be prohibitive.

MAGILL TRAILER PARK
BOX 444
PETERSBURG, ALASKA 99833

Our property lies adjacant the southern boundaries of the City of Petersburg and there is vacant land surrounding ninty per cent of this area. We had planned to leave undeveloped seven or eight acres of our fifteen acres, possibly build some trout ponds, in this ravine filled area. We wonder how our plans would fare with a City planning and zoning board.

Mainly we do not feel we are being treated as American citizens when those with more power than we have, can simply annex our property. If we should be paying taxes, more than we do, with water and electricity tax, then let it be to the State of Alaska.

A small town always is prey to local politics. A small town on the end of an Island the size of Kitkof should not be allowed to make the major Coastal Managment decisions for such a large area.

I was present when the Boundary Commission gave freedom to the people of Kuperanof. I still feel this was a grand decision, People should be free to choose their own destiny.

Respectfully,

Enid Magill

Enid Magill

Box 463.
Petersburg.
Ak. 99833

Ms Lee McAvoy
Commissioner of Community
and Regional Affairs.
Juneau. Ak.
99833.

RECEIVED
DEC 22 1977
DEPT. OF COMMUNITY
AND REGIONAL AFFAIRS

Dear Madam:

I am writting you in regard to the annexing of Kasaan Bay.

We feel the city is so in debt, all they need is our tax base. When we ask what we can expect in return, their answer is we dont know yet. Do they do know as we shall be charged 6% tax. So are we will receive is the tax bill. Anything we receive now we pay for plus a 6% tax too.

Our fire insurance which is now over $50 a yr will not go down, as there is no way we can receive their protection.

We chose to live outside the city — 30 yrs ago and hope to continue.

Sincerely,
Stanley D. Reid

January 4, 1978

Stanley D. Reid
Box 463
Petersburg, Alaska 99833

Dear Mr. Reid:

This acknowledges receipt of your letter stating opposition to the City of Petersburg's proposal for annexation of the entirety of Mitkof Island. Be assured that your comments will be considered by the Local Boundary Commission prior to its entering a decision in this matter.

Sincerely,

Erik J. Simpson
Local Government Specialist

Palmer McCarter, Director
Local Government Assistance

January 6, 1978

Erik Simpson
Local Government Specialist

Petersburg Trip Report
December 19-21, 1977

Monday, December 19, Doug Griffin and I left Juneau at 2:00 p.m. on Alaska Airlines, arriving in Petersburg at 2:30 p.m. Dave Moffet, the Petersburg City Manager, met us at the airport and drove us to the City offices. We talked informally with Dave, and several council members joined us in our discussion.

They had a few questions regarding borough formation, annexation procedures, loss of State school support for students outside present City boundaries and property taxes that can be gained from the annexed residents. The Department of Education estimated that the City of Petersburg would lose $47,800 in tuition foundation support during the next fiscal year. However, an additional $10,000 - $15,000 in PL 874 payments would approximate 1 percent of the State foundation support for those children whose parents live or work on federal property. This means Petersburg could lose between $32,800 and $37,800 in school support monies as a result of the proposed annexation.

The estimated value of the real and personal property in the area proposed to be annexed is $7,040,000. The initial proposed tax differential zone for basic general services at 7 mills would not bring additional tax revenues of $49,280 until FY 78 - 79; however, an additional $17,220 for State Revenue Sharing will be realized. The estimated loss for the first year would be between $15,580 and $20,580. Although sales tax has generally been used for purposes of providing local educational support, the effects of the proposed annexation may only be considered a trade off after FY 78 - 79.

The council members seemed a bit unsure of what annexation involved and were hesitant when it came to concrete budget figures to support annexation. This is primarily because the basic general services and administration costs have not been further enumerated. Doug explained that annexation of all of Mitkof Island would give the City more coastal zone management plan authority, strictly speaking, and that could be seen as an advantage for annexation. However, the City of Petersburg has not undertaken a coastal zone management plan primarily due to the problem of being able to determine what any of the federal guidelines might be.

Doug and I attended the City Council meeting at 7:30 p.m. and answered the same type of questions from the audience that was asked by the

Council earlier. Approximately 20 people were at the meeting, and none of the citizens were adamently opposed to annexation. It was clearly stated at the meeting that we were there to answer questions and not to take testimony on the proposed annexation. The questioning was not as rough or as indepth as we had anticipated. Mayor Ted Smith did ask a question as to whether the Department of Education would continue to provide bussing of those students outside the City.

On Tuesday, December 20, Doug and I visited with Dave Moffet, City Manager and Ed Lapeyri, owner of the lumber yard - saw mill outside the City limits. Ed favors formation of a borough and is opposed to the proposed annexation. I explained to Mr. Lapeyri that the proposed changes in the regulations would preclude formation of a borough unless another incorporated area was included in the borough boundaries. Mr. Lapeyri said he would propose that Kake, Kupreanof, Petersburg and Wrangell be included in a proposed borough. It would provide adequate school support and municipal selection of land for private ownership which the timber industry could take advantage of.

We could not get out of Petersburg at 11:25 p.m. as scheduled due to the heavy snowfall. This gave Doug and me a chance to post additional notices about the local boundary hearing, and, we drove out the road to be annexed. We visited Alaska State Trooper Bowlington and Wildlife Protection Officer Russell to discuss how annexation would affect providing police protection. They concluded that, if the area proposed was annexed, at least 3 or 4 additional officers plus an additional patrol car would be needed to provide adequate patrol for the area. Trooper Bowlington explained that AS 18.65.010 of the Troopers Manual requires that State Troopers are also required to enforce municipal ordinances. The area proposed to be annexed would not preclude him doing the job for the entire region, which includes an area much larger than Mitkof Island.

We spent most of the afternoon driving out the Mitkof Road to inspect the area to be annexed. Due to the road and weather conditions it took a couple of hours just to drive to Mile 18 and back. We noted that there was no residential housing beyond Mile 7 1/2. On the way back we stopped to talk to Roy Sokol, the owner of the liquor store outside the present City limits. Mr. Sokol explained that people living outside the area would be opposed to annexation because they are presently contributing their local sales tax to support any municipal services they take advantage of while in the City limits. He feels strongly about having any organized government forced upon them.

Wednesday, December 21, I contacted the Planning and Zoning Commission to determine its involvement with any coastal zone management plan or State land selection. The local Planning and Zoning Commission was not involved in the decision for annexation and would be opposed to annexing all of Mitkof Island. We had an opportunity to look at a map of the

State land selection for the City of Petersburg. Dennis Murphy, a U. S. Forest Service employee and member of the Planning and Zoning Commission, provided us with this information. After Alaska Airlines overheaded for the second day in a row, Doug and I chartered out of Petersburg on Alaska Island Air. We left Petersburg at approximately 12:15 p.m. and arrived back at the office at 1:30 p.m.

Observations

Although we estimated that the City may receive $49,280 in real and personal property taxes, this money could not be collected during the upcoming fiscal year. An assessment would first need to be provided of the actual real and personal property valuation in January 1978. The City Clerk, Jerry VanBleck, provided me with a copy of the estimated taxable property in the territory and the estimate of population based upon an actual enumeration prepared under the supervision of the City Clerk.

In talking with those people outside the city limits, they were opposed to annexation because they feel they are supporting Petersburg through their sales taxes and do not believe they will receive any additional services than they now have. Some feel that their 7 mill property tax will be used to bail Petersburg out of its financial problem and not provide them with a significantly higher level of service. At the present time the City of Petersburg does provide police protection, fire protection and ambulance service beyond the City limits despite any legal liability problems.

ROBERTSON, MONAGLE, EASTAUGH & BRADLEY
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
200 NATIONAL BANK OF ALASKA BUILDING
PHONE (907) 586-3340
CABLE: ROMEA
TELEX: 099-45-376
P. O. BOX 1211
JUNEAU, ALASKA 99802

R. E. ROBERTSON (1885-1961)
F. O. EASTAUGH
J. B. BRADLEY
W. G. RUDDY
L. B. JACOBSON
R. B. BAKER (ANCHORAGE)
M. T. THOMAS
L. J. BARKER (ANCHORAGE)
J. F. CLARK
P. M. HOFFMAN
J. P. TANGEN
L. G. BERRY (ANCHORAGE)
C. R. RICH (ANCHORAGE)
D. A. HOLBROOK
J. D. MILLER (ANCHORAGE)
T. A. SOFO

OF COUNSEL
M. E. MONAGLE

ANCHORAGE OFFICE
510 THE FINANCIAL PLAZA
P. O. BOX 679
ANCHORAGE, ALASKA 99510
PHONE (907) 277-6693
TELEX 090-26-486

PLEASE REPLY TO
☐ JUNEAU OFFICE
☐ ANCHORAGE OFFICE

RECEIVED
DEC 21 1977
DEPT. OF COMMUNITY AND REGIONAL AFFAIRS

December 20, 1977

COPY

Mayor or City Clerk
City of Kupreanof
P.O. Box 50
Petersburg, Alaska 99833

Re: Petersburg Annexation
Mailing of Petition and Brief

Dear Mayor or City Clerk:

This office is legal counsel for the City of Petersburg which is currently in the process of petitioning for extension of its municipal boundaries by annexation. We have a problem in connection with the annexation and its origin was right in this office.

On November 22, 1977, this office filed the City of Petersburg's Annexation Petition and Brief with the Department of Community and Regional Affairs. On that date copies of the Petition were mailed by regular mail to Kake, Wrangell, and Kupreanof. The next day, realizing that the regulations prescribed that the mailing shall be by registered or certified mail, this office again mailed copies of the Petition and Brief to Kake, Wrangell and Kupreanoff -- this time by certified mail. The problem was that, for reasons which remain unknown to me, the envelope addressed to Kupreanof was sent out without postage. Then to aggravate the problem, the Petersburg Post Office sat on it from receipt in late November until the present time, it not being returned to this office until December 20, 1977.

These factual circumstances give rise to major concern on the part of the Local Boundary Commission because notice to adjoining municipalities is a jurisdictional

precondition to the convening of a valid Local Boundary Commission proceeding. In yesterday's mail you probably received a copy of a letter which I addressed to Mr. Erik Simpson of the Department of Community and Regional Affairs which recited the problem which I was having with the return receipt of mail addressed to Kupreanof. With today's return of the envelope which was "returned for postage", I am perfectly aware of what the problem was and its origin. And now I convey my sincere apologies for having to trouble you.

It is my considered opinion that this defect can be remedied in either of two ways. The first is to have the Mayor or Clerk of the City of Kupreanof prepare a letter addressed to me which acknowledges receipt of Petersburg's Annexation Petition, Brief and Exhibits postmarked November 22, 1977, stating the approximate date on which they were received, probably around November 24 or 25, 1977, then have your letter notarized either by a Notary Public for the State of Alaska or by the U.S. Postmistress. It is essential that your statement be either notarized or sworn to by the postmistress. I would ask that you then send the letter back to me. That is the preferable procedure, I believe. The other alternative would be to have the City of Kupreanof take formal action in the form of a resolution waiving the requirement that the petitioner send copies of the Annexation Petition, Brief, and Exhibits to the adjoining municipality of Kupreanof at or about the time Petition was filed with the Department of Community and Regional Affairs. In such event, the resolution should also acknowledge that notice of the Petition had in fact been received by the City via mailing postmarked November 22 (or perhaps it was possibly even November 23 if the mail was picked up here in Juneau late that day).

I solicit your prompt attention and favorable cooperation.

Enclosed is another copy of the Petition, Brief, and Exhibits taken from the envelope which was returned to this office for postage.

Very truly yours,

ROBERTSON, MONAGLE, EASTAUGH & BRADLEY

By: L.B. Jacobson

LBJ:ss
cc: Dave Moffat
Erik Simpson, CR & R

LAW OFFICES OF
FAULKNER, BANFIELD, DOOGAN & HOLMES
SUITE 201, 311 FRANKLIN STREET
JUNEAU, ALASKA 99801

TEL. 586-2210
AREA CODE 907

HERBERT L. FAULKNER (1882-1972)
NORMAN C. BANFIELD
FRANK M. DOOGAN
MICHAEL M. HOLMES
RANDALL J. WEDDLE
WILLIAM B. ROZELL

JAN VAN DORT
LAWRENCE T. FEENEY
CHARLES N. DRENNAN
PATRICK E. MURPHY
TOM BATCHELOR

December 6, 1976

Local Boundary Commission
Department of Community and Regional Affairs
Pouch B
Juneau, Alaska 99811

Re: In the Matter of Annexation by City of Skagway, Alaska

Gentlemen:

This letter supplements the Brief of Pacific and Arctic Railway and Navigation Company filed in the above entitled proceeding.

Wherever throughout the railroad's Answering Brief reference is made to the distance from the northern boundary of the City to the U.S./Canada international border as "almost 20 miles", this should be amended to read "approximately 12 miles". However, where throughout the Answering Brief, reference is made to the distance from the City to the border via the railway, this remains "almost 20 miles".

In reply to the petitioner's Errata and Addenda filed the 26th day of November, 1976, the railroad submits the following:

1. Reference to a topographic map of the area submitted herewith shows that the only land which is not very steep hillsides is the valley of the Skagway River including the White Pass Fork and the Warm Pass Valley. The White Pass Fork is in a steep gorge. The Warm Pass Valley has steep hillsides and is boulder-strewn along the river. There is a small amount of land capable of being developed at the confluence of these two streams. Downstream the river is in a gorge all the way to the East fork within a distance of three miles from the northerly limits of the City of Skagway. There is a small amount

of land near the mouth of the East fork capable of development. From there down to the northerly boundary of Skagway there is an area of flat land occupied by the numerous channels of the Skagway River, which is a braided stream in this area. Its course changes constantly and only at a few places along the banks is there any chance of development. U. S. Survey 3312 is in one of these few places approximately two miles from the City's north boundary. The mountain sides are too steep for any development. Although the City is entitled to select 10% of the land owned by the State within its boundaries, it appears there is very little land which is of any value for development. In fact, the City could select all of the land suitable for development with little or no extension of its boundaries.

2. When the Legislature allowed the cities and boroughs to select 10% of the State land within their boundaries, it would have resulted in every municipality in Alaska extending its boundaries in order to create a right to selecting more land whether it needed the land or not, except for the fact that the local Boundary Commission had the duty to protect the State from such unnecessary acquisitions beyond the needs of the communities. If the City of Skagway is allowed to acquire an additional 106,000 acres and to select 10,600 acres in addition to the selections to which it is already entitled, then a city like Juneau should be allowed to annex Admiralty Island and all of the mainland half way to Petersberg and half way to Haines and Skagway. If such practice was allowed, the State would lose almost 10% of all its lands because there would be no end to the amount of land various communities would claim they are entitled to. It is your duty to protect the State while giving the city what lands it needs, if any.

The City of Skagway has not shown how the services will be provided to the territory it proposes to be annexed or when they will be commensed to be furnished or fully available although it plans to start taxation in 1978. 19 AAC 05.020 requires as a condition precedent to granting annexation that the services will be provided within a reasonable time or differential tax zones will be established. No such showing has been made so

therefore the application should be denied. Although the Commission may find that some services are needed and can be furnished under some plan which the City may furnish later, the fact remains that there is no need for any extension of municipal services more than one and one half miles from the corporate limits of the city. There must first be a need and then a plan capable of being implemented. Without a need the plan should be confined to the area which the Commission finds is in need of these services.

Respectfully submitted

N. C. Banfield

N. C. Banfield
Attorneys for
Pacific and Arctic Railway and
Navigation Company

NCB/bf

Nov. 24, 1977

Ladies and Gentlemen of the Local Boundary Commission:

On the evening of Monday, November 21, 1977 I was one of several out-of-city residents of Mitkof Island who attended the public hearing and Petersburg City Council meeting. The subject of the hearing was the first item on the agenda of the city council: A petition by the city council of Petersburg to annex Mitkof Island. The out-of-city residents had numerous questions concerning this important matter--unfortunately the city council was not prepared and so were unable to supply anything except vague generalizations.

Whereas the city council of the city of Petersburg has had two years in which to study the feasibility of the aforementioned annexation (two years having elapsed since the last time the city council tried to petition for annexation of the island), and whereas the city council of the city of Petersburg has by its own admission no idea whether such annexation is feasible, I therefore submit that the aforementioned petition is premature at best, and that until an in depth feasibility and impact study have been undertaken and completed and presented to the public, such a petition is at best ridiculous.

I further submit that whereas the overwhelming majority of the out-of-city residents of Mitkof Island are opposed to the aforementioned annexation, and that whereas many out-of-city residents of the island favor alternative methods of incorporation of the area, further feasibility and impact studies should be undertaken; to wit:

1. The creation of a unified first class borough, to include the city of Petersburg and Mitkof Island.

2. The creation of a unified second class borough, to include the city of Petersburg and Mitkof Island.

3. The creation of a second class borough, to include Mitkof Island and to exclude the city of Petersburg.

4. The creation of a first class borough, to include Mitkof Island and to exclude the city of Petersburg.

5. The creation of a first class borough to include Mitkof Island, the city of Petersburg, Kupreanof Island, Kuiu Island, the northern half of Prince of Wales Island and the southern half of Admiralty Island.

6. The creation of a second class borough to include Mitkof Island, the city of Petersburg, Kupreanof Island, Kuiu Island, the northern half of Prince of Wales Island and the southern half of Admiralty Island.

7. Further alternative methods of incorporating that part of Mitkof Island which lies outside the city limits of the city of Petersburg.

During the public hearing it became evident that while the city council of the city of Petersburg wants the taxes of the out-of-city residents of the island, they want to give these same residents no services. When asked how they could pay for the extra services which would be demanded by the residents of the area being considered for annexation the council seemed surprised that we should want or need any services beyond those now available. It should be noted that the services now available are inadequate for the area for which they are legally responsible, let alone the area being considered for annexation. If the area in question were annexed the State Troopers who now protect the island would almost certainly be withdrawn, and the present city police department of the city of Petersburg cannot even protect the post office, (which is across the street from the police department) from vandals; therefore the lobby of the post office must be locked after 6:00 P. M. Although the city has a fine volunteer fire department, it is physically impossible for them to protect more than the city proper--last Saturday they arrived at Sandy Beach (two miles from downtown) just in time to see Bill and Joyce Jenkins' house metamorphose into an excellent site for a wienie roast. While Sandy Beach is outside the city limits, the department, although it has no legal responsibility has a moral obligation which it cannot fulfill; if the area were annexed they would have a legal responsibility but lack the physical resources necessary to fulfill this responsibility.

In closing I should like to make a subjective observation: The city council of the city of Petersburg reminds me of a third class juggler, who unable to handle the objects now in motion, deigns to turn the act into a comedy by calling for more objects.

Sincerely yours,

T. Herlinger

T. Herlinger
P. O. Box 378
Petersburg, Alaska 99833

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

In the Matter of Annexation)
by City of Petersburg, Alaska)
)

PETITION

1. PETITIONER'S NAME. The petitioner's name is City of Petersburg, Alaska, and mailing address is P.O. Box 329, Petersburg, Alaska 99833; Phone: 772-4511.

2. ATTORNEY. Petitioner's attorney is Robertson, Monagle, Eastaugh & Bradley, P.O. Box 1211, Juneau, Alaska 99802; Phone: 586-3340.

3. BOUNDARY DESCRIPTION. The legal description of the territory all in the First Judicial District, State of Alaska sought to be annexed is:

> The entirety of Mitkof Island and contiguous waters extending a distance of 1,000 feet from line of mean high tide excepting in Wrangell Narrows which distance shall be the mid-points between Mitkof and Kupreanof Islands.

4. LAND QUANTITY. The quantity of land in the territory proposed for annexation is 211 square miles, excluding the tide and submerged lands and present municipal limits.

5. VALUATION. The estimated value of real property in the proposed territory is $6,790,000, valuation of personal property being estimated at $250,000.

6. POPULATION. The number of residents in the territory proposed to be annexed is 514.

7. PROPERTY TAX. There is no real or personal property tax levied against the property.

ROBERTSON, MONAGLE, EASTAUGH & BRADLEY
A PROFESSIONAL CORPORATION
200 N. G. A. BLDG. PHONE 586-3340
P.O. BOX 1211, JUNEAU, ALASKA 99802

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DEPT. OF COMMUNITY

8. SALES TAX. There is no sales tax levied by or collected in the territory.

9. BONDED INDEBTEDNESS. There is no outstanding bonded indebtedness for which the territory to be annexed is currently responsible.

10. EXHIBITS. Incorporated by reference are the following exhibits:

A. Legal description of present municipal boundaries.

B. Map of existing boundaries.

C. Map of proposed territory sought by annexation.

D. Certified ordinance authorizing annexation procedures.

E. City Attorney's affidavit respecting information sources.

F. Attorney's certificate of service.

DATED this 22nd day of November, 1977.

CITY OF PETERSBURG, ALASKA

By L.B. Jacobson

L.B. Jacobson
Of Robertson, Monagle,
Eastaugh & Bradley
Attorneys for Petitioner

ROBERTSON, MONAGLE, EASTAUGH & BRADLEY
A PROFESSIONAL CORPORATION
209 N. B. A. BLDG. PHONE 586-3340
P.O. BOX 1211, JUNEAU, ALASKA 99802

3 days

INSIDE	OUTSIDE	TOTAL
350	193	543

PETITION OPPOSING ANNEXATION TO

PETERSBURG, ALASKA

WE, THE UNDERSIGNED, BEING CITIZENS OF MITKOF ISLAND, BOTH INSIDE AND OUTSIDE THE PRESENT CITY LIMITS OF PETERSBURG, ARE STRONGLY OPPOSED TO THE PROPOSED ANNEXATION TO PETERSBURG AT THIS TIME DUE TO THE METHODS USED BY THE CITY IN DIRECT OPPOSITION TO THE DESIRES OF THE MAJORITY OF THE CITIZENS AND BECAUSE OF ERRORS IN THE FIGURES AS PRESENTED TO THE LOCAL BOUNDARY COMMISSION AND THE FAILURE BY THE CITY TO PROPERLY RESEARCH AND DOCUMENT THE ECONOMIC CHANGES SUCH ANNEXATION WOULD PRESENT TO THE CITY RESIDENTS AND THOSE IN THE ADJOINING PROPOSED AREAS. WE ARE EXTREMELY CONCERNED IN THE MANNER IN WHICH THE CITY HAS PRESENTED THIS ANNEXATION WITHOUT PROPER PUBLIC INPUT. WE ALSO PETITION THE HOUSE AND SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEES TO HOLD A JOINT HEARING IN PETERSBURG IN ORDER TO OBTAIN THE TRUE FACTS AND PUBLIC INPUT REGARDING THIS PROPOSED ANNEXATION.

NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE
Anton T. Boreen	Box 1081, Pbg, Ak.	X	
Sunny A. Dick	Box 1027, Pbg, Ak.		X
Kim Shuack	Box 593 Pbg. AK.		X
Joanne Boen	Box 17, Pbg, Ak.	X	
Stan Boen	Box 17 Pbg AK	X	
Joan Schmaltz	Box 90 Pbg Ak	X	
Russ Keys	Box 1012 Pbg Ak	X	
J. M. Sturgeon	P.O. 1155	X	
Steve Enoksen	PO Box 177 PBG.		X

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NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE
Monte K Harrel	Box 367	✓	
Tom Froelich	Box 1296		✓

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NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE
Peter T. Johnson	City		Boyer
Clara R. McConnell	P.O. Box 1606	X	
[illegible]	P.O. Box 783	X	
[illegible] Stickler	Box 946	X	
Robert L. Sweet	Box 1042	X	
Don Lesh	Box 141	X	
Mary Lou Green	Box 426	X	
Dorothy Harrell	Box 367	X	
Susan Pond	P.O. Box 177		X

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NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE
Mary Ann Olson	Box 1304	~~X~~	X
Lykes Wells JR	Box 115		X
Susie Parrott	Box 1295		X
Harold Forster	Box 1264		X
Rick Forster	Box 63	X	
Russ Kniss	Box 102	X	
Randy Allred	Box 269	X	
Arnold Enge	Box 793	X	
Grant Thompson	Box 1122		X
Maggie Thompson	"		X
TED HERCLINGER	Box 318		X
Kathleen Strateman	Box 917		X
Donald Logan	Box 1310		X

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NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE
Al Craigue	PO Box 148		✓
Jim Scarfield	PO Box 1351		✓
Ron Carlson	PO Box 1358	✓	
Jolene Waterfield	Box 976	✓	

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NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE
O [illegible]	Box 291 Petersburg	✓	
B R Jones	Box 498 Petersburg	✓	
Adeline F Jones	Box 291 Petersburg, Ak	✓	
Margaret Nielsen	Box 826 Petersburg, Ak	✓	
Chris Hanson Sr.	Box 218 " "	✓	
Lucy Hanson	Box 218 "	✓	
[illegible]	Box 631	✓	
William Schmidt	Box 826 Petersburg AK	✓	
Mark D Lowe	Box 826 Petersburg AK		✓
John C Hunsinger Jr.	Po Box 22 Petersburg A/c	✓	
Don Nelson	Box 442 " "	✓	
Neil Lyons	Box 527 " "	✓	

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NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE
Susan Ebbing	Box 1335		X
Patricia Lawrence	Box 454	X	
Kent Reid	Box 174		X
Ruth A Drake	Box 168		X
Cecil A Knowles	Box 1322		X
Evangeline J Tate	Box 571		X
Herbert Stewart	Box 184		X
Allen Richards	Box 944		X
Betty Richards	Box 944		X
Glenn M Reid Sr	Box 531		X

PETITION OPPOSING ANNEXATION TO

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NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE
Ursal Enge	Box 166	✓	
Alice Mackenzie	" 362	"	
Geis Vallestad			
Doris Hammock	655	✓	
Ross Hammock	"	✓	
William A. Davis			
Dorothy Caldwell	Box 206		✓
Robert Bennett	Box 916		✓
John H. Eklund	Box 851		✓
Ruth Dawson	Box 706		✓
Malfrid Enge	Box 3	✓	
Pat C. Stedman	" 513	✓	
Frances Neumann	Box 871		✓
Walter Dawson	Box 706		✓

PETITION OPPOSING ANNEXATION TO

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NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE
Carol Hall	Box 703	X	
Chet Simpson	Box 225	X	
[illegible]	Box 514	X	
[illegible]	Box 827	X	
Kailey Kubick	Box 1496	X	
Rocky D Dickerson	Box 848	X	
Lillie West	Box 1071	X	
Catherine Harris	Box 555	X	
Helen McKay	Box 675		X
Norman Dolmelsky	Box 1106	X	
Jeanne Dolmelsky	Box 1106	X	
George Page	Box 449	X	
Carlotte Page	Box 99	X	
Lorraine Thompson	Box 333	X	
Richard Cole	Box 15	X	

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NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE
Shelley Reid	P.O. Box 174		X
Norma Tate	Box 571		X
Laura Stewart	Box 184		X
E. Walbren	P.O. 975	X	
Tom Smith	P. O. 1123	X	
Clear Flynn	P.O. 1024	X	

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NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE
Marie Henke	Box 158	✓	
Claudia Bergan	Box 87		✓

PETITION OPPOSING ANNEXATION TO

PETERSBURG, ALASKA

WE, THE UNDERSIGNED, BEING CITIZENS OF MITKOF ISLAND, BOTH INSIDE AND OUTSIDE THE PRESENT CITY LIMITS OF PETERSBURG, ARE STRONGLY OPPOSED TO THE PROPOSED ANNEXATION TO PETERSBURG AT THIS TIME DUE TO THE METHODS USED BY THE CITY IN DIRECT OPPOSITION TO THE DESIRES OF THE MAJORITY OF THE CITIZENS AND BECAUSE OF ERRORS IN THE FIGURES AS PRESENTED TO THE LOCAL BOUNDARY COMMISSION AND THE FAILURE BY THE CITY TO PROPERLY RESEARCH AND DOCUMENT THE ECONOMIC CHANGES SUCH ANNEXATION WOULD PRESENT TO THE CITY RESIDENTS AND THOSE IN THE ADJOINING PROPOSED AREAS. WE ARE EXTREMELY CONCERNED IN THE MANNER IN WHICH THE CITY HAS PRESENTED THIS ANNEXATION WITHOUT PROPER PUBLIC INPUT. WE ALSO PETITION THE HOUSE AND SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEES TO HOLD A JOINT HEARING IN PETERSBURG IN ORDER TO OBTAIN THE TRUE FACTS AND PUBLIC INPUT REGARDING THIS PROPOSED ANNEXATION.

NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE
[illegible]	B 1303	✓	

PETITION OPPOSING ANNEXATION TO

PETERSBURG, ALASKA

WE, THE UNDERSIGNED, BEING CITIZENS OF MITKOF ISLAND, BOTH INSIDE AND OUTSIDE THE PRESENT CITY LIMITS OF PETERSBURG, ARE STRONGLY OPPOSED TO THE PROPOSED ANNEXATION TO PETERSBURG AT THIS TIME DUE TO THE METHODS USED BY THE CITY IN DIRECT OPPOSITION TO THE DESIRES OF THE MAJORITY OF THE CITIZENS AND BECAUSE OF ERRORS IN THE FIGURES AS PRESENTED TO THE LOCAL BOUNDARY COMMISSION AND THE FAILURE BY THE CITY TO PROPERLY RESEARCH AND DOCUMENT THE ECONOMIC CHANGES SUCH ANNEXATION WOULD PRESENT TO THE CITY RESIDENTS AND THOSE IN THE ADJOINING PROPOSED AREAS. WE ARE EXTREMELY CONCERNED IN THE MANNER IN WHICH THE CITY HAS PRESENTED THIS ANNEXATION WITHOUT PROPER PUBLIC INPUT. WE ALSO PETITION THE HOUSE AND SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEES TO HOLD A JOINT HEARING IN PETERSBURG IN ORDER TO OBTAIN THE TRUE FACTS AND PUBLIC INPUT REGARDING THIS PROPOSED ANNEXATION.

NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE
[illegible]	Box 1207 Petersburg	✓	✓
[illegible]	[illegible]		✓
[illegible]	Box 727		✓
Ralph Ceasinski	Box 48		✓
Kent T Wayne	Box 594		✓
Lloyd L Thyen	Box 56 Petersburg	✓	
[illegible]	Box 956	✓	✓

PETITION OPPOSING ANNEXATION TO

PETERSBURG, ALASKA

WE, THE UNDERSIGNED, BEING CITIZENS OF MITKOF ISLAND, BOTH INSIDE AND OUTSIDE THE PRESENT CITY LIMITS OF PETERSBURG, ARE STRONGLY OPPOSED TO THE PROPOSED ANNEXATION TO PETERSBURG AT THIS TIME DUE TO THE METHODS USED BY THE CITY IN DIRECT OPPOSITION TO THE DESIRES OF THE MAJORITY OF THE CITIZENS AND BECAUSE OF ERRORS IN THE FIGURES AS PRESENTED TO THE LOCAL BOUNDARY COMMISSION AND THE FAILURE BY THE CITY TO PROPERLY RESEARCH AND DOCUMENT THE ECONOMIC CHANGES SUCH ANNEXATION WOULD PRESENT TO THE CITY RESIDENTS AND THOSE IN THE ADJOINING PROPOSED AREAS. WE ARE EXTREMELY CONCERNED IN THE MANNER IN WHICH THE CITY HAS PRESENTED THIS ANNEXATION WITHOUT PROPER PUBLIC INPUT. WE ALSO PETITION THE HOUSE AND SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEES TO HOLD A JOINT HEARING IN PETERSBURG IN ORDER TO OBTAIN THE TRUE FACTS AND PUBLIC INPUT REGARDING THIS PROPOSED ANNEXATION.

NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE
Keith R Grave	Box 805 Petersburg AK	✓	
Jessie Grave	Box 805 " "	✓	
Bob Ruth Mazon	Box 1001 Petersburg AK	✓	

PETITION OPPOSING ANNEXATION TO

PETERSBURG, ALASKA

WE, THE UNDERSIGNED, BEING CITIZENS OF MITKOF ISLAND, BOTH INSIDE AND OUTSIDE THE PRESENT CITY LIMITS OF PETERSBURG, ARE STRONGLY OPPOSED TO THE PROPOSED ANNEXATION TO PETERSBURG AT THIS TIME DUE TO THE METHODS USED BY THE CITY IN DIRECT OPPOSITION TO THE DESIRES OF THE MAJORITY OF THE CITIZENS AND BECAUSE OF ERRORS IN THE FIGURES AS PRESENTED TO THE LOCAL BOUNDARY COMMISSION AND THE FAILURE BY THE CITY TO PROPERLY RESEARCH AND DOCUMENT THE ECONOMIC CHANGES SUCH ANNEXATION WOULD PRESENT TO THE CITY RESIDENTS AND THOSE IN THE ADJOINING PROPOSED AREAS. WE ARE EXTREMELY CONCERNED IN THE MANNER IN WHICH THE CITY HAS PRESENTED THIS ANNEXATION WITHOUT PROPER PUBLIC INPUT. WE ALSO PETITION THE HOUSE AND SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEES TO HOLD A JOINT HEARING IN PETERSBURG IN ORDER TO OBTAIN THE TRUE FACTS AND PUBLIC INPUT REGARDING THIS PROPOSED ANNEXATION.

NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE
Jodie Sivertsen	4th & H St Box 1013	✓	
Cathy Cronkhite	Box 363	✓	
Ethel Lind	Box 648	✓	
Willis L. McClinton	Box 336	✓	
Edwin Kleinsmith	Box 1331	✓	
Linda Lance	Box 826	✓	
Melany H. Duchey	Box 615	✓	
Sharon Beard	Box 78	✓	
Sandra L. Youngberg	Box 82	✓	
Mildred Lewis	Box 267	✓	
F. W. Lewis	Box 267	✓	
Grace Jorgensen	Box 564	✓	
Carol Bennett	Box 437	✓	
Paul A Blatchford Sr.	Box 775	✓	

PETITION OPPOSING ANNEXATION TO

PETERSBURG, ALASKA

WE, THE UNDERSIGNED, BEING CITIZENS OF MITKOF ISLAND, BOTH INSIDE AND OUTSIDE THE PRESENT CITY LIMITS OF PETERSBURG, ARE STRONGLY OPPOSED TO THE PROPOSED ANNEXATION TO PETERSBURG AT THIS TIME DUE TO THE METHODS USED BY THE CITY IN DIRECT OPPOSITION TO THE DESIRES OF THE MAJORITY OF THE CITIZENS AND BECAUSE OF ERRORS IN THE FIGURES AS PRESENTED TO THE LOCAL BOUNDARY COMMISSION AND THE FAILURE BY THE CITY TO PROPERLY RESEARCH AND DOCUMENT THE ECONOMIC CHANGES SUCH ANNEXATION WOULD PRESENT TO THE CITY RESIDENTS AND THOSE IN THE ADJOINING PROPOSED AREAS. WE ARE EXTREMELY CONCERNED IN THE MANNER IN WHICH THE CITY HAS PRESENTED THIS ANNEXATION WITHOUT PROPER PUBLIC INPUT. WE ALSO PETITION THE HOUSE AND SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEES TO HOLD A JOINT HEARING IN PETERSBURG IN ORDER TO OBTAIN THE TRUE FACTS AND PUBLIC INPUT REGARDING THIS PROPOSED ANNEXATION.

NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE
Betty A. Schmid	Box 1075		✓
Wallis P. Ibach	Box 1183	✓	
Cheryl Ibach	" "	"	
Dennis Schmidt	Box 424		✓
Jim Jackett	Box 496	✓	
Ida Callaina	Box 576		✓
Earl Sims	Box 576		✓
Dan Sims	Box 576		✓
Carol Sims	Box 576		✓
Bonnie Howard	Box 1346	✓	
C. Timothy Drake	Box 168		✓

PETITION [illegible]

PETERSBURG, [illegible]

WE, THE UNDERSIGNED, [illegible] OF JOBS [illegible], BOTH INSIDE AND OUTSIDE THE PRESENT CITY LIMITS OF PETERSBURG, ARE STRONGLY OPPOSED TO THE PROPOSED ANNEXATION TO PETERSBURG AT THIS TIME [illegible] TO THE METHODS USED BY THE CITY IN DIRECT OPPOSITION TO THE DESIRES OF THE MAJORITY OF THE CITIZENS AND FLAGRANT ERRORS IN THE FIGURES AS PRESENTED TO THE LOCAL BOUNDARY COMMISSION AND THE FAILURE BY THE CITY TO [illegible] TO STAFF AND DOCUMENT THE ECONOMIC CHANGES SUCH ANNEXATION WOULD PRESENT TO THE CITY RESIDENTS AND THOSE IN THE ADJOINING PROPOSED AREAS. WE ARE EXTREMELY CONCERNED IN THE MANNER IN WHICH THE CITY HAS PRESENTED THIS ANNEXATION WITHOUT PROPER PUBLIC INPUT. WE ALSO PETITION THE HOUSE AND SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEES TO HOLD A JOINT HEARING IN PETERSBURG IN ORDER TO OBTAIN THE TRUE FACTS AND PUBLIC INPUT REGARDING THIS PROPOSED ANNEXATION.

NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE
Kay Gardner	Box 169	X	
Jim Fridmann	Box 127	X	
Pat Freman	Box 127	X	
Enid Magill	mile 1 1/4 Union St Box 444	Outside	
Cheryl Day	Box 869 Mile 2 3/4 Mitkof Hwy		✓
Steve Day	Box 869 Mile 2 3/4 Mitkof Hwy		✓

PETITION OPPOSING ANNEXATION TO

PETERSBURG, ALASKA

WE, THE UNDERSIGNED, BEING CITIZENS OF MITKOF ISLAND, BOTH INSIDE AND OUTSIDE THE PRESENT CITY LIMITS OF PETERSBURG, ARE STRONGLY OPPOSED TO THE PROPOSED ANNEXATION TO PETERSBURG AT THIS TIME DUE TO THE METHODS USED BY THE CITY IN DIRECT OPPOSITION TO THE DESIRES OF THE MAJORITY OF THE CITIZENS AND BECAUSE OF ERRORS IN THE FIGURES AS PRESENTED TO THE LOCAL BOUNDARY COMMISSION AND THE FAILURE BY THE CITY TO PROPERLY RESEARCH AND DOCUMENT THE ECONOMIC CHANGES SUCH ANNEXATION WOULD PRESENT TO THE CITY RESIDENTS AND THOSE IN THE ADJOINING PROPOSED AREAS. WE ARE EXTREMELY CONCERNED IN THE MANNER IN WHICH THE CITY HAS PRESENTED THIS ANNEXATION WITHOUT PROPER PUBLIC INPUT. WE ALSO PETITION THE HOUSE AND SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEES TO HOLD A JOINT HEARING IN PETERSBURG IN ORDER TO OBTAIN THE TRUE FACTS AND PUBLIC INPUT REGARDING THIS PROPOSED ANNEXATION.

NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE
Leif Mathisen	Box 356	✓	
Ruth Mathisen	Box 356	✓	
Lars Carlson	Box 116	✓	
John Haller	Box 1027		✓
Palmy Thomassen	Box 606 Petersburg Alaska	X	

PETITION OPPOSING ANNEXATION TO

PETERSBURG, ALASKA

WE, THE UNDERSIGNED, BEING CITIZENS OF MITKOF ISLAND, BOTH INSIDE AND OUTSIDE THE PRESENT CITY LIMITS OF PETERSBURG, ARE STRONGLY OPPOSED TO THE PROPOSED ANNEXATION TO PETERSBURG AT THIS TIME DUE TO THE METHODS USED BY THE CITY IN DIRECT OPPOSITION TO THE DESIRES OF THE MAJORITY OF THE CITIZENS AND BECAUSE OF ERRORS IN THE FIGURES AS PRESENTED TO THE LOCAL BOUNDARY COMMISSION AND THE FAILURE BY THE CITY TO PROPERLY RESEARCH AND DOCUMENT THE ECONOMIC CHANGES SUCH ANNEXATION WOULD PRESENT TO THE CITY RESIDENTS AND THOSE IN THE ADJOINING PROPOSED AREAS. WE ARE EXTREMELY CONCERNED IN THE MANNER IN WHICH THE CITY HAS PRESENTED THIS ANNEXATION WITHOUT PROPER PUBLIC INPUT. WE ALSO PETITION THE HOUSE AND SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEES TO HOLD A JOINT HEARING IN PETERSBURG IN ORDER TO OBTAIN THE TRUE FACTS AND PUBLIC INPUT REGARDING THIS PROPOSED ANNEXATION.

NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE
Robert Sackett	Box 964 Pet AK		X
Clayton Helgesen	Box 361 Petersburg	X	
Ernest Parker	Box 1006 Petersburg	X	
Freda Parker	Box 1006 "	X	
Ed Vantress	Box 932 "	X	
Paul LeRoy	Box 313 "	X	
Andrew P Mathisen	316	X	
Jimmie Stafford	Box 312 1102 N. St.	X	
Gene L Peterson	Box 403 - C		X
Margaret Purdin	Box 1207	X	X
Clyde R. Stafford	Box 344	X	
John Williams		X	
Alvin Smith	Box 52	X	

PETITION OPPOSING ANNEXATION TO

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NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE
Dave Ellis	Box 1215	15 yrs	
Jean L. Ellis	P.O. Box 1215 Petersburg	30 yrs	
			✓
Glenn Ellis	" "		✓
Jeff Hamlet	Box 855 Petersburg Ak	13	
Gordon Jensen	Box 264 Petersburg Alaska	59 yrs	
Sharon Jensen	Box 852 Petersburg	✓	
[illegible]	Box 328 "	✓	

PETITION OPPOSING ANNEXATION TO

PETERSBURG, ALASKA

WE, THE UNDERSIGNED, BEING CITIZENS OF MITKOF ISLAND, BOTH INSIDE AND OUTSIDE THE PRESENT CITY LIMITS OF PETERSBURG, ARE STRONGLY OPPOSED TO THE PROPOSED ANNEXATION TO PETERSBURG AT THIS TIME DUE TO THE METHODS USED BY THE CITY IN DIRECT OPPOSITION TO THE DESIRES OF THE MAJORITY OF THE CITIZENS AND BECAUSE OF ERRORS IN THE FIGURES AS PRESENTED TO THE LOCAL BOUNDARY COMMISSION AND THE FAILURE BY THE CITY TO PROPERLY RESEARCH AND DOCUMENT THE ECONOMIC CHANGES SUCH ANNEXATION WOULD PRESENT TO THE CITY RESIDENTS AND THOSE IN THE ADJOINING PROPOSED AREAS. WE ARE EXTREMELY CONCERNED IN THE MANNER IN WHICH THE CITY HAS PRESENTED THIS ANNEXATION WITHOUT PROPER PUBLIC INPUT. WE ALSO PETITION THE HOUSE AND SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEES TO HOLD A JOINT HEARING IN PETERSBURG IN ORDER TO OBTAIN THE TRUE FACTS AND PUBLIC INPUT REGARDING THIS PROPOSED ANNEXATION.

NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE
John C Rooks	Box 1146 Petersburg	✓	
Elenor L Rooks	Box 1146 Petersburg AK	✓	
[illegible]	Box 1312 Petersburg AK	✓	

PETITION OPPOSING ANNEXATION TO

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NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE
Charlotte E. Grenfell	P.O. Box 1351		X
Barbara Knudsen	Box 883	Y	
Sheila Thomas	Box 246		X
Sally Wills	Box 967		X
[illegible]	Box 549	✓	
Roger Ellis	Box 5715		✓
Joan Shilling	Box 832	✓	

PETITION OPPOSING ANNEXATION TO

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NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE
Marjorie Vantress	PO Box 932-603 Vista Ave	✓	
Karl Nordgren	POB 1187 - 1202 Evangell Ave	✓	
Carol Nelson	POB 88 - Psby	✓	
K. Burns	Box 37 Psby	✓	
Mary DenDekker	Box 21 Psby	✓	
Debbie DenDekker	Box 21 Petersburg	✓	
Martin Holmes	Box 774 Petersburg		✓
Elaine Peterson	Box 915 Petersburg	✓	
Christine L. Holmes	Box 774 Petersburg		✓

PETITION OPPOSING ANNEXATION TO

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NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE
Walter Lubs	P.O. Box 881 Petersburg	✓	
Nancy Lubs	Box 881	✓	
David Whitethorn	Box 636	✓	
Don Beck	Box 341	✓	
Ada Beck	" "	✓	
Mike Pavao	Box 341	✓	
Harlan Beus	Box 208	✓	
Bud Stickler	Box 946	✓	✓
Donna Stickler	" "	✓	✓
Bonnie Erickson	Box 922		✓
Mike Erickson	" "	✓	✓

PETITION OPPOSING ANNEXATION TO

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NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE
Helen Olson	Box 814	✓	
Dan Thorstenson	Box 728	✓	
M.K. Lettelier	Box 546	✓	
Krista L. Schaefer	Box 995	✓	
Wade P. Ohmer	Box 372	✓	

PETITION OPPOSING ANNEXATION TO

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NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE
Fred L. Tilt	Box 161 Petersburg, Ak 99833		✓
Ed Papazi	Box 852 PTG AK 99833	✓	
Melba E. Slack	Box 790 Petersburg AK 99833	✓	
F.N. [illegible]	Box 1186 PETERSBURG AK 99833	✓	
Richard Sweeney	Box 1126 Petersburg AK 99833		✓
Clyde Curry	Box 572 " " "	✓	
Paul Saltveit	Box 408 Petersburg 99833	✓	
Stuart Conn	Box 316 Petersburg 99833	✓	
ROBERT HALTINER	[illegible]	[illegible]	
Elizabeth Mathisen	Box 333	✓	
Erling Strand	Box 905	✓	
DIANE LAVIGUEUR	Box 1147	✓	
Mark Veit	Box 993	✓	
Terry Otten	Box 1195	✓	

PETITION OPPOSING ANNEXATION TO

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NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE
D. Chaney	1276 Petersburg	✓	
R Eddleton	~~299~~ 917 Petersburg		✓
K Hazlett	745 Petersburg		✓
G. Macklin	1333 Petersburg	✓	
J. Garcia	Box 84 Petersburg		X
Marie Smith	Box 52 Petersburg	✓	
Mary Streeth	BOX 70 "	✓	
Linda Pillon	Box 386 "	✓	
Wm Pillon	" " "	✓	

PETITION OPPOSING ANNEXATION TO

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NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE
Verne A. Heimdahl	Box 191	X	
Trygve Thoresen	Box 515	X	
Anna Yatsinsky	Box 735	X	
James E Robertson	Box 1792	X	
John J Wagner	Box 429	X	
Nick Yatsinsky	Box 501	X	
Erling A Thoresen	Box 81	X	
Marian Heimdahl	Box 191	X	
Roy Leirud	Box 266	X	

PETITION OPPOSING ANNEXATION TO

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NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE
William C Lyons	Box 725		✓
Amy Lyons	Box 725		✓
K. C. Lyon	Box 364		✓
Judith Erickberger	Box 364		✓
Alice Lyons	Box 725	✓	
Betty M. Bird	Box 341		✓
Ronald Bird	Box 273		✓
Vera I Bird	Box 273		✓
Arlene Peterson	Box 355		✓
Lucian E. Walsh	Box 652		✓
Carmen Wooton	Box 596		✓
Frank J. Wooton	Box 596		✓
Fred F. Bird	Box 34		✓

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NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE
Stanley L Reed	PO Box 871		X
Dave Reed	"		X
Alan Stevens	Gen Delv	~~X~~	X
Mrs Mait Stevens	Gen Del		X
C.N. Lyons	Box 189		X
Mary F Lyons	Box 189		X
Paul Degnan	P.O. Box 242		X
Florence Collin	Box 1051		X
Orland Collin	Box 1051		X
Kimberly Bell	Box 1083		X
Linda Feeney	Box 204		X
Allen Beier	Box 871		X
Donald B Jackson	Box 812		X
Ralph W Temple	Gen Delivery		X
J B Lyons	Box 588		X
Mrs Stu Mayne	Box 1275		X
Pete Erickson	Box 234		X
Marilyn Erickson	Box 234		X
M.M. Johnson	Box 532		X
M Johnson	Box 532		X
Wm R. Sharp	Box 627		X
Marjorie Sharp	Box 627		X

PETITION OPPOSING ANNEXATION TO

PETERSBURG, ALASKA

WE, THE UNDERSIGNED, BEING CITIZENS OF MITKOF ISLAND, BOTH INSIDE AND OUTSIDE THE PRESENT CITY LIMITS OF PETERSBURG, ARE STRONGLY OPPOSED TO THE PROPOSED ANNEXATION TO PETERSBURG AT THIS TIME DUE TO THE METHODS USED BY THE CITY IN DIRECT OPPOSITION TO THE DESIRES OF THE MAJORITY OF THE CITIZENS AND BECAUSE OF ERRORS IN THE FIGURES AS PRESENTED TO THE LOCAL BOUNDARY COMMISSION AND THE FAILURE BY THE CITY TO PROPERLY RESEARCH AND DOCUMENT THE ECONOMIC CHANGES SUCH ANNEXATION WOULD PRESENT TO THE CITY RESIDENTS AND THOSE IN THE ADJOINING PROPOSED AREAS. WE ARE EXTREMELY CONCERNED IN THE MANNER IN WHICH THE CITY HAS PRESENTED THIS ANNEXATION WITHOUT PROPER PUBLIC INPUT. WE ALSO PETITION THE HOUSE AND SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEES TO HOLD A JOINT HEARING IN PETERSBURG IN ORDER TO OBTAIN THE TRUE FACTS AND PUBLIC INPUT REGARDING THIS PROPOSED ANNEXATION.

NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE
Bill Pilgrim	BOX 1095		✓
Lena Williams	Box 585		✓
Wm A Gerinick Jr	Box 1141	✓	
Donnalee Williams	Box 585		✓
Barbara Gyrinis	Box 1141	✓	
Faye Davis	Box 263, Petersburg		✓
R.R. Ennis	Box 263		✓
Glenda Lange	Box 983	✓	
Glenn Brown	Box 547 Petersburg		✓
Darlene Brown	Box 547 "		✓
Ida Clark	Box 1332	✓	✓
Barbara Hyder	Box 1095		✓
Ted Moore	Box 1168	✓	✓
Donald Kahut	Box 1075		✓
Bob Anderson	Box 42		✓
Helen Anderson	Box 42		✓
Jim Queen	Box 1154	✓	
Tina Queen	Box 1154	✓	
Louis Stiteler	Box 421	✓	
M Tisher MD	Box 950	✓	
Peter Mc[illegible]	Box 950	✓	✓
[illegible]	Box 537	✓	

Olsen

PETITION OPPOSING ANNEXATION TO

PETERSBURG, ALASKA

WE, THE UNDERSIGNED, BEING CITIZENS OF MITKOF ISLAND, BOTH INSIDE AND OUTSIDE THE PRESENT CITY LIMITS OF PETERSBURG, ARE STRONGLY OPPOSED TO THE PROPOSED ANNEXATION TO PETERSBURG AT THIS TIME DUE TO THE METHODS USED BY THE CITY IN DIRECT OPPOSITION TO THE DESIRES OF THE MAJORITY OF THE CITIZENS AND BECAUSE OF ERRORS IN THE FIGURES AS PRESENTED TO THE LOCAL BOUNDARY COMMISSION AND THE FAILURE BY THE CITY TO PROPERLY RESEARCH AND DOCUMENT THE ECONOMIC CHANGES SUCH ANNEXATION WOULD PRESENT TO THE CITY RESIDENTS AND THOSE IN THE ADJOINING PROPOSED AREAS. WE ARE EXTREMELY CONCERNED IN THE MANNER IN WHICH THE CITY HAS PRESENTED THIS ANNEXATION WITHOUT PROPER PUBLIC INPUT. WE ALSO PETITION THE HOUSE AND SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEES TO HOLD A JOINT HEARING IN PETERSBURG IN ORDER TO OBTAIN THE TRUE FACTS AND PUBLIC INPUT REGARDING THIS PROPOSED ANNEXATION.

NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE
Dorthea T. Clayton	Box 1003		✓
[illegible]	[illegible] Box 836		✓
Jay Willard	Box 941	✓	
[illegible]	Box [illegible]		✓
Pam Sokol	Box 964		✓
Frank [illegible]	Box 12		✓
Marian Pyatt	Box 12		✓
Bill Pyatt	Box 1251		✓
[illegible]	Box 1251		✓
[illegible]	[illegible]		✓
[illegible]	[illegible]		
Susan Erwin	Box 1335		✓
Bob Olsen	Box 55		✓
Lenora Olsen	Box 55		✓
[illegible]	Box [illegible]	✓	✓
[illegible]	Box 748	✓	✓
Alyce Olsen	Box 1135		✓
Tom Lewis	Box 267	✓	
Richard Rowell	Box 70		✓
[illegible]	Box 361	✓	✓
Marvin Peterson	Box 376	✓	
Don Finkbeiner	Box 849		✓
John E. Jensen	Box 681	✓	

PETITION OPPOSING ANNEXATION TO

PETERSBURG, ALASKA

WE, THE UNDERSIGNED, BEING CITIZENS OF MITKOF ISLAND, BOTH INSIDE AND OUTSIDE THE PRESENT CITY LIMITS OF PETERSBURG, ARE STRONGLY OPPOSED TO THE PROPOSED ANNEXATION TO PETERSBURG AT THIS TIME DUE TO THE METHODS USED BY THE CITY IN DIRECT OPPOSITION TO THE DESIRES OF THE MAJORITY OF THE CITIZENS AND BECAUSE OF ERRORS IN THE FIGURES AS PRESENTED TO THE LOCAL BOUNDARY COMMISSION AND THE FAILURE BY THE CITY TO PROPERLY RESEARCH AND DOCUMENT THE ECONOMIC CHANGES SUCH ANNEXATION WOULD PRESENT TO THE CITY RESIDENTS AND THOSE IN THE ADJOINING PROPOSED AREAS. WE ARE EXTREMELY CONCERNED IN THE MANNER IN WHICH THE CITY HAS PRESENTED THIS ANNEXATION WITHOUT PROPER PUBLIC INPUT. WE ALSO PETITION THE HOUSE AND SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEES TO HOLD A JOINT HEARING IN PETERSBURG IN ORDER TO OBTAIN THE TRUE FACTS AND PUBLIC INPUT REGARDING THIS PROPOSED ANNEXATION.

NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE
Dennis Rogers	Box 524	X	
Carolyn Dorney	593 City		X
Joe Dorney	593 City		X
Rebecca Race	Box 1222	X	
Evelyn Blechta	Box 1222	X	
Joanne Hjort	Box 828	X	
Hartl Christman	Box 581	X	
Mel Lyng	Box 1043	X	
Kirk Kreitzer	Box 936	X	
[illegible] Davis	Box 1328	X	
David J. Berger	Box 485	X	
Ken Hedin	Box 884	X	
[illegible]			X
Bud & Russell	Box 381		X
Bill Peterson	Box 355		X
John Eide	Box 101		X
W Rielce	Box 511	X	
John Richmond	Box 557	X	
Ric Peterson	Box 403		X
Bob Dennis	Box 1236		X
Steve Erickson	Box 177 P56.		X
Dick Somerville	Box 322 CITY	X	

PETITION OPPOSING ANNEXATION TO

PETERSBURG, ALASKA

WE, THE UNDERSIGNED, BEING CITIZENS OF MITKOF ISLAND, BOTH INSIDE AND OUTSIDE THE PRESENT CITY LIMITS OF PETERSBURG, ARE STRONGLY OPPOSED TO THE PROPOSED ANNEXATION TO PETERSBURG AT THIS TIME DUE TO THE METHODS USED BY THE CITY IN DIRECT OPPOSITION TO THE DESIRES OF THE MAJORITY OF THE CITIZENS AND BECAUSE OF ERRORS IN THE FIGURES AS PRESENTED TO THE LOCAL BOUNDARY COMMISSION AND THE FAILURE BY THE CITY TO PROPERLY RESEARCH AND DOCUMENT THE ECONOMIC CHANGES SUCH ANNEXATION WOULD PRESENT TO THE CITY RESIDENTS AND THOSE IN THE ADJOINING PROPOSED AREAS. WE ARE EXTREMELY CONCERNED IN THE MANNER IN WHICH THE CITY HAS PRESENTED THIS ANNEXATION WITHOUT PROPER PUBLIC INPUT. WE ALSO PETITION THE HOUSE AND SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEES TO HOLD A JOINT HEARING IN PETERSBURG IN ORDER TO OBTAIN THE TRUE FACTS AND PUBLIC INPUT REGARDING THIS PROPOSED ANNEXATION.

NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE
[illegible] Chapman Shipyard	PO Box 1064		✓
Barbara G. West	PO Box 1101	✓	
Thomas Monroe	PO Box 654		✓
Ruth Monroe	Box 654		✓
Jan Weld	Box 382		✓
Bob Glenn	Box 622	✓	
Earl J. Glenn	Box 622	✓	
James H. Birch	Box 34	✓	
Dean L. Bales	Gen Del	✓	
Margie Birch	Box 34	✓	
James Hammer	400 Lumber St. (Box 223)	✓	
Fiona Lage	Box 983	✓	
Steven Fitch	Box 892	✓	
Eugene Smith	Gen Del	✓	
Larry Adams	Box 331	✓	
Dennis Strickler	Box 484	✓	
James Strickler	Box 522	✓	
Bill Bach	Box 561	✓	
Gary Glenn	Box 622	✓	
Lloyd Massie	Box 405	✓	
Paul C. McDermott	Box 616	✓	
Wes Rancheff	Box 347		✓

[illegible] ANNEXATION TO

[illegible]

WE, THE [illegible], BEING CITIZENS OF SITKA ISLAND, BOTH INSIDE AND OUTSIDE THE PRESENT CITY LIMITS OF PETERSBURG, ARE STRONGLY OPPOSED TO THE PROPOSED ANNEXATION TO PETERSBURG AT THIS TIME DUE TO THE METHODS USED BY CITY IN DIRECT OPPOSITION TO THE DESIRES OF THE MAJORITY OF ITS CITIZENS AND BECAUSE OF ERRORS IN THE FIGURES AS PRESENTED BY THE LOCAL BOUNDARY COMMISSION AND THE FAILURE BY THE CITY TO PROPERLY RESEARCH AND DOCUMENT THE ECONOMIC CHANGES SUCH ANNEXATION WOULD PRESENT TO THE CITY RESIDENTS AND THOSE IN THE ADJOINING PROPOSED AREA. WE ARE EXTREMELY CONCERNED IN THE MANNER IN WHICH THE CITY HAS PRESENTED THIS ANNEXATION WITHOUT PROPER PUBLIC INPUT. WE ALSO PETITION THE HOUSE AND SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEES TO HOLD A JOINT HEARING IN PETERSBURG IN ORDER TO OBTAIN THE TRUE FACTS AND PUBLIC INPUT REGARDING THIS PROPOSED ANNEXATION.

NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE
Leon Jamaday	Box 133	X	
Linda Kunnata	Box 770	X	
Ben Lucas	Box 220	X	
Rudy Mannauck	Box 732	X	
Ron Berlen	Box 23	X	
Doug L. Ward	Box 1241 Petersburg		X
DAVID MACKENZIE	Box 553	✓	
Carroll Wilson	Box 838	✓	
Rose Mannauck Jr.	Box 732	✓	
Joe Kunnahma	P.O. Box 981	✓	
Jerry Dahl	Box 128	✓	
Richard Thompson	1044	✓	
Brenda Wharton	Box 497 PSG	✓	
Robert M. Nielsen	Box 837	✓	
Larry Archuleta	Box 1010 PSG	✓	
Mark Jones	Box 1017 PSG	✓	
D. Musgrave	Box 1134 PSG	✓	
Linda Dean	Box 1112 Psg	✓	
Charles A. Wolgamott	1112 PSG	✓	
Beverly Foy	Box 325		✓
David Foy	Box 325		✓
Mary R. Kunnata	Box 770	✓	

PETITION OPPOSING ANNEXATION TO

PETERSBURG, ALASKA

WE, THE UNDERSIGNED, BEING CITIZENS OF MITKOF ISLAND, BOTH INSIDE AND OUTSIDE THE PRESENT CITY LIMITS OF PETERSBURG, ARE STRONGLY OPPOSED TO THE PROPOSED ANNEXATION TO PETERSBURG AT THIS TIME DUE TO THE METHODS USED BY THE CITY IN DIRECT OPPOSITION TO THE DESIRES OF THE MAJORITY OF THE CITIZENS AND BECAUSE OF ERRORS IN THE FIGURES AS PRESENTED TO THE LOCAL BOUNDARY COMMISSION AND THE FAILURE BY THE CITY TO PROPERLY RESEARCH AND DOCUMENT THE ECONOMIC CHANGES SUCH ANNEXATION WOULD PRESENT TO THE CITY RESIDENTS AND THOSE IN THE ADJOINING PROPOSED AREAS. WE ARE EXTREMELY CONCERNED IN THE MANNER IN WHICH THE CITY HAS PRESENTED THIS ANNEXATION WITHOUT PROPER PUBLIC INPUT. WE ALSO PETITION THE HOUSE AND SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEES TO HOLD A JOINT HEARING IN PETERSBURG IN ORDER TO OBTAIN THE TRUE FACTS AND PUBLIC INPUT REGARDING THIS PROPOSED ANNEXATION.

NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE
Myron L Lyons Sr	Box 588 PETERSBURG AAA	X	
Beyle [illegible]	Box 186 Petersburg AK	X	
Myron L Lyons Jr	Box 938 Petersburg AK	X	
Gertrude Lyons	Box 588 Petersburg ak.	X	
Joseph Hallingstad	Petersburg, [illegible] AK.	X	
Colyn Lyons	Box 588 Petersburg	X	
Coleen Dodge	Box 588 Petersburg	X	
Theresa Kinnan	Box 1102 Petersburg	X	
Richard Kinnan	" #1093	X	
Frances O Hayes	Box 1252 "		X
Esther LaFrentz	PO Box 773	PSG.	
Janet Austin	P O Box 114	PSG	
Diane Hallingstad	Box - 1342	X	
Bernice Hallingstad	Box 1342	X	
Helen Bell	Box 208	X	
Merlin Bell	Box 208	X	
Jim Baumgartner	Box 1355	X	
Judi Cowan	P.O. Box 1094	X	
Chris Lopez	P.O Box 285	X	
Helen Salpid	P O Box 533	X	
Helen Lavoie	P.O. Box 165	X	
Donald Edwards	Box [illegible]	X	

PETITION OPPOSING ANNEXATION TO

PETERSBURG, ALASKA

WE, THE UNDERSIGNED, BEING CITIZENS OF MITKOF ISLAND, BOTH INSIDE AND OUTSIDE THE PRESENT CITY LIMITS OF PETERSBURG, ARE STRONGLY OPPOSED TO THE PROPOSED ANNEXATION TO PETERSBURG AT THIS TIME DUE TO THE METHODS USED BY THE CITY IN DIRECT OPPOSITION TO THE DESIRES OF THE MAJORITY OF THE CITIZENS AND BECAUSE OF ERRORS IN THE FIGURES AS PRESENTED TO THE LOCAL BOUNDARY COMMISSION AND THE FAILURE BY THE CITY TO PROPERLY RESEARCH AND DOCUMENT THE ECONOMIC CHANGES SUCH ANNEXATION WOULD PRESENT TO THE CITY RESIDENTS AND THOSE IN THE ADJOINING PROPOSED AREAS. WE ARE EXTREMELY CONCERNED IN THE MANNER IN WHICH THE CITY HAS PRESENTED THIS ANNEXATION WITHOUT PROPER PUBLIC INPUT. WE ALSO PETITION THE HOUSE AND SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEES TO HOLD A JOINT HEARING IN PETERSBURG IN ORDER TO OBTAIN THE TRUE FACTS AND PUBLIC INPUT REGARDING THIS PROPOSED ANNEXATION.

NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE
Julia Bauder	Box 237	✓	
Ruth Bauder	"	✓	
James F. Brinson	Box 1244	✓	
Paul Ruseth	Box 305	✓	
Barry Fraser	" 826	✓	
Mitchell Cooper	Box 227	✓	
Doris Nelson	Box 623	✓	
Thomas O Drennan	Box 823	✓	
Teresa A. Brennan	Box 823	✓	
Steve Beal	Box 1315		✓
Ethelyn Lopez	Box 285	✓	
Margaret de Leon	Box 1345	✓	
Orlene de Leon	Box 96	✓	
Martha Jamar	Box 334	✓	
Lois L Jensen	P.O. Box 311	✓	
Helen C. Twistig	PO Box 1206		✓
Cynthia A. Young	Box 1348		✓
Dennis L. Bell	Box 1284	✓	
Karen Hill	Box 1284	✓	
Larry Bernaldo	Box 147	✓	
Delilah Bernaldo	Box 147	✓	
Kathy Hoppe	Box 1148	✓	

PETITION OPPOSING ANNEXATION TO

PETERSBURG, ALASKA

WE, THE UNDERSIGNED, BEING CITIZENS OF MITKOF ISLAND, BOTH INSIDE AND OUTSIDE THE PRESENT CITY LIMITS OF PETERSBURG, ARE STRONGLY OPPOSED TO THE PROPOSED ANNEXATION TO PETERSBURG AT THIS TIME DUE TO THE METHODS USED BY THE CITY IN DIRECT OPPOSITION TO THE DESIRES OF THE MAJORITY OF THE CITIZENS AND BECAUSE OF ERRORS IN THE FIGURES AS PRESENTED TO THE LOCAL BOUNDARY COMMISSION AND THE FAILURE BY THE CITY TO PROPERLY RESEARCH AND DOCUMENT THE ECONOMIC CHANGES SUCH ANNEXATION WOULD PRESENT TO THE CITY RESIDENTS AND THOSE IN THE ADJOINING PROPOSED AREAS. WE ARE EXTREMELY CONCERNED IN THE MANNER IN WHICH THE CITY HAS PRESENTED THIS ANNEXATION WITHOUT PROPER PUBLIC INPUT. WE ALSO PETITION THE HOUSE AND SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEES TO HOLD A JOINT HEARING IN PETERSBURG IN ORDER TO OBTAIN THE TRUE FACTS AND PUBLIC INPUT REGARDING THIS PROPOSED ANNEXATION.

NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE
Luciana N. Kito	Box 271, Petersburg, AK	✓	
Roseanne Anderson	Box 837, Petersburg	✓	
Lucy Kito	Box 287 Petersburg	✓	
Rick Kito	Box 271 Petersburg	✓	
Nancy Benson	Box 36 " "	✓	
Nancy Benson	Box 36	✓	
Casper E Hallingstad	Box 186 " "	✓	
Anne Lewis	401 H Street Petersburg	✓	
[illegible]	Box 1 14	✓	
David Wilson	Box 661 - City	✓	
Michael Sterling	Box 1021 - City	✓	
Michael J Wadsworth	Box 1052 - City	✓	
Tina Cato	Box 1226 City	✓	
Jeff Roth	1287 City	✓	
Lidia Sagalaw	Box 565 City	✓	
Albert Sakamoto	Box 772 City	✓	
Arnold Haube	Box 736 City	✓	
Gretchen Kitka	Box 334 City	✓	
[illegible] Morton	[illegible] 1225	✓	
Bonnie Haube	Box 736 [illegible]	✓	
Dawn Just	Box 165 - City	✓	
Jenny Thompson	Box 384 - City	✓	

PETITION OPPOSING ANNEXATION TO

PETERSBURG, ALASKA

WE, THE UNDERSIGNED, BEING CITIZENS OF MITKOF ISLAND, BOTH INSIDE AND OUTSIDE THE PRESENT CITY LIMITS OF PETERSBURG, ARE STRONGLY OPPOSED TO THE PROPOSED ANNEXATION TO PETERSBURG AT THIS TIME DUE TO THE METHODS USED BY THE CITY IN DIRECT OPPOSITION TO THE DESIRES OF THE MAJORITY OF THE CITIZENS AND BECAUSE OF ERRORS IN THE FIGURES AS PRESENTED TO THE LOCAL BOUNDARY COMMISSION AND THE FAILURE BY THE CITY TO PROPERLY RESEARCH AND DOCUMENT THE ECONOMIC CHANGES SUCH ANNEXATION WOULD PRESENT TO THE CITY RESIDENTS AND THOSE IN THE ADJOINING PROPOSED AREAS. WE ARE EXTREMELY CONCERNED IN THE MANNER IN WHICH THE CITY HAS PRESENTED THIS ANNEXATION WITHOUT PROPER PUBLIC INPUT. WE ALSO PETITION THE HOUSE AND SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEES TO HOLD A JOINT HEARING IN PETERSBURG IN ORDER TO OBTAIN THE TRUE FACTS AND PUBLIC INPUT REGARDING THIS PROPOSED ANNEXATION.

NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE
[illegible]	[illegible] Petersburg		X
[illegible]	Box 524 Petersburg		X
[illegible]	[illegible] Petersburg		X
[illegible]	Box 338 "		"
[illegible]	Box 338 Petersburg		X
Lorraine McDonald	Box 614, Petersburg	X	
[illegible]	Box 961 City		X
[illegible]	Box 1355 City	X	
[illegible]	Box 443 Petersburg	X	
[illegible]	P.O. Box 914 Petersburg		X
[illegible]	Box 961 Psg.		X
Kurt Hansen	Box 253 Petersburg	X	
Leslie D. Silver	P.O. Box 58 Petersburg	X	
Rick Hansen	P.O. Box 253 Psg.	X	
Edith L. Lyskens	PO Box 830 Petersburg	X	
Steve Erickson	PO Box 177 PSG		X
Betty Whitethorn	Box 834 Petersburg	X	
Clyde Jerkens	Box 830 PSG	X	
Judy MacDonald SR	Box 435 Psb	X	
[illegible]	Box 253 PSB.	X	
[illegible]	Box 910 PSG		X
[illegible]	Box 770 PSG	X	

PETITION OPPOSING ANNEXATION TO

PETERSBURG, ALASKA

WE, THE UNDERSIGNED, BEING CITIZENS OF MITKOF ISLAND, BOTH INSIDE AND OUTSIDE THE PRESENT CITY LIMITS OF PETERSBURG, ARE STRONGLY OPPOSED TO THE PROPOSED ANNEXATION TO PETERSBURG AT THIS TIME DUE TO THE METHODS USED BY THE CITY IN DIRECT OPPOSITION TO THE DESIRES OF THE MAJORITY OF THE CITIZENS AND BECAUSE OF ERRORS IN THE FIGURES AS PRESENTED TO THE LOCAL BOUNDARY COMMISSION AND THE FAILURE BY THE CITY TO PROPERLY RESEARCH AND DOCUMENT THE ECONOMIC CHANGES SUCH ANNEXATION WOULD PRESENT TO THE CITY RESIDENTS AND THOSE IN THE ADJOINING PROPOSED AREAS. WE ARE EXTREMELY CONCERNED IN THE MANNER IN WHICH THE CITY HAS PRESENTED THIS ANNEXATION WITHOUT PROPER PUBLIC INPUT. WE ALSO PETITION THE HOUSE AND SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEES TO HOLD A JOINT HEARING IN PETERSBURG IN ORDER TO OBTAIN THE TRUE FACTS AND PUBLIC INPUT REGARDING THIS PROPOSED ANNEXATION.

NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE
Linda Johnson	Box 910	✓	
Jim [illegible]	Box 910	X	
Lola Heinmo	Box 183		✓
Leroy Heijer	Box 182		✓
Eleanor Thomassen	Box 1044		✓
Sally Dwyer	Box 810	✓	—
Alexander Yakovleff	Box 735	✓	—
Ben Kirk	685		✓
Patricia James	764	✓	
Pamela K. Jonson	Box 681	✓	
Yvonne M. Thynes	Box 56	✓	
Judy Ohmer	Box 372	✓	✓
Lila Trask	Box 1333	X	
Patricia Nannuck	Box 732	✓	
Julie Jerry Dahl	Box 128	✓	
Dan M. Stafford	Box 312	✓	
Alice Grant	Box 1143	✓	
Arlene Davis	Box 208	✓	
Helen Decker	Box 208	✓	
Margit Smith	Box 749	✓	
Jennifer Cummins	Box 1131		X

PETITION OPPOSING ANNEXATION TO

PETERSBURG, ALASKA

WE, THE UNDERSIGNED, BEING CITIZENS OF MITKOF ISLAND, BOTH INSIDE AND OUTSIDE THE PRESENT CITY LIMITS OF PETERSBURG, ARE STRONGLY OPPOSED TO THE PROPOSED ANNEXATION TO PETERSBURG AT THIS TIME DUE TO THE METHODS USED BY THE CITY IN DIRECT OPPOSITION TO THE DESIRES OF THE MAJORITY OF THE CITIZENS AND BECAUSE OF ERRORS IN THE FIGURES AS PRESENTED TO THE LOCAL BOUNDARY COMMISSION AND THE FAILURE BY THE CITY TO PROPERLY RESEARCH AND DOCUMENT THE ECONOMIC CHANGES SUCH ANNEXATION WOULD PRESENT TO THE CITY RESIDENTS AND THOSE IN THE ADJOINING PROPOSED AREAS. WE ARE EXTREMELY CONCERNED IN THE MANNER IN WHICH THE CITY HAS PRESENTED THIS ANNEXATION WITHOUT PROPER PUBLIC INPUT. WE ALSO PETITION THE HOUSE AND SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEES TO HOLD A JOINT HEARING IN PETERSBURG IN ORDER TO OBTAIN THE TRUE FACTS AND PUBLIC INPUT REGARDING THIS PROPOSED ANNEXATION.

NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE

#3

PETITION OPPOSING ANNEXATION TO
PETERSBURG, ALASKA

WE, THE UNDERSIGNED, BELOW CITIZENS OF MITKOF ISLAND, BOTH INSIDE AND OUTSIDE THE PRESENT CITY LIMITS OF PETERSBURG, ARE STRONGLY OPPOSED TO THE PROPOSED ANNEXATION TO PETERSBURG AT THIS TIME DUE TO THE METHODS USED BY THE CITY IN DIRECT OPPOSITION TO THE DESIRES OF THE MAJORITY OF THE CITIZENS AND BECAUSE OF ERRORS IN THE FIGURES AS PRESENTED TO THE LOCAL BOUNDARY COMMISSION AND THE FAILURE BY THE CITY TO PROPERLY RESEARCH AND DOCUMENT THE ECONOMIC CHANGES SUCH ANNEXATION WOULD PRESENT TO THE CITY RESIDENTS AND THOSE IN THE ADJOINING PROPOSED AREAS. WE ARE EXTREMELY CONCERNED IN THE MANNER IN WHICH THE CITY HAS PRESENTED THIS ANNEXATION WITHOUT PROPER PUBLIC INPUT. WE ALSO PETITION THE HOUSE AND SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEES TO HOLD A JOINT HEARING IN PETERSBURG IN ORDER TO OBTAIN THE TRUE FACTS AND PUBLIC INPUT REGARDING THIS PROPOSED ANNEXATION.

NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE
Jeff McFadyen	P.O Box 592		X
Stephan BERRY	PO BOX 934		X
Jack Yancey	P. O. Box 1348		X
Herbert Hanson	BOX 726	X	
Rosemary Hanson	Box 726	X	
Michael Sikes	Box 1203	X	
Celia Rosenzweig	Box 1282	X	
Melissa Mills	PO Box 1363		X
Jean Weiss	PO Box 712	X	
Ken Baird	P. O. Box 343	X	
Kathy Johnson	P.O. Box 593		X
Kris Kampstra	PO Box 934		X
[redacted]	[redacted]		X
Heidi D. Rinvik	P.O. Box 297	X	
[illegible]	PO Box 1153	X	
Albert Paddock	PO Box 1123	X	
Bill Swanson	Box 233	X	
Tracey R. Williams	"		X
John J Otness	Box 1195	X	
Ralph A. Schenble	Box 614	X	
Scott A. Ross	BOX 313	X	

PETITION OPPOSING ANNEXATION TO

PETERSBURG, ALASKA

WE, THE UNDERSIGNED, BEING CITIZENS OF MITKOF ISLAND, BOTH INSIDE AND OUTSIDE THE PRESENT CITY LIMITS OF PETERSBURG, ARE STRONGLY OPPOSED TO THE PROPOSED ANNEXATION TO PETERSBURG AT THIS TIME DUE TO THE METHODS USED BY THE CITY IN DIRECT OPPOSITION TO THE DESIRES OF THE MAJORITY OF THE CITIZENS AND BECAUSE OF ERRORS IN THE FIGURES AS PRESENTED TO THE LOCAL BOUNDARY COMMISSION AND THE FAILURE BY THE CITY TO PROPERLY RESEARCH AND DOCUMENT THE ECONOMIC CHANGES SUCH ANNEXATION WOULD PRESENT TO THE CITY RESIDENTS AND THOSE IN THE ADJOINING PROPOSED AREAS. WE ARE EXTREMELY CONCERNED IN THE MANNER IN WHICH THE CITY HAS PRESENTED THIS ANNEXATION WITHOUT PROPER PUBLIC INPUT. WE ALSO PETITION THE HOUSE AND SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEES TO HOLD A JOINT HEARING IN PETERSBURG IN ORDER TO OBTAIN THE TRUE FACTS AND PUBLIC INPUT REGARDING THIS PROPOSED ANNEXATION.

NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE
Kenneth Black	P.O.B. 755 Petersburg	Yes	
Carl Black	P.O Box 755 Petersburg	Yes	
Alan Ramey	Box 893 Petersburg		Yes
Bill Dowd	Box 1336 Petersburg		Yes
Don Cummins	Box 1131 Petersburg		Yes
Carolyn Martin	Box 825 Petersburg		X
Pete Martin Jr	Box 36 Petersburg	Yes	
Ralph R Bryant	Box 87 Petersburg		Yes
Joann Lewis	Box 227	Yes	
Jules A. Tabac	BOX 143 PSG.		Yes
Tom Podye	Box 1305 Petersburg		yes
Claud B Bishop	Box 57 Petersburg		yes
John Elgington	Box 333 Petersburg	yes	

[illegible] GRAVES ISLAND

[illegible]

WE, THE [illegible] OF GRAVES ISLAND, BOTH PASTOR AND OFFICIAL OF THE [illegible] OF PETERSBURG, ARE STRONGLY OPPOSED TO THE PROPOSED ANNEXATION TO PETERSBURG AT THIS TIME DUE TO THE METHOD USED BY THE CITY IN DIRECT OPPOSITION TO THE DESIRES OF THE MAJORITY OF THE CITIZENS AND BECAUSE OF FLAWS IN THE PETITION AS PRESENTED TO THE LOCAL BOUNDARY COMMISSION AND THE FAILURE BY THE CITY TO PROPERLY RESEARCH AND DOCUMENT THE ECONOMIC CHANGES SUCH ANNEXATION WOULD PRESENT TO THE CITY RESIDENTS AND THOSE IN THE ADJOINING PROPOSED AREAS. WE ARE EXTREMELY CONCERNED IN THE MANNER IN WHICH THE CITY HAS PRESENTED THIS ANNEXATION WITHOUT PROPER PUBLIC [illegible]. WE ALSO PETITION THE HOUSE AND SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEES TO HOLD A JOINT HEARING IN PETERSBURG IN ORDER TO OBTAIN THE NEEDED FACTS AND PUBLIC INPUT REGARDING THIS PROPOSED ANNEXATION.

NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE
Barb Richmond	Box 857, Petersburg	✓	
Debra Roswold	Box 1194 "	✓	
Dick Fraser	Box 1144	✓	
Gail Brandsrud	P.O. Box 1261 Petersburg		✓

PETITION TO OPPOSE ANNEXATION TO

PETERSBURG, ALASKA

WE, THE UNDERSIGNED, BEING CITIZENS OF MITKOF ISLAND, BOTH INSIDE AND OUTSIDE THE PRESENT CITY LIMITS OF PETERSBURG, ARE STRONGLY OPPOSED TO THE PROPOSED ANNEXATION TO PETERSBURG AT THIS TIME DUE TO THE METHODS USED BY THE CITY IN DIRECT OPPOSITION TO THE DESIRES OF THE MAJORITY OF THE CITIZENS AND BECAUSE OF ERRORS IN THE FIGURES AS PRESENTED TO THE LOCAL BOUNDARY COMMISSION AND THE FAILURE BY THE CITY TO PROPERLY RESEARCH AND DOCUMENT THE ECONOMIC CHANGES SUCH ANNEXATION WOULD PRESENT TO THE CITY RESIDENTS AND THOSE IN THE ADJOINING PROPOSED AREAS. WE ARE EXTREMELY CONCERNED IN THE MANNER IN WHICH THE CITY HAS PRESENTED THIS ANNEXATION WITHOUT PROPER PUBLIC INPUT. WE ALSO PETITION THE HOUSE AND SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEES TO HOLD A JOINT HEARING IN PETERSBURG IN ORDER TO OBTAIN THE TRUE FACTS AND PUBLIC INPUT REGARDING THIS PROPOSED ANNEXATION.

NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE
LeRoy Newton	Box 136 Petersburg Alaska	✓	
Sammy Tasker	Box 1364 Petersburg "	X	
Charles Harris	Box 555 Petersburg "	X	
E Blaine Labrenzier	Box 1266 Petersburg	X	
W Jane Olson	Box 433 Petersburg		X
Wm Marks	Box 932 Petersburg	X	
Ray Pedersen	Box 17 Petersburg	X	

325 city recs

PETITION OPPOSING ANNEXATION TO

PETERSBURG, ALASKA

WE, THE UNDERSIGNED, BEING CITIZENS OF MITKOF ISLAND, BOTH INSIDE AND OUTSIDE THE PRESENT CITY LIMITS OF PETERSBURG, ARE STRONGLY OPPOSED TO THE PROPOSED ANNEXATION TO PETERSBURG AT THIS TIME DUE TO THE METHODS USED BY THE CITY IN DIRECT OPPOSITION TO THE DESIRES OF THE MAJORITY OF THE CITIZENS AND BECAUSE OF ERRORS IN THE FIGURES AS PRESENTED TO THE LOCAL BOUNDARY COMMISSION AND THE FAILURE BY THE CITY TO PROPERLY RESEARCH AND DOCUMENT THE ECONOMIC CHANGES SUCH ANNEXATION WOULD PRESENT TO THE CITY RESIDENTS AND THOSE IN THE ADJOINING PROPOSED AREAS. WE ARE EXTREMELY CONCERNED IN THE MANNER IN WHICH THE CITY HAS PRESENTED THIS ANNEXATION WITHOUT PROPER PUBLIC INPUT. WE ALSO PETITION THE HOUSE AND SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEES TO HOLD A JOINT HEARING IN PETERSBURG IN ORDER TO OBTAIN THE TRUE FACTS AND PUBLIC INPUT REGARDING THIS PROPOSED ANNEXATION.

NAME	ADDRESS	RESIDENT CITY	RESIDENT OUTSIDE
Lars) Eide	P.O. Box 942 - Petersburg		✓
Meredith Eide	Box 942 Petersburg		✓
Lucinda Beck	Box 1163, Petersburg		✓
Judith L Beck	Box 1163, Petersburg		✓
Torleif K Iversen	Box 564. Petersburg	✓	
Robert J. Kimmeir	Box 1102 Petersburg	✓	
[illegible]	Box 1105 Petersburg AK	✓	
Bury L. Svalbg	Box 1232 Petersburg AK	✓	
[illegible]	Box 955 PSG		X
M.E. Ebbitmeyer	P.O. Box 955 Petersburg AK		✓
Harold R. Wagner	Box 444 Petersburg		✓
Carol Thompson	Box 541 Petersburg	✓	
Sherri Eide	BOX 101 PETERSBURG		✓

TO: COMMUNITY & REGIONAL AFFAIRS COMMITTEE

ATTENTION: Honorable Joseph Orsini,
Chairman, and Committee
Members

From: Gertrude B. Lyons
P. O. Box 1128
Petersburg, AK 99833

Date: February 8, 1978

I am on the Board of Directors of the Petersburg Indian Association and have been a resident of the City of Petersburg all my life and have been authorized by unanimous vote of the Board to appear and protest to the Legislature any extension of the boundaries of Petersburg. The members of the Petersburg Indian Association are strongly opposed to the recommendations of the Local Boundary Commission to the Legislature of the State of Alaska concerning the extension of the boundaries of the City of Petersburg.

The Petersburg Indian Association was formed because of the various Alaska native groups, including the Tlingit-Haida Central Council, the Alaska Native Brotherhood, the Alaska Native Sisterhood, and Sealaska Corporation, which had programs to be administered within the Petersburg area. The Petersburg Indian Association is a combination and serves and represents all Alaska native programs administered in the Petersburg area. There are approximately one hundred eighty-five (185) adult members in the Petersburg Indian Association, all of whom are residents residing in the existing City of Petersburg.

The Petersburg Indian Association has reviewed the petition submitted by the City of Petersburg to the Department of Community and Regional Affairs for the annexation or expansion of the existing city limits of Petersburg and the recommendations of the Local Boundary Commission to the Legislature. The Petersburg Indian Association is strongly opposed to any expansion of the existing city limits of Petersburg.

The existing tax base for the City of Petersburg, including real property taxes, sales taxes, and utility charges is extremely high and before any of the existing utilities are expanded to additional areas, and before any additional police and fire protection services are expanded to additional areas, it appears to the Petersburg Indian Association that steps should be made to improve and reduce the charges to the existing residents within the present city limits of the City of Petersburg. The cost of expanding utilities and services to any additional areas could only be met by additional taxes far and above those which would be generated through the annexation of the additional area.

I was employed for eight (8) years as a dispatcher for the City of Petersburg Police Department, having left that position approximately one (1) year ago. In reviewing the petition of the City of Petersburg for additional areas to be annexed I noted the number of emergency medical treatment calls that they attributed to

areas outside the existing city limits. Based upon my own observations and experience, by far the vast majority of these calls would have been to the Petersburg Municipal Airport or to the float plane charter services operated in and out of Petersburg, bringing injured or sick persons from other areas to receive treatment at the Petersburg hospital.

The existing fire equipment is inadequate to serve outlying areas without the addition of water lines and hydrants as the present tank trucks or pumper trucks would not be sufficient to fight any major fire without fire hydrants being located in the immediate vicinity.

If police protection is to be afforded in the additional annexed area it will require that at least one additional squad car be added to the existing police force and at least four (4) officers, one for each shift and one as a relief officer. The existing bonded indebtedness of the City of Petersburg is the highest per capita in the State of Alaska. It would seem apparent that if additional services and utilities are afforded to areas outside the existing city limits, that the only way this could be accomplished would be by incurring additional bonded indebtedness which would place an undue burden and hardhip on the taxpayers and residents of the City of Petersburg. This is particularly true of our native residents who for the most part are employed on a seasonal basis, which severely limits their income and ability to pay any additional taxes or utility charges.

Before any additional areas are added to the City of Petersburg, the Petersburg Indian Association and myself feel that definite steps and improvements should be made within the city limits to reduce the taxes and improve existing services and utilities, particularly the electric utility services which, in my opinion, are the highest in the State. Presently people outside of the existing city limits of Petersburg pay a surcharge on top of their electric service charges for being rendered that service by the city; however, if these areas are included in the city this surcharge would be lost, and the only way that this could be made up is by adding to the already high electric service charges being taxed on the residents of the City of Petersburg.

For these reasons, the Petersburg Indian Association respectfully requests that the Senate and the House of Representatives pass a concurrent resolution rejecting the recommendation of the Local Boundary Commission.

Respectfully,

Gertrude B. Lyons

Gertrude B. Lyons

SUMMARY OF PROPOSED PETERSBURG ANNEXATION

Present area of Petersburg: 2.1 square miles

Area to be annexed: Northern half of Mitkof Island (approx. 45 sq. miles)

Property value for annexed area: Approximately $7 million in real and personal property.

Present population of Petersburg: 2 126

Population in annexation area: 514

Purpose for annexation:

1. "Substantial population" exists in outlying area
2. Petersburg currently provides limited municipal services to the area.
3. Petersburg owns property in the area
4. Petersburg serves as the commercial center for the area.
5. Petersburg currently has jurisdiction in the area for parks, roads, trails, hydroelectric facilities, an airport, and its municipal water supply.
6. Petersburg residents use are for recreation
7. Annexation of area would provide logical and rational basis for Petersburg to plan and manage future growth, including:
    a) Coastal Zone Management
    b) Planning and Zoning
    c) State land selections

Additional reasons for annexation:

The City already provides basic municipal services to Mitkof Island (fire, ambulance, public protection) whenever it can, but residents of outlying areas receive these services without paying taxes for them.

Reasons in opposition to annexation (by plaintiff in Court suit):

1. City violated procedural requirements by submitting information favorable to annexation after January 5 deadline.
2. Supporters of the annexation submitted erroneous and deliberately misleading information to the Boundary Commission, including:
    a) Population figures for the City of Petersburg
    b) Increase in power rates resulting from annexation
    c) Requirement for increased sales taxes
    d) Costs relating to the extension of sewer and water services
    e) Adverse impact on the Petersburg School District budget
3. Plaintiffs were denied access to public information by the City of Petersburg regarding data submitted by the City to the Commission.
4. A previous election (August 26, 1976) showed 279 opposed and only 73 in favor of the expansion of the City's boundaries.
5. Boundary Commission has not correctly applied the statutory

standards for annexation to the Petersburg situation. (19 AAC 05.010.020)

Additional concerns expressed by letter of protest:

Taxes in Petersburg are already among the highest in Alaska yet municipal services are poor. Any attempt by the City to annex Mitkof Island would greatly extend the City's obligation to provide municipal services to outlying areas from which little or no revenue could be derived.

Ben Harding
2-6-78

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE MINUTES

FEBRUARY 7, 1978

Present: Chairman Orsini, Senators Willis, Hackney and Sumner. Wm. K. Mearig; J. R. Floden; Frances G. Westre; David A. Moffat; Gene Owens; Sigvald J. Strandberg; Erick J. Simpson; Sunny A. Hick; Gertrude Lyons; Lars Eide; Ed Lapeyri; James F. Petersen; Annette Smith; Bruce Aronson.

Absent: Senator Ferguson

Chairman Orsini convened the hearings at 3:15 PM. He announced that the Committee would take testimony on SJR 38, 29 & 40 but would take no action on the resolutions that day.

SJR 39 (Proposed Annexation by Haines Borough):

Chairman Orsini asked Sigvald Strandberg, Chairman of the Boundary Commission, to give the circumstances behind the proposed annexation of land on which stood fuel tankds formerly operated by the military. Mr. Strandberg described the action as pro forma in nature to allow the Haines Borough to eliminate a pocket of non-borough land inside its borders. He explained that the final disposition of tank farm property, which would be handled by the General Services Administration, would not be affected by the Borough's action and that the military had not objected to the proposed annexation. Mr. Strandberg also stated that no objections had been made by members of the public during the Boundary Commission's hearings in Haines. No one else wished to testify on SJR 39 and Chairman Orsini closed the hearings on the resolution.

SJR 38 (Proposed Annexation by the City of Skagway):

Mr. Strandberg noted that the City of Skagway originally requested to extend its boundary to the Canadian border and that of the Haines Borough. He noted that this raised the question in the Boundary Commission's opinion of what properly constituted city government versus that of a borough. The Commission therefore recommended a smaller extention of the City's boundaries and informed the City that it could, if conditions warrented, petition the Commission in the future to move its jurisdiction to the Canadian border. The City of Skagway supported this action by the Commission and agreed with the recommendation. Strandberg acknowledged that public testimony by persons residing outside the present City boundaries was opposed to annexations since they believed that they were already paying for municipal services through the sales tax. In response to questions from Committee members, he said that the Commission had not considered the inclusion of the Dyea area into the City of Skagway and that such an action would require separate Commission action.

William Ruddy, an attorney representing the City of Skagway, said that public opposition had been expressed to the proposed annexation but that it was not organized.

In the absence of further public testimony, Chairman Orsini closed the hearings on the resolution.

SJR 40 (Proposed Annexation by the City of Petersburg):

Mr. Strandberg said that public hearings had been held by the Commission in Petersburg January 9 before an overflow crowd with the testimony being broadcast live over the local radio station. On January 16 the commissioners held a telephonic conference and approved a recommendation for the extension of the City of Petersburg boundary.

He explained that the Commission's recommendation called for the city boundary to be extended only over the northern portion of Mitkof Island, an area of approximately 45 square miles. The City had originally petitioned for the annexation of all Mitkof Island, an area of approximately 211 square miles. Mr. Strandberg said that the Commission respected the City's reasons for the larger request, which included concerns about Coastal Management and municipal selection of state lands. He said that this again raised the question of borough versus city government and that the Commission had recommended an area for annexation that would take in almost all residents, but not all the territory, of Mitkof Island. He noted that, in the Commission's view, the natural development of the City of Petersburg lay along Mitkof Highway and that the outlying areas did benefit from municipal services. The incorporation of this area would remove the present tax inequity between the residents of the City and the outlying district. Mr. Strandberg pointed out that the City of Petersburg has a narrow tax base, but a fairly heavy bonded indebtedness. The 2,126 City residents have a bonded indebtedness of $3.7 million against a property valuation of $34 million. Thsi gives the City a debt/valuation ratio of approximately 11% as opposed to a 5.4% ratio for the City and Borough of Juneau and 3% for the City of Ketchikan. He noted that there were considerable private land holdings south of Petersburg along the Mitkof Highway.

In response to questions from Committee members, Mr. Strandberg made the following comments: The City indicated that it would assess one-half, or 7 mills, of the present City mill rate against the residents of the outlying area for the first year after annexation. Petersburg City Councilmen run at large and therefore there would be no council seat per se representing the annexed outlying area. During the public hearings in Petersburg, public sentiment ran about four to one against annexation. The August 26, 1975, election during which City voters rejected annexation was a straw vote on another proposed annexation and for which sketchy data had been gathered in regard to potential tax revenues. Service areas in the unorganized Borough could be established by the Legislature only if the same services could not be provided by annexation to existing local governments.

The vote of the Commission had been three to one for the proposed annexation. Children in the outlying area presently attend City schools shich receive tuition payments from the State. The economic future of Petersburg lies fishing and some logging. Industry would find it attractive to locate in the outlying area following annexation.

William Ruddy, the attorney representing the City of Petersburg, and William Mearig, representing the Petersburg city government, testified

jointly. Mr. Mearig stated that the 1975 annexation vote concerned the proposed annexation of West Petersburg, which has now incorporated separately as the City of Kupreanof, and did not pertain to the present recommendation. He noted that the Environmental Protection Agency was requiring the extension of sewer and water facilities to outlying areas. Either the City of Petersburg would provide these services or they would be mandated at the state or federal level. In response to questions from the Committee members, Mearig concurred that Petersburg's economic future lay with fishing and stated that any expansion of fishing facilities would probably occur at the four plants currently within the City's boundaries. Because of environmental and esthetic concerns, little or no development is likely to take place in the Narrows. He commented that strictly speaking it was illegal for the City to provide municipal services to the outlying area.

James Petersen, the attorney representing the plaintiffs in the court suit opposing the proposed annexation, testified that his clients opposed the annexation on the grounds that insufficient study had been given to the revenue, tax burden, and expense of the action. He stated that the original petition requesting annexation had been hastily put together and that the municipal ordinance had had its first reading with no public input. The second and third readings took place on the same night. Studies were lacking on population density, cost of police protection, cost of water and sewer facilities, and cost of electric power extension. Peterson said that his clients were not opposed to annexation per se and believed that the establishment of a service district (outside of the municipal boundary) could provide a viable solution. He emphasized that it was not only residents of outlying areas who opposed annexation but the residents of the City as well.

Frances Westre testified, as a member of the Petersburg City Council, that the Council had unanimously approved the proposed annexation as being in the best interests of the community of Petersburg and its environs. She said that the apparent haste in acting upon the petition was due to the legal requirement to submit all annexation recommendations to the Legislature by the tenth day of session. She pointed out that Petersburg and Wrangel were jointly studying a proposal for hydroelectric development in the Thomas Bay area that would provide relatively inexpensive power for economic development in the area. Ms. Westre said that Bruce Aronson of the Department of Community and Regional Affairs had originally raised the annexation question in Petersburg several years ago.

Lars Eide read to the Committee a letter he sent on December 12, 1977, to Commissioner of Community and Regional Affairs Lee McAnerney protesting the proposed annexation as contrary to the wishes of the majority of the people of Petersburg. He stated he was part owner of Mitkof Lumber Company which employes approximately 23 persons about 75% of whom lived in the City and 90% of the company's production was exported.

David Moffat, City Manager of Petersburg, said that the impetus for annexation had originated from residents in the outlying areas and that he had heard of little opposition to the proposal from within the City. He noted that, without the existence of the City of Petersburg, it would be unlikely that industries outside city limits would have located in the area. Moffat pointed out that the City has a

significant interest in exercising planning for Coastal Management for Mitkof Island as well as achieving a wider basis for future municipal selection of state land. He also noted that the possibility of a deep water port had been studied for the southern tip of Mitkof Island.

Ed Lapeyri, a resident and General Manager of Mitkoff Lumber Company, a plaintiff in a court suit against the annexation, testified that outlying residents did not receive municipal services for wohich they did not pay. He stated that residents outside city limits paid a 15% surcharge for electricity and a 50% surcharge for water. As for fire protection, the State paid the City $7.50 per capita for residents outside City limits. He submitted to the Committee the following petition signed by 543 residents of the general Petersburg area:

"WE, THE UNDERSIGNED, BEING CITIZENS OF MITKOF ISLAND, BOTH INSIDE AND OUTSIDE THE PRESENT CITY LIMITS OF PETERSBURG, ARE STRONGLY OPPOSED TO THE PROPOSED ANNEXATION TO PETERSBURG AT THIS TIME DUE TO THE METHODS USED BY THE CITY IN DIRECT OPPOSITION TO THE DESIRES OF THE MAJORITY OF THE CITIZENS AND BECAUSE OF ERRORS IN THE FIGURES PRESENTED TO THE LOCAL BOUNDARY COMMISSION AND THE FAILURE BY THE CITY TO PROPERLY RESEARCH AND DOCUMENT THE ECONOMIC CHANGES SUCH ANNEXATION WOULD PRESENT TO THE CITY RESIDENTS AND THOSE IN THE ADJOINING PROPOSED AREAS. WE ARE EXTREMELY CONCERNED IN THE MANNER IN WHICH THE CITY HAS PRESENTED THIS ANNEXATION WITHOUT PROPER PUBLIC INPUT. WE ALSO PETITION THE HOUSE AND SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEES TO HOLD A JOINT HEARING IN PETERSBURG IN ORDER TO OBTAIN THE TRUE FACTS AND PUBLIC INPUT REGARDING THIS PROPOSED ANNEXATION."

Mr. Lapeyri said that these signatures were obtained within three days last week and that every reasonable effort was made to insure that resident adults were the only persons who signed. He told the Committee that of the 543 petition signers, 193 lived outside the City and 350 lived within the City limits.

Mr. Lapeyri charged that during the City Council deliberations on the annexation petition, a show of hands indicated that only 11 of the 93 persons present supported annexation and that, of the 6 who testified in favor of the measure, four were city employees or relatives of Council members. He said that real property valuation for the 1975 proposed annexation was $6.3 million and in 1977 only $6.7 million for a slightly different area. He also cited an unidentified study undertaken by a local private firm that indicated no significant economic development in Petersburg in the future. In response to Committee members' questions he acknowledged that fishing was considerably more important economically to Petersburg than logging which he characterized as "shakey".

Gene Owens, a resident of Petersburg, testified in support of the proposed annexation . He stressed that the State had consistently urged localities to assume local government control in the Unorganized Borough in such matters as Coastal Management planning. Mr. Owens said that the annexation of land on Mitkof Island by Petersburg was consistent with that objective.

John Floden, city engineer for Petersburg, spoke in favor of the annexation recommendation and pointed out that the City had basically proposed a service area concept. He noted that 19% of the population

of Petersburg currently lives outside the city limits. This meant that those inside the city pay 19% more for municipal services than thier just share, while those outside pay 19% less. Mr. Floden said that without the extension of planning and zoning powers to the present outlying areas they were likely to develop in a haphazard manner leading to severe water and sewage problems in the future. There were instances in the outlying area where land was being subdivided into lots too small handle on-site sewage and water. Mr. Floden said that the City's goal in the annexed area would be to maintain large lots so as to prevent the need to establish sewer and water lines to high density residential and commercial dwellings. Additionally the projected linkage of Mitkof Highway with a proposed Stikine Highway could result in unrestrained commercial development of gas stations, drive-ins, etc. along the way unless proper planning and zoning authority existed to control it. In response to Committee members' questions, he said he believed a comprehensive community development plan for Petersburg had been prepared in 1965/66.

Certrude Lyons, a plaintiff in the court suite against the proposed annexation and a member of the Board of Directors of the Petersburg Indian Association, testified that the increased costs association with the extension of services to outlying areas would work an undue hardship on Native residents of Petersburg who were primarily dependent upon seasonal employment. Ms. Lyons said that the membership of the Petersburg Indian Association was approximately 185 adult persons and that the Association was the combined organization for the Tlingit-Haida Central Council, the Alaska Native Brotherhood, the Alaska Native Sisterhood, and Sealaska Corporation.

Sunny Hicks, a resident of the Petersburg area and opponent of the proposed annexation, characterized the community atmosphere of Petersburg as a "local Watergate situation" where neighbors were divided against one another and conversations were surreptitiously recorded. She blieved that local ani. sities had been inflamed by the City's handling of the annexation petition. She stressed that the residents of the outlying area considered themselves to be members of the general Petersburg community and were willing to assume their share for local services. She questioned whether the City was capable of efficiently carrying out its present obligations, much less undertake more extensive ones without the compensation of major new revenues.

William Mearig requested to testify a second time to present his views as a private citizen in addition to his capacity as a city official. He said that the proposed annexation offered outlying residents their first chance to participate in the political decisions affecting them locally, even in the absence of a separate election district for the area. He stated that participation in local government in such matters as Coastal Management offered residents more protection than if they remained unorganized and allowed either the State or federal government to impose regulations on them.

In the absence of further public testimony on SJR 40, Chairman Orsini concluded public hearings on the resolution and adjourned the Committee at 6:28 PM.

FOR: Senate Community and Regional Affairs Committee members

PREPARED BY: Ben Harding, Senate C/RA Committee Staff

DATE: February 16, 1978

SUMMARY OF ECONOMIC AFFECTS OF PETERSBURG ANNEXATION

GENERAL

Revenue Gains

High estimate:	$238,600 *
Low estimate:	$ 88,600 **

(*using sales tax estimate of $150,000 annually)
(**using sales tax estimate of $50,000 annually)

Revenue Losses or Added Expenses

High estimate:	$182,000 *
Low estimate:	$157,000 **

These estimates are based on the following assumptions:

a) No added water and power services to annexed areas (per City policy).
b) No added police, ambulance, or fire services (per City statements that these services are already funded through State revenues sharing).

(*using high estimate for increased administrative costs)
(**using low estimate for increased administrative costs)

FINANCIAL BREAK-DOWN BY CATEGORIES

Revenue Gains

1) Sales Tax Revenues:	High estimate:	$150,000
	Low estimate:	$ 50,000

The City has estimated that a sales tax could raise approximately $150,000 annually in new revenues from the annexed area. Annexation opponents contend that this figure is greatly inflated and that a more realistic estimate is closer to $50,000. The City has acknowledged that its estimate is very rough and that it was not able to obtain firm data on which to base its figures.

2) Electricity Rate Increases

$1 a month for residential and commercial users

$2 a month for industrial users

Estimated revenue: $19,000

It is the City's intent that electricity rate increases will equal and offset revenue losses from the elimination of surcharges on water and electricity to users in the previously outlying areas.

3) State Revenue Sharing (using a population increase of 500)

Police	$6,000
Air and Water Pollution	1,000
Parks and Recreation	2,500
Transportation	2,500
Roads (est. 3 miles)	4,500
Health Service	1,000
Regular*	850
Liquor*	1,100
Amusement and games*	150
Gross receipts tax**	1,000
Total Revenue:	$20,600

(*from Department of Revenue estimates)
(**Department of Revenue estimates $2,000 in revenue sharing from gross receipts. However over $1,000 annually appears already to have been inadvertently shared with the City)

4) Property Tax Revenue

7 mills on an estimated $7 million in real and personal property $49,000

Revenue losses of Increased Expenses:

1) New Administrative Costs

High estimate:	$50,000 *
Low estimate:	$25,000 **

This figure is derived from the assumption that increased administrative responsibilities, such as Planning and Zoning, for the annexed area will require an increase in City administrative personnel.

(*using high estimate of 1 officer and 1 secretary plus office start up costs)

(**using low estimate of 1 secretary/clerk plus office start up costs)

2) Elimination of State Tuition Payments

$97,700

This figure is based on the calculation that 100 students will come from the annexed area. For 1977/78 payments, the Department of Education is using $976.74 per pupil. Currently 115 students from outlying areas (including 5 from Kupreanof) attend Petersburg schools. The City's own loss projection was $47,000 which was calculated on the Department of Education payments per pupil of $443.61. That was the rate of payment used by the State last year. These payments will more than double this year.

3) Other Expenses

a)	Electricity and water extension costs	$ 0 *
b)	Police, ambulance and fire service costs	$ 0 **

(*City plans no extension of power and water service beyond present level)

(**City plans to maintain these services at present level using existing State revenue sharing funds)

BACKGROUND

In its original annexation petition, the City of Petersburg requested the annexation of all Mitkof Island, an area of approximately 211 square miles.

The Local Boundary Commission recommended instead the annexation of the northern end of Mitkof Island, or about 45 square miles. The Commission's rationale was that 211 square miles would have created a territory calling for a borough organization without Petersburg having gone through the borough government process. The Commission believed that a city government provides essentially direct services to its citizens whereas a borough exercises regional responsibilities. As a result, its recommendation provided for the City of Petersburg to annex areas containing virtually all the population of Mitkof Island, but excluded uninhabited or yet-to-be-developed areas.

Following annexation, the City has said that it would increase electricity rate charges by $1 a month for residential and commercial users and be $2 a month for industrial customers. The present surcharges to outlying residents for City water and electricity would then be dropped. The City's intent is that the rate increases would equal the loss of revenue resulting from the elimination of the surcharges.

The City has no plans to extend water or electricity, beyond its present service level, to the annexed area. Police, fire and ambulance services to these areas are projected to remain unchanged and funded through State revenue sharing. (Confirmed in telephone conversation with Petersburg City Manager by Staff)

Other revenue-raising means the City plans to use include: a 7 mill tax levy on approximately $7 million in real and personal property located in the annexed area, a sales tax on transactions under $1,000, and the receipt of increased State revenue sharing funds.

Major revenue losses or increased expenses resulting from annexation include the dropping of State tuition payments, surcharge elimination, and the cost of probable added administrative services.

The proposed annexation has been strongly opposed by plaintiffs in a court suit who charge that inadequate study and planning have gone into the proposal. They cite poor or expensive municipal services and a high bonded indebtedness as evidence of the City's inability to take on added municipal obligations. A petition containing the signatures of 543 Petersburg residents in opposition to the annexation was presented to the Senate Community and Regional Affairs Committee February 7.

ANALYSIS

A major charge made by opponents of annexation is that the City is presently overextended financially and could under no circumstances assume additional financial obligations without the assurance of at least matching revenues. The annexation opponents contend that any new sources of revenue in the outlying area are minor and would be more than off-set by increased expenses.

The City acknowledges that its data on the economic impact of annexation

are fragmentary and based on rough estimates open to challenge. In fact, the attorney for the City wrote to the Boundary Commission that "I am strongly inclined to agree with that assessment about a short-term negative cash flow but similarly inclined to discount its magnitude predicated on the knowledge that many of the general services... have been provided heretofore." The attorney, L.B. Jacobson, further noted, "...nor was I of the opinion that financial viability of an annexation proposal was one of the standards promulgated in (state regulations) or the Alaska Constitution."

A summary economic analysis indicates, however, that the City has a fair chance of breaking even financially in the event of annexation, provided it does not extend to the annexed area any services it is presently not making available. The annexation would reduce somewhat, the City's unusually high (11%) bonded indebtedness to property valuation ratio. It would also increase City valuation by an estimated $7 million in real and personal property from the annexed area. (See attached table to compare Petersburg population and bonded indebtedness with similar Alaskan communities.)

It would appear from testimony presented by a number of city officials at the Senate hearings, however, that the proposed annexation does not directly address the real reasons which impelled the City to request the annexation of Mitkof Island in the first place.

Those reasons are threefold: 1) the desire to plan for the Coastal Management of Mitkof Island, 2) the desire to obtain an adequate land base for later municipal selection of state lands, and 3) the desire to plan for the rational and orderly development of Mitkof Island. None of these objectives is significantly met by the proposed annexation of the northern quarter of Mitkof Island. In fact, from one viewpoint, the recommended annexation only adds to the City's problems without providing any of the benefits which the incorporation of the entire island would entail.

Nevertheless, the Boundary Commission's question, i.e. would the annexation of the 211 square miles of Mitkof Island create a de facto borough government rather than a city?, appears valid.

The implementation of the proposed annexation would not however settle the issue. The City of Petersburg supports the Boundary Commission's recommendation for the smaller area annexation despite its desire to annex all of Mitkof Island. But the City has also expressed the intention to renew its petition next year for the incorporation of all Mitkof Island under the City's jurisdiction. At that time, the same issues and the same arguments of city versus borough government and the need for local regional control will have to be addressed again.

TABLE V

VALUATION, POPULATION AND G.O. BONDED DEBT

CITIES	FULL VALUE DETERMINATION 1-1-77	CIVILIAN POPULATION 7-1-77	G.O. BONDED DEBT 7-1-77	PER CAPITA DEBT	PER CAPITA VALUATION	DEBT % TO VALUATION
CORDOVA	33,047,580	2,406	1,169,200	486	13,735	3.54
CRAIG	5,295,655	467	143,040	306	11,340	2.70
DILLINGHAM	17,140,840	1,269	135,000	106	13,507	.78
EAGLE	1,413,250	145			9,747	
GALENA	2,670,800	631			4,233	
HOONAH	5,332,800	848			6,289	
HYDABURG	1,438,405	380			3,785	
KAKE	2,394,685	679			3,527	
KING COVE	2,863,490	408	393,860	965	7,018	13.75
KLAWOCK	1,025,850	323			3,176	
NENANA	5,373,975	493	253,000	513	10,901	4.71
NOME	33,747,720	2,585	830,000	321	13,055	2.46
PELICAN	4,639,275	169			27,451	
PETERSBURG	34,048,060	2,126	3,750,000	1,764	16,015	11.01
ST. MARY'S	1,415,000	415			3,410	
SELAWIK	1,250,765	521			2,400	
SKAGWAY	29,850,185	854	627,000	734	34,953	2.10
UNALASKA	16,571,530	510			32,493	
VALDEZ	1,211,561,410	7,483	13,036,000	1,742	161,909	1.08
WRANGELL	37,599,610	3,152	575,000	182	11,929	1.53
YAKUTAT	10,149,240	442			22,963	
TOTAL CITIES	1,458,829,725	26,306	20,912,100	795	55,456	1.43
STATE	17,105,126,829	398,983	530,008,000	1,328	42,872	3.10
MUNICIPAL	14,001,074,809	368,406	519,599,526	1,410	38,004	3.71
STATEWIDE TOTAL	17,105,126,829	398,983	1,049,607,526	2,631	42,872	6.14

Alaska Taxable 1977
(Issued January, 1978)

State of Alaska

LOCAL BOUNDARY COMMISSION

Petition from City of Petersburg)
Requesting annexation of)
remaining portion of Mitkof Island)

STATEMENT OF DECISION

Whereas, on November 22, 1977, the City of Petersburg submitted a petition to the Local Boundary Commission through the Department of Community and Regional Affairs in accordance with Title 29 of the Alaska Statutes requesting annexation of the area generally described as the balance of Mitkof Island; and

Whereas, on December 1, 1977, the Department found the petition in proper form with the requisite content and accompanying exhibits; and

Whereas, upon notification by the Department of the petition's sufficiency, the Local Boundary Commission scheduled a public hearing with notice as prescribed by law; and

Whereas, the Local Boundary Commission conducted a physical inspection of the proposed annexation territory and held a public hearing in the Petersburg City Council Chambers on Monday, January 9, 1978; and

Whereas, the Local Boundary Commission held a decisional meeting in Anchorage on January 16, 1978, to review the proceedings on the annexation petition;

NOW THEREFORE, the Local Boundary Commission makes the following findings of fact and enters its decision thereto:

The portion of the petition territory accepted by the Commission meets the regulatory standards for annexation as follows:

19 Alaska Administrative Code 05.010 (a) (3): The territory on either side of the Mitkof Highway within the recommended annexation extending southerly from the current City of Petersburg limits is generally being utilized and developed for residential and business purposes and such growth generally represents an extension of the Petersburg community beyond current city limits.

19 AAC 05.010 (a) (4): The territory recommended for inclusion in the city is in need of City of Petersburg general fund services such as fire and police protection, land use planning and zoning and the City is the most appropriate local government entity for providing such needed services. The City is capable of providing such services and has presented a differential taxation plan which the Commission finds appropriate for integrating the territory with the present city.

19 AAC 05.010 (a) (5): Both the scarcity of developable property and the suitability of property along the Mitkof Highway southerly from the present city limits has resulted in Petersburg community growth in this direction. The Commission foresees continued community growth in the area defined for inclusion in the City by the recommendation, and finds that such growth warrants City of Petersburg jurisdiction.

19 AAC 05.010 (a) (8): The Commission finds that both residents of and property owners in the territory recommended for inclusion within the city benefit from the existence of the adjacent city and by inclusion in the city will make tax contributions commensurate with benefits derived from provision of city services.

On the basis of the foregoing, the Local Boundary Commission affirms its decision to accept, with Commission modification, the City of Petersburg boundary change petition in accordance with Exhibit "A" attached hereto.

LOCAL BOUNDARY COMMISSION.

January 30, 1978

Approved:

s/ Sigvald J. Strandberg
Sigvald J. Strandberg, Chairman

s/
Josephine Anderson

s/
Edward Hopson

Dissenting:

s/
James Dodson

Absent & Excused:

s/
Sheila Gallagher

STATE OF ALASKA

LOCAL BOUNDARY COMMISSION

JUNEAU, ALASKA

RECOMMENDATION FOR ANNEXATION OF TERRITORY TO THE CITY OF PETERSBURG, ALASKA

SUBMITTED JANAURY 18, 1978

RECOMMENDATION FOR ANNEXATION OF TERRITORY

TO THE

CITY OF PETERSBURG

WHEREAS, petitioner, the City of Petersburg, has requested that the entirety of Mitkof Island be annexed to the City of Petersburg, including the contiguous waters extending a distance of 1,000 feet from the line of mean high tide excepting in Wrangell Narrows at which distance shall be the midpoint between Mitkof and Kupreanof Islands; and

WHEREAS, subject to proper notice, the Local Boundary Commission conducted a public hearing in Petersburg on January 9, 1978, to hear testimony from the public concerning the proposed annexation; and

WHEREAS, upon conclusion of the public hearing the Local Boundary Commission requested additional data to supplement the hearing record; and

WHEREAS, petitioner, City of Petersburg, submitted the supplemental information requested to be distributed to Commission members; and

WHEREAS, the Local Boundary Commission held a decisional meeting on January 16, 1978;

NOW THEREFORE, the Local Boundary Commission recommends that pursuant to Article X, Section 12 of the Alaska Constitution and Alaska Statute 44.19.260, the petition brief and reply brief of annexation to the City of Petersburg was approved and the Local Boundary Commission modified the boundary to include a portion of Mitkof Island north of UT59S, Copper River Meridian. The official description of the proposed boundaries of the City of Petersburg are as follows:

Beginning at the SW corner of Section 31, UT59S, R81E, Copper River Meridian, Alaska; thence in an easterly direction along the S boundary of Section 31 protracted to its intersection with the mean low water of Mitkof Island; thence in a northerly, northwesterly direction along the meandering mean low water of Mitkof Island to the northerly tip of Mitkof Island; thence in a northwesterly direction to the center of the mouth of Wrangell Narrows; thence in a southerly direction along the center line of Wrangell Narrows to the point of intersection on the S boundary of Section 34, UT59S, R79E; thence easterly along the S boundary of UT59S to the point of beginning, containing 46.1 square miles more or less.

In accordance with Article X, Section 12 of the Alaska Constitution, this recommendation shall become effective forty-five days after presentation to the Legislature or at the end of the Session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each House.

Report To Local Boundary Commission

Annexation
To
present limits
of
The 1st Class City of
Petersburg

Department of Community & Regional Affairs
Local Government Assistance

January 4, 1978

The City of Petersburg was organized in 1912 and exists as a first class city under the laws of Alaska. The City of Petersburg's boundaries encompass more or less 2.1 square miles excluding tide and submerged lands. The City's population for 1977 State Revenue Sharing purposes, as accepted by the Department of Community and Regional Affairs, is 2,126.

The City of Petersburg is situated on the northern end of Mitkof Island where the Wrangell Narrows connect to Frederick Sound. The City is located on a low lying plane extending between sea level and a general elevation of 200 feet. This area is approximately 5 square miles. The lack of topographical relief in this area has made it possible for Petersburg to expand beyond its present boundaries.

The City proposes to modify and extend its municipal corporate boundaries. The annexation of contiguous lands and adjacent waters to Mitkof Island will expand the existing general boundaries southward to encompass the entire island. Annexation was first contemplated in 1975 and proposed encompassing west Petersburg, which is now the City of Kupreanof. The City Council followed an October 1975 referendum mandate from its citizens not to pursue annexation, but the City now has current circumstances which it feels necessitates extension of the municipal boundaries to include the entire Mitkof Island.

On November 22, 1977, the Department of Community and Regional Affairs received a petition and brief for the annexation proposed by the City of Petersburg. On December 1 the Department accepted and found the petition and brief to be substantially in proper form and containing the factual information required.

Attached is a copy of the letter from L. B. Jacobson, petitioners' attorney, explaining the difficulty of mailing the petition and brief to the City of Kupreanof. However, the Department feels every reasonable effort was made to contact the City of Kupreanof.

Attached is a notice of filing the petition as published in the Petersburg Pilot, December 14, 1977. At the request of Representative E. J. Haugen and the City of Petersburg Erik Simpson and Doug Griffin scheduled a trip to Petersburg from December 19 through 21 to answer questions concerning annexation. On December 19, 1977, a notice of public hearing for the proposed annexation was submitted to the Petersburg Pilot. Since the notice could not be published in the newspaper until December 28, five notices of the public hearing were posted within the City at the post office, City Clerk's office, Archie's, The Trading Union and the Magistrate's office. Outside the City the notice was posted at Scow Bay Liquor, The Beachcombers and Mitkof Lumber on December 20, 1977.

In the petitioners' brief the City of Petersburg reports that seven annexation standards are satisfied for the territory proposed for annexation.

The City of Petersburg maintains that the annexation standards depicted by 19 AAC 05.010 of subsections (3) through (9) are applicable and satisified. Realizing that the City of Petersburg may propose annexation if only one of these standards is met, the Department will indicate the applicable standards and summarize any issues raised as follows:

Under subsection (3), the petitioners claim that the standard is satisfied because the territory between Blind Slough and Petersburg is essentially urban in character.

The Department notes that this standard may only partially be satisfied because the territory proposed for annexation beyond Mile 8 of the Mitkof Highway is not essentially urban in character.

Under subsection (4), the petitioners claim the residents of the area are presently in need of all the basic municipal services, and the City of Petersburg is in a most favorable position to provide them. The City has presently felt the necessity to provide a minimum level of police, fire and ambulance services outside the present City limits.

The Department raises the issue that police, fire and ambulance services cannot legally be provided outside the City limits according to AS 29.48.037. The above municipal powers are not extraterritorial powers granted to the City of Petersburg by state statute.

Under subsection (5), the petitioners maintain there is no doubt that the future growth of Petersburg will occur within the territory and that annexation will permit the City to plan and control its development. It is envisioned that State land selections under the Statehood Act and the municipal entitlement of 10 percent of the vacant unappropriated land within the annexed territory will cause a material deviation from the old patterns of growth and development.

The Department raises the issue that this territory could be annexed at a time when the State receives title to this land rather than second guess which lands will actually become available for State land selection and municipal entitlement.

Under subsection (6), the petitioners maintain that annexation will alleviate the condition presently jeopardizing the health and safety of the City residents, particularly nonresidents. The City feels that to deny police, fire and ambulance services and to not respond to residents who have accidents while outside the City does allow nonresidents to receive services without cost. The City simultaneously suffers substantial tort liability exposure.

Annexation would alleviate this problem if minimum level services are provided to the residents outside the City. Since no additional

tax levy may be collected in the territory proposed for annexation until Fiscal Year 1978 - 79, the Department is concerned about the ability of the City to pay additional school support from the sales tax and make any capital expenditures needed to effectively provide police, fire and ambulance services to those residents beyond Mile 8 of the Mitkof Highway.

According to 19 AAC 30.050.020 no annexation will be approved unless the annexing city demonstrates to the satisfaction of the Commission that it is capable of extending and willing to provide services to the annexed areas. The 50 percent property tax for administrative services may need to be further itemized depending on the capability and willingness of the city to provide specific services.

Under subsection (7), the petitioners feel that the extension of city water, sewer and garbage collection will inevitably follow annexation. The services are dependent upon obtaining a favorable cost benefit ratio both to the City and the consumer.

The Department raises the question whether it would be appropriate for the City to collect property tax for the utility functions. The utilities would normally be considered an enterprise function which would be self-supportive from the user rates or surcharges associated with the particular utility.

Under subsection (8), the petitioners maintain that the residents and owners of property in the territory to be annexed receive the benefit of City services without remunerative tax contribution.

The Department notes that the City sales tax collected from residents and nonresidents alike has been used to substantially support the school and pay for the hospital and swimming pool bonded indebtedness. Previously the Federal and State Revenue Sharing funds have adequately covered the cost of providing the operating expenditures for the library, museum and parks and recreational programs.

Under subsection (9), the petitioners state that annexation is otherwise necessary in three important aspects to accomplish valid public purposes:

(1) All of the City's various properties and facilities would be within the jurisdiction of its boundaries.

Although it may be argued that City-owned rock quarries and mineral sites should be within the City limits to provide direct jurisdiction, the Department notes that the territorial jurisdiction protecting the water supply and the watershed may be preserved by adopting an ordinance to enforce the jurisdiction outside the City's present boundaries.

(2) The City feels that to participate in the coastal zone management program the entire Mitkof Island should be annexed.

Although the federal guidelines have not been developed, the Department notes that the City has not budgeted for nor is presently engaged in an effort to develop a district coastal zone plan by December 4, 1979.

(3) The City could also acquire additional properties to facilitate its growth and development through the acquisition of public and private properties as a result of State land selection.

The Department notes that only after the State has received title to the property will the City finally determine which territory will facilitate growth and development either in the private or the public sector. The Department also has some questions as to whether the City would receive all the State lands selected, particularly the section at the southern end of Mitkof Island.

According to 19 AAC 30.10.120, the Department has summarized the issues raised in the petition and brief with comments to those issues which are deemed relevant to the proposed annexation. The Department issues no recommendation regarding this proposed annexation.

JAMES F. PETERSEN
ATTORNEY & COUNSELLOR AT LAW
319 SEWARD STREET
THOMAS G. NAVE, ASSOCIATE JUNEAU, ALASKA 99801 (907) 586-3530

February 4, 1978

Senator Joseph Orsini, Chairman,
House Committee of Community and
Regional Affairs
Room 101, Assembly Building
Juneau, Alaska 99811

Re: Opposition to Local Boundary Commission's Recommendations Regarding Petersburg Annexation Area
Our File No. P-8706

Dear Senator Orsini:

Please be advised that this office represents a number of the residents in Petersburg who strongly object to the procedures utilized by both the City of Petersburg and the Local Boundary Commission in determining that the city limits of Petersburg should be extended. For your information, I have attached hereto and to the copies of this letter which is being furnished to each member of your committe, copies of the pleadings which were filed on behalf of these citizens with the superior court here in Juneau. A review of these pleadings will clearly demonstrate the basis for the objection of the people of Petersburg.

As you and the members of your committee are aware, the recommendations by the Local Boundary Commission automatically come into being forty-five days after they have been submitted to the legislature, unless the House and the Senate pass a concurrent resolution rejecting said recommendations. Because of the total lack of community input into both the City of Petersburg's petition to the Local Boundary Commission and the decision of the Local Boundary Commission, the people of Petersburg sought a temporary restraining order preventing the recommendations from going to the legislature; however, the superior court did not enter the temporary restraining order. In order for a restraining order to issue by the court, the parties seeking the same must show immediate harm. The court took the position that the mere

recommendations by the Local Boundary Commission to the legislature did not cause such immediate harm as to require the issuance of a temporary restraining order, and for that reason the same was denied by the superior court.

There is presently circulating in Petersburg petitions objecting to any annexation to Petersburg without having adequate studies made to determine the total impact that such an annexation would have upon the City of Petersburg and its citizens. At last report, these petitions have been signed by over half of the adult residents of the Petersburg area, and the indication was that by the time the petitions were presented to the House Committee on Community and Regional Affairs and the the Senate Committee on Community and Regional Affairs they would have better than 75% of the signatures of the adult population of the Petersburg area.

A number of Petersburg residents would like to attend the Committee hearings, but because of the time and expense involved, if at all possible they would like to have the committees meet jointly in Petersburg to enable the citizens to express their concerns over this proposed annexation. For instance, the Petersburg Indian Association is almost unanimously opposed to any expansion of the existing city boundaries without adequate studies regarding the impact of such an expansion; however, the Petersburg Indian Association does not have adequate funding to send a delegate up to Juneau to testify before the committees. The Petersburg Indian Association is representative of all native organizations and groups in the Petersburg area and is responsible for administering the various native programs in the Petersburg area, they have a membership of over two hundred adults.

After reviewing the attachments to this letter, should you have any questions in reference to the same, please do not hesitate to contact me. Thank you.

Yours very truly,

James F. Petersen

JAMES F. PETERSEN

JFP/lm
Attachments - 1 Copy of "Complaint"
1 Copy of "Motion For Temporary Restraining Order And Preliminary Injunction"
1 Copy of "Memorandum In Support Of Motion For Temporary Restraining Order And Preliminary Injunction"
1 Copy of "Amended Complaint"

cc: Senators Willis, Ferguson, Hackney & Sumner

To: Ben Harding

SCRA

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

In the Matter of the Annexation by)
the City of Petersburg, Alaska)
) PETITIONER'S BRIEF

I. In General. The City of Petersburg, Alaska is a first class city organized in 1910 and existing under the laws of the State of Alaska. The City of Petersburg's original municipal boundaries encompass 2.1 square miles more or less, excluding tide and submerged lands. They have remained unchanged. Petersburg's population for FY 1977 revenue sharing purposes as compiled for and approved by the Alaska Department of Community and Regional Affairs was 2,126.

Annexation was first contemplated in 1975, which proposal encompassed West Petersburg, now the City of Kupreanof. The Council followed an October 1975 referendum mandate from its citizens to not pursue annexation, but current circumstances warrant extension of municipal boundaries, albeit modified as to territory. The population residing in the territory sought to be annexed has mixed feelings about annexation and the passage of two years did not yield a consensus sufficient to proceed under local action.

II. Municipal Services Provided Within The City. The City of Petersburg currently provides electrical, water, sewer, garbage and solid waste disposal services to its residents. The City provides maintenance and repair services for city streets and rights-of-way, and the Public Works Department extends utility lines to new subdivisions and housing developments.

Law enforcement within its jurisdiction is undertaken by the Petersburg Police Department consisting of a chief,

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captain, sergeant, three officers, plus a public safety officer for canine control and parking. The Department has two patrol cars, a canine truck and an ambulance. The police department has paramedic capacity, and EMT's from the police department and fire department respond to ambulance calls. The police department offers 24-hour service 7 days a week with radio-equipped vehicles with CB backup.

Fire protection within the City is furnished by the Petersburg Volunteer Fire Department operated out of City Hall and which possesses major equipment as follows: 1963 American LaFrance pumper with 500 gallon tank, 1967 American LaFrance pumper with 500 gallon tank, 1975 American LaFrance pumper with a 750 gallon tank, 1952 Jeep pumper without tank, 1938 International Harvester pumper with a 100 gallon tank, and a 1969 Ford Rescue Van. The Department is staffed with one paid full-time lieutenant. The chief and two assistant chiefs are part-time, and the backbone of the department lies in its 22 volunteers. The volunteers meet weekly for fire and EMT training, and representatives regularly attend fire fighting schools within the State.

Petersburg's primary industry is fishing and the City has, in addition to a major port development project currently in progress, old and new boat harbors furnishing 220 stalls plus transient and floatside moorage. The stalls are furnished with water hookups and electricity, and the harbors also have a pay phone, public lavatory, a refuse dumpster, and two boat grids.

The municipal library is located in City Hall, available to the public.

Petersburg General Hospital has 15 short-term beds and 10 beds for long-term care. It has an emergency room,

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operating room, delivery room, and possesses x-ray facilities, laboratory, blood bank, cardiac monitor, and defibrilator. Use of the hospital facilities is not limited to Petersburg residents and there is no surcharge for nonresidents. It has 28 employees, 15 full-time and 13 on a part-time basis. Two independent physicians reside in Petersburg. In the last fiscal year, the Petersburg General Hospital has accommodated 342 patients and treated 891 emergency and outpatient cases.

Clausen Memorial Museum is an entirely City operated entity both in terms of physical plant and personnel.

The City owns the physical plant and facilities of the local school system operated by the Petersburg School District through its School Board. The plant consists of an elementary school, an old and a new high school buildings, an old gym for community and gradeschool physical education, and a swimming pool and industrial arts building. The swimming pool is used by the students during the school day but is open to the public on evenings and weekends. Total enrollment is 613 which includes 105 students from Mitkof Island outside the city and 5 students from Kupreanof. There are 47 teachers including two principals.

III. Extra-Territorial Services. The City currently provides extra-territorial fire protection and ambulance response service to nonresidents on a gratuitous basis. The City earlier implemented a plan of contractual fire protection but found it administratively burdensome and politically untenable. There were no fires outside the City requiring response. The ambulance and EMT service responded to 73 calls in 1976, 20 of which were outside of the present city limits. In 1977 to date, the ambulance has responded on 56 occasions, 19 of which were outside the City.

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The City furnishes electricity to 215 extra-territorial customers and imposes a 15% surcharge above the normal in-city rate.

There are slightly in excess of 50 customers outside of the City who are connected to the City water utility and they pay a 50% surcharge over the in-city water rate.

There are 15 customers outside the present city limits connected to the municipal sewer utility and they pay no surcharge above the standard sewer rate.

The City affords garbage collection service to its residents, and while such service is not afforded to nonresidents, the garbage dump is operated and maintained by the City and is gratuitously available for nonresidents. The school district does not impose a nonresident tuition fee as to those students residing outside of the City nor is there any prohibition or surcharge imposed for use of school facilities such as the gym or swimming pool by nonresidents.

The hospital imposes no nonresident surcharge, and while the emergency and outpatient case records do not indicate a breakdown between resident versus nonresident, a substantial number of patients were treated at that facility, most commonly in connection with commercial fishing, logging and auto accidents. The City imposes no extra charge for nonresident's use of the municipal library, port facilities, cemetery, recreation areas, or other general services. Police protection outside the City is furnished by the Alaska State Trooper placed at Petersburg. The City has entered into a mutual aid agreement with the State of Alaska for fire protection at the airport which lies outside the City in exchange for the City's use of the State's major

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firefighting equipment for responding to in-City fires.

IV. City-Owned Properties Outside the Existing Boundaries. A substantial portion of the City's electrical system lies outside the City. The City of Petersburg owns and operates the Blind Slough Hydroelectric Project, the site of which is approximately 15 air miles south/southeast of the present City of Petersburg, or 17 miles via the Mitkof Highway. The power house generates 2,000 KW and lies on the west side of Blind River with the dam at Crystal Lake lying approximately a mile and a half via trail above to the southwest. Current estimated replacement value for the dam, penstock, generators, and miscellaneous equipment is $6 million. A distribution line runs from the Blind Slough Hydro facility to the City of Petersburg with 5 substations inbetween.

The City of Petersburg operates a sanitary landfill which is approximately 1 mile south of the present city limits via Sandy Beach Road. This facility is operated 6 days per week and serves most of the disposal needs of the Mitkof Island population.

The rock quarry is approximately 1 mile south of the airport and the City of Petersburg has applied to the State of Alaska for continued use of the quarry, part of which will be exclusively for the City's use if the pending application is approved. This 15 acre quarry site is developed to provide shot-rock for the City's needs in road construction, gravel production, and land fill material for tideland development.

The Sandy Beach Recreation Area is owned and operated by the City through its parks and recreation board. It is just south of the present city boundaries and affords

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picnic tables, restrooms, and covered shelters at the beach which is also used by the hardy for swimming.

The Water Treatment Plant and City reservoir lie approximately 1 mile further south beyond the City landfill. The reservoir is approximately 5 acres and the treatment facility capacity is designed at 4 million gallons per day. A 750,000 gallon capacity storage tank is located between the treatment plant and the City. Estimated replacement cost for this system is $1 million.

The Petersburg cemetery which is owned, operated and maintained by the City consists of 982 plots and lies approximately 1/4 mile south of the City boundaries on the Mitkof Highway.

V. What is in the Area Proposed for Annexation?

A total of 514 persons reside outside the City limits and within the area proposed for annexation.

In addition to City-owned facilities recited in the previous section, numerous federal, state and privately-owned properties and enterprises exist.

At the federal level, the Forest Service has most of the facilities. It operates and maintains campground and recreation areas known as the Blind Island Picnic area, the Blind Slough Recreation area, Ohmer Creek Campground, Sumner Strait Campground, Wilson Creek picnic area and the Three Lakes Recreation area. (See Appendix A) In addition to these, the Forest Service maintains the Three Lakes Loop Road which is available for recreational purposes, the collecting of wood for fireplaces, fishing and various other recreational activities, and is about 25 miles in length, going over toward the Ideal Cove vicinity.

The Forest Service also has the old University of Alaska Experimental Fur Farm, and the Forest Service operates

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a warehouse at Scow Bay. The majority of land on Mitkof Island is under Forest Service jurisdiction.

The U.S. Coast Guard owns 41.25 acres in the vicinity of Mile 6 on the Mitkof Highway.

The Federal Power Commission still has a land withdrawal at the Blind Slough Hydro Electric facility and that is the land on which the City maintains its hydroelectric plant and where the Light & Power Department superintendent and his family reside.

The State of Alaska owns and operates the Mitkof Highway running along the west and south sides of Mitkof Island, approximately 30 miles in length. The State Department of Transportation also operates a maintenance facility outside the city limits where they keep their materials and equipment.

The Alaska Department of Fish and Game operates a major facility at Blind Slough, specifically a fish hatchery.

The Alaska Division of Lands controls various rock and materials quarries which are on state land in addition to the airport quarry which the City operates. All of these quarries are outside the present City limits.

The most heavily used state facility is the airport immediately south of the present city boundaries consisting of a gravel runway suited for 737 jet service by Alaska Airlines twice daily to Petersburg.

The majority of the remainder of the land on Mitkof Island not owned by the Forest Service is in State of Alaska ownership, earmarked as Mental Health land under the Division of Lands jurisdiction.

VI. Non-Governmental Property Ownership Outside.

There are approximately 182 houses, plus a few summer cabins.

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There is also a church, four trailer courts, one cafe, two welding shops, a motor carrier transfer company, six warehouses, three construction companies, two building supplies, a consumers co-op, a liquor store, nightclub, general business, two logging companies, a lumber mill, marine transportation dock, and three airlines.

VII. New Developments. The City of Petersburg is presently advertising for construction of Phase I of the Port Project. This port will supply berthing facilities for the Coast Guard and possibly other federal and state agencies. A small boat moorage will be developed in the future and a docking facility and land fill with leasable land area and a lift-out facility with 100-ton capacity is envisioned in the prospective development. Total estimated construction costs for Phases I and II are approximately $1.1 million.

The City has just completed construction of a major repair job on the Blind Slough Hydroelectric facility, the dam being faced with aluminum sheeting, reinforcement of the penstock supports, and spillway area capacity was increased.

Major construction on the municipal sewer treatment plant was completed and approved September 1, 1977 and the remainder is scheduled for estimated completion by January 1, 1978. It is an $8 million project.

On October 1, 1976, the City of Petersburg completed construction on its new high school and the reconstruction of the swimming pool was undertaken concurrently. Phase II of the high school development is now in the planning stage.

The City of Petersburg has completed planning and is in the developmental phases of several new subdivisions which will open for construction as soon as utilities and access are complete. Road construction is currently in

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process as well as sewer line extension and water line development to the subdivisions.

The Petersburg Power & Light Department is in the process of installing an additional 1,200 KW diesel generator.

VIII. Ongoing and Future Non-City Development.

The U.S. Forest Service is in the final planning process for establishing a tree nursery to be undertaken at the site of the old University of Alaska experimental fur farm at approximately 9 Mile Mitkof Highway. This nursery will have a capacity of about 1 million containerized seedlings each year to provide planting stock for Forest Service activities, and private landowners and the State of Alaska will also be able to acquire planting stocks from this nursery.

There are presently two active timber sales at the south end of Mitkof Island, specifically Bear Creek No. 1 which is an independent sale being operated by Louisiana Pacific which has a log transfer point at Pape's Landing. The second is a Pacific Northern Timber Contract and it has a log transfer point at the south end of Blind Slough.

Forest Service also has an appropriation for installation of a boat ramp and dock on the extreme south shore of Mitkof Island, this project to be undertaken in conjunction with the State of Alaska.

The State of Alaska Department of Transportation has awarded a contract for construction of Phase II of the Mitkof Highway from the downtown Petersburg area out to Sandy Beach. The State Department of Fish & Game has ongoing construction of the fish hatchery at Blind Slough and will be working with the Department of Transportation to construct a new bridge over the Blind River for hatchery access and

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other public purposes.

Private subdivision development is also occurring outside the present city boundaries, the major growth area being in the vicinity of Skow Bay.

The Forest Service is currently cooperating with the City of Petersburg in repair and relicensing of the Blind Slough Hydro project. This project includes a man at Crystal Lake and a pipeline to the power house down to Blind Slough.

Intergovernmental cooperation at the local level is occurring by joinder of Petersburg with Wrangell in formation of the Thomas Bay Power Authority which will ultimately connect the Wrangell electrical system with the Petersburg distribution system, tying in somewhere on the south end of Mitkof Island in the vicinity of Blind Slough.

IX. Why the Boundaries Proposed?

The municipal boundaries of Petersburg have not changed for over 65 years. Until perhaps the last decade growth in and around the City of Petersburg has not warranted extension of the municipal boundaries based upon necessity of extension of municipal services in light of costs and service benefit to both the City and residents outside of the municipal boundaries. It became apparent to the City Council, however, that the City by reason of its serving as a major fishing port and as the commercial and industrial center of the area, has conferred substantial benefits upon the residents and owners of properties outside the City without corresponding tax contributions for municipally-provided services. Further, the apparent need for basic services such as the promotion and control of land and usage and development through planning and zoning authority and

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extension of full police and fire protection to the areas outside of the City which are, in part, urban in character, mandated consideration of an annexation proposal.

Petersburg's 1975 annexation proposal is a matter of record both in the files of Community and Regional Affairs and in the courts. Petersburg's own residents did not like the territorial boundaries described in the former proposal which included West Petersburg (now Kupreanof) and extended down to Blind Slough.

This proposal differs from the former in two significant respects: (1) West Petersburg is excluded from the proposal, and (2) all of Mitkof Island is included, not limited exclusively to the developed portions fronting Wrangell Narrows between Blind Sough and the present City.

The residents within the territory proposed for annexation naturally use the City-owned and maintained school, hospital, library, museum, cemetery, port facility, and all other municipal facilities, including city streets and roadways. The nonresidents benefit from the access to and actual utilization of the aforementioned municipal facilities but other than through payment of the local sales tax do not financially contribute to their establishment, maintenance or perpetuation in any manner corresponding with the contributions from local residents. It is felt by the Council that an annexation proposal encompassing a smaller territory would cause political foment to the extent that a proposal would include some residents and exclude others, and for the second reason that a small proposal at this time would merely be a piecemeal approach to the ultimate inclusion of the entire island at a future time anyway. Finally, the Council has determined that inclusion of Mitkof Island in

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its entirety as the municipal boundaries for the City of Petersburg are in the best interests when viewed in the light of Coastal Zone Management and State land selections.

X. Applicable Standards Satisfied.

19 AAC 05.010 describes the standards for annexable territory, subsection (a) reciting standards to be considered when the territory to be annexed is contiguous to present municipal boundaries. It is the City of Petersburg's position that subsections (3) through and including subsection (9) are applicable and satisfied as follows:

(3) The territory between Blind Slough and Petersburg proper is essentially urban in character. Virtually all of the extra-territorial population resides therein and the City provides electrical service to all dwellings and commercial enterprises therein. While it suffers from the lack of zoning control, it is accurate to state that the land is largely platted and held for sale and in fact the State of Alaska Division of Lands conducted a major land sale within the area in 1972. (See Appendix B). The population stems primarily from actual growth of the City beyond its legal boundaries, particularly the extension of population from Petersburg to Skow Bay.

(4) The residents in the territory need all of the basic municipal services, providing none to themselves and certainly the City of Petersburg is in a more favored position to provide them rather than some other municipality. An alternative is for residents in the territory to form their own municipal government, but it would invariably suffer from an inadequate population base and be capable of furnishing only very basic services. Formation of such local government would also run afoul of the constitutional

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mandate found in Article X, §1 of the Alaska Constitution, to-wit:

> "The purpose of this Article is to provide for maximum local self-government with a minimum of local government units, and to prevent duplication of tax-levying jurisdictions."

(5) There can be no doubt that future growth and development of Petersburg will occur within the territory. Annexation will permit the City to plan and control its development. The reason that growth and development have been limited to the "strip" on Mitkof Island adjacent to Wrangell Narrows is because the remaining land has been tied up in U.S. Forest Service jurisdiction and simply incapable of development from a legal standpoint of ownership. It is envisioned that state land selections under the Statehood Act and municipal entitlement of 10% of the vacant unappropriated lands within the annexed territory will cause a materal deviation from the old pattern of development.

(6) It is entirely accurate to state that annexation will alleviate a condition presently jeopardizing the health and safety of city residents and particularly nonresidents. The issue of whether the City of Petersburg should expand its fire, police and ambulance protection service beyond the municipal limits has been a troublesome issue and one on which there has been much vacillation. To deny the service is to not respond to residents have an accident while outside the City limits, yet to provide the services gives the nonresidents something for nothing and the City simultaneously suffers substantial tort liability exposure. Even to provide such fire service on a contractual basis is to inevitably do nothing but watch in anguish over the house which burns without contractual protection while the volunteers hose down the protected neighboring properties. Perhaps the

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major "danger zone" outside the City is at the Airport and Petersburg's residents and nonresidents alike use this facility as well as the general sector. The State Troopers are to respond to criminal matters at the airport and presumably the State Division of Aviation handles fire control. The latter presumption is, however, largely a fiction and the interim patchwork takes the form of mutual aid agreement whereunder the City's volunteer fire department responds to airport fires and crashes.

(7) The extension of City water service, sewer service and garbage collection service will inevitably follow annexation albeit at disjointed times dependent upon attaining a favorable cost/benefit ratio both to the City and to the consumer. The electrical service is already areawide. The municipal water system has excess capacity as does the wastewater treatment plant and solid waste disposal plant.

(8) It is self-evident that the residents and owners of property in the territory to be annexed receive the benefit of City services without commensurate tax contributions. Illustrations abound where general services are provided to nonresidents without surcharge, yet it is the Petersburg real property owner who has unfairly shouldered the burden of establishing, operating and maintaining the general facilities.

(9) Annexation is otherwise necessary in three important respects to accomplish valid public purposes: (1) To have all of the City's various properties and facilities within its jurisdictional boundaries, (2) to participate in Coastal Zone Management affecting the entire island, and (3) to enable the City of Petersburg to acquire additional

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properties to facilitate its own growth and development, for example, rock quarry and material sites.

It should be noted that snowmobiling, cross-country skiing, hunting, and summer recreational hiking occur on the virtual entirety of Mitkof Island and the police and fire departments' EMTs ought properly to be charged with responding to calls for assistance from their citizens.

XI. Taxes, Services and Benefits in Transition.

Upon receiving annexation authority the City of Petersburg proposes immediately to confer planning and zoning control, police and ambulance service, and fire protection throughout the enlarged jurisdiction. Garbage collection service throughout the area would be phased in as quickly as possible following annexation, consistent with the availability of the trucks and manpower. The City of Petersburg's fiscal year runs from July 1 through June 30 the next calendar year. Since the effective date of the annexation, if granted, would fall in the middle of calendar year 1978, and most probably at a time other than commencement of Petersburg's 1978-79 fiscal year, it is contemplated that the services which the City is to provide should be phased in on a schedule roughly commensurate with additional revenue which is generated from capital improvement. The City will not impose taxation, either on real or personal property, in the territory proposed for annexation until tax year 1979.

Extension of the water and sewer utility services will be undertaken on a basis compatible with the City's financial ability with a view toward a favorable cost/benefit ratio. This will be done in piecemeal fashion and to adjust for the inequitable provision of utilities services, the

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City proposes to implement a program of diffential tax zones on a schedule to be from time to time amended as the scale of services changes. The initial proposed tax differential zones will be proposed as follows:

Service	Percentage of Tax Levy
Basic general services and administration	50%
Electrical utility service	15%
Sewerage and wastewater treatment	15%
Water utility	15%
Garbage collection	5%

The surcharges to nonresident consumers of water and electricity would all continue through 1978 and thence be discontinued.

The administration in the City of Petersburg recognizes the need for fire, rescue and ambulance service within the expanded jurisdiction; a plan will be formulated to ascertain how to best respond to the additional requirements, perhaps by creating one or more fire substations in the newly annexed area.

The construction of new residential and commercial structures and additions thereto in the new territory will be subject to the National Building, Plumbing and Electrical Codes as well as the Fire Prevention Code, thus ensuring greater value through compliance with recognized standards. The City's comprehensive zoning plan will have to be expanded commensurate with its enlarged jurisdiction. In undertaking this task, the City plans to (1) recognize non-conforming uses through "grandfather rights" and (2) amend the Planning Commission Ordinance to add at least two members residing in the newly-annexed territory prior to formulating enlargement

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of the comprehensive zoning plan for the entire area.

Members of the population currently residing outside of the City and using municipally-provided services are unable to play a role in the formulation of policy pertaining to those services. If authorized, the annexation would, in addition to the obvious benefit of the privilege of voting, allow those who are currently nonresidents of the City to participate in the policy making process through candidacy for elective office such as the Council and School Board and to serve on numerous committees and commissions.

There are no inter-municipal agreements regarding transitional provision of services and distribution of assets and liabilities because this proposed annexation does not affect any other City or Borough.

XII. Conclusion.

The territory proposed for annexation contains approximately 20% of Mitkof Island's total population. Although numerous and independent, the residents in the territory sought for annexation do not constitute a sufficient population base to warrant establishment of a borough and they accordingly rely upon the City to provide basic governmental services.

Growth is inevitable in the territory--both in terms of population and in terms of increased commercial and governmental activity. If the bottom fishery development progresses as contemplated, Petersburg's waterfront will be active to the point of excessive demand.

Acquiring jurisdiction to implement planning is desirable as to the entirety of Mitkof Island. The need for revision of Petersburg's comprehensive plan on an area-wide

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basis is indicated. New zoning is desirable to encourage organized growth and compatible neighboring uses. The expansion of municipal services into the annexed territory will inevitably bring the concommitant burden of taxation. The City is not engaged in an imperialistic plan to acquire properties by expanding its jurisdiction for the purpose of generating income. Its function instead is to provide for efficient, adequate and economical government operating on a break-even basis in accordance with the will of the populace. Those inhabitants of the territory and absentee property owners who would oppose the proposed annexation merely because of the necessary incident of taxation should be mindful of the fact that for years Petersburg's taxpayers have unfairly shouldered the entire financial burden of providing the municipal schools, library, boat harbors, museum, fire and ambulance and police services, streets and roadways, hospital, cemetery which they have used without commensurate contribution. Moreover, the establishment of differential taxation zones predicated upon services provided and benefits received will assure basic fairness.

Petersburg is a progressive community and Mitkof Island is on the threshold of imminent additional growth. Recognizing this, the City wishes to respond to this impact by enlarging its jurisdiction "to provide the maximum local self government" consistent with Alaska's constitutional mandate.

DATED this 22nd day of November, 1977.

ROBERTSON, MONAGLE, EASTAUGH & BRADLEY

By L. B. Jacobson
L. B. Jacobson of Attorneys
for Petitioner

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CITY OF PETERSBURG

July 26, 1963

DESCRIPTION OF CORPORATE LIMITS OF THE TOWN OF PETERSBURG, ALASKA

Beginning at Corner No. 1, identical with Corner No. 3, M.C., U.S. Survey No. 1173; thence East a distance of 6,000.00 feet to Corner No. 2; thence North a distance of 920.00 feet to Corner No. 3; thence East a distance of 7,900.00 feet to deep water of Frederick Sound, Corner No. 4; thence North 35 degrees 37 minutes West parallel to the westerly shore of Frederick Sound a distance of 8,800.00 feet to the mouth of Wrangell Narrows, Corner No. 5; thence South 52 degrees 45 minutes West along Wrangell Narrows a distance of 6,300.00 feet to Corner No. 6; thence South 42 degrees 30 minutes West along Wrangell Narrows a distance of 3,300.00 feet to Corner No. 7; thence South 50 degrees 29 minutes 30 seconds West along Wrangell Narrows a distance of 3,496.50 feet to Corner No. 8; thence East a distance of 1,450 feet to Corner No. 1, the point of beginning.

Containing 3.10 Sq mi more or less.

EXHIBIT "A"
Municipal Limits of Petersburg
11-22-77

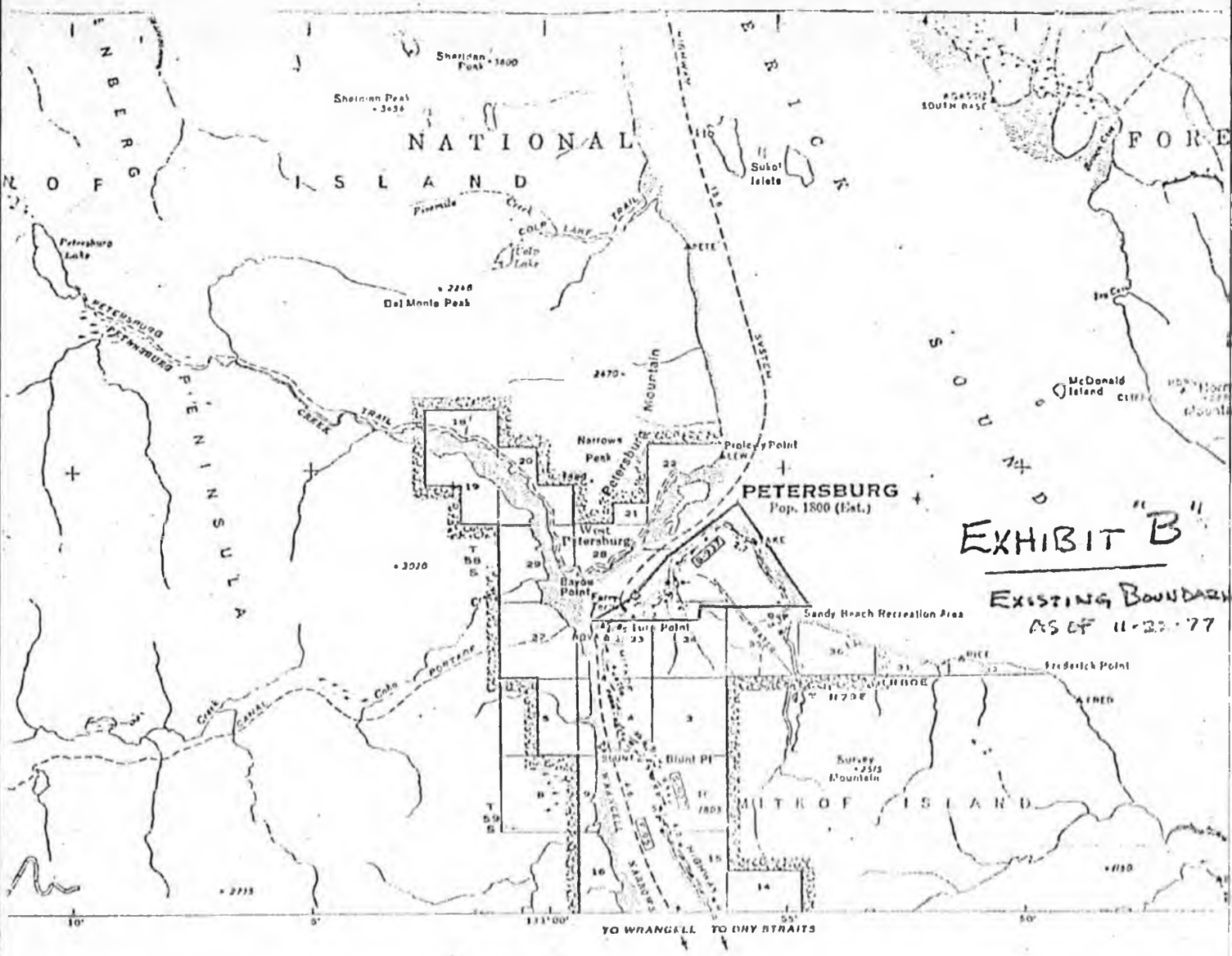


EXHIBIT "B"

EXISTING BOUNDARY
AS OF 11-22-77

PETERSBURG SHEET B

END

DRAINAGE

BOUNDARIES

MISCELLANEOUS

Highway data and adjacent culture compiled from aerial imagery records dated 1973 and aerial photography dated 1963

General complete and drainage features compiled from USGS 1:63,360 Quadrangles dated 1951 (left) and 1953 (right), based on aerial photography dated 1948

Universal Transverse Mercator Projection, Zone 8, 1927 North American Datum 10,000 meter grid ticks shown

Control by USGS and USCAGS

Map field checked 1963

Entire land area is within the Tongass National Forest except the Petersburg exclusion area

QUADRANGLE LOCAT

INDEX TO MAP Sh

	1	2
		3
4	*	PETERSBURG
		8
		11
	CAMIS	

* No existing or planned

PETERSBURG

EXHIBIT C

EXHIBIT D

ORDINANCE NO. 381
City of Petersburg, Alaska

AN ORDINANCE PROPOSING THE MODIFICATION OF THE MUNICIPAL BOUNDARIES OF THE CITY OF PETERSBURG BY ANNEXATION OF MITKOF ISLAND AND ADJACENT WATERS OUT TO THE CENTER OF WRANGELL NARROWS CHANNEL WHERE MITKOF ISLAND IS BOUNDED BY THE NARROWS AND OUT 1000 FEET FROM SHORE AROUND THE REMAINDER OF THE ISLAND PERIMETER.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PETERSBURG, ALASKA:

Sec. 1. Classification. This Ordinance is of an impermanent nature and is not to be codified in the Petersburg Code of Ordinances.

Sec. 2. Declaration of Intent. The City of Petersburg proposes to modify and extend its municipal corporate boundaries and jurisdiction by annexation of contiguous lands and adjacent waters on Mitkof Island to expand the existing general boundary southward to encompass the entire island.

Sec. 3. Description. The propsed boundaries of the City of Petersburg, Petersburg Recording District, First Judicial District, State of Alaska, including the territories to be annexed by this proposal, are as follows:

The entirety of Mitkof Island out to the center of Wrangell Narrows Channel where Mitkof Island is bounded by the narrows and out 1000 feet from shore around the remainder of the island perimeter.

Sec. 4. Standards. It is verily believed that the territory proposed for annexation described in the preceding paragraph does and will comply with the annexation standards prescribed in 19 AAC 05.010.

Sec. 5. Procedure. The City of Petersburg shall forthwith petition for a local government boundary change pursuant to Chapter 10, Title 19, Alaska Administrative Code.

Sec. 6. Purpose of Annexation. The purpose of the proposed annexation is to extend the municipal boundaries and jurisdiction of the City of Petersburg, Alaska to comport with the essentially urban character of the territory for which annexation is proposed, and accordingly enunciates the following considerations:

1. There exists a substantial population in the territory for which annexation is proposed,
2. The City of Petersburg currently provides limited municipal services to the territory,

3) The City of Petersburg owns several properties in the territory which are outside the existing municipal boundary,
4) The City of Petersburg serves as the commercial and industrial center of the territory,
5) The City of Petersburg currently asserts extra territorial jurisdiction with respect to parks, roads, trails, hydroelectric facility, an airport, and its water supply in the territory proposed for annexation,
6) Recreational usages by municipal residents of the area proposed for annexation, and
7) An extension of municipal services to the territory proposed for annexation is logical and foreseeable, and the extension of municipal boundaries will enable the City of Petersburg to control and provide for the organized development of likely future growth,
8) Coastal Zone Management.....
9) Planning and Zoning.....
10) State Land Selections.....

Sec. 7. Annexation. The City Manager, Mayor, City Clerk, City Attorney and such other municipal officials as are deemed appropriate are authorized to initiate, petition, and implement such procedures as may be necessary to complete this annexation proposal and as may be modified by the Local Boundary Commission and Alaska State Legislature.

Sec. 8. Effective Date. This ordinance shall become effective on the third day after adoption, excluding the date of enactment. However, the official map and zoning map of the City of Petersburg shall not be modified except by subsequent ordinance enactment following consideration, hearing, and determination by the Local Boundary Commission and the Alaska State Legislature.

Sec. 9. Severability. If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

PASSED AND APPROVED by the City Council of the City of Petersburg, Alaska

this 21 day of November, 1977.

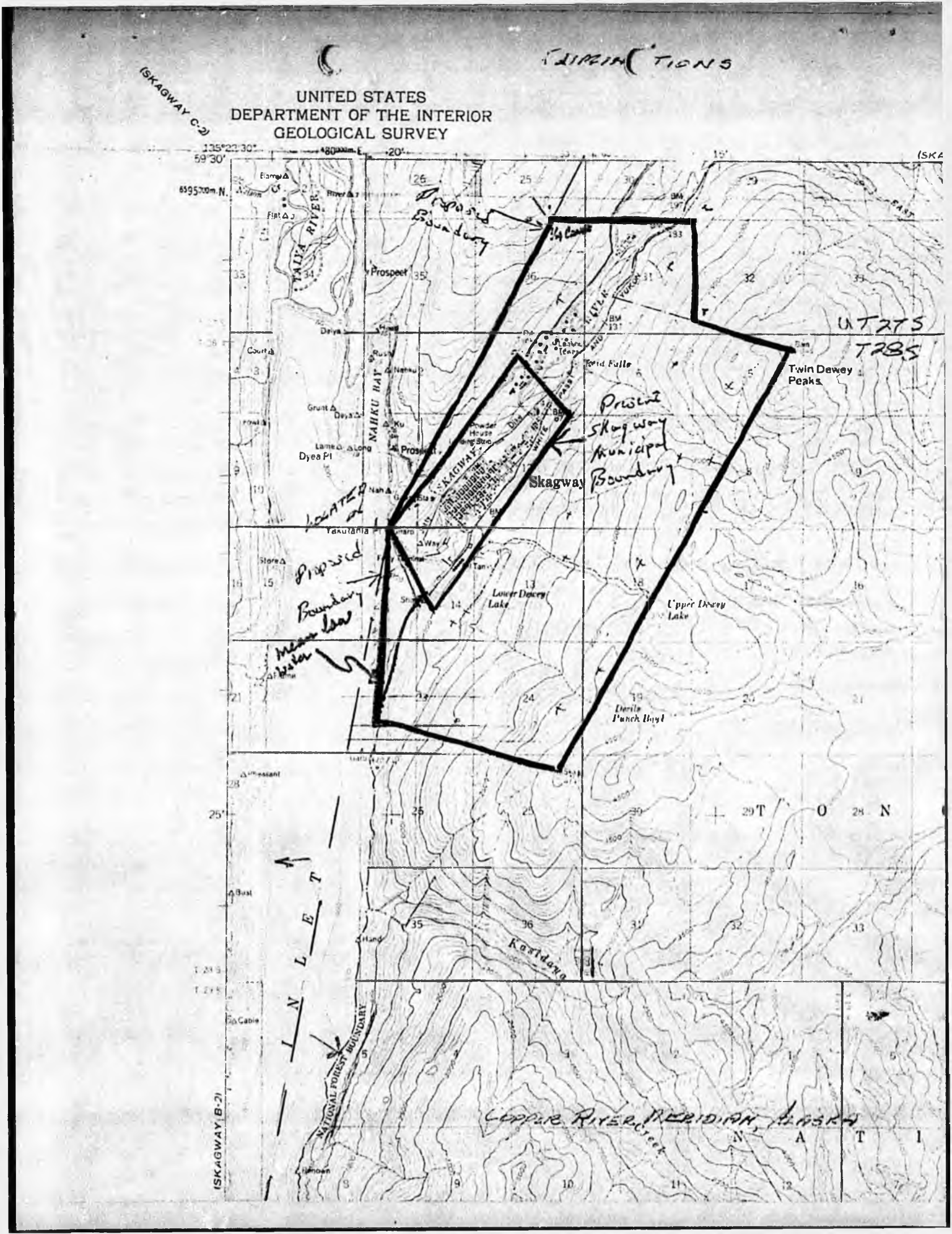
Leonard Wilson
Mayor

ATTEST:

Jerry Hunt (cek)
City Clerk

Certified copy to be furnished 11/23/77.
L.B. Jacobson

SKAGWAY


UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
(SKAGWAY C-2)
135°22'30"
59°30'
6595000m N.
20'
15'
Proposed Boundary
Present Skagway Municipal Boundary
Skagway
Dyea
Prospect
TAIYA RIVER
NAHKU BAY
Twin Dewey Peaks
Lower Dewey Lake
Upper Dewey Lake
Devils Punch Bowl
Kasidaya
T 29 S
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29 T O 28 N
N O R T H E R N
NATIONAL FOREST BOUNDARY
(SKAGWAY (B-2)
COPPER RIVER MERIDIAN, ALASKA

SUMMARY FOR SKAGWAY ANNEXATION

Present area of Skagway: 931.5 acres

Area of proposed annexation: approximately 10 times present area

Present population of Skagway: 695

Population in area of annexation: 29

Purposes of annexation (per City):

1. Skagway has become the commercial center for the outlying area.
2. Skagway provides certain municipal services to outlying area, including:
   a) City dump
   b) City schools
   c) City medical clinic
   d) City library, museum, roads and other municipal facilities
   e) Limited city-supported police services
3. City could plan for rational and orderly economic development of area through planning and zoning powers for activities including:
   a) Port development
   b) Klondike Goldrush Historical Park
   c) Skagway Carcross Road construction

Upon annexation, the City would have the following policy towards the new area:

1. Taxation would be a differential basis
2. Municipal services such as sewer and water would be extended on City's financial ability and on cost/benefit ratio.
3. City would not impose property taxes until 1978

Background Note:

The City of Skagway originally desired to annex all the area between the Haines Borough and the Canadian border (approximately 166 square miles). According to G. D. Aker, Skagway City Manager, the previous City Council reduced the area to essentially what is being proposed by the Boundary Commission which Aker described as an "equitable compromise". Aker said that the new City Council, which desires the larger area, was assured that the City of Skagway could petition for a new annexation without prejudice once the present recommendation went into effect.

On February 6, Sigvald Strandberg told the House Community & Regional Affairs Committee that the Boundary Commission had not recommended the larger area for annexation by Skagway for the following reasons:

1. 166 square miles appeared to be too large an area for city government, as generally defined in Alaska, even though in Skagway's case it would produce possible revenue without the liability of supplying services to populations in remote areas.

2. Skagway had been resisting incorporating itself into the Haines Borough or into a borough of its own, yet with the larger annexation proposal it was seeking borough-like status.

3. The Commission generally believed that cities should provide government to areas of fairly substantial concentrations of urban and suburban populations. Skagway's larger annexation request would have extended the City's boundaries to unpopulated areas.

Ben Harding

2-6-78

APPY NEW YEAR

xtend warm greetings for a
ealthy and prosperous New

ust you can live with an ir-
issue, or so, being a bit on
ly side, as a business & vacati
is mandatory.
s feeling much better after
ation and appreciates the
bes, flowers and cards.
pe to increase our editions
r; give better local coverage;
ent a better paper.

- - - - - - - - - - - - - - -

PATTY SAID SO!

Patty is a feature writer
Seattle Times and is an auth-
n Alaska and adjacent Canada.
ould be as his father was a
President of the University of
nd mining operator in Yukon.
ote a special article on
n the Seattle Times,Sunday,
8,1978 and concluded with:
S(Alaskan) TO WATCH this year:
for one, with completion of
highway soon into Carcross and
n Territory, plus growth of
Klondike Gold Rush National
agway will blossom!
Patty stated to this publisher
expected to be in Skagway this
nd note how the Park Develop-
doing and ride across the
way.

- - - - - - - - - - - - - - -

SHOWS MERGE

ay's of '98 Variety Show &
y Show expect to merge for
er season of 1978, according
t reports. The '98 Show is
d by the Eagles and Eagles
ry, and has been off and on
50 years, while the"Soapy"
about 5 years old,but which
ealistic resume' of "Soapy"
kagway's most famous Gold
racter.
ighty Moose show is expected
te agin this year, which will
star attractions.in 1978.

EDITORIAL WITH A PLEA! - - - - - - -

AN OPEN LETTER TO

THE STATE LEGISLATURE:

SKAGWAY IS AN IMPORTANT GATEWAY & RICH IN HISTORICAL AND OTHER POTENTIALITIES - PAST, PRESENT AND FUTURE.

UNFORTUNATELY IT IS IN AN UNORGANIZED BOROUGH, WITH BUT A SMALL PORTION OF THE AREA BEING AN ORGANIZED CITY.

THE PROBLEMS ARE SO COMPLEX THAT THE PRESENT RECOMMENDATIONS FOR ADDING A SMALL PORTION OF THE AREA INTO THE CITY DOESN'T GO FAR ENOUGH; THE NUMBER OF PERSONS LIVING OUTSIDE THE CITY MAKES IT A GROWING PROBLEM TO GET TOGETHER WITH THE CITY AND AGREE ON AN APPROVED PLAN FOR COMMERCIAL AND PERSONAL USE OF THE VALUABLE & NEEDED WATERFRONT OUTSIDE OF THE CITY; PLUS OTHER PROBLEMS OF:MORE VISITORS; A NEW HIGHWAY TO ALASKA HIGHWAY; THE NEW NATIONAL PARK; A SUBSTANTIAL GROWTH AND DEVELOPMENT OF OIL & OTHER MINERALS IN YUKON AND NORTHWESTERN BRITISH COLUMBIA PORTIONS OF CANADA.

IT WOULD PRESENTLY APPEAR IMPOSSIBLE FOR THE STATE GOVERNMENT TO RESOLVE IMPORTANT MATTERS FOR THE COMMON GOOD OF THE AREA & ALASKA,WITH THE GROWING,DIVERGENT VIEWS OF PERSONS BOTH WITHIN AND WITHOUT THE CITY.

IT IS, THEREFORE, RECOMMENDED THAT THE LEGISLATURE APPOINT A TASK FORCE COMMITTEE TO INVESTIGATE THIS UNFORTUNATE SITUATION TO ENDEAVOR TO COME UP WITH RECOMMENDATIONS WHICH WOULD BE TO THE BEST INTERESTS OF THE AREA, THE STATE AND THAT OF OUR CANADIAN NEIGHBORS.

IN SHORT: PLEASE DO NOT LET US BE LOCKED UP IN SUCH A WAY THAT WOULD HINDER THE GREATEST AND BEST USE FOR VISITOR AND COMMERCIAL PURPOSES KEEPING MIND THAT SKAGWAY HAS BEEN AN IMPORTANT GATEWAY FOR CANADIAN VISITORS AND OTHER BUSINESS FOR 79 YEARS, AND THE IMMEDIATE FUTURE PROSPECTS FOR GREATLY IMPROVED VISITOR & BUSINESS USE FROM THIS SOURCE VIA.THE NEW HIGHWAY, THE EXISTING RAILWAY & INCREASED AIR SERVICE IS SIGNIFICANT AND SHOULDN'T BE TAKEN LIGHTLY.

GOODBYE "PRINCESS P

C.P.Rail announces tha
the last year of the Alas
ner PRINCESS PATRICIA alo
Passage to Skagway as the
mic prospects make requir
ifications prohibitive.

It is a sad day for th
Skagway to learn of this

The PRINCESS LINES ser
de Passage before, durin
the KLONDIKE GOLD RUSH of
later named the B.C,C.S(B
bia Coastal Service) of
acific Railway. (Referen
PRINCESS (Lines) STORY on
ious Canadian Book Stores,

It is regretted that th
Pacific will sacrifice the
Yukon missionary work that
in an attractive mineral a
appeal in the last frontie
western America.

We will miss the office
Ships' Personnel as well as
als of the great Canadian
Railway.

- - - - - - - - - - - - - - -

PRINCESS PATRICIA: Built
Govan,Scotland;Gross Tons
Speed-23.5, Cruising 18 kn
long & 56 feet wide;320 pa
90 crew; 152 cabins; Band
try and Crew; Launched 10/5
Princess Patricia (Lady Pa
Eamsay),daughter of Duke o
6/16/49 Day ship on Tri-Ca
handling 2,000 passengers
5/31/63 Converted to Alask
Service; 1965-66 & 1966-67
ter to Princess Cruises,In
winter season Los Angeles

- - - - - - - - - - - - - - -

HEALTH CAR

We were supposed to run
showing what health care c
ould be proposed for Skagw
lateness of this edition p
doing much about it. Conta
Mulvihill, local director
Alaska Health Systems Agen
be able to assist, althoug
ing was (or is) at Ketchik
22nd.

CITY OF SKAGWAY

GATEWAY TO THE GOLD RUSH OF "98"

P. O. BOX 415 SKAGWAY, ALASKA 99840

February 2, 1978

Senator Joseph L. Orsini
Chairman, Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

Please reference your letter of 23 January 1978 concerning the recommendations of the Local Boundary Commission for annexation of land by the City of Skagway.

The views of all interested citizens of the Skagway community were considered by the City Council in the development of its annexation petition. Similarly, in the development of its recommendation, the Local Boundary Commission offered an opportunity for public participation and all views expressed by the City Council and concerned citizens were given full consideration. Although the boundary descriptions contained in the L.B.C. recommendations differ from those proposed in the City's petition, it is considered that they reflect an equitable compromise. Accordingly, the City Council recommends that the lands as described in the L.B.C. recommendation be annexed to the City of Skagway.

Sincerely,

G.D. Acker

G.D. Acker
City Manager

cc: City Attorney - Jacobson
DCRA - Pritchard
Representative Mike Miller
Representative Jim Duncan
Senator Bill Ray

GDAcp

STATE OF ALASKA

LOCAL BOUNDARY COMMISSION

JUNEAU, ALASKA

RECOMMENDATION FOR ANNEXATION OF TERRITORY TO THE CITY OF SKAGWAY

SUBMITTED JANAURY 18, 1978

RECOMMENDATION FOR ANNEXATION OF TERRITORY

TO THE

CITY OF SKAGWAY

WHEREAS, petitioner, the City of Skagway has requested that certain territory be annexed to the City of Skagway; to wit: an area contiguous to the City containing residential, commercial, industrial and recreational lands; and

WHEREAS, subsequent to giving proper notice, the Local Boundary Commission conducted a public hearing in Skagway on June 22, 1977, to consider whether the territory for which the City of Skagway petitioned should be annexed to the City; and

WHEREAS, following the public hearing the Local Boundary Commission convened a decisional meeting at which it reviewed the City of Skagway's petition, supporting brief and all testimony received prior to and during the June 22, 1977, public hearing; and

WHEREAS, the Local Boundary Commission has determined that certain portions of the territory meet the standards for annexation in that the area is likely to see development that will require municipal services; and

WHEREAS, the City of Skagway is the only local government located proximate to the territory which has the capability of providing the needed services;

NOW THEREFORE, the Local Boundary Commission recommends that pursuant to Article X, Section 12 of the Alaska Constitution and Alaska Statutes

44.19.260 that the amended petition for annexation of territory to the City of Skagway be approved and that the boundaries of the City of Skagway be changed to read as follows:

Beginning at the NW corner of the NE 1/4 of the NE 1/4 of Section 36, UT27S, R59E, Copper River Meridian, Alaska; thence East to the NE Corner of Section 31, UT27S, R60E; thence South along the center line common to Sections 31 and 32, UT27S, R60E, to the point where it intersects the National Forest Boundary; thence in an easterly direction along the National Forest Boundary to corner number 3 of the National Forest Elimination, located at Bain 5645; thence in a southerly direction along the National Forest Boundary to corner number 4 of the National Forest Elimination, located at Skag 4140; thence in a westerly direction along the National Forest Boundary to corner 5 of the National Forest Elimination; thence continuing in a westerly direction until the extension of this westerly line intersects the mean low water of Taiya Inlet; thence in a northerly direction along the mean low water of Taiya Inlet to the point where the mean low water intersects the NS center line of Section 14, UT28S, R59E; thence in a northerly direction to the SE corner of the SW 1/4 of the SW 1/4 of section 11, UT28S, R59E; thence in a north northeast direction to the point of beginning, containing 11.0 sq. miles, more or less.

In accordance with Article X, Section 12 of the Alaska Constitution, this recommendation shall become effective forty-five days after presentation to the legislature or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house.

CITY OF SKAGWAY
GATEWAY TO THE GOLD RUSH OF "98"
P. O. BOX 415 SKAGWAY, ALASKA 99840

January 17, 1977

Mr. Palmer McCarter
Director, Division of Local Government Assistance
Department of Community & Regional Affairs
Pouch B
Juneau, Alaska 99811

Dear Palmer:

Please refer to our telephone conversation of yesterday and to Jake Jacobson's letter of 11 January concerning the annexation petition. I passed along to the City Council the rationale which preclude action on the City's petition during the current legislative session. This was accepted along with expressions of considerable disappointment, to say the least.

Although there continues to be a lack of unanimity among the Council members as to the scope of the territory to be annexed as well as the form of governance to be adopted, there is a consensus that there is a need to prepare for the impacts of foreseen community growth - specifically through the making of land available for development and by the exercise and provision of municipal controls and services. It was primarily for the purpose of satisfying these ends that the annexation petition was submitted. The City Council looks to the Local Boundary Commission to resolve the questions of municipal boundaries and type of government - city or borough - in the best interests of all entities concerned - the peoples of the City, the Territory and the State. Inasmuch as this decision must await the convening of the next Legislature, the City Council intends to reexamine and refine its position. Further, as the composition of the Council has changed, it is believed that it would be helpful if the City Council might meet again with a member of your staff. Accordingly, within the next several months, I will contact you or Pat Poland to request a visit with the City Council in Skagway.

The City Council appreciates the consideration your office has given to this matter and would be grateful to receive your continued assistance.

Sincerely,

G.D. Acker

G.D.Acker
City Manager

cc: Wm. Ruddy
GDAcp

State of Alaska

LOCAL BOUNDARY COMMISSION

City of Skagway petition for)
Annexation of unorganized)
borough territory)

Statement of Decision

Whereas, on November 14 , 1976 , the City of Skagway submitted a petition to the Local Boundary Commission through the Department of Community and Regional Affairs in accordance with Title 29 of the Alaska Statutes requesting the annexation of unorganized borough territory generally northerly and westerly of and contiguous to the present corporate limits of the city; and

Whereas, on November 15 , 1976, the Department found the petition in proper form; and

Whereas, the Local Boundary Commission scheduled a public hearing with prescribed public notice; and

Whereas, the Commission conducted a physical inspection of the proposed annexation territory and held a public hearing in the Skagway City Council Chambers on June 22, 1977; and

Whereas, the Commission held a public decisional meeting immediately following t e adjournment of the public hearing;

Now, therefore, the Commission confirms its decision to accept, with modification (reduction of proposed annexation territory), the City of Skagway boundary change proposal in accordance with Exhibit "A" attached hereto and enters the following summary of findings in correlation with Commission regulations:

19 Alaska Administrative Code 05.010 (a) (3): Significant portions of the approved territory are generally being used to support the natural growth and expansion of the Skagway community beyond current city limits.

19 AAC 05.010 (a) (4): The territory approved for annexation is in need of Skagway City general fund services, is presently benefitted thereby, and the City of Skagway is capable and willing to provide general fund services. The city is the only local government entity in existence in the area capable of supplying needed services and jurisdiction to residents of the territory.

19 AAC 05.010 (a) (5): The Commission finds that the territory approved is absorbing Skagway population growth and community expansion and because of this, should be under the jurisdiction of the City of Skagway for orderly control of this growth.

LOCAL BOUNDARY COMMISSION

January 30, 1978

Approved:

Sigvald J. Strandberg, Chairman

Sheila Gallagher

Edward Hopson

Absent & Excused:

James Dodson

Josephine Anderson

Village Police

F: Village Police

Lower Kuskokwim Coast Corporation

GENERAL DELIVERY • KIPNUK, ALASKA 99614 • (907) 598-8001

Jackie Dailey, Rural Planner
Criminal Justice Planning Agency
Pouch AJ
Juneau, Alaska 99811

Dear Ms. Dailey

Recently, I have had correspondence from Charles G. Adams Jr., the Executive Director of the CJPA concerning LEAA programs and monies.

In turn, he mailed me the latest State-wide Criminal Justice Plan. He have also informed me that all monies through FY 78 have been obligated and that there will be a decrease of CJPA funds for Alaska during FY 79.

However, he have stated that although the four villages in the LKCC area are not eligible under State Statutes, LKCC as a non-profit Corporation might be eligible.

I have noted that the 1978 Plan includes all money currently available and Federal money, <u>including Indian Desk Money</u>.

As you have probably heard via telephone the Lower Kuskokwim Coast Corporation is going to be holding an area meeting on April 7 and 8 at Tuntutuliak. Your participation in the meeting would be good for both the CJPA and the village people as it would be an interchange of ideas and an educational process for all participants, as we are expecting participants to come from the Kuskokwim Native Association and the United Villages Inc., of Nelson Island.

Of primary concern are the following which you might cover:

1.) Indian Desk monies allocation for the State of Alaska.

2.) Eligibility criteria for incorporated village and/or non-profit corporations with jurisdictional powers.

3.) The role of CJPA in Bush Justice Conference and/or Bush Alaska.

4.) Pre-application and application process

Lower Kuskokwim Coast Corporation
GENERAL DELIVERY • KIPNUK, ALASKA 99614 • (907) 598-8001

5.) Other concerns such as Block grants, Law enforcement training, Legislative consideration on Policy protection State Revenue Sharing, etc.

I realize that this might seem like alot, but the CPJA has been like a non-existent entity in our side of the State. For confirmation on the attendence of the meeting you could call me at 598-8001.

Sincerely,

Paul R. Kiunya

Paul R. Kiunya, President
LOWER KUSKOKWIM COAST CORPORATION

cc: Sen. Joe Orsini
Avrun Gross, Attorney General

F. Village Police

Lower Kuskokwim Coast Corporation

GENERAL DELIVERY • KIPNUK, ALASKA 99614 • (907) 598-8001

March 29, 1978

Jackie Dailey, Rural Planner
Criminal Justice Planning Agency
Pouch AJ
Juneau, Alaska 99811

Dear Ms. Dailey

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Lower Kuskokwim Coast Corporation
GENERAL DELIVERY • KIPNUK, ALASKA 99614 • (907) 598-8001

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Sincerely,

Paul R. Kiunya

Paul R. Kiunya, President
LOWER KUSKOKWIM COAST CORPORATION

cc: Sen. Joe Orsini
Avrun Gross, Attorney General

Villages that do not have trained police	Know of police training	Why not a trained policeman	Salary a problem	State assisted with Salary	AST Helpful	Council-unpleasant situation	
Alahanuk	YES	-	NO	YES	YES	YES	-
Hoonah	YES	They've already attended	YES	-	YES	YES	Hoonah has three police officers, two dispatchers, because of transients sometimes this is inadequate force-sometimes money is a problem-currently using CETA funds.
Koyuk	NO	Were not aware of it	YES	YES	YES	YES	Need applications-need trained Village Police
Akolmiut	YES	Undecided	YES	YES	YES	YES	They have four policemen-would like to have at least two trained.
Angoon	YES	Under Consideration	YES	YES	NO	YES	They have two policemen, and are considering sending policemen to training- policemen under paid
Klawock	YES	Never had candidate available	YES	YES	YES	-	-
Buckland	YES	-	YES	YES	YES	-	-
Metlakatla	NO	Cannot afford it.	YES	YES	No, due to weather	YES	
Yakutat	YES	Cannot afford another policeman	YES	YES	YES	YES	
ADD ON COMMUNITIES LISTED BELOW	7 yes 2 no		8 yes 1 no	8 yes 1 no comment	7 yes 2 no	7 yes 2 no comment	
	No		YES	YES	YES	YES	—

NV TRAINED POLICE	Training Started	Do you like having your own polic'mn	Do you still have your own policm'n	If not, has salary been a problem?	AST Helpful	Any changes	How can State help	Are more police services needed	Unpleasant situations	Was V.P. adequately trained?	
Savoonga	1971	Yes	Yes	Yes	Yes	arrange training so candidates gets diploma	Assist with Salaries	Yes	Yes	No	can't affor fultime pol cemen
Eagle	None	No	No	-	es	-	-	-	-	-	
Shishmaref	1975	Yes	Yes	No	Yes	-	-	Yes	some times	Yes	Where do yo get equip'm for V.P.?
Fort Yukon	1973	Yes	Yes	Yes, have only one VP, need 2	more or less	make training session shorter so candidate will not have to be away 11 wks.	Funding	Yes	Yes	Yes	1 or 2 wks training sessions wi 4 mos OJT. More traini sessions?
Emmonak	-	Yes	Yes	-	Yes	More training in writing up cases	Longer Training Program	In summer because of Pop. increas	Yes	Yes	-
St. Mary's	1967	Yes	Yes	-	Yes	-	More training Sessions	Yes	Yes	Yes	-
Dillingham	-	Yes	Yes	-	Yes	More training on Alcoholism &family crisis	Make train-relevant to Village Problems.	Yes	Yes	No	-
Napakiak	1972 1974 1976	Yes	Yes	No	Yes	Make training relevant to village prob lems	-	No	no-once in a while	Yes	-
Fortuna Ledge	-	Yes	Yes	-	Yes	-	Help fund Salary- More training	Yes	Yes	Yes	Need facili to detain prisoner
Kotzebue	Early 60's	Yes	Yes	No	Yes	No	Provide better pay scale	Yes	Yes	Yes	None
Akiachak	Not Sure	Yes	Yes	Yes	Yes	Many	More training sessions	Yes	Yes	Attended training in Bethel, Adequate	
		10 yes 1 no	10 yes 1 no	3 yes 3 no 5 no comment	10 yes 1 more/less			9 yes 1 no 1 no comment	8 yes 1 sometimes 1 no 1 no comment	8 yes 2 no 1 no comment	

STATE OF ALASKA
DEPARTMENT OF PUBLIC SAFETY
OFFICE OF THE COMMISSIONER
JUNEAU

July 5, 1977

Senator Orsini,

Sorry for the length of time for your response to this letter. As you can see by attached letter, letter was prepared in late May. There were two reasons for this delay, one because we were waiting for some backup material and two, because the Commissioner was out of town. Compounded, they caused the length of delay in response. My apologies.

Barbara Tennison

Barbara Tennison
Secretary to the Commissioner

P.S. Please tell Jan I said hello and think of her often.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF PUBLIC SAFETY

DIVISION OF STATE TROOPERS / POUCH N – JUNEAU 99811

DEPARTMENT OF PUBLIC SAFETY
Pouch N
Juneau, Alaska 99801

May 26, 1977

Senator Joe Orsini
Chairman
Senate Community and Regional Affairs Committee
Alaska State Legislature Senate
Pouch A
Juneau, Alaska 99801

Dear Senator Orsini:

In response to your letter of May 5 regarding Village Police Training. I am gratified that your committee is addressing the problems of the Village Policeman.

As you may not know the Department of Public Safety provides training, funded by federal grants, in four stages. First when a council selects a new village police officer the local trooper provides on-the-job training in such basics as reports, records, when to call the Trooper, community relations, searches, arrests, prisoner handling and related matters.

If the Police Officer applies he is then given a one week training course which consists of 50 hours of classroom and practical training. These one week courses are held in the bush and are generally held once a year at 2-4 locations. Last year classes were conducted at Dillingham, Fort Yukon, Bethel and Nome.

The third phase is a four week 160 hour course at the Academy in Sitka. This course is the course presented to all Municipal Police Officers with those portions not applicable to the villages eliminated. Other portions of the course are modified to make them applicable to village life and put them at a level more readily grasped by the participant.

Finally, those officers from the more remote villages are placed with a larger bush police department for three days to allow them first hand experience in law enforcement.

The Department had scheduled a cycle of training for Village Police Officers scheduled to commence this spring; however, because of a reduction of "Indian Desk LEAA Funds" our grant was not approved as originally submitted. The revised grant is pending approval at Region 10 Headquarters in Seattle. We expect approval momentarily. Additionally we have submitted an action grant to fund training for Village Police Officers from "inelegible" villages. As soon as we receive word of our grants approval. we will announce a training

Senator Orsini continued.

schedule for village officers, which will consist of a bush one week course this fall and an Advanced Academy Class early in next year. We will avoid summer training whenever possible because many village officers are dependant upon subsistence fishing and hunting and find it difficult to get away from the village in the summer.

Lengthening the courses would fail to address the needs of the "inelegible" villages which contain about half the bush population. Doubling the number of courses would allow inclusion of the inelegible villages. The cost of this doubled program would be approximatley $350,000. in the absence of Federal funding.

I am enclosing a copy of the model used in development of the Village Police Training Curriculum.

If I may be of further assistance please contact me.

Sincerely,

Richard L. Burton
Commissioner
Department of Public Safety

encl.

cc: Mel Personett, Deputy Commissioner
Captain Walter Gilmour, Director of Training

DEVELOPMENT OF VILLAGE POLICE TRAINING PROGRAM

The establishment of a training program of providing training for Village Police Officers by necessity progresses on three fronts simultaneously. The job requirements are established by statute, functional requirements and locally developed requirements.

The statutes require governments to provide public safety and exclude certain individuals from selection as peace officers. There are requirements dictated by the function of law enforcement such as; knowledge of civil liberty laws, or steps required to make a legal arrest. The local government establishes its own requirements, which might be patrolling river for people in danger.

The development of the training program specific steps:

First a detailed examination of the job requirements, explicit or implicit is made to discover and describe the job behaviors needed to be a police officer in an Alaskan Village. When these behaviors are described they are compared with the trainee.

The body of skills and cognatives between what the trainee knows and what he needs to satisfy the job requirements is the identified needs. For example; all policemen need to be able to write, they further need to be able to write reports.

The trainee knows how to write, so writing is not an identified need. The trainee does not have experience, or special training in report writing, which therefore is an identified need.

When the needs are identified they can be stated in measureable objectives such as; "be able to write an accurate, clear, precise report from observation, testimony and inference." Each need is then reduced to a measureable objective.

The total of the objectives are then grouped by major subject heading and examined for time needed to impart. This becomes the curriculum.

The curriculum is examined to decide which method of teaching each subject will be used and texts, aids and materials are required. The manual skills are routinely taught by demonstration and practice. Cognative requirements are generally best suited to lecture and example. Skill in use of the baton for self-defense can be imparted quickest by demonstration and practice while the recognition of "probable cause" cannot be practiced, but is quickest learned by lecture and example.

The final step before conducting training is obtaining instructional resources. This is the physical collusion at the site for training the instructors materials and fiscal resources needed to carry out the curriculum.

While this training program is being developed the villages are recruiting officers. The Department of Public Safety has only minimal input in the recruiting and selection of Village Police Officers. It is usually low

key and informal advise to the Council from the local Alaska State Trooper. The first significant influence exerted by the Department of Public Safety is when the selected officers apply for training, the local State Trooper is asked to check him out to determine what kind of officer he might be. In questioned cases only those applicants personally recommended by the on-scene Alaska State Trooper are invited to training. All applicants for training in the fourth week course are further screened for prior disqualifying convictions. It is the involvement of the Alaska State Trooper Field Officer in the screening which is the most significant innovation in the Village Police Training Program. This ongoing process identifies a body of eligible trainees.

The third aspect of the Village Police Program is the efforts by the Field Alaska State Troopers to assist villages with no village policeman in recruitment of an eligible applicant and correspondence with the training program to obtain formal training for the Village Police Officers.

Additionally, when Alaska State Troopers visit the villages where trained and untrained officers are located they conduct informal on-the-job training in subjects which the Village Policemen need additional training. They also evaluate the Village Policemen in the performance of his duties and input to the Village Police Training Program discerned training requirements. A standard report form for OJT and evaluation is being developed. When developed the evaluation form will be completed each time an Alaska State Trooper visits the village where a trained officer is employed.

As a result of the three pronged effort we now have a training course and a body of trainees to receive the training. The students are evaluated during the training phase and the best performers during the one week school are selected for the four week training academy in Sitka.

Upon completion of the training phase the students will travel to "Bush" population centers for local OJT administered by the police departments of the population centers. The program content is the Alaska Police Standards Field Training Manual, modified to suit the "Bush" location. A portion of the OJT Program is the evaluation of the performance of the trainee. As illustrated on the attached model this evaluation is fed back into the training development cycle and modifies the curriculum. Thus, the evaluation phase becomes a factor in program content and is the most important factor in changing the identified needs.

JOB REQUIREMENTS

STATUTORY REQUIREMENTS

FUNCTIONAL REQUIREMENTS

REQUIREMENTS ESTABLISHED BY LOCAL GOVERNMENT

MINIMAL DPS IMPACT

DEVELOPE JOB BEHAVIORS

DEPARTMENT OF PUBLIC SAFETY FIELD OPERATIONS

RECRUITMENT BY LOCAL GOVERNMENT UNIT (COUNCIL)

SELECTION

SCREENING

ASI

AJIS CHECK

IDENTIFY NEEDS

DETERMINE OBJECTIVES

DEVELOPE CIRICULUM

OBTAIN RESOURCES

ONE WEEK BUSH SCHOOLS

FOUR WEEK ADVANCED VILLAGE POLICE ACADEMY

ON THE JOB TRAINING

IN SERVICE EVALUATION

TRAINEES

BROWN = EVAL COMPONENT & FEED BACK

BLUE = DPS IMPACT

GREEN = PROGRAM CONTENT FACTOR.

MODEL FOR SELECTION OF VILLAGE POLICE + DEVELOPMENT OF PROGRAM

Effective: November 8, 1976

REVENUE SHARING

Listed below are the communities which have not submitted their application for this year's State Revenue Sharing. All communities have been sent two letters indicating their delinquent status , two news grams were sent, and radio announcements were broadcasted throughout the State.

CITIES, SECOND CLASS

Akiiok
Akiachak
~~Akiak~~
Allakaket
Anvik
Chefornak
Chevak
Clark's Point
Diomede
Eek
Ekwok
Grayling
Kachemak
Kasaan
Kobuck
Koyukuk
Kupreanoff
Kwethluk
Lower Kalskag
Newhalen
Nightmute
Nikolai
Ouzinkie
Platinum
Point Hope
Russian Mission
Saxman
Shageluk
Sheldon Point
Togiak
Tuluksak
Upper Kalskag
Wainwright

VOLUNTEER FIRE DEPARTMENTS

Artic Village
Beaver
Belofski
Chalkyitsik
Chignik
Circle
Cold Bay
Crooked Creek
Dot Lake
Gulkana
Kongignak
Levelock
Metlakatla
Minto
Nelson Lagoon
Northway Village
Pitka's Point
Red Devil
Sleetmute
Tanacross

132 applications have been received
53 total outstanding communities
28% of total participants outstanding

village police. The questionnaire regarding the aforementioned will be forthcoming.

ELIGIBLE VILLAGES

If there are any questions regarding the above please contact the AA, Sen. CPA

First Class Cities

Barrow *
Dillingham *
Galena
Hoonah
Hydaburg
Kake
Klawock
Saint Mary's*
Selawik *
Yakutat

Second Class Cities

Akiak *
Akolmuit
Alakanuk
Ambler *
Anaktuvuk Pass
Angoon
Anvik
Bethel
Brevig Mission *
Buckland *
Chevak
Deering *
Diomede
Eagle *
Emmonak *
Fortuna Ledge *
Fort Yukon *
Gambell *
Golovin *
Grayling
Holy Cross
Hooper Bay *
Huslia
Kachemak
Kaltag *
Kiana *
Kivalina *
Kotlik
Kotzebue *
Koyuk
Lower Kalskag
Manokotak *
Metlakatla
Mt. Village *
Napakiak *
Napaskiak
Newhalen
Noorvik *
Point Hope
Russian Mission *
Saint Michael *
Saint Paul Island *
Savoonga *
Saxman
Scammon Bay *
Shageluk
Shaktoolik
Shishmaref *
Shungnak
Teller *
Wales *
White Mountain

This is subject to change because Academy is receiving new applications all the time

19 AAC 30.020.

(1) Police Protection: An applicant is eligible for payment if the following minimum standards are met:

(A) the applicant must provide police protection with one or more police officers on duty or on call at all times.

(B) a police officer must be at least 19 years of age and must not have been convicted by a court of a crime which is classified as a felony in this state within the past 10 years;

(C) an applicant will not be eligible to receive revenue sharing funds unless a police officer within 12 months after his appointment has satisfactorily completed a basic course in police training approved by the Department of Public Safety. The commissioner may grant an extension of time for the completion of the basic program by a police officer upon presentation of evidence by the municipality that a police officer is unable to complete the basic program within 12 months of his appointment due to illness, injury, family emergency, military service or special duty assignment. An extention may also be made when the commissioner determines that it would be in the public interest.

(D) notwithstanding the provisions of (A) and (B) of this section, the commissioner may waive the requirements set forth in paragraph (C) on presentation of evidence by the municipality and acceptance of the evidence by the Police Standards Council that a police officer is otherwise qualified based on work experience, education, or training;

(E) recognition of the applicant by the Police Standards Council as a "participating police department" is evidence of eligibility under this section.

(2) FIRE PROTECTION:

(A) a municipal applicant is eligible for payment if it provides fire protection. Fire protection includes, but is not limited to, fire protection provided by a volunteer fire department which is currently registered with the state fire marshal and which has official recognition and financial support from the municipality in which it is located;

(B) a volunteer fire department located outside a municipality is eligible if it meets the following criteria:

(i) it is currently registered with the state fire marshal; and

(ii) minimum financial support as defined in 19 AAC 30.-020(10) is provided; and

(iii) unexpended funds are dedicated irrevocably for the operation and maintenance of fire protection services;

(C) organizational grants shall be made on the same basis to facilitate the organization of a volunteer fire department in an area not in a municipality upon application of the proposed fire protection group to the state fire

QUESTIONNAIRE

1. When did you begin the Police Training Program in your city?
   THREE OR FOUR YEARS AGO

2. Does your city like having its own policeman? YES ✓ NO ___

3. Does your village still have its policeman? YES ✓ NO ___

4. If not, was paying the salary for a policeman a serious problem for your village? YES ___ NO ✓
   What was the main reason you no longer have one?

5. Do you think that the Alaska State Trooper is helpful when your city has problems? YES ✓ NO ___ BUT due to SHORTAGE OF MANPOWER, THEY DON'T RESPOND RIGHT AWAY

6. What changes would you like to make in the Police Training Program to make the program better? A POLICEMAN SHOULD HAVE A MORE TRAINING IN ORDER TO FUNCTION BETTER

7. What can the State do to help your city with the Police Training Program? IF THE CITY HAVE TWO POLICEMAN INSTEAD OF ONE IT WOULD MAKE ALL THE DIFFERENCE IN THE WORLD IF THE STATE COULD APPROPRIATE MORE MONEY FOR VILLAGE POLICEMAN

8. Does your village policeman serve the needs of the people or are more police services needed? YES ✓ NO ✓ FOR SECOND SENTENCE
   FOR FIRST SENTENCE

9. Does your City Council handle unpleasant situations effectively? YES ___ NO ✓

10. Do you think that what your village policeman learned at Sitka was mainly for the village policeman rather than the big city policeman? In other words, do you think that he was adequately trained to handle problems in the rural areas? YES ___ NO ✓

11. Are there any other comments you would like to make regarding your village police program? WISH THERE IS MORE MONEY FOR TRAINING FOR VILLAGE POLICE IT SURE WOULD HELP.

Your Name ANDREW BROWN SR. MAYOR

Name of your City NT. VILLAGE AK. 99632

INPUT from V.C. outside municipalities

M

Has your Village been aware of the provisions of Section 14(c)(3) and (4) of the ANCSA?

YES

Have you given consideration to taking some formal action in that regard?

WE HAVE BEEN WORKING ON THIS WITH AHTNA INC.

Have you conferred with the Municipality on this issue?

NO MUNICIPALITY

Has any agreement been reached between you and the Municipality on how to proceed in this regard?

NO MUNICIPALITY

Have you reached any agreement with the Municipality on the lands to be conveyed under Section 14(c)(3) and (4)?

NO MUNICAPALITY

Does it appear as though there may be a confrontation on the issue?

NO

What do you feel the State Legislature or Administration can do to help in this land selection and conveyance?

PLANNING

Prepared By: Hector Ewan

Title: PRESIDENT

Village Of: COPPER CENTER, ALASKA

KLUTI-KAAH CORP.

Has your Village been aware of the provisions of Section 14(c)(3) and (4) of the ANCSA?

Yes

Have you given consideration to taking some formal action in that regard?

Yes, however, we haven't received one square inch of our land entitlement under ANCSA.

Have you conferred with the Municipality on this issue?

No, there's no municipality in our Village. We will convey to the State in trust under A.S. 44.47.150.

Has any agreement been reached between you and the Municipality on how to proceed in this regard?

N/A

Have you reached any agreement with the Municipality on the lands to be conveyed under Section 14(c)(3) and (4)?

N/A

Does it appear as though there may be a confrontation on the issue?

We might have problems with the Bristol Bay Borough as it is claiming to be the recipient under 14(c)(3) of ANCSA. However, the Borough is obviously not a municipality "in" our Village, as required by 14(c)(3), so it is not entitled to any of our land.

What do you feel the State Legislature or Administration can do to help in this land selection and conveyance?

The legislature should amend A.S. 44.47.150 to make it unequivocally clear that the Borough is not entitled to a 14(c)(3) conveyance. It is obviously not a municipality "in" the villages and is not entitled to any land. The legislature has ultimate authority over the Boroughs under Alaska's Constitution and such action would assist in the orderly implementation of ANCSA.

Prepared By: Trefon Angagan, Jr.

Title: President

Village Of: Quinuyang Ltd.
April 21, 1977

VILLAGE Outside Muni

R

Has your Village been aware of the provisions of Section 14(c)(3) and (4) of the ANCSA?

Yes

Have you given consideration to taking some formal action in that regard?

Yes. We have been gathering data for implementation of 14-c

Have you conferred with any State Officials on this issue?

No, not at this time.

What do you feel the State Legislature or Administration can do to help in this land selection and conveyance?

At the time the state begins to promulgate regulations, villages within each region should have direct input. The Regulations should be flexible enough to work with on a village by village basis. Most villages in Alaska, I'm sure have no experience in utilizing their Regional Corporation land department for technical assistance and advice. The State would do well to coordinate their efforts with the Regions as well as the villages. Such Cooperation will ease the conveyances and hopefully, speed through a successful conclusion.

Prepared By: James Ambler

Title: President

Village Of: Port Graham

outside

J

Has your Village been aware of the provisions of Section 14(c)(3) and (4) of the ANCSA?

YES

Have you given consideration to taking some formal action in that regard?

Yes

Have you conferred with any State Officials on this issue?

NO

What do you feel the State Legislature or Administration can do to help in this land selection and conveyance?

Provide (1) Money to Community & Regional affairs agency to work closely with, provide information to village corporations, and provide backup services to village corp. and STATE as needed to implement 14c

(2) designate a STATE agency (see (1) above) to coordinate for the STATE its implementation of 14-c. Providing information, maps, surveys, up to date information from all Mem of STATE Government and Village, Regional corporations on 14-c

Prepared By: Jerry Tibbett

Title: Village Coordinator (Tribal Administrator)

Village Of: Koliganek AK

KOLIGANIK Natives Ltd.
Koliganek, AK 99576

INPUT FROM V.C. WITHIN MUNICIPALITIES

(30)

St. Mary's Native Corporation

P.O. Box 162
St. Mary's, Alaska 99658

April 4, 1977

Mr. Joe Orsini, Chairman
Senate Community & Regional
Affairs Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Mr. Orsini:

Re: Your letter March 28th with attached questionaire concerning ANCSA Section 14(c)(3) & (4).

Thank you for asking our views on this subject. We have answered your questions as best we can for the moment, but we do not feel we can be responsive to the law until there is more knowledge and definition of it's terms. We would appreciate any advise or information your committee may develop. In interpreting our questions you might be alert to the fact that the following circumstances exist at St. Mary's:

1) There are three Village Corporations within the single core township.

2)Part of the core township is covered by a city.

3) There are two cities whose boundaries adjoin.

4) There are four village corporations who have land selections within the boundaries of one city.

5) There does not appear to be any Native Corporation selected lands within either of the two neighboring cities upon which there are "improvements". All improved areas have already been patented or covered by BLM townsite surveys. This includes State and Federal interests covered by the Federal Aid to Airports Act.

6) There is one village immediately adjacent to a city boundary, but outside the city, upon which there are typical village improvements and living facilities and which is on unpatented ground. This same village has land selections within the city boundaries.

Following are questions we seek answers to:

1) Ref: Sec. 14(c)(3), line 4....what is the definition of "improved land"? If there is no"improved land on which the Native village is located" involved, is there an obligation to convey any land at all? The following "provided" clause seems to go back again to the reference to "improved land". Further, line two seems to carry with it the connotation that the situation is a whole city within the boundaries of a village selection and possibly confining the requirement to a circumstance where that circumstance exists. That definitely is not the case we are faced

St. Mary's Native Corporation

P.O. Box 162
St. Mary's, Alaska 99658

Mr. Joe Orsini April 4, 1977

we are faced with at St. Mary's.

2) Does each Village Corporation having selected lands within the boundaries of a city have to give a minimum of 1280 acres each to the City?

3) If a Village Corporation has selected lands in two or more cities does it have to give 1280 acres minimum to each and every city?

4) Does the 1280 acre grant from the village corporation to the city have to be within the core township and/or within city boundaries?

5) Would a city's zoning and land use planning powers superceed or give control over the exercise of transportation, utility, survey and other blanket type easements otherwise reserved in patents covering lands within a city? In this regard we are especially looking at the prospect of local governments being capable of regulating and restricting the routings of these kinds of activities so that routings become specific and not allowed to wander indiscriminately in opposition to a Village Corporation's own plans and best interests.

You might also advise, Mr. Orsini, if the legislature would look favorably on rural cities expanding their boundaries to outlandish sizes if, in the final analysis, it appears that is the only way in which local contol over blanket easements can be maintained.

Thank you again for soliciting our comments. We anxiously await your answer to our questions.

Very truly yours,

Paul T. Dixon
General Manager

cc: City of St. Mary's
City of Mountain Village
Village Corporation Boards
of Directors
St. Mary's
Mountain Village
Pilot Station
Andreafsky
Pitkas Point

Has your Village been aware of the provisions of Section 14(c)(3) and (4) of the ANCSA?

Yes

Have you given consideration to taking some formal action in that regard?

yes

Have you conferred with the Municipality on this issue?

to a limited degree

Has any agreement been reached between you and the Municipality on how to proceed in this regard?

No

Have you reached any agreement with the Municipality on the lands to be conveyed under Section 14(c)(3) and (4)?

No

Does it appear as though there may be a confrontation on the issue?

possibly

What do you feel the State Legislature or Administration can do to help in this land selection and conveyance?

No answer at this time we have unanswered questions, see attached letter.

Possibly provide technical and/or financial assistance for Master Planning so that city needs can be determined in the Unorganized Borough.

Prepared By: Paul F. Dixon

Title: General Manager

Village Of: St. Mary's Native Corp.

ST. MARY'S NATIVE CORP.
P. O. BOX 162
ST. MARY'S, ALASKA 99658

Has your Village been aware of the provisions of Section 14(c)(3) and (4) of the ANCSA?

Yes.

Have you given consideration to taking some formal action in that regard?

Yes.

Have you conferred with the Municipality on this issue?

Yes.

Has any agreement been reached between you and the Municipality on how to proceed in this regard?

No.

Have you reached any agreement with the Municipality on the lands to be conveyed under Section 14(c)(3) and (4)?

No.

Does it appear as though there may be a confrontation on the issue?

No.

What do you feel the State Legislature or Administration can do to help in this land selection and conveyance?

I think assisting the City in developing their future requirements with respect to future expansion and needs of the City for lands under the ANCSA would be very beneficial. I would, however, caution and advise that the Corporation and the City work hand in hand with the State Community & Regional Affairs in the planning effort so as to avoid any future confrontation.

Prepared By: Sam L. Demmert

Title: President

Village Of: Yakutat, Alaska

YAK-TAT KWAAN, INC.

PHONE 907-784-3335 P.O. BOX 416 YAKUTAT, ALASKA 99689

April 4, 1977

Honorable Senator Joe Orsini
Chairman of Senate Community and
Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Sir:

This is in response to your questionnaire received March 31, 1977, regarding 14 (c) (3) and (4) of the Alaska Native Claims Settlement Act.

We have been well aware of this section of the act and have been addressing the problem, both formally and informally within the Board of Directors and with the City Council members of the City of Yakutat.

Please find enclosed the completed questionnaire that you requested.

Very truly yours,

YAK-TAT KWAAN, INC. CORPORATION

Sam L. Demmert

Sam L. Demmert
President

Enclosure:

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Nik'aghun, Limited
Nulato, Alaska 99765
March 31, 1977

Senator Joe Orsini
Chairman CRA Committee
Pouch V
Juneau, Alaska 99811

Dear Senator,

I am replying to the enclosed questionnaire recently received from your office.

I feel the questions raised by you will be high priority issues that cannot be ignored by any village corporation or municipality.

Any plausible solutions offered by your office to those inevitable concerns will certainly be received with acute interest.

Sincerely,

Peter Demoski

Peter Demoski, Pres.

1. Has your Village been aware of the provisions of Section 14(c)(3) and (4) of the ANCSA?

2. Have you given consideration to taking some formal action in that regard?

3. Have you conferred with the Municipality on this issue?

4. Has any agreement been reached between you and the Municipality on how to proceed in this regard?

5. Have you reached any agreement with the Municipality on the lands to be conveyed under Section 14(c)(3) and (4)?

6. Does it appear as though there may be a confrontation on the issue?

7. What do you feel the State Legislature or Administration can do to help in this land selection and conveyance?

Prepared By: Peter Demoski

Title: President

Village Of: Nulato Corporation

1. Yes, this has been a concern among several entities within our community. From the Village Corporation's standpoint itself, we foresee difficulties in any land reconveyance to the municipality, resident and non-resident Natives, resident non-Natives, local businessmen, and future business groups.

2. Interior Village Association, a non-profit corporation organized for the purpose of assisting village corporations administer to their land and financial assets, is presently in the process of itemizing forseeable problems, and finding solutions that will enable village corporations to make land reconveyance agreements which will be in accordance with condition of ANSCA and state laws. Current conflicts among various agencies with interests in lands to be conveyed prevent the findings of IVA to be distributed to villages in the immediate future.

3. Yes, this has been raised repeatedly between us at corporation board meetings and village council meetings.

4. While both bodies realize the existence of the problems, and recognize the overall procedure of the reconveyance issue, attention to detail still needs to be determined and satisfactorily settled.

5. Only an unofficial assessment of the acreage of lands to be conveyed to the village has been discussed. No final acreage determination, acreage location, or acreage limitations has been agreed upon.

6. Yes. The existing suitable acreage in and around our village is limited due to natural obstacles, as waterways and swamps. Access to lands suitable for building and village expansion will be completed in the near future. I foresee conflicts between our corporation and council about the dispositions of suitable lands.

7. The State Legislature or Administration can work closely with organizations like Interior Village Association, since they have personnel familiar with their individual villages' problems. Settlements without this consideration will never be satisfactory to all corporations and agencies concerned with the issues.

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Has your Village been aware of the provisions of Section 14(c)(3) and (4) of the ANCSA?

yes

Have you given consideration to taking some formal action in that regard?

yes

Have you conferred with the Municipality on this issue?

yes

Has any agreement been reached between you and the Municipality on how to proceed in this regard?

yes

Have you reached any agreement with the Municipality on the lands to be conveyed under Section 14(c)(3) and (4)?

no

Does it appear as though there may be a confrontation on the issue?

no

What do you feel the State Legislature or Administration can do to help in this land selection and conveyance?

allow conveyance of lands under ANCSA to occur prior to State selection

Prepared By: Gerald Gray

Title: President

Village Of: Hoonah

Hunna Totem Corp.
PO box 290
Hoonah AK 99829

March 31, 1977

Alaska State Legislature
ATTN: Senator Joe Orsini
2912 Alder Drive
Anchorage, Alaska 99504

Dear Senator Orsini:

This Corporation was in receipt of your letter in reference to Alaska Statue 44.47.150 and accompanying questionnaire.

Please find the completed questionnaire attached.

Sincerely,

Huna Totem Corporation

Gerald Gray
President

GG:tj

Attachment

P.O. Box 8558
Ketchikan, Alaska 99901

Telephone
907-225-2250

CAPE FOX CORPORATION

SAXMAN

May 13, 1977

The Honorable Joseph Orsini
Alaska State Senate
Pouch V
State Capitol Building, Rm. 101
Juneau, Alaska 99811

Dear Senator Orsini:

Received your letter of May 7 regarding your concern with the Section 14(c)(3).

Your analysis that the Corporations have been more active in addressing themselves to the issue, than have the municipalities is correct. We have discussed and concerned ourselves with this subject on several occasions, however, we have not arrived at any definitive conclusions. We do not anticipate a great deal of conflict in resolving differences between the Corporation and the Municipality of Saxman. However, our circumstances is perhaps better than some in that the Corporation is controlled exclusively by Natives and the Municipal Government leadership in Saxman is almost exclusively Natives. Most of the Municipal leaders are shareholders in the Cape Fox Corporation (C.F.C.).

Despite the above-mentioned unity, we can foresee a long and protracted dialogue between the two groups before a final agreement can be reached. This will be a severe drain upon the financial and leadership resources of both C.F.C. and Municipal Government of Saxman. While I cannot speak to the needs of the M.G.S., I can assure you that this Corporation would appreciate financial assistance in meeting the cost of reaching a final agreement on 14(c). The legal fees and consulting fees will be extensive even under the most congenial and compatible circumstances.

As you may already know, the Village Corporations, in general, are incurring great expenses in start up cost and long delays in the acquisition of their lands that were pledged to them by the passage of the Claims Act. And, we estimate that it will be six months to two years before lands will be conveyed, and our administrative and management cost continue. The smaller villages with fewer shareholders are beginning to feel a severe financial pinch. 14(c) could very well be the straw that broke the camels back if we're not careful in most Village Corporations' circumstances.

I do not believe it appropriate for the State to provide direct counsel or assistance to the Corporation or to the Municipal Government. As you are very aware, this is a political circumstance and one that must be worked out between the two parties in question. However, it would be appropriate and desirable for the State to assist by providing grants and/or technical assistance to help the parties in question.

On behalf of the Cape Fox Board of Directors and shareholders, I want to thank you for your interest and concern with this very important issue.

Sincerely,

F. A. Seymour
Executive Vice President

FAS:sh

cc: City of Saxman
File Copy

Has your Village been aware of the provisions of Section 14(c)(3) and (4) of the ANCSA?

Have you given consideration to taking some formal action in that regard?

Have you conferred with the Municipality on this issue?

Has any agreement been reached between you and the Municipality on how to proceed in this regard?

Have you reached any agreement with the Municipality on the lands to be conveyed under Section 14(c)(3) and (4)?

Does it appear as though there may be a confrontation on the issue?

What do you feel the State Legislature or Administration can do to help in this land selection and conveyance?

Prepared By: John Brodbin

Title: Tres

Tetlin Village Council. ~~Village Of~~: _____

A Native Village Corporation Within The Chugach Native Region

TATITLEK CORPORATION

Box 758, Cordova, Alaska 99574. Ph. (907) 424-7347

April 7, 1977

Senator Joe Orsini, Chairman
Senate Community and Regional Affairs Commission
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini,

I received your letter dated March 28, 1977 . I do not agree with you, in your letter where you state, "One of the less recognized aspects of the Alaska Native Land Claims Settlement Act has been those provisions of Section 14(c) (3) and (4) relating to the reconveyance of village lands to governmental agencies". I think all the villages, village corporations, and regional corporations through out Alaska are aware of and are greatly concerned about implementation of the provisions in Section 14(c) (3) and (4).
Tatitlek Corporation and the village of Tatitlek is also very concerned as to what procedures and guidelines your committee or any other appropriate committee will put into regulations in implementing Alaska Statute A.S. 44.77.150 village land conveyed in trust. (A) (B) (C) (D) (E) (F) (G).
I agree that your committee, villages,village corporations, and regional corporations should get together and look into possible areas of confrontation in implementing, procedures and guidelines in provisions set forth in Alaska Statute, (A.S. 44.47.150) (A) (B) (C) (D) (E) (F) (G).
I appreciate your suggestion that the state could possibly fund the planning process of the land to be conveyed.
Next monday the Bureau of Indian Affairs is sponsoring Land Planners Training at Anchorage. The University of Alaska will be conducting ten weeks of training, for three or four trainees from ATHNA and Chugach Regions. Tatitlek Corporation was fortunate by having one nomination to the course. The course will be on 14 (c) related training and will actually do 14(c) planning. If the State could compliment funding on this kind of course it really would be a big help.
We appreciate your concern in this matter and look forward to more correspondence with you.

Sincerely,

John Borodkin

John Borodkin, President

encl
c.c. Andy Allen, Tatitlek Village Council

Answers to Questions concerning provisions
concerning 14(c).

1. Tatitlek Corporation board of directors have been aware of the provisions of Sec. 14(c) (3) and (4) of the Alaska Native Claims Settlement Act for the past two years. Last year during Tatitlek Corp. annual stockholders meeting we invited Carl Smith and Marliss Prasse from State of Claska , Community and Regional Affairs Agency to discuss provisions of Sec. 14 (c) (3) (4) with our stockholders at Tatitlek.

2. Village of Tatitlek is seriously considering Incorporating as 2nd class municipality.

3. Yes! during our 1976 annual stockholders meeting at Tatitlek.

4. No. We need much more information before proceeding in this regard.

5. No. We need more information on Municipal government and planning on municipal needs on long range basis.

6. No. Provide planning is acceptable on 14 (c) (3) (4) to Tatitlek Village Council, Tatitlek Corporation.

7. Tatitlek Corporation feels through grant funding form the State agencies that we can implement provisions of Sec. 14 (c) (3) and (4) much quicker than the villages can. Most villages have no money, no budget and therefore have no means of implementing provisions of Sec. 14 (c) (3) and (4). Tatitlek Corporation and Village of Tatitlek strongly feels that the State legislature or Administration can help by funding in implementing provisions of Sec. 14 (c) (3) and (4).

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KOOTZNOOWOO, INC.

P.O. Box 116 — Angoon, Alaska 99820 — Phone: 907-788-3571

May 10, 1977

Senator Joseph Orsini
Chairman
Community & Regional Affairs
Committee
Pouch R
Juneau, Alaska 99811

RE: Sec. 14 (c)(3) ANCSA

Dear Senator Orsini:

Your letter of May 7, 1977 has been referred to me for reply.

I am glad to see that the State Legislature is taking an active interest in any problems that may develop when reconveyance of lands takes place.

The amount of financial assistance to make knowledgeable decisions will probably vary by locality and the various problems encountered. Since we have a good relationship with our municipal government, I don't foresee any problems here in Angoon although there may be some in the future.

I would like to make one suggestion as you consider this issue that could be helpful to the outlying villages. There is a definite need for planning for municipal expansion and the reconveyance study could, at very little extra cost, provide much needed planning data.

I will at your request, develop a plan for reconveyance with the City of Angoon and provide you with a cost breakdown and time schedule. This may be of assistance to you as you consider the financial aspects.

There is often a tendency to suggest general solutions to very complex and diverse problems and I hope that your committee will not be overly pessimistic in your approach. It may be best to develop a set of flexible guidelines so that you can review these transfers on a case by case basis and only provide guidance when needed.

I hope I have been of assistance and I would be glad to discuss this with you at your convenience.

Kindest regards.

Sincerely,

Sterling R. Bolima

Mr. Sterling R. Bolima
Land Planner

SRB:fw

Has your Village been aware of the provisions of Section 14(c)(3) and (4) of the ANCSA? Yes, we have been aware of the reconveyance of Village lands to the Municipal Corporation or the State for the purpose of existing airport sites, easements etc...

Have you given consideration to taking some formal action in that regard? Yes, we are against most of the easements proposed by recreationists and hunters because ~~the~~ most of the easements proposed run through our major hunting, fishing and trapping areas.

Have you conferred with the Municipality on this issue?
Not that I know of.

Has any agreement been reached between you and the Municipality on how to proceed in this regard?
No

Have you reached any agreement with the Municipality on the lands to be conveyed under Section 14(c)(3) and (4)?
No.

Does it appear as though there may be a confrontation on the issue?
I dont know

What do you feel the State Legislature or Administration can do to help in this land selection and conveyance?
They can send us the State law ~~and~~ and Federal law on reconveyance of lands. They can also explain the provisions of Section 14(c)(3) and (4) of the ANCSA in a way that we can better understand it.

Prepared By: Virginia Ned

Title: Secretary - Asa'carsarmiut Inc.

Village Of: Mtn. Village, Alaska 99730

RESPONSE TO LETTER from Chairman CRA, State Senate
3/31/77

Has your Village been aware of the provisions of Section 14(c)(3) and (4) of the ANCSA?

Yes.

48 4/3

Have you given consideration to taking some formal action in that regard?

No. Not yet.

Have you conferred with the Municipality on this issue?

No

Has any agreement been reached between you and the Municipality on how to proceed in this regard?

No

Have you reached any agreement with the Municipality on the lands to be conveyed under Section 14(c)(3) and (4)?

No

Does it appear as though : may be a confrontation on the issue?

No

What do you feel the State Legislature or Administration can do to help in this land selection and conveyance?

Actively support expeditious implementation of ANCSA; the legislature should pass a resolution directing the State Administration to do this.

Prepared By: Frank R Peterson
Title: President
Village Of: Ayakulik

cc: Sen. Poland
Rep. Snyder

Kodiak Area Native Asso.
Box 172
Kodiak, Ak 99615

Has your Village been aware of the provisions of Section 14(c)(3) and (4) of the ANCSA?

YES

Have you given consideration to taking some formal action in that regard? YES, IN VIEW OF TIMBER RESOURCE DEVELOPMENT CLOSE TO CRAIG, WE NEED A LAND USE PLAN IN ORDER TO PROCEED

Have you conferred with the Municipality on this issue?

YES

Has any agreement been reached between you and the Municipality on how to proceed in this regard? ONLY THAT WE EACH HAVE A LAND COMMITTEE. WE SEE A NEED FOR PROFESSIONAL ADVICE IN TRYING TO DETERMINE LAND USAGE & ZONING.

Have you reached any agreement with the Municipality on the lands to be conveyed under Section 14(c)(3) and (4)?

NO

Does it appear as though there may be a confrontation on the issue? NOT IF THE PROPER ADVICE IS RECEIVED ON USE & CITY POSITION IN REGARD TO THE DEVELOPMENT.

What do you feel the State Legislature or Administration can do to help in this land selection and conveyance? ASSIST WITH THE PLANNING FINANCIALLY & TECHNICALLY. KLAWOCK HEENYA CORPORATION LANDS ADJACENT TO SHAAN-SEET & BOTH CITIES ARE INVOLVED. WE WOULD LIKE TO SEE AN AREA DEVELOPMENT PLAN DONE WITH STATE ASSISTANCE.

Prepared By: Marjorie Young

Title: President

Village Of: Craig, Alaska

SHAAN-SEET, INC
BOX 90

56

KIKIKTAGRUK INUPIAT CORPORATION

KOTZEBUE, ALASKA 99752
TELEPHONE (907) 442-3165
or (907) 442-3460

April 19, 1977

Honorable Joe Orsini
Chairman, Senate Community and Regional
Affairs Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

I have reviewed your letter of April 7 in regards to the provisions of 14 (c) (3a) and (4) of the Native Claims Settlement Act. We are, of course, acutely aware of the impact of these provisions and are actively working with our local municipality. However, I cannot see that the state should get involved in a problem that will either be resolved on the local level or in the Federal courts.

Involvement of the State of Alaska in an area which is complicated and untested in the courts can only serve to confuse the situation. It is my understanding that your political philosophy is to keep the state out of local affairs unless it is absolutely necessary. In keeping with that philosophy, I would urge that your committee drop any furhter inquiry into an area where you can be of no assistance.

Yours truly,

Tommy Sheldon Sr.
President

as

cc John Shively, Vice-President
Operations, NANA

Has your Village been aware of the provisions of Section 14(c)(3) and (4) of the ANCSA?

very well aware

Have you given consideration to taking some formal action in that regard?

yes

Have you conferred with the Municipality on this issue?

yes

Has any agreement been reached between you and the Municipality on how to proceed in this regard?

No

Have you reached any agreement with the Municipality on the lands to be conveyed under Section 14(c)(3) and (4)?

No

Does it appear as though there may be a confrontation on the issue?

No

What do you feel the State Legislature or Administration can do to help in this land selection and conveyance?

Give technical assistance.

Prepared By: Louis A. Thompson

Title: President

Village Of: Kasaan, 99924

Kavilco, Incorporated

{missing muni-ketchikan}

Has your Village been aware of the provisions of Section 14(c)(3) and (4) of the ANCSA?

Yes

Have you given consideration to taking some formal action in that regard?

Yes

Have you conferred with the Municipality on this issue?

Yes

Has any agreement been reached between you and the Municipality on how to proceed in this regard?

In process

Have you reached any agreement with the Municipality on the lands to be conveyed under Section 14(c)(3) and (4)?

No

Does it appear as though there may be a confrontation on the issue?

No

What do you feel the State Legislature or Administration can do to help in this land selection and conveyance?

In cases where municipalities exist, local decisions should be encouraged. If the State selects lands in areas without municipalities, it should promulgate regulations for public comment.

Prepared By: Mike Zacharof

Title: President

Village Of: St Paul Island AK.

Tanadgusix Corp

25

May 14, 1977
Mt. Village, Alaska
9 632

Senator Joe Orsini
Chairman, Community &
Regional Affairs Committe
Pouch V Juneau, Alaska 99811

Dear Senator Orsini:

Your letter dated May 5th has been received, and is under full consideration by the board of directors. The issue at this time is the 1280 acres and who will be responsible, whether Municipities, or the village corporations, for selections of the land. In spite of some disagreements we need technical assistance as well as funds, it is pretty hard to estimate at this time how much money our corporation will need, my rough estimate would be around $5000.00 you would be in a better posistion to be a interim chairman of the committee that will be formed soon, I and the rest of the board of Azachorak Inc. will be in full support of your endeavor for this, thank you very much.

Sincerely,

Andrew Brown

Andrew Brown Sr.
President, Azachorak Inc.

Has your Village been aware of the provisions of Section 14(c)(3) and (4) of the ANCSA?

YES

Have you given consideration to taking some formal action in that regard?

YES

Have you conferred with the Municipality on this issue?

YES

Has any agreement been reached between you and the Municipality on how to proceed in this regard?

YES

Have you reached any agreement with the Municipality on the lands to be conveyed under Section 14(c)(3) and (4)?

YES

Does it appear as though there may be a confrontation on the issue?

NO - NOTAAGHLEEDIN, LIMITED AND THE MUNICIPAL GOVERNMENT NEGOTIATED A CONTRACT FOR RE-CONVANENCE, IN MAY OF 1975.

What do you feel the State Legislature or Administration can do to help in this land selection and conveyance?

FROM A INCORPORATED CITY'S POINT OF VIEW I WOULD EXPRESS A DESIRE TO SEEK ASSISTANCE IN PROJECTING FUTURE GROWTH. A SYSTEM BY WHICH RURAL ALASKA COULD HANDLE A SIMPLE LAND TRANSACTION WITHOUT GETTING ENTRAPED IN A "LEGAL BATTLE." AGAIN I EXPRESS "A SIMPLE SYSTEM.

Prepared By: Patrick Sweeten

Title: President

Village Of: Notaaghleeding, Ltd

FROM A NATIVE CORPORATE VIEW I WOULD NEED TO SEE A PROPOSAL FOR COMMUNITY EXPANSION. I WOULD ALSO LIKE TO SEE, IF REGULATIONS

- OVER -

ARE BEING CONSIDERED. "A CUT OFF DATE FOR PROJECTED COMMUNITY GROWTH. PREFERABLY DECEMBER 18th, 1991." THAT IS TO SAY, IF A MUNICIPAL GOVERNMENT WERE TO PLAN FOR COMMUNITY EXPANSION AND MORE THE THE ALLOTED MINIMUM OF 1280 ACRE WERE NEEDED, BY WHICH DATE ~~DO~~ WILL THE COMMUNITY MEASURE NEEDED EXPANSION? 1985 ? 2000 ? 2025?

Has your Village been aware of the provisions of Section 14(c)(3) and (4) of the ANCSA? Yes. This has been discussed. It is our intention to formally incorporate the municipality this summer.

Have you given consideration to taking some formal action in that regard? yes — we are studying which lands would be most suitable to reconvey so as to make the municipal corporation viable.

Have you conferred with the Municipality on this issue? No. It hasn't been organized formally yet. But when it is we will confer.

Has any agreement been reached between you and the Municipality on how to proceed in this regard? (See above.) It is our feeling we will find agreement on reconveyances.

Have you reached any agreement with the Municipality on the lands to be conveyed under Section 14(c)(3) and (4)? (See above)

Does it appear as though there may be a confrontation on the issue? Very doubtful. We anticipate close and cordial relationships.

What do you feel the State Legislature or Administration can do to help in this land selection and conveyance? We are open to suggestions ourselves. Perhaps if the State would assume costs of surveying and other such costs it would be helpful.

Prepared By: Karl Armstrong

Title: President

Village Of: Teisnoi, Inc.

Has your Village been aware of the provisions of Section 14(c)(3) and (4) of the ANCSA? yes

Have you given consideration to taking some formal action in that regard? yes.

Have you conferred with the Municipality on this issue? yes.

Has any agreement been reached between you and the Municipality on how to proceed in this regard? None

Have you reached any agreement with the Municipality on the lands to be conveyed under Section 14(c)(3) and (4)? yes for None Land within the town site

Does it appear as though there may be a confrontation on the issue? yes.

What do you feel the State Legislature or Administration can do to help in this land selection and conveyance? they should help in gearing for someone to help the city in getting the land under 14(c)(3) and (4)

GWITCHYAA ZHEE CORP.
P. O. Box 57
Fort Yukon, Alaska 99740

Prepared By: Jonathan Solomon

Title: Pres.

Village Of: Ft Yukon, Alaska 99740

W/ IN
MUNI

TELEGRAM

RCA ALASKA COMMUNICATIONS
PHONE: 586-6440
JUNEAU, ALASKA 99801

#

02042 PDM TDA SELDOVIA ALASKA 15 05-09 0645P ADT

PMS SEN JOE ORSINI

JUN

WITHOUT PATENTS OR CONVEYANCES ANY COMMITTEES

FOR ANSCA 14(C)3 ARE PREMATURE AND FINANCIALLY

IRRESPONSIBLE.

FRED H ELVSAAS, PRESIDENT, SELDOVIA NATIVE ASSOCIATION

INCORPORATED, DRAWER I., SELDOVIA ALASKA 99663

1977 MAY 10 01 56

Has your municipality been aware of the provisions of Section 14(c)(3) and (4) of the ANCSA? We of the nuigsat Board have meet with the municipality and have gone over the provisions of section 14(c) 3 and 4 of the ANCSA handbook

Have you given consideration to taking some formal action in that regard? yes we have taking some formal consideration on this matter

Have you conferred with the Village on this issue?
yes we have conferred with the village on this issue

Has any agreement been reached between you and the Village on how to proceed in this regard?
yes we have reach an agreement with the village on the procced on this matter

Have you reached any agreement with the Village on the lands to be conveyed under Section 14(c)(3) and (4)? yes we have reach an agreement on land conveyed with the village under section 14(c) 3 and 4

Does it appear as though there may be a confrontation on the issue? the way it seem that the village does not appear as though there may be a confrontation on this issue

What do you feel the State Legislature or Administration can do to help in this land selection and conveyance? on this matter the State Legislature or the Administration can't do any helping because we have not for the longest time gotten our Interim conveyance.

Prepared By: Frank Long Jr

Title: Land Chief

Municipality Of: Nuigsut Ak

Has your Village been aware of the provisions of Section 14(c)(3) and (4) of the ANCSA? YES

Have you given consideration to taking some formal action in that regard? YES

Have you conferred with the Municipality on this issue?
NO

Has any agreement been reached between you and the Municipality on how to proceed in this regard?
No

Have you reached any agreement with the Municipality on the lands to be conveyed under Section 14(c)(3) and (4)?
NO

Does it appear as though there may be a confrontation on the issue? NO

What do you feel the State Legislature or Administration can do to help in this land selection and conveyance?

ALLOW THE VILLAGES TO DO IT THEMSELVES TO SPEED THE LAND CONVEYANCES TO THE VILLAGES.

Prepared By: Paul Rorbak
Title: President
Village Of: Savoonga

Savoonga Native Corp
Box 142
Savoonga, Ak 99769

59

Kake Tribal Corporation
P.O. Box 263
Kake, Alaska 99830

April 12, 1977

Senator Joe Orsini
Pouch V
Juneau, Alaska 99801

Dear Senator:

This will acknowledge your letter of March 28, 1977 relating to the reconveyance of village land to municipal governments.

We have discussed the above with our attorney and also other attorneys. It is our desire that any lands conveyed to the municipalities will be done so in the following manner: land will be restricted and will be for use only by shareholders, all timber will be removed. Village corporations should set guidelines in regards to these reconveyances without any interference from the municipal governments or other governmental entities.

Most of the small villages are governed by shareholders of its local corporation. At the present, we have had not objections regarding the conveyance of land to the municipality. Land title may be in jeopardy when non-natives take control of the municipal governments. We must be certain that the reconveyed land will always belong, or revert back to the villag corporation.

We appreciate your concern and we are very pleased to know you are planning before the conveyances of land are made.

Respectfully,

Albert Davis

Albert Davis
President

AD/br

cc: Village corporations
Sealaska Corp.

May 13, 1977

RE: Annexation by
City of Craig
of a portion of
Klawock-Heenya
Corporation's
Primary Land
Selection

Mr. Leonard Kato, Pres.
Klawock/Heenya Corporation
P.O. Box 74
Klawock, Alaska 99925

Dear Mr. Kato:

This is in response to your letter requesting my assistance regarding the above referenced matter.

In reviewing the correspondence you forwarded to me and after making contact with Pat Poland, Local Government Specialist, Department of Community and Regional Affairs, it appears that the optimum alternative available to you is to initiate proceedings to detach the land at issue from the City of Craig.

With this in mind, I have enclosed a letter sent to my Administrative Assistant from Mr. Poland which delineates the procedural steps involved in initiating and advancing this type of proceeding.

I appreciate your contacting me for assistance and if there is any further service I can render, please call me at 465-3758.

Sincerely,

Senator Joe Orsini
Chairman
Senate Community and
Regional Affairs
Committee

JO/PC/js

60

Klawock Heenya Corporation
P.O. Box 25
Klawock, Alaska 99925

(907) 755-2270
755-2266
755-2267

April 1, 1977

Senator Joe Orsini
Pouch V
Juneau, Alaska

Dear Senator Orsini:

The Klawock Heenya Corporation has always been aware of Section 14 (c) and how vague it is written. The Corporation has drafted its views on Section 14 (c) (3), which was presented to the City Council. Upon presentation the President of the Corporation explained Section 14 (c) of the Act and made it clear that the views that were being presented were only the views of the Corporation. It was further explained that what the Corporation was looking for was:

1. To make the City Council aware of Section 14 (c), and how vague it was written.

2. To have the City Council review what the Corporation thoughts were on Section 14 (c), and to have them come up with their own point of view.

3. To then meet jointly so as to proceed toward some agreement that would be satisfactory to both entities.

However, to this day this office has not heard from the City Council and could not express as to whether they are taking this subject too lightly, or whether they are going to confront the Corporation without first trying to meet jointly.

Klawock Heenya Corporation feels that if state funds were made available to the village corporation and municipal government to go jointly on a comprehensive land use plan, the final analsis of the plan would show what land under 14 (c) (3) would be of best interest to both entities, plus show an overall plan as to how the corporation and municipal government could best work together with the land, whether it be corporation or municipal land, in the coming future.

Sincerely yours,

Leonard Kato
President

LK:rs

I expect to be chairman of this interim committee, and as such would be interested in some of your specific concerns. Of particular importance would be your perception of an estimate of the amount of financial assistance you might need, so that an appropriation could be put into next year's state budget. I would be interested in hearing from you on this.

Sincerely,

Joe Orsini

Senator Joe Orsini
Chairman, Community
and Regional Affairs
Committee

JO/js

Honorable Senator:
Municipal selection had been made already within the process of 3 years. The following had been the process of the selection:

A) General Village Meeting
1. General selection
i) lands elected for farmers, future expansion, road projection, water & sanitation
ii) Seaden Land Committee approval

B) Screening & Study by Municipal Government & final approval

C) Sea Lion provides a technical man - local hire - same reason that made selection - Sea Lion technical Sea Lion pays the travels

Ø refund us if State does finance the selection of 1A(C).

No confrontation no problem unless screwed by some bureaucrat.

41

Nik'aghun, Limited
Nulato, Alaska 99765
May 24, 1977

Senator Joe Orsini, Chairman
CRA Committee
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator,

I am glad that the Legislature and many villages are aware of the many complexities that will evolve during the selection of the 14 (c)(3) acreage between village corporations and municipalities.

The Legislature is to be commended for considering the formation of an interim committee to investigate this issue and offer state assistance in financial terms.

Nulato has a high favorable relationship between corporation and municipality. However, this may be due to a misunderstanding of the technical issues involved about such a complex problem by the majority of both organizations.

I do have one concern in regards to your letter of May 5, 1977. You indicated a request for an estimation of financial assistance needed for an appropriation to be put into next year's budget.

We recently received a notice from BLM that a selection of lands by the municipality be determined prior to a survey. BLM will be here in July and August to do this survey.

It seems that we will be deprived of any state financial assistance.

Please advise.

Sincerely,

Peter Demoski

Peter Demoski
President

Nik'aghun, Limited
Nulato, Alaska 99765
May 24, 1977

Senator Joe Orsini, Chairman
CRA Committee
Alaska State Senate
Pouch V
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It seems that we will be deprived of any state financial assistance.

Please advise.

Sincerely,

Peter Demoski

Peter Demoski
President

W/ IN

TELEGRAM

[illegible] ALASKA COMMUNICATIONS
PHONE: 586-6140
JUNEAU, ALASKA 99801

02042 POM TDA SELDOVIA ALASKA 15 05-09 0645P ADT

PMS SEN JOE ORSINI

JUN

WITHOUT PATENTS OR CONVEYANCES ANY COMMITTEES

FOR ANSCA 14(C)3 ARE PREMATURE AND FINANCIALLY

IRRESPONSIBLE.

FRED H ELVSAAS, PRESIDENT, SELDOVIA NATIVE ASSOCIATION

INCORPORATED, DRAWER L, SELDOVIA ALASKA 99663

1977 MAY 10 01 56

Has your municipality been aware of the provisions of Section 14(c)(3) and (4) of the ANCSA? We of the nuigsat Board have meet with the municipality and have gone over the provisions of section 14(c) 3 and 4 of the ANCSA handbook

Have you given consideration to taking some formal action in that regard? yes we have taking some formal consideration on this matter

Have you conferred with the Village on this issue?
yes we have conferred with the village on this issue

Has any agreement been reached between you and the Village on how to proceed in this regard?
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Have you reached any agreement with the Village on the lands to be conveyed under Section 14(c)(3) and (4)? yes we have reach an agreement on land conveyed with the village under section 14(c) 3 and 4
Does it appear as though there may be a confrontation on the issue? the way it seem that the village does not appear as though there may be a confrontation on this issue

What do you feel the State Legislature or Administration can do to help in this land selection and conveyance? on this matter the State Legislature or the Administration can't do any helping because we have not for the longest time gotten our Interim conveyance.

Prepared By: Frank Long Jr

Title: Land Chief

Municipality Of: Nuigsut Ak

Has your Village been aware of the provisions of Section 14(c)(3) and (4) of the ANCSA? YES

Have you given consideration to taking some formal action in that regard? YES

Have you conferred with the Municipality on this issue?
NO

Has any agreement been reached between you and the Municipality on how to proceed in this regard?
No

Have you reached any agreement with the Municipality on the lands to be conveyed under Section 14(c)(3) and (4)?
NO

Does it appear as though there may be a confrontation on the issue? NO

What do you feel the State Legislature or Administration can do to help in this land selection and conveyance?
ALLOW THE VILLAGES TO DO IT THEMSELVES TO SPEED THE LAND CONVEYANCES TO THE VILLAGES.

Prepared By: Paul Parker
Title: President
Village Of: Savoonga

Savoonga Native Corp
Box 142
Savoonga, Ak 99769

59

Kake Tribal Corporation
P.O. Box 263
Kake, Alaska 99830

April 12, 1977

Senator Joe Orsini
Pouch V
Juneau, Alaska 99801

Dear Senator:

This will acknowledge your letter of March 28, 1977 relating to the reconveyance of village land to municipal governments.

We have discussed the above with our attorney and also other attorneys. It is our desire that any lands conveyed to the municipalities will be done so in the following manner: land will be restricted and will be for use only by shareholders, all timber will be removed. Village corporations should set guidelines in regards to these reconveyances without any interference from the municipal governments or other governmental entities.

Most of the small villages are governed by shareholders of its local corporation. At the present, we have had not objections regarding the conveyance of land to the municipality. Land title may be in jeopardy when non-natives take control of the municipal governments. We must be certain that the reconveyed land will always belong, or revert back to the village corporation.

We appreciate your concern and we are very pleased to know you are planning before the conveyances of land are made.

Respectfully,

Albert Davis

Albert Davis
President

AD/br

cc: Village corporations
Sealaska Corp.

60

Klawock Heenya Corporation
P.O. Box 25
Klawock, Alaska 99925

(907) 755-2270
755-2266
755-2267

April 1, 1977

Senator Joe Orsini
Pouch V
Juneau, Alaska

Dear Senator Orsini:

The Klawock Heenya Corporation has always been aware of Section 14 (c) and how vague it is written. The Corporation has drafted its views on Section 14 (c) (3), which was presented to the City Council. Upon presentation the President of the Corporation explained Section 14 (c) of the Act and made it clear that the views that were being presented were only the views of the Corporation. It was further explained that what the Corporation was looking for was:

1. To make the City Council aware of Section 14 (c), and how vague it was written.

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Klawock Heenya Corporation feels that if state funds were made available to the village corporation and municipal government to go jointly on a comprehensive land use plan, the final analsis of the plan would show what land under 14 (c) (3) would be of best interest to both entities, plus show an overall plan as to how the corporation and municipal government could best work together with the land, whether it be corporation or municipal land, in the coming future.

Sincerely yours,

Leonard Kato
President

LK:rs

Has your Village been aware of the provisions of Section 14(c)(3) and (4) of the ANCSA?

Yes.

Have you given consideration to taking some formal action in that regard?

Yes.

Have you conferred with the Municipality on this issue?

Yes.

Has any agreement been reached between you and the Municipality on how to proceed in this regard?

No.

Have you reached any agreement with the Municipality on the lands to be conveyed under Section 14(c)(3) and (4)?

No.

Does it appear as though there may be a confrontation on the issue?

No.

What do you feel the State Legislature or Administration can do to help in this land selection and conveyance?
I think assisting the City in developing their future requirements with respect to future expansion and needs of the City for lands under the ANCSA would be very beneficial. I would, however, caution and advise that the Corporation and the City work hand in hand with the State Community & Regional Affairs in the planning effort so as to avoid any future confrontation.

Prepared By: Sam L. Demmert

Title: President

Village Of: Yakutat, Alaska

Has your Village been aware of the provisions of Section 14(c)(3) and (4) of the ANCSA? yes

Have you given consideration to taking some formal action in that regard? yes.

Have you conferred with the Municipality on this issue? yes.

Has any agreement been reached between you and the Municipality on how to proceed in this regard? None

Have you reached any agreement with the Municipality on the lands to be conveyed under Section 14(c)(3) and (4)? We've for some land within the town sit.

Does it appear as though there may be a confrontation on the issue? yes.

What do you feel the State Legislature or Administration can do to help in this land selection and conveyance? they should help in praying for someone to help the city in getting the land under 14(c)(3) and (4)

GWITCHYAA ZHEE CORP.
P. O. Box 57
Fort Yukon, Alaska 99740

Prepared By: Jonathan Solomon

Title: Pres.

Village Of: Ft Yukon, Alaska 99740

Nik'aghun, Limited
Nulato, Alaska 99765
March 31, 1977

Senator Joe Orsini
Chairman CRA Committee
Pouch V
Juneau, Alaska 99811

Dear Senator,

I am replying to the enclosed questionnaire recently received from your office.

I feel the questions raised by you will be high priority issues that cannot be ignored by any village corporation or municipality.

Any plausible solutions offered by your office to those inevitable concerns will certainly be received with acute interest.

Sincerely,

Peter Demoski

Peter Demoski, Pres.

1. Has your Village been aware of the provisions of Section 14(c)(3) and (4) of the ANCSA?

2. Have you given consideration to taking some formal action in that regard?

3 Have you conferred with the Municipality on this issue?

4. Has any agreement been reached between you and the Municipality on how to proceed in this regard?

5. Have you reached any agreement with the Municipality on the lands to be conveyed under Section 14(c)(3) and (4)?

6. Does it appear as though there may be a confrontation on the issue?

7. What do you feel the State Legislature or Administration can do to help in this land selection and conveyance?

Prepared By: Peter Demoski

Title: President

Village Of: Nulato Corporation

1. Yes, this has been a concern among several entities within our community. From the Village Corporation's standpoint itself, we foresee difficulties in any land reconveyance to the municipality, resident and non-resident Natives, resident non-Natives, local businessmen, and future business groups.

2. Interior Village Association, a non-profit corporation organized for the purpose of assisting village corporations administer to their land and financial assets, is presently in the process of itemizing forseeable problems, and finding solutions that will enable village corporations to make land reconveyance agreements which will be in accordance with condition of ANSCA and state laws. Current conflicts among various agencies with interests in lands to be conveyed prevent the findings of IVA to be distributed to villages in the immediate future.

3. Yes, this has been raised repeatedly between us at corporation board meetings and village council meetings.

4. While both bodies realize the existence of the problems, and recognize the overall procedure of the reconveyance issue, attention to detail still needs to be determined and satisfactorily settled.

5. Only an unofficial assessment of the acreage of lands to be conveyed to the village has been discussed. No final acreage determination, acreage location, or acreage limitations has been agreed upon.

6. Yes. The existing suitable acreage in and around our village is limited due to natural obstacles, as waterways and swamps. Access to lands suitable for building and village expansion will be completed in the near future. I foresee conflicts between our corporation and council about the dispositions of suitable lands.

7. The State Legislature or Administration can work closely with organizations like Interior Village Association, since they have personnel familiar with their individual villages' problems. Settlements without this consideration will never be satisfactory to all corporations and agencies concerned with the issues.

Has your Village been aware of the provisions of Section 14(c)(3) and (4) of the ANCSA? Yes. This has been discussed. It is our intention to formally incorporate the municipality this summer.

Have you given consideration to taking some formal action in that regard? Yes — we are studying which lands would be most suitable to reconvey so as to make the municipal corporation viable.

Have you conferred with the Municipality on this issue? No. It hasn't been organized formally yet. But when it is we will confer.

Has any agreement been reached between you and the Municipality on how to proceed in this regard? (See above.) It is our feeling we will find agreement on reconveyances.

Have you reached any agreement with the Municipality on the lands to be conveyed under Section 14(c)(3) and (4)? (See above)

Does it appear as though there may be a confrontation on the issue? Very doubtful. We anticipate close and cordial relationships.

What do you feel the State Legislature or Administration can do to help in this land selection and conveyance? We are open to suggestions ourselves. Perhaps if the State would assume costs of surveying and other such costs it would be helpful.

Prepared By: Karl Armstrong

Title: President

Village Of: Teicnii, Inc.

Has your Village been aware of the provisions of Section 14(c)(3) and (4) of the ANCSA?

YES

Have you given consideration to taking some formal action in that regard?

YES

Have you conferred with the Municipality on this issue?

YES

Has any agreement been reached between you and the Municipality on how to proceed in this regard?

YES

Have you reached any agreement with the Municipality on the lands to be conveyed under Sectior 14(c)(3) and (4)?

YES

Does it appear as though there may be a confrontation on the issue?

NO - NOTAAGHLEEDIN, LIMITED AND THE MUNICIPAL GOVERNMENT NEGOTIATED A CONTRACT FOR RE-CONVANENCE, IN MAY OF 1975.

What do you feel the State Legislature or Administration can do to help in this land selection and conveyance?

FROM A INCORPORATED CITY'S POINT OF VIEW I WOULD EXPRESS A DESIRE TO SEEK ASSISTANCE IN PROJECTING FUTURE GROWTH. A SYSTEM BY WHICH RURAL ALASKA COULD HANDLE A SIMPLE LAND TRANSACTION WITHOUT GETTING ENTRAPED IN A "LEGAL BATTLE." AGAIN I EXPRESS "A SIMPLE SYSTEM."

Prepared By: Patrick Sweetsir

Title: President

Village Of: Notaaghleeding, Ltd.

FROM A NATIVE CORPORATE VIEW I WOULD NEED TO SEE A PROPOSAL FOR COMMUNITY EXPANSION. I WOULD ALSO LIKE TO SEE, IF REGULATIONS

March 31, 1977

Alaska State Legislature
ATTN: Senator Joe Orsini
2912 Alder Drive
Anchorage, Alaska 99504

Dear Senator O

This Corporation was in receipt of your letter in reference to Alaska Statue 44.47.150 and accompanying questionnaire.

Please find the completed questionnaire attached.

Sincerely,

Huna Totem Corporation

Gerald Gray
President

GG:tj

Attachment

HUNA TOTEM CORPORATION
P.O. BOX 290 HOONAH, ALASKA 99829 907-945-3330

Has your Village been aware of the provisions of Section 14(c)(3) and (4) of the ANCSA?

yes

Have you given consideration to taking some formal action in that regard?

yes

Have you conferred with the Municipality on this issue?

yes

Has any agreement been reached between you and the Municipality on how to proceed in this regard?

yes

Have you reached any agreement with the Municipality on the lands to be conveyed under Section 14(c)(3) and (4)?

no

Does it appear as though there may be a confrontation on the issue?

no

What do you feel the State Legislature or Administration can do to help in this land selection and conveyance?

allow conveyance of lands under ANCSA to occur prior to State selection

Prepared By: Gerald Gray

Title: President

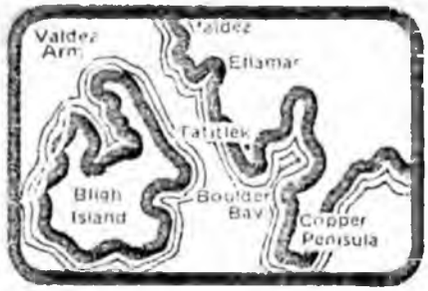
Village Of: Hoonah

Hunna Totem Corp.
PO box 290
Hoonah, AK 99829

A Native Village Corporation Within The Chugach Native Region

TATITLEK CORPORATION

Box 758, Cordova, Alaska 99574. Ph. (907) 424-7347



April 7, 1977

Senator Joe Orsini, Chairman
Senate Community and Regional Affairs Commission
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini,

I received your letter dated March 28, 1977 . I do not agree with you, in your letter where you state, "One of the less recognized aspects of the Alaska Native Land Claims Settlement Act has been those provisions of Section 14(c) (3) and (4) relating to the reconveyance of village lands to governmental agencies". I think all the villages, village corporations, and regional corporations through out Alaska are aware of and are greatly concerned about implementation of the provisions in Section 14(c) (3) and (4).
Tatitlek Corporation and the village of Tatitlek is also very concerned as to what procedures and guidelines your comittee or any other appropriate committee will put into regulations in implementing Alaska Statute A.S. 44.77.150 village land conveyed in trust. (A) (B) (C) (D) (E) (F) (G).
I agree that your committee, villages,village corporations, and regional corporations should get together and look into possible areas of confrontation in implementing, procedures and guidelines in provisions set forth in Alaska Statute, (A.S. 44.47.150) (A) (B) (C) (D) (E) (F) (G).
I appreciate your suggestion that the state could possibly fund the planning process of the land to be conveyed.
Next monday the Bureau of Indian Affairs is sponsoring Land Planners Training at Anchorage. The University of Alaska will be conducting ten weeks of training, for three or four trainees from ATINA and Chugach Regions. Tatitlek Corporation was fortunate by having one nomination to the course. The course will be on 14 (c) related training and will actually do 14(c) planning. If the State could compliment funding on this kind of course it really would be a big help.
We appreciate your concern in this matter and look forward to more correspondence with you.

Sincerely,

John Borodkin

John Borodkin, President

encl
c.c. Andy Allen, Tatitlek Village Council

Answers to Questions concerning provisions concerning 14(c).

1. Tatitlek Corporation board of directors have been aware of the provisions of Sec. 14(c) (3) and (4) of the Alaska Native Claims Settlement Act for the past two years. Last year during Tatitlek Corp. annual stockholders meeting we invited Carl Smith and Marliss Prasse from State of Claska , Community and Regional Affairs Agency to discuss provisions of Sec. 14 (c) (3) (4) with our stockholders at Tatitlek.

2. Village of Tatitlek is seriously considering Incorporating as 2nd class municipality.

3. Yes! during our 1976 annual stockholders meeting at Tatitlek.

4. No. We need much more information before proceeding in this regard.

5. No. We need more information on Municipal government and planning on municipal needs on long range basis.

6. No. Provide planning is acceptable on 14 (c) (3) (4) to Tatitlek Village Council, Tatitlek Corporation.

7. Tatitlek Corporation feels through grant funding form the State agencies that we can implement provisions of Sec. 14 (c) (3) and (4) much quicker than the villages can. Most villages have no money, no budget and therefore have no means of implementing provisions of Sec. 14 (c) (3) and (4). Tatitlek Corporation and Village of Tatitlek strongly feels that the State legislature or Administration can help by funding in implementing provisions of Sec. 14 (c) (3) and (4).

Has your Village been aware of the provisions of Section 14(c)(3) and (4) of the ANCSA?

Have you given consideration to taking some formal action in that regard?

Have you conferred with the Municipality on this issue?

Has any agreement been reached between you and the Municipality on how to proceed in this regard?

Have you reached any agreement with the Municipality on the lands to be conveyed under Section 14(c)(3) and (4)?

Does it appear as though there may be a confrontation on the issue?

What do you feel the State Legislature or Administration can do to help in this land selection and conveyance?

Prepared By: John Borodkin

Title: Pres

Village Of: ~~Village Of~~ Tatitlek Corp.

KIKIKTAGRUK INUPIAT CORPORATION

KOTZEBUE, ALASKA 9975
TELEPHONE (907) 442-3165
or (907) 442-3460

April 19, 1977

Honorable Joe Orsini
Chairman, Senate Community and Regional
Affairs Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

I have reviewed your letter of April 7 in regards to the provisions of 14 (c) (3a) and (4) of the Native Claims Settlement Act. We are, of course, acutely aware of the impact of these provisions and are actively working with our local municipality. However, I cannot see that the state should get involved in a problem that will either be resolved on the local level or in the Federal courts.

Involvement of the State of Alaska in an area which is complicated and untested in the courts can only serve to confuse the situation. It is my understanding that your political philosophy is to keep the state out of local affairs unless it is absolutely necessary. In keeping with that philosophy, I would urge that your committee drop any furhter inquiry into an area where you can be of no assistance.

Yours truly,

Tommy Sheldon Sr.
President

as

cc John Shively, Vice-President
Operations, NANA

Has your Village been aware of the provisions of Section 14(c)(3) and (4) of the ANCSA?

YES

Have you given consideration to taking some formal action in that regard? YES, IN VIEW OF TIMBER RESOURCE DEVELOPMENT CLOSE TO CRAIG, WE NEED A LAND USE PLAN IN ORDER TO PROCEED

Have you conferred with the Municipality on this issue?

YES

Has any agreement been reached between you and the Municipality on how to proceed in this regard? ONLY THAT WE EACH HAVE A LAND COMMITTEE. WE SEE A NEED FOR PROFESSIONAL ADVICE IN TRYING TO DETERMINE LAND USAGE & ZONING.

Have you reached any agreement with the Municipality on the lands to be conveyed under Section 14(c)(3) and (4)?

NO

Does it appear as though there may be a confrontation on the issue? NOT IF THE PROPER ADVICE IS RECEIVED ON USE & CITY POSITION IN REGARD TO THE DEVELOPMENT.

What do you feel the State Legislature or Administration can do to help in this land selection and conveyance? ASSIST WITH THE PLANNING FINANCIALLY & TECHNICALLY. KLAWOCK HEENYA CORPORATION LANDS ADJACENT TO SHAAN-SEET & BOTH CITIES ARE INVOLVED. WE WOULD LIKE TO SEE AN AREA DEVELOPMENT PLAN DONE WITH STATE ASSISTANCE.

Prepared By: Darrow Young

Title: President

Village Of: Craig, Alaska

SHAAN-SEET, INC
Box 90

RESPONSE TO LETTER FROM Chairman CRA, State Senate

3/31/77

Has your Village been aware of the provisions of Section 14(c)(3) and (4) of the ANCSA?

Yes.

48 1/2

Have you given consideration to taking some formal action in that regard?

No. Not Yet

Have you conferred with the Municipality on this issue?

No

Has any agreement been reached between you and the Municipality on how to proceed in this regard?

No

Have you reached any agreement with the Municipality on the lands to be conveyed under Section 14(c)(3) and (4)?

No

Does it appear as though there may be a confrontation on the issue?

No

What do you feel the State Legislature or Administration can do to help in this land selection and conveyance?

Actively support expeditious implementation of ANCSA; the legislature should pass a resolution directing the State Administration to do this.

Prepared By: Frank R Peterson

Title: President

Village Of: Ayakulik

cc: Sen. Poland
Rep. Snyder

Kodiak Area Native Assn.
Box 172
Kodiak, Ak 99615

Has your Village been aware of the provisions of Section 14(c)(3) and (4) of the ANCSA?

Have you given consideration to taking some formal action in that regard?

Have you conferred with the Municipality on this issue?

Has any agreement been reached between you and the Municipality on how to proceed in this regard?

Have you reached any agreement with the Municipality on the lands to be conveyed under Section 14(c)(3) and (4)?

Does it appear as though there may be a confrontation on the issue?

I don't know

What do you feel the State Legislature or Administration can do to help in this land selection and conveyance?

They can send us the State law and federal law on reconveyance of lands. They can also explain the provisions of Section 14(c)(3) and (4) of the ANCSA in a way that we can better understand it.

Prepared By:

Title:

Village Of:

Has your Village been aware of the provisions of Section 14(c)(3) and (4) of the ANCSA?

Yes

Have you given consideration to taking some formal action in that regard?

Yes

Have you conferred with the Municipality on this issue?

Yes

Has any agreement been reached between you and the Municipality on how to proceed in this regard?

In process

Have you reached any agreement with the Municipality on the lands to be conveyed under Section 14(c)(3) and (4)?

No

Does it appear as though there may be a confrontation on the issue?

No

What do you feel the State Legislature or Administration can do to help in this land selection and conveyance?

In cases where municipalities exist, local decisions should be encouraged. If the State selects lands in areas without municipalities, it should promulgate regulations for public comment.

Prepared By: Mike Zacharof

Title: President

Village Of: St Paul Island AK.

Tanadgusix Corp

Has your Village been aware of the provisions of Section 14(c)(3) and (4) of the ANCSA?

very well aware

Have you given consideration to taking some formal action in that regard?

yes

Have you conferred with the Municipality on this issue?

yes

Has any agreement been reached between you and the Municipality on how to proceed in this regard?

No

Have you reached any agreement with the Municipality on the lands to be conveyed under Section 14(c)(3) and (4)?

No

Does it appear as though there may be a confrontation on the issue?

No

What do you feel the State Legislature or Administration can do to help in this land selection and conveyance?

Give technical assistance.

Prepared By: Louis A. Thompson

Title: President

Village Of: Kasaan, 99924

Kavilco, Incorporated

{~~muni~~ muni-ketchikan}

P.O. Box 8558
Ketchikan, Alaska 99901

Telephone
907-225-2250

CAPE FOX CORPORATION

SAXMAN

May 13, 1977

The Honorable Joseph Orsini
Alaska State Senate
Pouch V
State Capitol Building, Rm. 101
Juneau, Alaska 99811

Dear Senator Orsini:

Received your letter of May 7 regarding your concern with the Section 14(c)(3).

Your analysis that the Corporations have been more active in addressing themselves to the issue, than have the municipalities is correct. We have discussed and concerned ourselves with this subject on several occasions, however, we have not arrived at any definitive conclusions. We do not anticipate a great deal of conflict in resolving differences between the Corporation and the Municipality of Saxman. However, our circumstances is perhaps better than some in that the Corporation is controlled exclusively by Natives and the Municipal Government leadership in Saxman is almost exclusively Natives. Most of the Municipal leaders are shareholders in the Cape Fox Corporation (C.F.C.).

Despite the above-mentioned unity, we can foresee a long and protracted dialogue between the two groups before a final agreement can be reached. This will be a severe drain upon the financial and leadership resources of both C.F.C. and Municipal Government of Saxman. While I cannot speak to the needs of the M.G.S., I can assure you that this Corporation would appreciate financial assistance in meeting the cost of reaching a final agreement on 14(c). The legal fees and consulting fees will be extensive even under the most congenial and compatible circumstances.

As you may already know, the Village Corporations, in general, are incurring great expenses in start up cost and long delays in the acquisition of their lands that were pledged to them by the passage of the Claims Act. And, we estimate that it will be six months to two years before lands will be conveyed, and our administrative and management cost continue. The smaller villages with fewer shareholders are beginning to feel a severe financial pinch. 14(c) could very well be the straw that broke the camels back if we're not careful in most Village Corporations' circumstances.

I do not believe it appropriate for the State to provide direct counsel or assistance to the Corporation or to the Municipal Government. As you are very aware, this is a political circumstance and one that must be worked out between the two parties in question. However, it would be appropriate and desirable for the State to assist by providing grants and/or technical assistance to help the parties in question.

On behalf of the Cape Fox Board of Directors and shareholders, I want to thank you for your interest and concern with this very important issue.

Sincerely,

F. A. Seymour
Executive Vice President

FAS:sh

cc: City of Saxman
File Copy

KOOTZNOOWOO, INC.

P.O. Box 116 — Angoon, Alaska 99820 — Phone: 907-788-3571

Mar. 10, 1977

[illegible] Tanana Chiefs
[illegible]
Community Development Office
Committee
[illegible] 3
Tanana, [illegible] 99777

RE: Sec. 14 (a)(3) [illegible]

[illegible] Tanana Chiefs:

Your letter of Mar. 7, 1977 has been referred to me for reply.

I am glad to see that the Tanana Chiefs is taking an active interest in many problems that may develop when reconveyance of lands takes place.

The amount of financial assistance to make knowledgeable decisions will probably vary by locality and the various problems encountered. Since we have a [illegible] with [illegible] regional corporation, I doubt if Angoon can qualify to receive any of this money in the future.

I would like to make one suggestion as you proceed with those that could be helped by the village trust, [illegible] Native corporation should be given [illegible] to the village trust, [illegible] should be [illegible].

[illegible] with the Tanana Chiefs [illegible] Angoon [illegible] Native [illegible] to our [illegible] [illegible] needs.

25

May 14, 1977
Mt. Village, Alaska
9 632

Senator Joe Orsini
Chairman, Community &
Regional Affairs Committe
Pouch V Juneau, Alaska 99811

Dear Senator Orsini:

Your letter cated May 5th has been received, and is under full consideration by the board of directors. The issue at this time is the 1280 acres and who will be responsible, whether Municipities, or the village corporations, for selections of the land. In spite of some disagreements we need technical assistance as well as funds, it is pretty hard to estimate at this time how much money our corporation will need, my rough estimate would be around $5,000.00 you would be in a better posistion to be a interim chairman of the committee that will be formed soon, I and the rest of the board of Azachorak Inc. will be in full support of your endeavor for this, thank you very much.

Sincerely,

Andrew Brown Sr.
President, Azachorak Inc.

M

Has your Village been aware of the provisions of Section 14(c)(3) and (4) of the ANCSA?

YES

Have you given consideration to taking some formal action in that regard?

WE HAVE BEEN WORKING ON THIS WITH AHTNA INC.

Have you conferred with the Municipality on this issue?

NO MUNICIPALITY

Has any agreement been reached between you and the Municipality on how to proceed in this regard?

NO MUNICIPALITY

Have you reached any agreement with the Municipality on the lands to be conveyed under Section 14(c)(3) and (4)?

NO MUNICAPALITY

Does it appear as though there may be a confrontation on the issue?

NO

What do you feel the State Legislature or Administration can do to help in this land selection and conveyance?

PLANNING

Prepared By: Hector Ewan

Title: PRESIDENT

Village Of: COPPER CENTER, ALASKA

KLUTI-KAAH CORP.

Has your Village been aware of the provisions of Section 14(c)(3) and (4) of the ANCSA?

Yes

Have you given consideration to taking some formal action in that regard?

Yes, however, we haven't received one square inch of our land entitlement under ANCSA.

Have you conferred with the Municipality on this issue?

No, there's no municipality in our Village. We will convey to the State in trust under A.S. 44.47.150.

Has any agreement been reached between you and the Municipality on how to proceed in this regard?

N/A

Have you reached any agreement with the Municipality on the lands to be conveyed under Section 14(c)(3) and (4)?

N/A

Does it appear as though there may be a confrontation on the issue?

We might have problems with the Bristol Bay Borough as it is claiming to be the recipient under 14(c)(3) of ANCSA. However, the Borough is obviously not a municipality "in" our Village, as required by 14(c)(3), so it is not entitled to any of our land.

What do you feel the State Legislature or Administration can do to help in this land selection and conveyance?

The legislature should amend A.S. 44.47.150 to make it unequivocally clear that the Borough is not entitled to a 14(c)(3) conveyance. It is obviously not a municipality "in" the villages and is not entitled to any land. The legislature has ultimate authority over the Boroughs under Alaska's Constitution and such action would assist in the orderly implementation of ANCSA.

Prepared By: Trefon Angasan, Jr.

Title: President

Village Of: Quinuyang Ltd.
April 21, 1977

K

Has your Village been aware of the provisions of Section 14(c)(3) and (4) of the ANCSA?

Yes

Have you given consideration to taking some formal action in that regard?

Yes - the last time [illegible] Conference [illegible] implementation of [illegible]

Have you conferred with any State Officials on this issue?

[illegible] at this time.

What do you feel the State Legislature or Administration can do to help in this land selection and conveyance?

[illegible] the State Legislature [illegible] Native villages [illegible] regional corporations [illegible] Native land [illegible] Native villages [illegible] Most villages [illegible] Native land [illegible] Native corporations [illegible] State should do [illegible] Native land in villages. [illegible] Native corporations [illegible]

Prepared By: John L. Lowrie

Title: President

Village Of: Port Graham

J

Has your Village been aware of the provisions of Section 14(c)(3) and (4) of the ANCSA?

Yes

Have you given consideration to taking some formal action in that regard?

Yes

Have you conferred with any State Officials on this issue?

NC

What do you feel the State Legislature or Administration can do to help in this land selection and conveyance?

Provide (1) Money to Community & Regional affairs agency to work closely with, provide information to the village corporations, and provide planning services to village corp. and STATE as needed to implement 14c

(2) Legislation or STATE policy (see (1) above) to coordinate for the STATE its implementation of 14-c providing information, maps, surveys, up-to-date information from all areas of STATE government and village, Regional corporations on 14-c

Prepared By: Jerry Gilbert

Title: Mayor (Chairman)

Village Of: Kotlik Council

Kotlik Native Council

Kotlik, AK 99576

Updated
material on
14(c) 3+4
Ques of V.P.

FROM MUNI	aware of 14(c)(3)(4)	sidered taking formal action?	with the village	ment been reached on how to proceed? 14(c)(3)(4)	on lands to be conveyed under 14(c)(3)(4)	any confrontation	State should
BETHEL	Yes	Yes	No	No	No	Yes	Assist with the funding & planning of land selection
UNALAKLEET	Yes	Yes	Yes	informally	obvious ones: roads/streets/ sanitary landfill	absolutely	Assist with funding. Provide legal advice & clarify "not less than 1280 acres"
DELTA JUNCTION	No	No	No	no	No	no	
McGRATH	Yes	Yes	Yes	portion of the selection	Portion of the selection	No	Provide assistance in procedural matters.
KOTZEBUE	Yes	Yes	Yes	No	No	Yes	Delineate procedural steps between V.C. & Muni. Professional help with comm. growth.
CRAIG	Yes	Yes	Yes	Yes	no	No	Provide 100% land use planning grant to help promote orderly economic growth of community
TUNUNAK	Yes	No	Yes	No	Some lots have been identi	Yes	Provide funds to the community to assist in enactment of 14(c)(3)(4). Delineate procedures to be adopted by 2nd class cities in selecting lands.
PORT LIONS	Yes	NO	No	No	No	Possibly	Providing Legal Assistance Establish procedural guidelines
YAKUTAT	Yes	Yes	Yes	No	No	No	
Kotzebue							
	8 YES 1 NO	6 YES 3 NO	6 YES 3 NO	1 YES 1 SOME 6 NO 1 informally	3 Some 6 NO	4 yes 4 NO 1 possibly	

Villages Within Muni.	Is your village aware of 14(c) (3)(4)	Has formal action been taken	Have you conferred with muni?	Any agreement between V.C. & municipality?	Any agreement on lands to be conveyed/14(c) (3)(4)	Do you anticipate confrontation?	STATE SHOULD
Yakutat-. Kwaan Inc. Yakutat)	YES	YES	YES	NO	NO	NO	Assist yakutat in their development plans re: ANSCA ands/work w/CRA to avoid confrontation
Gwitchyaazhee Corp. (Ft. Yukon)	Yes	Yes	Yes	Some	Some land within townsite	Yes	Provide funds to city to assist in c.p.
Nik'aghun Ltd. (Nulato)	Yes	Yes	Yes	Yes	No	Yes	Work hand in hand with organizations such as Interior Village Assoc.
Leisnoi Inc. (Kodiak)	Yes	Yes	No	No	No	No	Assume surveying cost.
Notaaghleedir Ltd. (Galena)	Yes	Yes	Yes	Yes	Yes	No	-Assist in projecting futur growth; asssist in land transactions/avoid legal tro
St.Mary's Native Corp. (St. Mary's)	Yes	Yes	Limited	No	No	Possibly	Financial/technical assistar for master planning
Tuna Totem Corp. (Hoonah)	Yes	Yes	Yes	Yes	No	No	Allow conveyance of lands under ANSCA before state Selection.
Tatitlek Corp (Cordova)	Yes	Yes	Yes	No	No	No	Provide funds to assist in implementation 14(c)(3)(4)
Kala Kaa Ka Inc. (Alla-kaket)	Yes	No	No	No	No	Not sure	Explain provisions of 14(c)(3)(4)
Ayakulik, Inc (Kodiak)	Yes	Yes	No	No	No	No	Expedite implementation of ANSCA conveyed land.
Klawock Heenya Corp. (Klawock)	Yes	Yes	Yes	No	No	Possibly	Provide funds to V.C. & Muni to provide joint comprehensive plan.
Kake Tribal Corp. (Kake)	Yes		-	No	No	Possibly	
Kikiktagruk							Stay out of this 14(c)(3)(4)

Villages within Muni	Is your village aware of 14(c) (30(4)?	Has formal action been taken?	Have you conferred with Muni?	Any agreement between V.C. & municipality?	Any agreement on lands to be conveyed 14(c)(3)(4)?	Do you anticipate confrontation?	STATE SHOULD
Seldovia Native Assn.							Without patents or conveyances any committees re 14(c)(3)(4) are premature & financially irresponsible.
Nuigsut	Yes	Yes	Yes	Only on procedural matters	Yes	Not Likely	
Kavilco Inc	Yes	Yes	Yes	No	No	No	Provide technical Assistance

Village Corp. outside Muni.	Is your village aware of 14(c) (3)(4)?	Has formal action been taken?	Have you conferred with muni?	Any agreement between V.C. & Municipality?	Any agreement on lands to be conveyed/14(c) (3) (4)?	Do you anticipate confrontation?	STATE SHOULD:
Guinuyang Ltd.	Yes	Yes	No	N/A	N/A	Possibly	Make clear to borough they are not entitled to any conveyance under 14(c)(3)(4)
Port Graham	Yes	Yes					Provide technical Assistance
Kluti-Kaah Corp Copper Center	Yes	Yes	No	No	No	No	Assist in development plans
Koliganik Natives, Ltd. Koliganek, AK 99576	Yes	Yes	No				Provide technical assistance & coordinate between state & villages
	4 yes	4 yes	3 no 1 no comment	1 no comment 1 no	1 no comment 1 no	1 possibly 1 no	

Input from Regional Corporations							
Tlinghit & Haida							See Letter
Calista Reg. Corporation							See Letter
Nana Regional Corporation							See Letter
Bristol Bay							See Letter
Doyon, Ltd.							See Letter
CHUGACH NATIVES (ANCHORAGE)							SEE LETTER
KONIAG REGIONAL INC.							SEE LETTER

CORRES. to

V.C.'s +

Municipalities

to VC. & munis & reg. corps who responded to questionnaire

Alaska State Legislature

Senate

JUNEAU, ALASKA

May 5, 1977

Dear

Thank you for your response to our questionnaire regarding lands under Sec. 14(c)(3) of the ANCSA. Because of the good number of returns, the following trends could be determined from those responses:

1. As to be expected, the village corporations have been somewhat more active in addressing the issue than have the municipalities.

2. There is a wide disparity of opinion with regard to specifically what criteria is to be used in the selection of the 1280 acres and specifically who is to make the selection.

3. While there generally has been some dialogue between the municipality and the village corporation, there has as yet been little agreement reached on either the selection process or the specific lands selected.

4. Confrontation is anticipated in half of the cases by both village corporations and municipalities.

5. The vast majority of both village corporations and municipalities would like some aid from the state in the form of funding grants or technical assistance, as well as defining guidelines for the selection process.

The Legislature has tentatively approved the formation of an interim committee to look at this issue in some detail, both to more specifically define the type and magnitude of state assistance needed and to hopefully avert the many confrontations that seem to be building. As with many aspects of the Land Claims Act, there are unanticipated complexities that are enough to put a strain on even the best of working relationships between village corporation and municipality.

I expect to be chairman of this interim committee, and as such would be interested in some of your specific concerns. Of particular importance would be your perception of an estimate of the amount of financial assistance you might need, so that an appropriation could be put into next year's state budget. I would be interested in hearing from you on this.

Sincerely,

Joe Orsini

Senator Joe Orsini
Chairman, Community
and Regional Affairs
Committee

JO/js

to UC & Mines & reg. corps who did not respond to questionaire

Alaska State Legislature

Senate

JUNEAU, ALASKA

May 7, 1977

Dear

As you will recall, we sent questionnaires out to all municipalities and Village Corporations affected by Sec. 14(c)(3) of the Alaska Native Claims Settlement Act. Because of the good number of returns, the following trends could be determined from those responses:

1. As to be expected, the village corporations have been somewhat more active in addressing the issue than have the municipalities.

2. There is a wide disparity of opinion with regard to specifically what criteria is to be used in the selection of the 1280 acres and specifically who is to make the selection.

3. While there generally has been some dialogue between the municipality and the village corporation, there has as yet been little agreement reached on either the selection process or the specific lands selected.

4. Confrontation is anticipated in half of the cases by both village corporations and municipalities.

5. The vast majority of both village corporations and municipalities would like some aid from the state in the form of funding grants or technical assistance, as well as defining guidelines for the selection process.

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I expect to be chairman of this interim committee, and as such would be interested in some of your specific concerns. Of particular importance would be your perception of an estimate of the amount of financial assistance you might need, so that an appropriation could be put into next year's state budget. I would be interested in hearing from you on this.

Sincerely,

Joe Orsini

Senator Joe Orsini
Chairman, Community
and Regional Affairs
Committee

JO/js

Last copy of cable (instructions) dated
March 30, 1977 to Director
Suitable Office per request
4/6/77.

Sent to all regional corp.

March 30, 1977

Re: ANCSA

Regional Corporation

Dear :

For you information, the Senate Community and Regional Affairs Committee is sending you a copy of the letter and enclosures which were sent to all the Village Corporations and corresponding municipalities. As the letter states, this Committee hopes to create beneficial interaction between them and receive input (see questionaire) in order to ascertain what actions have been taken in regards to the Alaska Native Claims Settlement Act.

If you have any comments or suggestions, or if we can be any assistance to you, please do not hesitate to contact this office.

Sincerely,

Joe Orsini
Chairman
Senate Community and
Regional Affairs
Committee

JO/js

Enclosures: As stated

Alaska State Legislature

SENATOR
JOE ORSINI
2912 ALDER DRIVE
ANCHORAGE, ALASKA 99504

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA
99811

COMMITTEES

RESOURCES
COMMERCE
COMMUNITY & REGIONAL AFFAIRS

Senate

March 28, 1977

One of the less recognized aspects of the Alaska Native Land Claims Settlement Act (ANCSA) has been those provisions of Section 14(c)(3) and (4), relating to the reconveyance of Village land to governmental agencies (see enclosed copy of the Section and the pertinent Alaska Statute, AS 44.47.150). However, as the land conveyance process approaches completion, this reconveyance portion of the ANCSA will undoubtedly become more of an issue.

Because of the numerous questions that will inevitably be raised regarding the implementation of these sections, it is the feeling of the Senate Community and Regional Affairs Committee that we should begin to address the issue now, before the occurrence of possible confrontation, so as to see if some mutually acceptable procedures can be reached. It would seem to be in the best interests of all concerned that some sort of planning process be undertaken regarding the selection of the land to be reconveyed, which could involve the use of state funds.

It will help our consideration of the subject if we could get some information with respect to your current disposition on the issue. In that regard, we would appreciate your response to the questions on the following page. Please feel free to elaborate on any of your answers, and make whatever other comments you desire.

Sincerely,

Joe Orsini

Joe Orsini, Chairman
Senate Community and
Regional Affairs
Committee

JO/js

Enclosures: As stated

Has your Village been aware of the provisions of Section 14(c)(3) and (4) of the ANCSA?

Have you given consideration to taking some formal action in that regard?

Have you conferred with any State Officials on this issue?

What do you feel the State Legislature or Administration can do to help in this land selection and conveyance?

Prepared By: _____

Title: _____

Village Of: _____

Has your municipality been aware of the provisions of Section 14(c)(3) and (4) of the ANCSA?

Have you given consideration to taking some formal action in that regard?

Have you conferred with the Village on this issue?

Has any agreement been reached between you and the Village on how to proceed in this regard?

Have you reached any agreement with the Village on the lands to be conveyed under Section 14(c)(3) and (4)?

Does it appear as though there may be a confrontation on the issue?

What do you feel the State Legislature or Administration can do to help in this land selection and conveyance?

Prepared By: _____

Title: _____

Municipality Of: _____

Has your Village been aware of the provisions of Section 14(c)(3) and (4) of the ANCSA?

Have you given consideration to taking some formal action in that regard?

Have you conferred with the Municipality on this issue?

Has any agreement been reached between you and the Municipality on how to proceed in this regard?

Have you reached any agreement with the Municipality on the lands to be conveyed under Section 14(c)(3) and (4)?

Does it appear as though there may be a confrontation on the issue?

What do you feel the State Legislature or Administration can do to help in this land selection and conveyance?

Prepared By: _____

Title: _____

Village Of: _____

finds is qualified for land benefits under this Act, the Secretary shall issue to the Village Corporation a patent to the surface estate in the number of acres shown in the following table:

If the village had on the 1970 census enumeration date a Native population between—	It shall be entitled to a patent to an area of public lands equal to—
25 and 99	69,120 acres.
100 and 199	92,160 acres.
200 and 399	115,200 acres.
400 and 599	138,240 acres.
600 or more	161,280 acres.

The lands patented shall be those selected by the Village Corporation pursuant to subsection 12(a). In addition, the Secretary shall issue to the Village Corporation a patent to the surface estate in the lands selected pursuant to subsection 12(b).

(b) Immediately after selection by any Village Corporation for a Native village listed in section 16 which the Secretary finds is qualified for land benefits under this Act, the Secretary shall issue to the Village Corporation a patent to the surface estate to 23,040 acres. The lands patented shall be the lands within the township or townships that enclose the Native village, and any additional lands selected by the Village Corporation from the surrounding townships withdrawn for the Native village by subsection 16(a).

Patent requirements.

(c) Each patent issued pursuant to subsections (a) and (b) shall be subject to the requirements of this subsection. Upon receipt of a patent or patents:

(1) the Village Corporation shall first convey to any Native or non-Native occupant, without consideration, title to the surface estate in the tract occupied as a primary place of residence, or as a primary place of business, or as a subsistence campsite, or as headquarters for reindeer husbandry;

(2) the Village Corporation shall then convey to the occupant, either without consideration or upon payment of an amount not in excess of fair market value, determined as of the date of initial occupancy and without regard to any improvements thereon, title to the surface estate in any tract occupied by a nonprofit organization;

(3) the Village Corporation shall then convey to any Municipal Corporation in the Native village or to the State in trust for any Municipal Corporation established in the Native village in the future, title to the remaining surface estate of the improved land on which the Native village is located and as much additional land as is necessary for community expansion, and appropriate rights-of-way for public use, and other foreseeable community needs: *Provided*, That the amount of lands to be transferred to the Municipal Corporation or in trust shall be no less than 1,280 acres;

(4) the Village Corporation shall convey to the Federal Government, State or to the appropriate Municipal Corporation, title to the surface estate for existing airport sites, airway beacons, and other navigation aids, together with such additional acreage and/or easements as are necessary to provide related services and to insure safe approaches to airport runways; and

(5) for a period of ten years after the date of enactment of this Act, the Regional Corporation shall be afforded the opportunity to review and render advice to the Village Corporations on all land sales, leases or other transactions prior to any final commitment.

Sec. 44.47.150. Village land conveyed in trust. (a) The commissioner of the Department of Community and Regional Affairs is designated to accept, administer, and dispose of land conveyed to the state in trust by village corporations under § 14(c)(3) of the Alaska Native Claims Settlement Act (P.L. 92-203, 85 Stat. 703) for the purposes specified in that section.

(b) Transfer of land by sale, lease, right-of-way, easement, or permit, including transfer of surface resources, may be made by the commissioner only after approval of an appropriate village entity such as the traditional council, a village meeting, or a village referendum. Such approval shall be by resolution filed with the department.

(c) Within one complete state fiscal year after the incorporation of a municipality in the village or of a municipality which includes all or part of the village, land acquired under this section shall be conveyed without cost to the municipality, and the municipality shall succeed to all the entrusted interest in the land.

(d) Separate accounts shall be maintained in the name of each village for the land, including the revenues from the land, acquired from each village corporation under this section, and within 90 days of the close of each state fiscal year a statement of the account for each municipality shall be prepared by the commissioner and be made available to the village and to the public upon request.

(e) Upon the conveyance of land to a municipality under this section, the commissioner shall account to the municipality for all profits including interest from the land, and the municipality may then request that the governor submit a request to the legislature for an appropriation for the amount due it.

(f) No title or interest to lands acquired by the department under this section may be acquired by adverse possession or prescription.

(g) For the purposes of this chapter, the term municipality includes only first and second class cities incorporated under the laws of the state. (§ 1 ch 119 SLA 1975)

CORRES.
from JOE
RE: ANSCA

Alaska State Legislature

SENATOR
JOE ORSINI
2012 ALDER DRIVE
ANCHORAGE, ALASKA 99504

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA
99811

Senate

COMMITTEES

RESOURCES
COMMERCE
COMMUNITY & REGIONAL AFFAIRS

April 6, 1977

Mr. Leonard Kato
President
Klawock Heenya Co p.
P.O. Box 25
Klawock, Alaska 99925

Dear Mr. Kato:

Thank you very much for your thoughtful letter on the Section 14(c)(3) issue.

Letters have gone out to all Village Corporations and affected municipalities in this regard, and yours was one of the very first responses I have received, with none yet from any municipality. Perhaps an "official" letter from a legislative committee will begin to spur the munipalities into taking some sort of action on the subject, or at least get them thinking.

Hopefully, both the municipalities and the Village Corporations will see the value in cooperation; confrontation will do nothing but cause animosity and make the lawyers wealthy. While there has been little interest in this subject at the state level thus far, it is my hope to be able to recommend to the Legislature, with support from letters such as yours, that state funds be available next year for assistance in the planning and selection process.

Again, thank you for your letter, and I would urge you to renew your efforts at attempting to discuss the issue with the City Council. If I can be of any help in this regard, please let me know.

Sincerely,

Senator Joe Orsini

JO/js

Klawock Heenya Corporation
P.O. Box 25
Klawock, Alaska 99925

(907) 755-2270
755-2266
755-2267

April 1, 1977

Senator Joe Orsini
Pouch V
Juneau, Alaska

Dear Senator Orsini:

The Klawock Heenya Corporation has always been aware of Section 14 (c) and how vague it is written. The Corporation has drafted its views on Section 14 (c) (3), which was presented to the City Council. Upon presentation the President of the Corporation explained Section 14 (c) of the Act and made it clear that the views that were being presented were only the views of the Corporation. It was further explained that what the Corporation was looking for was:

1. To make the City Council aware of Section 14 (c), and how vague it was written.

2. To have the City Council review what the Corporation thoughts were on Section 14 (c), and to have them come up with their own point of view.

3. To then meet jointly so as to proceed toward some agreement that would be satisfactory to both entities.

However, to this day this office has not heard from the City Council and could not express as to whether they are taking this subject too lightly, or whether they are going to confront the Corporation without first trying to meet jointly.

Klawock Heenya Corporation feels that if state funds were made available to the village corporation and municipal government to go jointly on a comprehensive land use plan, the final analsis of the plan would show what land under 14 (c) (3) would be of best interest to both entities, plus show an overall plan as to how the corporation and municipal government could best work together with the land, whether it be corporation or municipal land, in the coming future.

Sincerely yours,

Leonard Kato
President

LK:rs

Western States Coalition

Western States Conference

February 13, 1978

Spokane, Washington

8:30 A.M.	I.	Call to Order - Robert Dilger, President, WETA-Washington
	II.	Introductions
8:45 A.M.	III.	Why We're Here - Paula Easley, Executive Director, OMAR
8:55 A.M.	IV.	Round Robin Discussion

A. Your organization - description.
B. Issues of greatest concern.
C. What do you envision as the role, scope, etc., of a Western States Conference?

10:30 A.M.	V.	Break
10:45 A.M.	VI.	Call to Order - Bob Fleming, President, OMAR
	VII.	A Proposed Structure - Chuck Keenan, Executive Director, WETA-Washington
11:05 A.M.	VIII.	Workshops

A. Goals
B A. Structure - Chairman, James Cook
D B. Issues - Chairman, Guy Stringham
C. Composition (Membership) - Chairman, Kent Lamberson

12:30 P.M.	IX.	Lunch - You're On Your Own
1:30 P.M.	X.	Reconvene Workshops
2:30 P.M.	XI.	Call To Order - Joe Crosswhite, President, WETA-Montana
	XII.	Report - Workshop Proposals

Discussion and motions to accept proposals.

3:30 P.M.	XIII.	Break
3:40 P.M.	XIV.	Call to Order - Roger Blades, President, WETA-Idaho

A. Assign Chairmen for:

1. Bylaws
2. Membership
3. Issue Development
4. Communications
5. Structure
6. Etc.

B. Next Meeting - March 20th, Reno ~~Las Vegas~~

4:45 P.M.	XV.	Adjourn

CTK:jh
opeiu8

Jim Crane
Federal Timber Purchaser Association
3900 S. Wadsworth Blvd., Suite 201
Denver, Colorado 80235

(303) 988-5135

Mr. Charles Margols
W.R. Grace and Company
Director of Western Coal Operations
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Mr. John Van der Hoef
Executive Director
Club 20
P. O. Box 550
Grand Junction, Colorado 81501

(303) 242-3264

REGULATORY & LEGISLATIVE REVIEW

CALIFORNIA BUSINESS PROPERTIES ASSOCIATION

WESTERN CONFERENCE

RENO

March 20, 1978

Recent Federal Register Announcements

Attached is a listing of selected federal announcements appearing in the Federal Register during the past three months.

Although this selection was originally compiled to reflect the special interests of California Business Properties Association members, attendees at the Western Conference in Reno will find many of these issues of immediate importance to their own association's interests.

Topics

Air, Clean Air, Air Pollution
Public Lands
Farmlands
Coastal Management
Water
Solid Waste
National Pollutant Discharge Elimination System
Pollution Control
Environmental Impact
Presidential Environmental Reorganization
National Environmental Policy Act
Energy Conservation
Federal Land Policy
Flood Plain Management
Rural Development

CBPA

A periodic service reviewing recent and pending regulatory and legislative action of special interest to members of **CALIFORNIA BUSINESS PROPERTIES ASSOCIATION**: the developers, builders, financiers, commercial property owners, real estate agents, major retailers, and professional service corporations based in California, but operating nationwide -engaged in creating redevelopment projects, public and private buildings and commercial, industrial, recreational and shopping centers.

James A. Cook, Executive Vice President 200 Continental Boulevard, El Segundo, California 90245 (213) 772-4300

FEDERAL REGISTER ANNOUNCEMENTS

Following are references to recent Federal Register Announcements of particular interest to CBPA members:

AIR POLLUTION

EPA issues notice on review of prevention of significant air quality deterioration permit applications. Fed'l Reg. Wed. March 8, '78. Page 9529.

AIR POLLUTION

EPA sets forth attainment status of States in relation to national ambient air quality standards. Fed'l Reg. Fri. March 3, '78. Page 8962.

CLEAN AIR ACT

EPA announces workshop meetings on 2-17, 3-17, 4-14, and 5-12-78 to discuss development of a regulation to provide for consistent implementation by the various regional offices. Fed'l Reg. Mon. Feb. 6, '78. Page 4872.

CONTROL OF AIR POLLUTION FROM NEW MOTOR VEHICLES AND ENGINES

EPA clarifies and changes its Selective Enforcement Auditing regulations and revises the vehicle exhaust emission test procedures for 1978 and later model years; effective 2-2-78 (Part II of this issue) (2 documents). Fed'l Reg. Thurs. Feb. 2, '78. Pages 4552,4553.

AIR QUALITY DETERIORATION

EPA extends comment period to 1-31-78 on proposal and conference. Fed'l Reg. Fri. Dec. 23,'78 Page 64427.

AIR POLLUTION

EPA designates three methods for measuring concentrations of NO_2 in the air. Fed'l Reg. Wed. Dec. 14,'77. Page 62970.

EPA proposes requirements for the implementation of the national ambient air quality standards for lead, and schedules a public hearing for 1-17-78; comments by 2-17-78 (Part V of this issue) (2 documents). Fed'l Reg. Wed. Dec. 14, '77.

AIR PROGRAMS

EPA modifies proposed regulations for prevention of significant air quality deterioration and announces hearing date of 1-9-78. Fed'l Reg. Thurs. Dec. 8, '77. Page 62020

RECREATION ON PUBLIC LANDS

Interior/BLM establishes permit and fee system; effective 3-27-77 (Part III of this issue). Fed'l Reg. Fri. Feb. 24, '78. Page 7868.

AIR POLLUTION

Interior/NPS issues notice of final identification of Mandatory Class I Federal areas where visibility is an important value and responds to public comments on preliminary findings of task force. Fed'l Reg. Fri. Feb. 24, '78. Page 7721.

IMPORTANT FARMLANDS INVENTORY

USDA/SCS prescribes general guidelines for a national program of inventorying prime and unique farmland; effective 1-31-78. Fed'l Reg. Tues. Jan. 31, '78. Page 4030.

WATERSHED PROJECTS

USDA/SCS adds procedures to deauthorize projects which have been dormant for eight years; effective 2-7-78. Fed'l Reg. Tues. Jan. 31, '78. Page 4029.

COASTAL ZONE MANAGEMENT

Commerce/NOAA publishes interim final regulations on development and approval of programs; effective 4-1-78 (Part II of this issue). Fed'l Reg. Wed. March 1, '78. Page 8373.

WATER MANAGEMENT

USDA/SCS issues final guidelines for use of channel modification; effective 3-1-78. Fed'l Reg. Wed. March 1, '78. Page 8252.

SOLID WASTE MANAGEMENT

EPA issues interim guidelines for public participation; comments by 12-13-78 (Part III of this issue). Fed'l Reg. Thurs. Jan. 12, '78. Page 1902.

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM

EPA proposes revision of regulation; comments by 2-6-78 (Part IV of this issue). Fed'l Reg. Fri. Jan. 6, '78. Page 1256.

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM

EPA proposes regulations which would indicate that the amounts of pollutants in any existing discharge would be incorporated as NPDES permit limitations unless otherwise modified in the permit. Fed'l Reg. Fri. Dec. 30, '77. Page 65209.

POLLUTION CONTROL FACILITIES

EPA revises certification regulations to conform to internal Revenue Code provisions; effective 1-9-78. Fed'l Reg. Mon. Jan. 9, '78. Page 1339.

ENVIRONMENTAL IMPACT

CEQ issues memorandum to Heads of all Agencies on interim guidance to Federal agencies on referrals to the Council of proposed Federal actions found to be environmentally unsatisfactory. Fed'l Reg. Thurs. Dec. 1, '77. Page 61066

PRESIDENT'S REORGANIZATION PROJECT

OMB solicits comments by 1-14-78 on reorganization study of natural resources and environmental functions. Fed'l Reg. Mon. Dec. 19, '77. Page 63665.

NATIONAL ENVIRONMENTAL POLICY ACT OF 1969

USDA/FS requests comments by 12-29-77 on revised implementation guidelines. Fed'l Reg. Tues. Nov. 29, '77. Page 60769.

EMERGENCY ENERGY CONSERVATION PROGRAM

CSA proposes substantive changes to its policy statement; comments by 12-27-77 (Part V of this issue). Fed'l Reg. Fri. Nov. 25, '77. Page 60432.

CENTRAL AIR CONDITIONERS

DOE prescribes final energy conservation test procedures; effective 1-1-78. Fed'l Reg. Fri. Nov. 25, '77. Page 60150.

FEDERAL LAND POLICY AND MANAGEMENT

USDA/FS implements the National Forest townsite provisions in eleven Western States and Alaska; effective 2-10-78. Fed'l Reg. Fri. Feb. 10, '78. Page 5821.

FLOOD PLAIN MANAGEMENT

Water Resources Council issues implementation guidelines (Part VI of this issue). Fed'l Reg. Fri Feb. 10, '78, Page 6030.

RURAL DEVELOPMENT

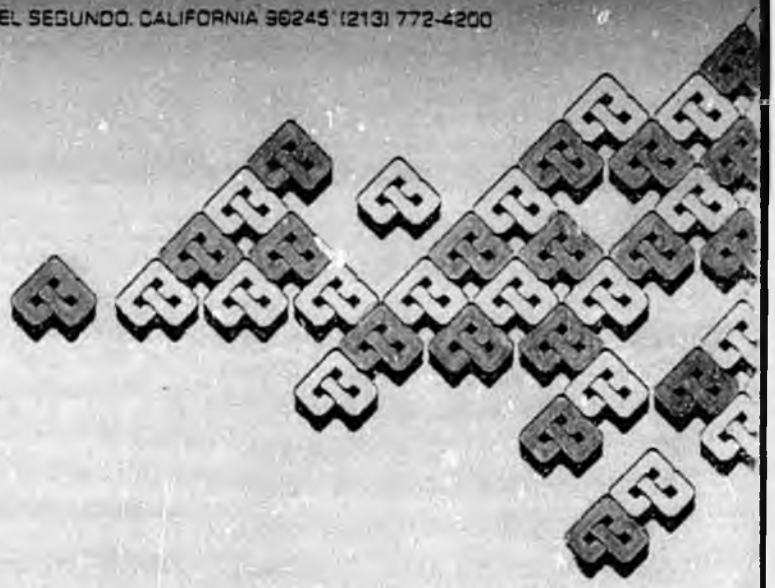
USDA/FmHA proposes regulations on Area Development Assistance Grants for comprehensive planning; comments by 3-10-78 (Part III of this issue). Fed'l Reg. Wed. Feb. 8, '78. Page 5488.

STATE WATER STANDARDS

EPA issues interim rule on State authority to assess penalties for vilation; effective 2-8-78. Fed'l Reg. Wed. Feb. 8, '78. Page 5372.

EPA proposes amendment to State Public Water System Supervision Program Grant regulations; comments by 4-10-78. Fed'l Reg. Wed. Feb. 8, '78. Page 5390.

CALIFORNIA BUSINESS PROPERTIES ASSOCIATION/200 CONTINENTAL BOULEVARD/EL SEGUNDO, CALIFORNIA 90245 (213) 772-4200



ISSUE STATUS

Western Conference

Reno

March 20, 1978

As an aid in determining the evolving status of on-going issues that affect attendees to the Western Conference, Reno, attached is a culling of selected news articles that have appeared in the Environmental Reporter during the past three months.

We hope you find this information of service in alerting you to issues of particular importance to your association's membership.

James A. Cook

HOUSE RULES COMMITTEE CLEARS OCS BILL FOR FLOOR ACTION AFTER MONTHS OF DELAY

The House of Representatives is expected to vote soon on the outer continental shelf bill (HR 1614).

Action on the bill had been delayed for several months because of an October 25 decision by the Rules Committee to defer action on the OCS measure until 1978. The committee January 23 cleared the way for a vote by the House.

Despite support from the Carter Administration and House Speaker Thomas P. O'Neill (D-Mass) for early action on HR 1614, the committee had voted 10-to-5 in October to shelve the bill.

The committee action to defer the measure followed intense lobbying efforts by the oil industry, which says the measure would slow development of offshore oil and gas.

The Senate passed an OCS bill (S 9) by an overwhelming margin of 60 to 19 on July 15. The House Select Committee on the OCS approved a measure July 27 and sent it to the full House for consideration.

Proposed changes contained in HR 1614 would be the first revision to statutes pertaining to federal oil leases on the outer continental shelf in nearly 25 years. In addition to the President and O'Neill, the measure is supported by environmentalists and most coastal states.

Sponsored by Congressman John Murphy (D-NY), chairman of the House Ad Hoc Select OCS Committee, HR 1614 would require the Interior Secretary to prepare an offshore leasing program covering the next five years. States and local governments would have a voice in the plan. Bids for at least half the leases would have to use some alternative to the long time system of bonus bids, which favors companies that have large amount of front-end capital.

Backers of HR 1614 say prompt action is needed because of a scheduled January 31 sale of oil and gas tracts off the New England coast.

Two Rules Committee members who previously had voted against the bill reversed their votes. Congressmen B.F. Sisk (D-Calif) and Morgan Murphy (D-Ill) provided the necessary margin to get the measure to the House floor.

Sisk said he still has doubts about the bill. But he said he feels the measure should go to the floor for full consideration.

Congressman John Young (D-Tex), an opponent of the bill, said HR 1614 "will not raise one Btu of energy. It is designed strictly as an environmental-type bill that will thwart the effort to produce oil and gas off the New England and Eastern Seaboard."

Two congressmen are expected to offer substitutes to HR 1614 when the bill reaches the floor.

Breaux Substitute

A substitute to be offered by Congressman John B. Breaux (D-La) would allow the Interior Secretary to use his discretion in requiring experimental bidding systems on OCS leases.

The Breaux substitute would prohibit the Secretary from using the experimental bidding systems on more than 50 percent of the leases.

Breaux has said that requiring the Secretary to use experimental bidding systems would cost the Federal Government $375 million in lost revenue.

The experimental bidding system would lead to federal involvement in development and exploration of the OCS, Breaux has said, and thus create more bureaucracy. "I don't think we need the Federal Government participating in the process," according to Breaux.

The Breaux substitute would authorize the Secretary to conduct geological and geophysical explorations on the OCS and to contract for oil and gas explorations. HR 1614, however, would prohibit the Secretary from taking such action.

Minority Substitute

A minority substitute, to be offered by Congressman Hamilton Fish, Jr. (R-NY), would require Interior to use alternative bidding systems on at least 10 percent of the OCS leases. The Secretary, however, would be prevented from using experimental bidding on more than 30 percent of the leases.

National Environmental Policy Act provisions in HR 1614 would be left intact, and the Fish substitute would require drilling operations to use the best and safest technology to protect the environment.

The Fish substitute would delete any reference to an oil spill pollution fund because this issue will be taken up by the House Merchant Marine Committee in a measure (HR 6803) pending before the committee.

By eliminating this provision and other "useless verbiage," the Fish substitute would cut HR 1614 in half, according to a minority aide to the OCS committee.

The Fish substitute also would eliminate Section 31 from HR 1614. Section 31 deals with documentation, registry, and manning requirements for vessels and structures. The section would require use of domestic or permanent resident alien crews on vessels, vehicles, or structures conducting OCS activities.

AIR BOARD ADOPTS MODEL RULE TO REDUCE LIGHTERING EMISSIONS

The California Air Resources Board has approved a model rule to control hydrocarbon and sulfur oxide emissions from petroleum lightering operations and ordered all 11 California coastal air pollution control districts to adopt either the model or similar regulations.

The board has given the districts until March 8, with possible time extensions, to adopt lightering rules based on the model. If the districts do not adopt similar rules by that date, the board will establish lightering rules for the districts. If the board succeeds in enforcing these controls, it could be a national precedent.

Lightering is a procedure in which petroleum-carrying supertankers, too large to enter California ports, are unloaded by smaller vessels that travel between the supertankers and the refinery ports. The process, which transfers large amounts of oil from one vessel's cargo tanks to another, pushes out gas fumes accumulated inside the cargo holds from previous trips.

The air board says these emissions are a major source of air pollution in Southern California. The board estimates that 16,400 pounds per day of hydrocarbon gases, with a potential daily maximum of 71,300 pounds, are released in the air from petroleum lightering operations.

In addition, combustion from the ship engines also contributes significant amounts of pollutants, the board says. It estimates that 22,500 pounds per day of sulfur oxides, 3,000 pounds per day of nitrogen oxides, and 1,000 pounds per day of particulates are released from ship engine combustion.

At present, Chevron USA, Shell Oil Company, and Coastal States Corporation conduct California's largest lightering operations, with approximately nine supertankers unloading per month off the coast of San Clemente Island.

Model Rule

The model rule is one of the first attempts by the state to regulate air pollution from sources outside its territorial boundaries and the first to apply to all ships.

The model rule requires that hydrocarbon emissions during loading of each 1,000 gallons of organic liquids be reduced 80 percent by March 1, 1978, and 95 percent by 1980. This reduction can be achieved by:

- Requiring the tank owner or operator to wash the holding tanks so the organic vapors do not exceed 0.5 percent by volume immediately before lightering into tanks, and short-loading a lighter so the organic liquid in the tank is at least 10 feet below deck level; or
- Using alternative emission control practices or equipment, such as mechanical vapor recovery systems.

Emissions of sulfur compounds would be reduced by requiring lighters to burn fuel with a sulfur content of no more than 0.5 percent by weight while in California waters.

The model rule would require final compliance by July 1, 1980.

Coast Guard Expresses Concern

The U.S. Coast Guard has expressed several concerns over the model rule. It says aspects needing more consideration include:

- Potential safety risks, i.e., increased risk of explosions, oil spills from washing the tanks, reduced ship stability, and adverse structural effects from installation of mechanical vapor recovery systems;
- The need or justification for such a rule; and,
- Whether the state can exert jurisdiction over such a rule.

The Coast Guard is responsible for certifying the safety of any pollution devices used by seagoing vessels. A Coast Guard official told Environment Reporter that although the rule is meant to be technology-forcing, no approved mechanical vapor recovery systems now exist for ships. Coast Guard officials estimate that development of an acceptable system could take from three to five years.

Coast Guard and oil industry officials also contend that the state's attempt to regulate in the lightering zone — 65 miles at sea — violates the U.S. Constitution and international agreements.

"Restrictions in the recognized right of freedom of navigation should not be imposed lightly for they carry international in addition to state and national implications," said Coast Guard Commander Jonathan Ide of the 11th Coast Guard District in Long Beach.

Because of the Coast Guard's concerns over the model rule, the California agency is considering making "minor" changes to the rule, an Air Board spokesman told Environment Reporter January 23.

He said that although none of the districts has adopted lightering rules yet, they are now in the process of doing so.

The Air Resources Board plans to meet February 23 to discuss the progress of the coastal districts in adopting lightering rules.

The board says, "It is critical to the oil transportation industry that lightering rules which are consistent be adopted throughout the state."

Board officials say the rule was adopted in an atmosphere of legal uncertainty, and they say the issue eventually may be settled in the courts.

UDALL REJECTS REQUEST FOR EXTENSION OF STRIP MINING REGULATIONS DEADLINES

Congressman Morris Udall (D-Ariz) says he will not ask Congress to extend the February 4 and May 4 deadlines for compliance with interim surface mining regulations despite pleas from coal industry and state reclamation officials for an extension.

State and coal industry officials said at oversight hearings held by the House Subcommittee on Energy and the Environment January 19 and 20 that they do not have enough time to comply with the interim program of the Surface Mining Control and Reclamation Act of 1977.

Walter Heine, director of the Interior Department's Office of Surface Mining, and environmentalists urged Udall to reject the extension request. Their input was a crucial factor in Udall's decision to let the issue drop.

"I thought they would all be able to agree to extend compliance deadlines for 90 days," Subcommittee Chairman Udall said January 24. "But the environmentalists were opposed to it, and it would have taken at least 90 days to pass legislation. I'm not going to go after an extension."

State reclamation officials said the lack of federal grants accounts for the states' inability to carry out the interim regulations.

The Office of Surface Mining's fiscal 1978 budget request still is tied up in Congress, making it impossible for federal officials to disburse funds to the states.

Heine said extending the compliance deadlines would create additional confusion, and he said such action assumes that federal officials will be inflexible in applying and enforcing the Act's provisions.

Industry, Environmentalist Differences

Coal industry officials gave the following reasons for their extension request:

- Their inability to comply with the regulations because of a lack of federal technical assistance, bad weather, strikes, and the delay in promulgation of the regulations;
- The inability of federal regulators to enforce the interim program because of the personnel shortage resulting from the lack of a congressionally approved budget.

The Surface Mining Act requires operators of new surface mines to comply with an interim program by February 4, and operators of existing mines must bring their facilities into compliance by May 4. Small operators have until January 1, 1979, to meet the provisions of the interim program.

Karl Englund, director of the Environmental Policy Institute's citizen coal project, said: "Anyone opening a new mine after February 4 has known since August 4 that his operation would have to meet the limited requirements of the interim program on February 4."

Englund said "there is no rational reason why an operator opening a mine on February 5 would want to construct haul roads, sediment ponds, and valley fills in a manner that would violate the standards with which he must comply in 90 days."

The industry's second argument — the lack of personnel in the surface mining office — also does not justify extending compliance deadlines, Englund said.

Although the staff shortage will result in a lack of inspections "the Act assumes that operators will make a good faith attempt to comply with or without the existence of an inspector force," he said.

Operators still can request technical assistance from state regulators, Englund added. "Moreover, the Office of Surface Mining will be increasing its staff and field personnel in February and March," he said.

Likewise, Englund said that extending the May 4 deadline for operators of existing mines makes little sense. "Operators argue that weather and the strike have prevented them from working on their mines in order to bring them into compliance by May 4," Englund said. "We assume their concerns are with pre-existing or nonconforming structures, such as settling ponds and haul roads now in use which do not comply with surface mining regulations but which must comply by May 4, 1978."

Englund said the law provides for exemptions of such structures on a case-by-case basis. "There is no reason to allow those operators who can comply to be exempted, which is what an across-the-board delay would do," Englund said.

Further Industry Concerns

Industry officials also said the regulations issued by the Interior Department exceed the requirements of the Act.

Representatives of the National Coal Association and American Mining Congress said the regulations' prime farmland and blasting provisions establish "unrealistic performance standards."

Buddy Beach, manager of Consolidation Coal Company's environmental impact reports, criticized the rule requiring mine operators to design sedimentation ponds for drainage of mined areas.

"A pond of this size is not only environmentally disruptive," Beach said, "but in steep mountain areas it would require massive dams where no flat land is available."

Congressman James Santini (D-Nevada) attacked the surface mining office's promulgation of the regulations:

"I find it astonishing that the Office of Surface Mining finds it necessary to promulgate 400 pages of regulations," Santini said. "They should not be permitted to make industry and the states spin their wheels to achieve unreasonable goals."

Santini joined industry and state officials in calling for delay in the compliance date.

Land Use

ANDRUS PRESENTS ADMINISTRATION PLAN FOR ALASKA LANDS TO SENATE COMMITTEE

Secretary of the Interior Cecil D. Andrus January 19 presented the Carter Administration's plan to designate 92 million acres of federal lands in Alaska for parks, wildlife refuges, wild and scenic rivers, and national forests.

"Through enactment of our proposals, we can be certain that the crown jewels of Alaska — its most spectacular natural environments, recreation areas, and wildlife habitats — will remain intact for the benefit of our nation's citizens," Andrus told the Senate Committee on Energy and Natural Resources.

The committee is considering four bills — S 499, S1500, S1787, and S1546 — to designate 83.47 million acres, 114.7 million, acres 25.2 million acres, and Admiralty Island, respectively, as a unit of the National Park System.

The Administration's proposed amendment to include 92 million acres in the four systems is designed to protect whole watersheds and ecosystems, Andrus said, while also allowing resource exploration and development wherever possible.

Designated Wilderness Areas

The 92 million acres included in the Administration proposal would establish 10 new units and expand three existing units of national parks (41.7 million acres); nine new units and expand five units in wildlife refuges (45.1 million acres); add 33 rivers to wildlife and scenic rivers (2.3 million acres); and add 3 million acres to national forests.

In addition, the Administration proposed to create 43.3 million acres of "instant wildreness," mostly in areas already designated as national parks or wildlife refuges. One controversial wilderness designation would apply to the 8.9 million-acre Arctic Wildlife Refuge, which is rich in oil and gas reserves, but also is a haven for caribou, waterfowl, bears, seals, and other wildlife.

Andrus said the Administration plan would leave plenty of Alaska' 375 million acres open to development. The state would receive more than 103 million acres, much of which will be open to development, he said.

"The natives are receiving more than 44 million acres, some of which will be developed." An additional 100 million acres will remain outside the four systems to be available for mining, timber harvesting, hunting, fishing, and other uses for the benefit of Alaska and the U.S., Andrus said.

Energy Concerns Raised

Chairman Henry M. Jackson (D-Wash) of the Senate Committee on Energy and Natural Resources asked Andrus how much of the oil and gas reserves would be made inaccessible by the Administration's proposal.

In response, Andrus said there are 145 million acres of sedimentary oil and gas basins in Alaska, of which 105 million acres or 70 percent of these basins are not included in the proposal.

Andrus added that 1.8 million acres of proven high oil and gas reserves are included in the Arctic Wildlife Refuge, which has been proposed for wilderness designation. He said this area is very sensitive and fragile and "should be the last spot we extract." Many of these areas can be "given back to exposure for development," he added.

Senator Ted Stevens (R-Alaska) said he is quite disturbed about a briefing book distributed to agencies and assessing the mineral potential of the Alaskan lands. According to Stevens, the information did not appear to have been provided to the Office of Management and Budget and there appeared to be a lot of inaccuracies in the data.

Stevens said the total mineral assessment data should be made available, and he said Interior's briefing book should be corrected to reflect the true mineral potential in Alaska.

House Subcommittee Markup

While Andrus presented the Administration's plan to the Senate Committee on Energy and Natural Resources, the House Interior oversight and Alaska lands subcommittee began final consideration of a revised version of HR 39, which would set aside 102 million acres of Alaskan land for parks, wildlife refuges, wild and scenic rivers and national forests.

The original bill proposed to set aside 116 million acres in the four protection systems (Current Developments, September 23, 1977, p. 784).

Enforcement

CARTER ADMINISTRATION WEIGHS MEASURE TO BOLSTER FEDERAL FACILITY COMPLIANCE

The Carter Administration is considering a new executive order which, combined with the $516 million requested for federal agency cleanup in the fiscal 1979 budget, would bolster federal compliance with enviornmental statutes, according to an Administration source.

No decision has been made to issue the order, the source told Environment Reporter January 25, but the current draft will undergo interagency review nonetheless once the Office of Management and Budget, which is developing the policy along with the Environmental Protection Agency, finishes work on it.

If issued, the order would replace Executive Order 11752 signed by then President Nixon in 1973. That order calls for compliance, but it does not promise the necessary cleanup funds (Environment Reporter — Federal Laws 71:0201). Federal facilities traditionally have cited insufficient funding as a key reason for their inability to comply with environmental requirements.

According to the Carter Administration source, the order under review "makes a very strong commitment that federal facilities are going to meet the requirements of the various environmental statutes, provides a mechanism so that sufficient funds are in the budget to meet the requirements, and where there's a difference between EPA and the agency" being regulated, provides "a mechanism for resolving it very fast."

EPA Deputy Administrator Barbara Blum, in kicking off the Administration's cleanup campaign aganist federal facilities, had said OMB had promised support for money to get the job done (Current Developments, October 28, 1977, p. 964; December 9, 1977, p. 1174). With that commitment, she said EPA would sue if necessary to get federal facilities to clean up.

OMB apparently made good its earlier commitment, approving a $105 million increase in proposed budget authority for pollution control from federal facilities.

The new order would go a step futher and establish a mechanism for providing funds beyond the $516 million for pollution control, according to the Administration source.

He said OMB might look elsewhere in an agency's budget for additional funds to pay for more costly controls required by EPA or to handle increased cost estimates.

He said the process for resolving disputes over pollution control requirements would involve first a meeting between EPA and the regulated agency and then, if necessary, a negotiating session with OMB. Asked what would happen if there were further disagreement, he said "there won't be."

He said the order under consideration "recognizes EPA as the official agency overseeing the process and having the authority to bring noncompliance cases to the director of OMB immediately."

He described EPA's potential litigation against noncomplying federal facilities as "an extremely last resort."

The draft order does not change any residual legal authority EPA has to sue federal facilities, he said, but "it's an extremely remote possibility that they'd use it, given the provision of funds."

SOUTHERN CALIFORNIA AIR DISTRICT OUTLINES CONDITIONS FOR SOHIO'S OIL TANKER FACILITIES

LOS ANGELES — (By an Environment Reporter staff correspondent) — Permit conditions including a trade-off policy for new source review of proposed supertanker facilities in the Port of Long Beach were approved by the South Coast Air Quality Management District January 17.

The facilities would be used for transporting oil from the Alyeska pipeline in Alaska to eastern markets.

The action marks the end of the first phase of hearings which began in July 1977. Phase two will begin once Sohio Transportation Company decides whether to accept the provisions and proceed with plans to build the two-berth, 500,000 barrel-per-day oil terminal.

During phase two, the company would present details of its trade-off proposals. Any final permit decision by the air quality district must be approved by the California Air Resources Board and the Environmental Protection Agency.

Under permit conditions approved January 17, the emissions chargeable to the Sohio project would be determined at two levels, the 97th percentile operational mode or the maximum operational level (MOL) and the total annual emissions. For sulfur oxides, the MOL would be 5,108 pounds per day and the total annual emissions would be 1.2 million pounds per year; for nitrogen oxides, 5,884 pounds per day and 1.3 million pounds per year; for particulate matter, 791 pounds per day and 200,000 pounds per year; and for organics, 1250 pounds per day and 310,000 pounds per year.

In explaining its recommendation prior to adoption, the technical committee said the Project Benefit Ratio is the total annual emissions reductions obtained through trade-offs divided by the total annual project emissions for each pollutant.

For example, for a Project Benefit Ratio of two, the required annual trade-offs would equal twice the annual project emissions. This would result in a net emissions reduction or benefit within the district equal to project emissions.

According to the technical committee, the safety factor will ensure that no degradation in air quality will occur during times of maximum operating levels by requiring daily trade-offs to exceed the 97th percentile emissions by a factor of 1.2 or greater. "For purposes of adding a safety factor, we define the MOL to be the maximum day of the month (97th percentile)," the committee said.

The Project Benefit Ratio for the Sohio project was set at two to one for sulfur oxides, nitrogen oxides, and particulate matter, and 7.2 to one for organics. The safety factor was set at 1.2 to one for all of the pollutants.

In approving the 7.2 to one ratio for organics, the local air board disregarded the advice of its staff and technical committee which had recommended five to one for organics. In approving the more stringent ratio, the board noted that it will apply to hydrocarbons, a major component of photochemical smog which presents the most serious health threat in Southern California.

Operating restrictions adopted by the air district would prohibit tankers visiting the SOHIO terminal from doing any of the following while in the coastal waters:

- Take ballast water into cargo tanks or perform any other ballasting operation that would result in the release of hydrocarbon vapors to the atmosphere;
- Purge, gas-free, or otherwise deliberately expell vapors from cargo tanks, except as necessary to operate the inert gas system, unless the permittees can demonstrate that there will be no emissions of hydrocarbon vapors as a result of the above activities;
- Burn bunker fuel having a sulfur content of more than 0.25 percent by weight.
- Transfer any portion of its cargo to any vessel, including a barge;
- Load cargo (not including the tanker's own bunker fuel and provisions and supplies);
- Open ullage hatches on cargo tanks except that gauging of tanks shall be in accordance with 46 C.F.R. Section 32.20-20 on tankers subject to that regulation;
- Set pressure vent valves on cargo tanks at a pressure differential of less than 1.5 pounds per square inch;
- Wash cargo tanks.
- Engage in maintenance, repair, or inspection of cargo tanks that could result in the escape of hydrocarbon vapors; and
- Engage in cargo unloading, internal transfers of oil, or bunkering until an oil spill boom has been properly deployed.

The local air board also voted that the maximum total capacity of tankers at berth for unloading at any one time will be limited to 330,000 dead weight tons.

The unloading rate could not exceed 240,000 barrels per hour, and the amount of crude oil unloaded in any one year could not exceed 182.5 million barrels per year.

At the suggestion of the technical committee, the board voted to postpone adoption of enforcement and monitoring provisions until phase two. The committee felt that the staff should work with EPA, the state, Sohio, and other interested parties and agencies to obtain "concurrence" in other necessary conditions so that one set of permit conditions would be issued.

Trade-off Candidates

In its brief dated January 6, the air district staff said that Sohio submitted a tentative listing of possible trade-off candidates, and the staff's preliminary analysis indicated that the following may qualify as viable trade-off candidates:

- Five-stage lime scrubber on Southern California Edison Alamitos power plant;
- Control of organic emissions from dry cleaners;
- Co-generation of electricity,
- Control of glass plant emissions;
- Control of NOx emissions from natural gas-fired stationary internal combustion engines; and
- Fuel switching.

EPA ADOPTS POLICY INVOLVING PUBLIC IN DEVELOPING WASTE MANAGEMENT PROGRAMS

The Environmental Protection Agency January 12 (43 FR 1902) adopted interim guidelines (40 CFR 249) for public involvement in the development of solid waste management programs.

The guidelines apply to EPA offices, federal agencies carrying out provisions of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. They apply also to states and municipalities receiving federal funds under the Act, and they require:

- A summary report of public participation efforts conducted by EPA and states and municipalities receiving federal funds under the Act;
- Inclusion of a section on public participation in future regulations issued by EPA under the Act; and
- Inclusion of a public participation program in EPA grant regulations related to solid waste management grants.

Use of the guidelines is a condition of performance by states and local governments receiving federal money under the Act, EPA said. Failure to comply with the guidelines may subject recipients of federal funds and the EPA administrator to citizen lawsuits.

The Act requires the EPA administrator to maintain a central reference library housing information on nine key areas of solid waste management. Those materials are to be available to states, municipalities, and interested persons.

The EPA administrator also must disseminate information on solid and hazardous waste management and resource conservation.

EPA defines public participation as public meetings, workshops, and conferences, distribution of reference materials related to solid waste, and opportunity for individuals and groups to comment on regulations and guidelines prior to their promulgation.

Some comments submitted to EPA on the public participation guidelines had suggested full or partial reimbursement of costs for participation by individuals and groups.

Several individuals claimed that public participation in administrative proceedings carries a heavy financial burden. EPA officials agreed that a reimbursement program deserves serious consideration.

Others recommended that a set percentage of a solid waste management project's budget should be allocated and earmarked specifically for public participation.

EPA officials said determining the public participation needs of states and municipalities must be done on a case-by-case basis.

Comments on the guidelines may be submitted before February 14 to the deputy Assistant Administrator of Solid Waste, EPA, Washington, D.C. 20460.

EPA'S SOLID WASTE MANAGEMENT PROGRAM COMES UNDER FIRE FROM STATE OFFICIALS

National Governors Association representatives January 19 criticized the Environmental Protection Agency's draft strategy for carrying out national solid waste management program.

Texas Health Department official Wally Osborne said the strategy represents a major shift in EPA positions on the Resource Conservation and Recovery Act of 1976.

"The draft fails to recognize individual state requirements," Osborne said (Current Developments, December 23, p. 1315). "It does away with state autonomy and clearly circumvents the intent of the Act."

Osborne and other state officials repeatedly said the key to a successful solid waste program is direct financial assistance to state, regional, and local governments.

The absence of funding in the Act was viewed as the greatest single impediment to progress in solid waste management efforts.

David J. Damiano, commissioner of Philadelphia's Department of Streets, told EPA officials: "Incentives to local governments to stimulate implementation of RCRA should take the form of direct financial assistance since our cities are financially unable to implement high capital cost resource recovery facilities."

Damiano called on federal officials to provide guidance and assistance in efforts to overcome public opposition to the national solid waste management program.

Damiano criticized EPA's emphasis on hazardous and toxic waste: "Turning to resource recovery or hazardous and toxic wastes before providing needed relief for the overall solid waste problem is a luxury we cannot afford."

The agency's draft strategy provided grants for conversion or construction of solid waste disposal facilities in rural communities with low populations and high levels of waste generation.

Damiano urged EPA to give priority to urban areas and called the rural emphasis "a mix-up of priorities. There is no valid reason for discrimination against cities in favor of rural communities," Damiano said.

EPA's draft strategy drew criticism also from industry representatives.

Arthur Handley, solid waste programs consultant for Malcolm Pirnie Inc., White Plains, N.Y., said the strategy delays resource recovery implementation by failing to acknowledge existing recovery technologies.

"The statement's failure to acknowledge that recovery implementation can take place now could decrease the momentum of many projects which are in the design stage and could deter others from proceeding," Handley said.

Thomas Conry, project coordinator of Technical Information Project, said EPA should provide hazardous waste recycling incentives.

Additionally, Conry recommended that EPA emphasize the following:

- Monitoring of hazardous waste composition, including analysis of selected wastes for their complete chemical composition,
- Public participation and education regarding hazardous wastes; and
- Establishment of adequate and convenient hazardous waste disposal facilities.

Air Pollution

EPA REVISES STRATEGY FOR ENFORCING DELAYED COMPLIANCE ORDER PROVISIONS

The Environmental Protection Agency January 16 revised its strategy for enforcing delayed compliance order provisions of the Clean Air Act Amendments of 1977.

The changes affect the federal role in granting or reviewing cleanup deadline extensions for stationary sources by:

- Subjecting federal issuance of delayed compliance orders (DCO's) and federal approval or disapproval of state-issued DCO's to informal rulemaking procedures of the Administrative Procedures Act;
- Limiting EPA approval or disapproval of state-issued DCO's to criteria in Section 113(d), thereby excluding a good faith test;
- Prohibiting EPA from disapproving state-issued DCO's on the basis that they fail to waive certain rights to seek judicial review.

The revisions are reflected in a January 16 memorandum to the regions from Marvin B Durning, EPA assistant administrator for enforcement. The memorandum is published in the Full Text section of this issue.

It modifies the second version of the agency's enforcement strategy which, although draft, is current policy until the final version is issued (Current Developments, December 2, 1977, p. 1132). The final enforcement strategy is expected early in February.

'Additional Resource Burden'

The memorandum says the informal rulemaking requirements impose "an additional resource burden upon the EPA regional offices and EPA headquarters," and it promises detailed procedural guidance to reduce the impact.

In issuing a DCO, EPA is to use the Federal Register to give notice of the proposed order, solicit public comment, and provide opportunity for a public hearing.

EPA is to follow similar procedures in acting on state-issued DCO's, except that it is not required to provide an opportunity for a public hearing. The state is to have provided that opportunity earlier. Failure to do so is grounds for EPA disapproval of the order.

Approach to Recalictrance

According to the memorandum, EPA will not issue DCO's to sources that have an egregious history of noncompliance and recalictrance, have serious violations, and/or are likely candidates for civil or criminal penalties.

As a result of this approach, it says, "there will be no category of cases involving a federally issued DCO and a federal court action relating to the pre-DCO period."

EPA encourages states to follow a policy similar to its own but, the memorandum says, the agency cannot base approval or disapproval of state-issued DCO's on failure to follow suit. Criteria in Section 113(d) is to govern federal review.

However, the memorandum says, "a DCO does not insulate a source from initiation of an action to collect civil or criminal penalties for violations which occurred during periods in which the order was not in effect (i.e., the period of violation prior to the DCO period)."

It says EPA will pursue judicially imposed penalties for this period as well as for later noncompliance in cases where the state acted differently than EPA would have done, considering the source's recalcitrance and the seriousness of the violation.

Air Pollution

EPA ISSUES FURTHER GUIDANCE ON AMBIENT AIR STANDARDS ATTAINMENT

Six U.S. cities must be classified as photochemical oxidant nonattainment areas under the Clean Air Act becaue of their size, even though no data exist to support either an attainment or nonattainment designation, a January 3 memorandum to regional administrators of the Environmental Protection Agency says.

The memorandum, written by David G. Hawkins, EPA assistant administrator for air and waste management, is to "provide additional guidance on the attainment/nontainment area designations relative to Section 107 of the Clean Air Act." The memorandum is published in the Full Text section of this issue.

Earlier Guidance

The January 3 memorandum does not differ substantially from earlier attainment/nonattainment guidance circulated by Hawkins on October 7, 1977 (Current Developments, October 14, 1977, p. 902). The October document said any urban areas over 200,000 in the U.S. should be presumed in violation of the ambient air quality standard for photochemical oxidants in the absence of data showing attainment.

According to the most recent Hawkins memo, at least six U.S. cities for which data are not available should be presumed in violation: Aurora-Elgin, Ill. (population 233,000); Fort Wayne, Ind. (population 226,000); Lansing, Mich. (population 230,000); Charleston, S.C. (population 228,000); and Columbus, Ga. (population 208,000).

Another 99 cities of more than 200,000 population have submitted oxident data, Hawkins said. The Clean Air Act requires EPA to issue lists of attainment and nonattainment areas by February 3, 1978.

Populous Areas Top Priority

Although the attainment/nonattainment designation requirement applies also to smaller urban areas, the Hawkins memorandum says, "significant resources should not be devoted by EPA to designation activities for areas less than 200,000 in population.

"Areas designated as attainment or unclassified will be controlled by prevention of significant deterioration (PSD) review," the memorandum says.

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OIL SHALE DEVELOPMENT WILL CAUSE AIR, WATER, SOLID WASTE PROBLEMS

Development of an oil shale industry could have adverse environmental consequences, including air, water, and solid waste pollution, according to an Environmental Protection Agency report on anticipated environmental changes from oil shale development.

Environmental restraints, socio-economic problems, and uncertain environmental protection costs make the outlook for the oil shale industry uncertain, the report says. Nevertheless, oil shale development is moving forward, urged on by the high price of world oil, the potential for high profits, and decreasing U.S. supply of conventional energy sources, it says.

Aside from environmental pollution, other potential adverse effects of oil shale development include disruption of the land, hazardous health effects, and creation of boom towns with stressing side effects, the report says.

Greatest Environmental Roadblock

"There will be a lot" of solid waste from oil shale operations, the report says, in the form of fine particles of raw shale from crushing operations, catalysts from refining processes, and spent shale that remains after the oil is removed.

The report says the disposal of spent shale is "the greatest environmental roadblock to oil shale development. The potential effects of the enormous amount of spent shale cross all major environmental boundaries."

The problem of spent shale disposal is a key to success of the industry and will have to be resolved in relation to air, water, land, and the quality of life in the processing area, the report says.

Air Pollution

To minimize dust and particulate air pollution from shale mining operations, wetting agents will be used during drilling, after blasting, and along transport routes from the mines. Baghouse filters similar to those used in industrial smokestacks will be placed in crusher units to capture the dust from the shale as it is pulverized. Wet scrubbers will control particulates generated in retorting operations.

According to the report, however, none of the processes being considered for a commercial-sized oil shale industry can meet both federal and Colorado pollution standards (85 percent of the oil shale resources are located in Colorado, 10 percent in Utah, and 5 percent in Wyoming).

Water Pollution

Oil shale operations would withdraw large amounts of water to extract and process oil shale. Depletion of local water supplies, disruption of stream beds and groundwater aquifers, and resulting water contamination are a problem for the industry. Before the shale industry develops, the potential water pollution hazards associated with the various processes must be examined, the report says.

Land disruptions from oil shale mining include increased erosion and sedimentation, removal or burial of vegetation, and a change in the mix of native trees, shrubs, and grass species, the report says.

To minimize these impacts, disturbed areas should be returned "as nearly as possible" to their natural state, it says.

The health hazards from an oil shale industry presently are under study to define their severity and to identify solutions.

Avoiding boom towns will take thoughtful planning, money to carry out the plans, and support of those who live in the shale country, the report says. The Western Governors Regional Energy Policy Office is a key force that will help alleviate boom town conditions and adverse societal impacts of energy development, it says.

Research

EPA and 16 other government agencies are studying many aspects of oil shale development and are developing environmental controls in conjunction with oil shale processing technology. These studies are developed with funds provided by the Office of Energy, Minerals, and Industry through the federal Interagency Energy/Environmental Research and Development Program.

Over $35 million has been earmarked for oil shale research over the next five years, with $10 million to $20 million coming from EPA/OEMI through the interagency program, the report says.

Private industry, universities, and independent research contractors also are researching oil shale problems.

Copies of the report, "Oil Shale and the Environment" (Document No. EPA-600/9-77-033), are available from the National Technical Information Service, Springfield, Va. 22161.

EPA REGION VIII OUTLINES WORK PLAN TO CLEAN UP DENVER'S AIR

An Environmental Protection Agency Region VIII work plan calls for a state-federal program to clean up the air in Denver, where the air is the dirtiest in the region and in the U.S. in some respects.

Alan Merson, EPA regional administrator for Region VIII, said the emissions polluting Denver's air are mainly from automobile traffic and that stationary source pollution control options are inapplicable. Merson says cleaning up Denver's air — making it a model for other cities — is his highest priority.

At least one study shows Denver's carbon monoxide problem to be the worst in the U.S. Denver ranks in the worst five to 10 cities in the U.S. for photochemical oxidants, and its particulate levels are more than 60 percent above the annual average primary standard. Carbon monoxide, oxidants, and particulates are caused primarily by automobiles.

The goal of the Denver air quality program is to improve human health conditions in the Denver area and to improve visibility by reducing automobile emissions of particulates, the work plan says.

The work plan proposes that an "Action Plan" executing the work plan be developed jointly by local, state, and federal agencies by January 31.

Action Plan Program

Merson said EPA immediately will try to reduce the vehicle miles traveled by its own employees of the regional office in Denver by encouraging bus and carpool commuting.

The second major step will involve implementing a simular program for other federal agencies in Denver. With about 45,000 federal workers, Denver has one of the largest federal work forces in the U.S. Merson says that if the federal workers use mass transit or carpools, Denver's dirty air may be cleaned up significantly.

Current plans call for extensive support by federal agencies, including assistance for effective carpool matching, identification of potential employer incentive programs, and other assistance as needed, Merson said.

EPA also will seek to develop consistent policies on state implementation plan revisions, construction grant applications in nonattainment air quality areas, and inclusion of EPA headquarters in the program.

EPA also will launch a joint state/local public involvement program on air quality, Merson said.

The public involvement program will involve gathering information, developing resources, investigating methods, and developing and monitoring specific activities. The program will identify and work with private and public organizations and individuals and will form advisory groups of health experts, citizens, and perhaps industry and local governments.

Regional Office Plan

Under the work plan, EPA will undertake a number of programs in the regional office to set an example for improving transit ridership and vehicle occupancy. As these internal programs take shape, EPA plans to involve other federal agencies in Denver, and finally move the program into the private sector.

The overall objective of the work plan will be to reduce emissions by reducing travel, increasing auto occupancy, and reducing emissions from individual automobiles.

EPA construction grants policy and an agreed-upon state/EPA state implementation plan (SIP) policy are essential ingredients of the Denver air program, because these policies must be consistent, the work plan says.

Motor Vehicles Program

At Denver's high altitude, emissions are approximately twice that at sea level. The higher ratio of fuel to air causes poor driveability and greatly increased emissions.

Four goals of the Motor Vehicle Emissions Control Program outlined in the work plan will be:

- Development of high-altitude emission standards for new vehicles, effective with the earliest possible model year;
- Development of regulations to require manufacturers to provide high-altitude performance adjustments for 1968-1983 vehicles not certified to meet emission standards at high altitudes;
- Federal vehicle inspection/maintenance to obtain early emission reductions from government-owned vehicles and additional experience for running an areawide I/M program; and,
- Inspection/maintenance of in-use vehicles to ensure that the new vehicle emission standards continue to be effective.

EPA STAFF DRAFT CONSIDERS CHANGES TO KEY REQUIREMENTS OF OFFSET POLICY

The Environmental Protection Agency is considering revising its emission offset policy to subject many more sources of air pollution to the stringent conditions for construction in heavily polluted areas.

The change is one of many outlined in a December 19 staff draft undergoing internal and regional EPA review. The draft had not been reviewed by David G. Hawkins, EPA assistant administrator for air and waste management and "does not necessarily reflect his views," Walter C. Barber, EPA deputy assistant administrator for air quality, planning and standards said in an accompanying memorandum. Barber said some positions are "tentative" and "subject to change before proposal."

EPA is revising the "Emission Offset Interpretative Ruling" (Current Developments, December 26, 1977, p. 1219) to reflect public comments and the Clean Air Act Amendments of 1977 (Environment Reporter — Federal Laws 71:1101). The agency hopes to make formal proposals in February.

Definition of Potential

The amendments apply the offset requirements to new or modified major stationary sources or those with potential emissions of 100 tons or more per year, but they leave "potential" undefined.

In the draft ruling, EPA would define "potential" as 100 tons per year without considering reductions from control equipment. The definition still in effect takes reductions into account. It applies to sources with allowable emissions of 100 tons or more per year.

"A 'major source,'" the draft ruling says, "is any source for which the potential emission rate is equal to or greater than 100 tons per year for any of the following pollutants: particulate matter, sulfur oxides, nitrogen oxides, nonmethane hydrocarbons (organics), or carbon monoxide." It would define major modification to "include a modification to any source which increases the potential emission rate by the amount set forth above."

EPA would define potential emission rate to mean "the emission rate expected to occur without control equipment unless such control equipment is (aside from air pollution control requirements) necessary for the source to produce its normal product or is integral to the normal operation of the source."

Consistent with PSD Proposals

As the draft preamble to the Federal Register proposal notes, the shift from 100 tons allowable to 100 tons before control is consistent with the definition proposed in revisions to EPA's prevention of significant deterioration (PSD) rules (November 11, 1977, p. 1034).

"However," it acknowledges, "based on the comments on the PSD regulations, there appears to be substantial concern over the workability of the proposed definition and what the congressional intent was in using the term."

Industry representatives commenting on the proposed PSD rules at a public hearing in January emphasized their opposition to such a change (January 13, p. 1373).

At a minimum, the revised definition would subject far more sources in clean and dirty-air areas to the newer, more strenuous environmental requirements of the amendments.

In resolving the issue, EPA is considered likely to settle on a consistent definition of potential for both the PSD and offset requirements, but it does not appear committed to the controversial change.

The draft preamble describes EPA as "fully open to suggested definitions of the term potential emissions other than the one proposed," and says that, until finally revised, the ruling will continue to apply to sources with allowable emissions of 100 tons per year (1000 tons per year for carbon monoxide)."

Exemptions for Fuel Conversions

EPA is considering allowing somewhat broader exemptions from the offset policy for sources switching to alternate or dirtier fuels.

The existing ruling exempts sources switching to more polluting fuel, such as coal, if the facilities as of December 21, 1976, were capable of burning different kinds of fuels. Fuel conversion by these types of sources are not considered modifications and consequently are not subject to the ruling.

EPA is weighing the possibility of expanding this exemption to include actual construction if the fuel conversion is required by a federal coal conversion order or natural gas curtailment plan.

EPA had sought public comment on whether the narrower exemption in the present ruling should apply in nonattainment areas. It did so through an advanced notice of proposed rulemaking published together with the offset policy (December 31, 1977, p. 1245).

EPA in the draft ruling would exclude the following two cases from being considered as modifications and thereby would exempt them from the offset requirements:

- "Use of an alternative fuel or raw material (unless limited by previous permit conditions), if prior to December 21, 1976, the source was designed to accommodate such alternative use," or
- "A conversion to coal (i) by reason of an order under Section 2(a) of the Energy Supply and Environmental Coordination Act of 1974 or any amendment thereto, or any subsequent enactment which supersedes such Act, or (ii) which qualifies under Section 113(d)(5)(A)(ii) of the Act."

Significance Levels

Under EPA policy, all major stationary sources, whether locating in clean or dirty-air areas, must be evaluated for their potential impact on air quality in neighboring areas (November 25, 1977, p. 1109).

As a result, sources locating in clean areas might be subject to offset requirements and facilities locating in dirty areas might be subject to PSD areas.

EPA is wrestling with the issue of excluding from the requirements sources whose effect might be considered insignificant.

In its proposed PSD rules, EPA said it "is considering a 'significance level' scheme for analyzing areas in which the allowable increment has already been consumed." Under this approach, a source would be reviewed for its impact in such an area only if its effect is considered significant according to some scheme, such as numerical increments.

The draft interpretive ruling would establish a significance level scheme for sources which are locating in clean-air areas or clean portions of nonattainment areas and

which have some impact on nonattainment areas. They would not apply to Class I situations.

The significance levels would be based generally on the Class I PSD increments in the Act.

According to the draft ruling, "a new or modified source will not be considered to cause or exacerbate a violation of the NAAQS if the air quality impact of the source is less than the following threshold levels:

Pollutant	Averaging Time				
	Annual	24-Hour	8-Hour	3-Hour	1-Hour
Sulfur Dioxide	1.0 μg/m³	5 μg/m³		25 μg/m³	
Total Suspended Particulates	1.0 μg/m³	5 μg/m³			
Nitrogen Dioxide	1.0 μg/m³				
Carbon Monoxide			0.5 mg/m³		2 mg/m³

The draft preamble says "the principal use of the significance levels will be in determining how far away from a new source air quality concentrations should be estimated (i.e. calculations should be made until the concentrations drop to the significance levels)."

It says "the significance levels, in conjunction with the stack height limitations in Section 123 of the Act are such that sources with actual emissions greater than 10-15 tons per year could not be constructed in an area that exceeds a NAAQS without also exceeding the significance levels."

EPA solicited comments on whether or not it should permit "*any* major source to construct in a nonattainment area without being subject to the ruling, even if the significance increments are not exceeded."

Case-by-Case Despite Designations

In general, for stable air pollutants, "the determination of whether a source will cause or exacerbate a violation of a NAAQS should be made on a case-by-case basis," according to the draft ruling. It should be done "independent of any determination of non-attainment made pursuant to Section 107(a)(1)."

Section 107 requires states to propose and EPA to promulgate lists of the air quality status of their areas (see related story, p. 1408).

EPA is including this approach, according to the draft ruling, "because the area affected by a determination of nonattainment usually conforms to established administrative boundaries such as counties or Air Quality Control Regions (AQCR's) rather than a precisely defined area where air quality problems exist."

Decisions Involving Nitrogen Oxides

"For major sources of nitrogen oxides," the draft ruling says "the initial determination of whether a source would cause or exacerbate a violation of the NAAQS for nitrogen dioxide should be made using an atmospheric simulation model assuming all the nitric oxide emitted is oxidized to nitrogen dioxide by the time the plume reaches ground level."

It says the initial concentration estimates could be adjusted "if adequate data are available to account for the expected oxidation rate."

Offsets in Rural Oxidant Areas

The draft ruling would modify the proposed geographic application of the offset policy for major volatile organic compound sources, requiring sources locating in rural areas with high oxidant levels to obtain offsets.

According to the draft preamble, "one of the issues not totally resolved in the December 21, 1976, ruling was whether offsets should be required for major sources of volatile organic compounds (VOC) locating in remote rural areas, given the widespread violations of the NAAQS for photochemical oxidant in such areas."

At the time, it "outlined a tentative policy which would have exempted remote rural areas from the offset requirements (even though such areas were exceeding the oxidant standard.)"

In response to public comments, EPA is considering a change in the ruling to "require offsets for VOC sources locating in any area classified as nonattainment oxidant pursuant to Section 107(d)(1)(A) of the Act, or is otherwise shown to be exceeding the national ambient air quality standard for oxidant, unless the source owner can show that the emissions for the proposed source would have virtually no effect on any area that exceeds the oxidant standard."

The ruling says that "sources locating in areas that are attaining the oxidant standard or cannot be classified are exempt from the offset requirements."

In general, the draft preamble says, "offsets will be acceptable if obtained from within the same ACCR as the new source or within a radius from the new source equivalent to 36 hours travel time under wind conditions associated with high oxidant concentrations."

It says "the 36 hours travel time translates to approximately 75 miles during normal light wind conditions associated with multi-days stagnation conditions which are most conducive to oxidant formation."

NATURAL RESOURCE REORGANIZATION DRAWS MIXED REVIEWS IN PUBLIC COMMENTS

President Carter's natural resources reorganization team is sifting through more than 1,400 responses to a December 19 request for public comment on reorganization alternatives for federal natural resources and environmental programs.

The responses reflect a cross-section of environmental interests and include suggestions from figures as diverse as oceanographer Jacques Yves Cousteau and Alabama Governor George Wallace. Most of the comments are from industry, environmental, and government entities more directly involved in shaping and working under federal environmental and natural resources policy.

A sampling of the comments reveals little support for a department of natural resources, department of the environment and public health or a department of natural resources and the environment.

Strong support came from state officials for expanding a Department of Agriculture to include renewable resource management and protection.

Reorganization Drawbacks Noted

The Environmental Protection Agency was the focus of many of the comments, with evaluations offered about the agency's successes and failures and suggestions offered about EPA's role in the future.

Throughout the 14 volumes of comments, however, were responses voicing doubt about the wisdom of a natural resources reorganization, and warnings about the disruption reorganization can cause.

William E. Towell, executive vice president of the American Forestry Association, voiced strong support for a department of agriculture and renewable natural resources, noting what he described as "a reasonable balance in management philosophy between (the) Interior and Agriculture" departments.

He warned that "consolidation could lose that balance and the healthy competition that now prevails."

Jim Tozzi, chief of the environment branch in the Office of Management and Budget's natural resources division, suggested considering of a strengthening of "interagency coordinating mechanisms" by modifying the procedures which govern agency actions as opposed to changing the basic structure" to "avoid the disruption of major change."

Oceanographer Jacques Y. Cousteau also questioned concentrating responsibility under one umbrella organization, saying that "overcentralization presents the danger that a proposed policy which might appear logical from the point of view of one agency might be harmful because the decision lacks input from another."

Rarely did those commenting suggest including EPA in a larger, more comprehensive organization. Strong support was voiced for retaining EPA's independent agency status.

Strong EPA, CEQ Suggested

EPA should stand alone in dealing with the effects of chemicals in the environment, said William J. Driver, president of the Manufacturing Chemists Association.

He said that while "environmental management has some limited relationship to public health, much of both areas are totally unrelated and their regulation deserves complete separation."

Also in favor of preserving EPA's authority was William K. Reilly, Conservation Foundation president, who pointed out the potential for conflict of interest within a consolidated agency.

"Many of the agencies within the Department of the Interior promote activities which result in pollution or which otherwise run contrary to the regulatory interests of EPA," he said, in comments signed by 23 environmental groups and two labor unions.

Richard Engelbrecht, president of the Water Pollution Control Federation, called for the strengthening of the Council on Environmental Quality "to resolve interagency environmental and natural resources conflicts."

Separate Agencies for Research, Regulation

H.E. Lansbery, professor emeritus of the University of Maryland's Institute for Physical Science and Technology, recommended creation of an environmental regulatory commission with no enforcement powers and a mission to focus on air and water monitoring and research and development on the effects of pollutants.

He also warned against linking scientific and engineering activities with enforcement and regulation.

Lansberg traced the problems of EPA to a failure to separate those two functions, describing EPA as "an organization top-heavy with lawyers and scientifically inadequately educated advocates of self-interpreted public interests."

EPA, he said, "has almost since inception looked for support of their regulations by their research and monitoring arms. This has tied the latter down to pursue ephemeral studies rather than find facts on which sound regulations could be based."

Carl Bagge, National Coal Association president, voiced similar comments, calling for a separation of public health and environmental research functions from the standards setting functions.

Any reorganization should result, he said, in placing research involving "important and controversial" matters in more than one agency "to assure debate among researchers with different points of view."

Secretary of Agriculture Bob Bergland called for consolidating all agriculture and land management activities in the Department of Agriculture, saying that such an arrangement would allow decisions to be made "that consider all renewable natural resources" and would "assure that Federal land and related water resources contribute effectively to the sustained yield of food and fiber supplies."

Also supportive of an expanded Agriculture Department, was Alabama Governor George Wallace who, in a letter to President Carter on the reorganization study, pointed to the "strong and direct ties" federal natural resources agencies should maintain with state and local agencies.

Litigation

COURT AGAIN SAYS EPA CANNOT ENFORCE TRANSPORTATION CONTROLS AGAINST STATES

The U.S. Court of Appeals for the Ninth Circuit December 23 affirmed its decision of two years ago that the Clean Air Act does not authorize the Environmental Protection Agency to impose sanctions against California for the state's failure to administer and enforce the transportation controls in its state implementation plan (SIP) (*Brown v. EPA*, Nos. 73-3306, 73-3305, 73-3307 and 77-2558).

EPA had promulgated an SIP for California after determining that the state's own plan did not provide for the attainment of the national ambient air quality standard (NAAQS) for photochemical oxidants.

The EPA plan included transportation controls, and required that the state adopt laws and regulations to implement the controls.

California objected to the federal requirement that it initiate state legislation, and challenged the EPA plan on both statutory and constitutional grounds.

The Ninth Circuit, in order to avoid "serious constitutional issues" under the Tenth Amendment, ruled only on California's statutory claim (*Brown I*, 8 ERC 1053).

Supreme Court Consideration

The case then was consolidated with three similar actions for Supreme Court review, and on January 12, 1977 the Court heard oral argument on both the statutory and constitutional issues (Current Developments, January 14, 1977, p. 1347).

While the case was before the Supreme Court, however, EPA conceded that its SIP regulations were invalid unless modified. It was not empowered, the agency admitted, to require states to enact legislation and adopt regulations.

The Supreme Court therefore vacated the decisions and remanded the cases to the appropriate appeals courts for consideration of mootness (Current Developments, May 5, 1977, p. 3).

On reconsideration of the case, the Ninth Circuit ruled that it was not mooted by EPA's admission that it lacked authority to compel state legislation.

EPA had modified its regulations since the Supreme Court action to remove requirements that states enact laws and adopt regulations, and had deleted certain details concerning enforcement of the programs.

But California argued that the agency's modifications amounted only to "cosmetic changes," and EPA said that it would enforce the revised regulations.

It followed, the appeals court said, "that the cases before us to the extent they concern these regulations are not moot and are ripe for decision."

The court therefore went on to decide the substantive issue, and ruled that EPA cannot enforce the SIP against California.

'Indirect Polluter' Analysis Rejected

EPA argued that it was authorized under the Air Act to enforce the SIP against California under the agency's "indirect polluter" concept.

Under the indirect polluter analysis, EPA contended, it could enforce an SIP against a state as owner-operator of pollution inducing transportation systems (i.e. indirect polluter) to the same extent that it could enforce the plan against the state as owner of municipal incinerators (i.e. direct polluter).

There was no statutory distinction between the two state functions, EPA said, and because enforcement of the SIP would be against the "state as a polluter and not as a sovereign exercising police power" there would be no constitutional problems either.

The Ninth Circuit again ruled only on the statutory issue in order to avoid the constitutional problem.

The Clean Air Act, the appeals court said, does not evidence a "clear intention on the part of Congress to adopt such an attenuated notion of pollution" as that offered by EPA's indirect polluter concept.

The 1970 Act, the court said, made no mention of indirect polluters, and the 1977 Amendments did not rectify that omission in EPA's favor.

In fact, the court said, EPA asked Congress for an amendment to overturn *Brown I* and the House prepared such an amendment (Section 208), but "the section . . . never existed in S. 252 . . . and was not enacted in the Clean Air Act Amendments of 1977."

"We construe this as an unwillingness on the part of Congress to overturn our refusal in *Brown I* to adopt EPA's 'indirect source' theory," the court concluded.

Outer Continental Shelf

AMENDED OCS BILL CLEARS HOUSE, HEADED FOR CONFERENCE COMMITTEE

Legislation (HR 1614) to amend the Outer Continental Shelf Lands Act was approved 291 to 91 in the House February 2, and now goes to a House-Senate conference committee.

The bill includes measures to broaden state involvement in offshore drilling plans and would provide up to $200 million in OCS revenues to coastal states affected by offshore development.

A House-Senate conference committee will iron out the differences between the House measure and Senate-passed S 9.

Committee Version Altered

However, the bill was amended during five days of consideration to delete several controversial provisions approved by the House Ad Hoc Select Committee on Outer Continental Shelf, of which Murphy is chairman.

Deleted were provisions to:

- Allow dual leasing (requiring separate leases for OCS exploration and production);
- Include the Santa Barbara, Calif. channel on the list of frontier areas for OCS development;
- Expand the Occupational Safety and Health Administration's jurisdiction to include offshore activities and make it the lead agency on diving regulations on the OCS; and
- Include core and test drilling in the Federal Government's authority to conduct geological and geophysical exploration on the Outer Continental Shelf.

In addition, the House altered the bill's provision for the use of new bidding systems to allow experimental types of bidding to be applied to between 20 per cent and 50 per cent of leases offered. The committee version would have required other than bonus bids for at least 50 per cent of the area offered for lease.

Congressman Hamilton Fish (R-NY), who attempted unsuccessfully, along with Congressman John B. Breaux (D-La), to gain House approval for substitute OCS measures (Current Developments, February 3, p. 1513), said the House-revised bill is "now much improved" over the earlier version of HR 1614.

He and Breaux were persistent critics of the committee version of the bill, saying that the measure would promote unneeded federal regulation, duplicate legal authority in existing regulations, and erode OCS revenues.

Environmental Provisions

The bill includes provisions that would require OCS lessees to comply with national ambient air quality standards of the Clean Air Act and would prohibit lease or pre-lease exploratory drilling on any tract within 15 miles of the boundaries of any existing National Wilderness area.

It also would require that new regulations on waste prevention and conservation of natural resources on the OCS would continue to be applied to existing and new operations. It would change environmental impact statement provisions to allow an environmental impact study to be based on any of several plans submitted by prospective lessees. However, language requiring environmental impact predictions to be included in baseline studies was removed from the committee-approved version of the bill.

The House also amended the bill to broaden the scope of a measure to require the Secretary of the Interior to apply the "best and safest technologies" in OCS operations instead of the committee-approved language for "best and safest technology."

Pollution Fund Established

The House also included in the bill measures from the Oil Spill Liability and Compensation Act to establish an $200 million offshore oil pollution compensation fund within the Department of Transportation that would be supported by a fee of up to three cents per barrel of oil produced on the OCS.

For coastal states, the House included in the bill measures to provide up to $200 million of OCS revenues to the states, with each coastal state eligible for at least two per cent of the funds. The House also voted to change the allocation formula to states to include offshore production as a 25 per cent factor and to reduce oil and gas landings to a 25 per cent factor (Special Report, January 20, p. 1425).

An Ad Hoc committee staff member said February 5 that "a short conference" is expected on the bill. Conferees have not yet been named.

The staff member said that among the key issues expected to surface during the House-Senate conference are federal oil and gas exploration, revenue sharing, OSHA jurisdiction in the OCS, types of bidding allowed in OCS lease sales, and the applicability of Federal regulations.

Fish warned that the House rejected a conference committee report on a similar bill two years ago and "if the will of this House is not adhered to in the conference with the Senate, we shall be back to seek instructions for the conferees, and if necessary, regrettably, we shall again return to seek recommital."

NATIONAL COAL POLICY PROJECT RELEASES RECOMMENDATIONS ON COAL MINING, ENERGY

The National Coal Policy Project, a coalition of industry officials and environmentalists, on February 9 released recommendations on the mining, burning, and transportation of coal, and energy pricing.

Those recommendations drew sharp criticism from environmentalists who contend that, although the positions are purported to reflect a consensus reached by industry and environmentalists, they do not represent the sentiment of the environmental community.

The coal project, sponsored by Georgetown University's Center for Strategic and International Studies, is an attempt at bridging the gap between industry and environmentalists concerned with coal issues.

The report released by the project was divided into five areas studied by individual task forces: mining, coal transportation, air pollution, fuel utilization and conservation, and energy pricing.

Mining

One of the more controversial positions taken by the mining task force is that the restoration of essential hydrologic functions of mined areas in the western United States might best be accomplished by leaving highwalls.

The mining task force's stance contradicts a provision of the Surface Mining Control and Reclamation Act of 1977, mandating the elimination of all highwalls.

The task force recommended issuing mine permits on a watershed basis. "In order to better control impacts of surface mining on water resources in Appalachia, mine permits should be issued on a watershed basis to minimize the amount of land disturbance and watershed impact by mining at any given time," it said.

Permits should be coordinated between affected states when watersheds cross state boundaries, the task force recommended.

The task force concluded that mining should be prohibited only where specific problems cannot be addressed by reclamation.

It cited as examples areas where acid is forming or toxic chemicals cannot be buried, where special wildlife or cultural values exist, and where an important aquifer cannot be replaced by a water source without additional cost to the users.

The task force recommended controlled mining on an experimental basis in areas where it is uncertain that coal can be mined in an environmentally sound way, but where it appears techniques can be developed to mine in an acceptable manner.

The report cites prime agricultural lands in the Midwest and sub-irrigated alluvial valley floors and Ponderosa pine forests in the Northern Great Plains as such areas.

Mining task force members agreed that mining in the Northern Great Plains would cause fewer problems in areas where coal seams are thickest and rangelands least productive.

Environmentalists and industry officials disagreed, however, on whether seam thickness and rangelands productivity should be criteria for limiting future mining.

Environmentalists favored concentrating mining in thick seam/least productive rangeland areas, such as the Gillette area in Wyoming and the Decker area in Montana.

Industry officials claimed that geographic limitation is unnecessary if operators comply with environmental requirements.

The group set specific reclamation goals for the Northern Great Plains, Midwest, and Appalachia.

"In the Northern Great Plains and all other arid areas, the ultimate goal of reclamation should be to establish a viable, progressive, self-regenerating ecosystem that can be sustained through a severe drought cycle."

The basic goal in the Midwest should be to return surface-mined land to its original or higher level of productivity, the task force concluded. In Appalachia, the short-term goal should be to establish vegetative cover, stabilize spoils, and prevent erosion, the report said. The long-term goal, according to the task force, should be to establish a native forest ecosystem.

The task force recommended that hydrogeologic characteristics of affected watersheds be considered when head of hollow fills are being designed and constructed.

"In areas with acid overburden, the construction of head of hollow fills (used with mountaintop removal mining) requires that special efforts be made to avoid acid water problems," the report says.

Environmentalists and industry officials disagreed, however, on how acid overburden problems should be resolved.

"The industrialists feel that the regulatory agencies can handle this situation upon receiving the detailed plans they require from mining companies prior to approving mining applications," the report says.

Environmentalists, on the other hand, recommended that mountaintop removal be permitted only on an experimental basis in areas troubled by acid overburden.

Both industry and environmentalists agreed that current and future mine operators should continue treating acid water as long as it persists after mining.

The group recommended a classification system comparing sulfur in coal on a uniform Btu basis.

According to the study, Appalachia, followed by the Gulf Coast and Midwest coal regions, appears best able to accommodate increased coal development with the least disruptive impact on existing socio-economic structure.

"Communities in the Northern Great Plains and the Rocky Mountain regions have the least ability to accommodate coal development," the task force said.

The task force supported development of a national coal leasing policy, saying "the mix of federal and nonfederal coal is such that little nonfederal coal in the West can be mined economically without the inclusion of federal coal in the mine tract."

Environmentalists recommended that:

- The Interior Department establish criteria for identifying on a site-by-site basis areas that are environmentally unsuitable for mining and where coal production should be encouraged from nonproducing federal leases;
- Preference right lease applications not be approved unless the courts determine that holders of legitimate applications have a right to lease;
- The Interior Secretary issue regulations discouraging speculation on coal leases;
- No new leasing be undertaken until an adequate federal coal leasing environmental impact statement is prepared and until regional statements are prepared.

Industry officials did not formulate recommendations because they lacked sufficient expertise in the area, according to the study.

Air Pollution

The task force on air pollution policies developed a consolidated procedure for siting permits which, they say should be used on the state level.

According to the study, "there would be a single application for all state permits and approvals pertaining to environmental, economic, and social considerations and a single hearing."

The task force agreed that, to the extent possible, coal-burning plants should be sited near the users of energy rather than at remote mine sites where pollution could be ignored.

The group recommended that standardized air quality models be required to predict the impact of a given source on ambient air quality before actual data from operation of the source is available."

Fuel Utilization and Conservation

The task force on conservation and utilization acknowledged that major environmental problems complicate the prospects of using coal, and "reluctantly endorsed the expansion of coal use as a practical midterm solution to the nation's energy shortage."

The group opposes federal subsidies for commercial application of new conservation methods, and it urges cash flow incentives to make returns on investments in new technologies look more appealing.

The task force said conversion by existing electric and industrial plants to coal should be paced to allow for the application for cogeneration and developing technologies.

"We agree that natural gas and oil must be phased out and gradually replaced by coal in the production of steam and electricity," the group said. "But this change must be accomplished primarily in expansion and new plant construction."

Transportation

The transportation task force recommended a total overhaul of the freight transportation systems to replace "the maze of conflicting federal subsidies and web of unneeded regulations."

The group recommended, with one dissenting vote, that barge operators pay for construction and maintenance of waterways through full cost recovery user charges.

The task force also recommended:

- Permitting long-term contracts for railroads;
- Temporarily subsidizing shippers;
- Raising the existing user fees for trucks;
- Giving coal slurry pipelines eminent domain as contract carriers;
- Setting as a goal the preservation of all remaining wetlands which may be threatened by waterway construction; and
- Enforcing noise abatement, water, and air pollution laws.

Energy Pricing

The energy pricing task force said that the pricing of electricity should be based on an analysis of each utility's cost for replacing its plant and for fuel.

The group gave highest priority to cogeneration, and agreed that coal conversion mandates should be modified to allow for development of alternate technologies.

Environmentalists' Criticisms

The major concerns of environmentalists not involved in the project are two-fold: first, that the recommendations will be viewed as a concensus of the entire environmental community; and second, that the positions taken by the participants are weaker than those included in recently enacted legislation.

Karl Englund, director of the Environmental Policy Institute's Citizen Coal Project, said four positions taken by the project's mining task force are weaker than those environmentalists took when lobbying for passage of the Surface Mining Control and Reclamation Act of 1977.

"Those four positions are weaker than the positions finally adopted in the language in the Act," Englund said. "The project stated that it is an environmental-industry concensus, and that's just not the case. We're still in favor of strengthening the Act."

Englund said the most active environmental lobbyists do not support the project's concensus on prime farmlands, alluvial valley floors, spoil over the side, and highwalls.

"Take highwalls as an example," Englund said. "They say there are places in the Midwest where you'd want to leave highwalls. First of all, that's not true because of the serious problems caused by acid drainage, but second, for five years, Congress has wrestled with this problem and decided to the contrary."

It could be harmless to leave highwalls in "one percent of the situations," according to Englund. "But how do you write legislation making an exception for that percentage?"

Englund said Congress included the provision mandating elimination of highwalls in its stripping law after hearing the testimony of Walter Heine, director of Interior's strip-mining office.

"Based on Heine's testimony, Congress decided it would be an administrative nightmare as far as enforcement goes to make such exceptions," Englund said. "And furthermore, the elimination of highwalls is not overly burdensome on the industry."

The project has "ripped open the whole debate all over again," Englund said, "without realizing the political situation or the technical aspects of enforcement procedures included in the Act."

Environmentalists who lobbied for passage of the Clean Air Act of 1977 also criticized positions taken by the project.

Specifically, they took issue with the group's recommendations on tall stacks, one-stop siting, air quality modeling, and standards for fine particulates.

Richard Ayres of the Natural Resources Defense Council, said his biggest gripe is that the project made recommendations without consulting others and called it a consensus.

"The law represents the real concensus," Ayres said. "People who lobbied for the Clean Air Act were in contact continually with people around the country."

Rafe Pomerance, conservation director of Friends of Earth and legislative coordinator for the National Clean Air Coalition, reiterated Ayres concerns. "Their recommendations and conclusions do not represent a concensus that Friends of Earth shares," he said.

NATURAL RESOURCE REORGANIZATION ALTERNATIVES OUTLINED IN OPTIONS PAPER

The Environmental Protection Agency would be expanded into a department of environment and public health under one of the "preliminary organizational alternatives" being circulated for public comment by President Carter's natural resources reorganization team.

Other major reorganization alternatives presented in the paper include creation of a department of natural resources, consolidation of natural resources and environmental regulations in a department of natural resources and the environment, creation of a department of agriculture and renewable resources, and combining ocean programs and environmental regulation in a department of ocean resources and the environment.

A sixth major reorganization alternative would create a department of resource development and a department of the environment and conservation. "Since this concept involves two advocacy-oriented departments, a third body might be needed to set overall policy and rule on unresolved conflicts short of the President," the paper says.

No decisions have been made on any of the options.

In additon to the major reorganization alternatives which call for creation of new departments, the paper contains an extensive list of less sweeping reorganization alternatives in three categories: changes in specific programs or activities; measures to strengthen the interagency coordinating process; and realignments and consolidations affecting single resources such as water, land, and oceans.

Environment-Public Health

The alternative of creating a department of environment and public health "would take all or most of EPA's functions and join them with selected functions of the Food and Drug Administration, Occupational Safety and Health Administration, Consumer Product Safety Commission, National Institutes of Health, National Institute of Occupational Safety and Health, and perhaps others," the paper says.

The paper acknowledges that this alternative overreaches the scope of the natural resources reorganization study.

"While the scope of our study is not designed to fully evaluate this alternative, it may conclude that the functions of environmental protection are more related to the protection of human health than to the management of natural resources," the paper says. "Further work would be needed to fully examine this possibility."

Combining environmental protection with public health "would recognize a strong and growing commonality of interest between EPA and several public health agencies in connection with harmful substances which come to us through the environment, the work place, products, and the food chain," the paper says. "In effect, this alternative would take environmental protection in a different direction from natural resources management and conclude, instead, that it needs to be more closely associated with public health regulation and administration."

Separate EPA

The department of natural resource alternative would bring together all resource management programs, but would leave environmental regulatory authority in a separate EPA "to void possible conflict" with resource management.

Under this alternative, the Department of the Interior would be expanded to include the following agencies: the U.S. Forest Service, all or parts of the Soil Conservation Service, the National Oceanic and Atmospheric Administration, the civil works program of the Army Corps of Engineers, and the Water Resources Council. "The concept might or might not extend to TVA, the wastewater treatment grants of EPA, and specific smaller functions of other agencies," the paper says.

EPA Merger

The department of natural resources and the environment alternative would merge EPA's regulatory functions with resource management into a single department.

"The need for independence in administering the environmental regulatory powers could be provided by 'insulating' this activity within the framework of the department in a manner similar to the regulatory program within the Department of Energy," the paper says.

The department of agriculture and renewable resources described in the paper would combine the farm-related functions of the Department of Agriculture with the land and renewable resource management functions of other agencies, including Agriculture and the Department of the Interior.

A department of ocean resources and the environment would combine the regulatory activities of EPA with the ocean resource activities of NOAA, the Department of the Interior, perhaps the U.S. Coast Guard, and other agencies.

"Again, in this case, the regulatory program could be 'insulated' to avoid conflict with the development responsibilities," the paper says.

Two Departments

The alternative of creating a department of resource development and a department of the environment and conservation "recognizes the continuing tension between developmental interests on the one hand and environmental quality and resource conservation values on the other hand," the paper says.

The development-oriented agency would include programs from the Bureau of Land Management, the Bureau of Reclamation, the Bureau of Mines, the Bureau of Outdoor Recreation, the Corps of Engineers, most of the U.S. Forest Service, and parts of NOAA.

The preservation-oriented agency would take in programs from EPA, the Fish and Wildlife Service, and parts of NOAA, the Soil Conservation Service, and the U.S. Forest Service.

If a third entity were created to arbitrate disputes between the two departments, it "might be a very small Executive Office unit confined to policy formulation and major case resolution," the paper says. "It could also be expanded to meet some needs common to both 'advocate' agencies in order to prevent duplication in research activities."

Resource Realignments

Some of the less comprehensive reorganization alternatives would transfer responsibilities among existing agencies to consolidate programs for specific resources such as water, land and oceans. Currently, a number of agencies have overlapping programs in these areas.

The reorganization paper was circulated to about 1,000 interest groups, agencies and congressmen and also is to be published in the *Federal Register* to elicit public comment.

"This document is not a report, nor the result of an analysis of current programs, nor does it provide recommendations," said William W. Harsch, head of the natural resources reorganization team. "It merely seeks your comments and views for use in our analysis, to help form the study's conclusions and to make recommendations to the President."

Responses are due by January 14, 1978, and should be sent to the Executive Office of the President, Office of Management and Budget, President's Reorganization Project, Natural Resources-Environment Division, Room 3203 New Executive Office Building, 726 Jackson Place N.W., Washington, D.C. 20503.

GOVERNORS SHOULD HAVE VETO POWER NEEDED IN NUCLEAR PLANT BILL, EPA SAYS

Reform of the nuclear plant siting and licensing process should assure that all issues are fully aired by the construction permit approval stage and should provide for a governor's veto of the project before construction is begun, according to the Environmental Protection Agency.

EPA Administrator Douglas M. Costle, while voicing strong support for the major objectives of the Carter Administration's attempt at streamlining the siting and licensing process, said the proposed legislation should enhance the Nuclear Regulatory Commission's credibility and assure a strong state role in the nuclear reactor approval process.

Costle also cautioned against submitting to Congress a bill that "unduly emphasizes nuclear over non-nuclear generating sources" and "invites that public perception of our policy."

His comments came in a letter November 25 to James T. McIntyre, Jr., director of the Office of Management and Budget.

Reform of the siting and licensing process has been a goal of the Carter Administration, but the Administration's thinking on the matter has undergone several changes, many of them encountering objections from within the Administration.

Costle was commenting on a November 11 draft bill, but Energy Department officials said December 13 that they are uncertain when the bill will be submitted to Congress (see related story, p. 1265).

To strengthen the bill, Costle said, "Nuclear power plant siting and licensing decisions should be approved prior to the start of construction by a state's governor after an open, well-informed public debate."

Preserve Federal NEPA Responsibility

However, the National Environmental Protection Act authority of the NRC should not be shifted to states, as provided for in earlier draft bills, Costle said.

He suggested safeguarding the federal NEPA responsibilities, along with intervenor rights — including funding — to "assure that unresolved issues or issues about which new information is available are fully at the construction permit approval stage" of administrative proceedings.

Noting that plant siting and design can, under the draft bill, proceed construction approval by as much as a decade, Costle said, "If a once-isolated site is now surrounded by new homes, if new studies indicate geological or other drawbacks to the site not previously recognized, or if it appears that a particular approved design will not mate properly with an approved site, the prior basis for approval may no longer be valid."

Costle said he supports the draft bill's provisions for standardized nuclear facilities "for safety as well as economic reasons." He also supported site banking and other measures designed to cut administrative and litigative delays in the siting and reactor safety review processes

EPA SEEKS TO CLARIFY PSD EFFECTIVE DATE; SEEKS PUBLIC COMMENTS ON TWO RELATED ISSUES

The Environmental Protection Agency is seeking to clarify the effective dates for sources not subject to the agency's current prevention of significant deterioration regulation (42 FR 62020).

The agency says in a proposed regulation that it created confusion when it said on November 3 that a source would be subject to new PSD rules immediately upon promulgation unless it had obtained a final PSD permit before March 1, 1978, and unless it began construction before December 1, 1978 (Current Developments, November 11, p. 1034).

Sources not in one of the 19 categories now covered by EAP's PSD regulations were confused because they are not now required to obtain a PSD permit, EPA said December 8.

"EPA's intent is that any source not covered by EPA's current PSD regulations would be subject to the new PSD rules beginning on March 1, 1978, unless such source both (a) obtains before March 1, 1978, all final preconstruction permits which are necessary under the applicable state implementation plan under the Clean Air Act, and (b) commences construction before December 1, 1978."

Sources not required by a state implementation plan to obtain a permit to commence construction before March 1, 1978, would be subject to the new PSD rules only if they do not commence construction before December 1, 1978.

Related Issues

In proposing the regulations, the agency also asked for public comment on two other issues:

Whether PSD "increments" are to be protected only through preconstruction review (December 9, p. 1171); and

Whether all 250-ton potential sources are "major" sources under Section 169(1) of the Air Act.

The agency also noted some technical amendments recently signed into law and potentially affecting the prevention of significant deterioration program and published notice of informal public hearings on its PSD proposals.

The agency's proposed rule is published in the Full Text section of this issue.

Land Use

PRIME FARMLAND SHOULD BE PRIORITY FOR USDA, AGRICULTURE OFFICIAL SAYS

Assistant Secretary of Agriculture for Conservation, Research and Education M. Rupert Cutler November 29 said he wants prime farmland to be a major thrust of the Department of Agriculture over the next few years.

Addressing the Iowa Association of Soil Conservation District Commissioners, Cutler said there are five reasons for prime farmland to be a major thrust of USDA:

- Prime farmland should be preserved to ensure a farmland base for long-term productivity;
- Prime farmlands should be maintained as an agricultural resource so that wetlands and other fragile environmental areas can be preserved;
- Prime farmland provides the best yields with the least energy and other resources;
- Prime farmland can withstand soil erosion. By substituting marginal land, Cutler said, water supplies throughout the U.S. would be affected by sediment pollution from soil erosion; and
- A strong agricultural economy, the base of most rural communities, assumes sustained quality yields from prime farmlands.

Reclamation of Surface-Mined Lands

According to Cutler, there are about 14,000 surface mined acres in Iowa which have not been restored to productive use. Reclamation costs, Cutler said, may average $4,000 or more per acre for regrading, topsoiling, engineering structures, and other steps to prevent soil slippage and control water flow.

Under the Surface Mining Control and Reclamation Act of 1977, Cutler said, fees will be set for every ton of coal mined over the next 15 years, and one-fifth of the fund may be allocated to USDA for sharing the reclamation costs on rural lands.

He said the law also requires mine operators to include reclamation in the mining process and to determine whether an area chosen for coal mining is prime farmland. If a soil survey shows it is, Cutler said, the state regulatory agency still can permit the area to be mined in accordance with special reclamation requirements.

Energy

AVOIDING ENVIRONMENTAL/ENERGY LAW SUITS GOAL OF INTERIOR GRANT TO ARBITRATION

The American Arbitration Association, long a highly respected labor/management arbitration group, is going to try to identify and resolve energy-environmental issues before they reach the courts.

The six-month research project, funded by an $87,900 Interior Department grant, is to be administered by the Council on Environmental Quality and the U.S. Geological Survey's Resource and Land Investigation program.

"Adversary proceedings have an important place in our system of government, but excessive litigation has detrimental effects," Interior Secretary Cecil D. Andrus has said. Adversary proceedings complicate and draw-out administrative programs and add costs, Andrus said, and "when the Government and the courts appear to bog down, citizens lose faith in the system."

Nonetheless, some persons speculate that the introduction of arbitration into environmental conflicts could merely add an additional step, thereby further drawing-out final decisionmaking.

Much Research, Little Actual Application

"There has been a great deal of dispute settlement research in this area, but little application of new technology where the issues are real and the tempers hot," said Donald B. Straus, president of the Research Institute of the American Arbitration Association in New York.

He said the Interior Department grant will provide a chance for developing and applying new mediation techniques to energy and environmental conflicts of "national importance."

"This project provides the means to draw upon new ideas that have been developed in universities and other research centers, to apply them to ongoing disputes, and to make those that are successful available to others," Straus said in a prepared statement.

"We are administering this project jointly with CEQ because of its role in improving federal resource plans and decisions through more effective use of public participation and the National Environmental Policy Act," said Ronald Jones, chief of the Geological Survey's Resource and Land Investigation Program.

The Arbitration Association's research team on the project is to identify five "prototypical environmental-energy disputes." Among potential policy areas that could be studied, the association listed: coastal zone management, mining development (coal and uranium), on-shore impace of Outer Continental Shelf leasing, air and water pollution, siting decisions, and land management issues concerning forestry, grazing land, or national parks.

The association is to prepare a handbook outlining ways to identify, manage, and resolve energy and environmental conflicts. It is to determine which organizations and individuals might have concerns with particular issues in order to see that they are involved in decisionmaking.

In a separate action, the board of directors of the Virginia Environmental Endowment said it is going to pay $25,000 for mediation of environmental disputes. The money is to be used for a mediator to try to resolve differences between business, environmental, and government interests, said an endowment official.

INTERIOR ISSUES INTERIM RULES GOVERNING SURFACE MINING OPERATIONS

Interim final regulations (30 CFR 700 *et seq.*) controlling surface mining operations and reclamation were issued by the Interior Department December 13 (42 FR 62639).

Effective immediately, the interim rules set performance standards and environmental protection requirements for surface mine operators. The regulations differ in many respects from the version proposed by Interior September 7 (Current Developments, September 9, p. 705).

Beginning February 3, 1978, new coal mine permits must incorporate initial minimum performance standards included in the interim rules. Operators of existing coal mines must comply with the standards by May 3, 1978.

The regulations also establish procedures for granting federal funds to help states enforce the interim regulations and to establish their own permanent enforcement program.

The interim rules' performance standards direct mine operators to:

- Restore mined land to its original or an improved use;
- Restore mined land to approximate original contours;
- Remove topsoil and save it for later use;
- Control spoil placement;
- Guard against damage to the hydrologic balance;
- Control mine waste embankments; and
- Provide permanent vegetation for restored mining sites.

In addition to setting the general performance standards, the interim rules establish special standards for steep slope mining, mountaintop removal, prime farmland mining, and surface effects of underground mining.

Small Operator Exemptions

Exemptions from the interim standards may be obtained by small operators who produce less than 100,000 tons of coal in a calendar year. The exemption, effective until January 1979, does not apply to rules governing mine spoil handling.

In response to the 300-plus comments on the proposed version of the rules, Interior modified the interim final rules by:

- Changing requirements for detention time, sedimentation storage, and volume specifications for sedimentation ponds;
- Increasing requirements for communications between permittees and neighboring communities during preblasting surveys;
- Controlling maximum lineal decibels of air blasts;
- Reducing the particle velocity test criterion from two inches per second to one inch per second;
- Setting general revegetation requirements rather than requiring compliance with more specific revegetation tables.
- Revising the grandfather clause provision applicable to prime farmlands to conform to the clause in the Surface Mining Control and Reclamation Act.
- Establishing separate specific performances standards for the surface effects of underground mining, rather than making that category subject to the same standards which apply to surface mining.

EPA ASKS WHETHER AIR ACT REQUIRES MORE CONTROLS TO PROTECT INCREMENTS

Does the amended Clean Air Act require state implementation plans to prescribe measures beyond preconstruction review to protect air quality increments set for clean-air areas?

This question is one of the issues the Environmental Protection Agency is raising for public comment as part of a supplement to notices of proposed rulemaking and public hearing signed by EPA Deputy Administrator Barbara Blum December 5 (Current Developments, November 11, p. 1034, p. 1052, and p. 1061).

The EPA supplement, to be published soon in the Federal Register, will be published in Environment Reporter.

Deciding that additional controls are required could trigger a major change in the federal approach to administering prevention of significant deterioration (PSD) rules. That policy now relies on preconstruction review of major stationary sources to protect the increments.

Revising that approach may lead to disapprovals of state plans if they would lead to violations of the increments, EPA said, or plans would need revision. EPA now takes this approach to protect the ambient air quality standards.

Air Act Sections 161, 163

EPA acknowledges in the December 5 preamble that reliance on preconstruction review might be inadequate to protect the PSD increments and cites new statutory language that could be interpreted as requiring additional measures. Triggering the issue, according to EPA, are Sections 161 and 163 of the Air Act (Environment Reporter — Federal laws 71: 1101).

Section 161 says each state plan "shall contain emission limitations and such other measures as may be necessary, as determined under regulations promulgated under this part, to prevent significant deterioration of air quality."

Section 163, which prescribes the allowable increments of sulfur dioxide and particulate matter for Class I, II, and III, says plans "shall contain measures assuring" that increments "shall not be exceeded."

EPA says the "only method for protecting the increments specified in any detail in the Act is the preconstruction review scheme outlined in new Section 165." This section requires that new major sources be reviewed before construction and denied if emissions would violate the increment. It also imposes stricter control requirements than EPA's court-ordered regulations.

However, for at least two reasons, EPA says, it is possible "for increments to be violated despite good-faith" efforts to carry out the preconstruction review section.

It says first that emissions from sources not subject to preconstruction review under both EPA's original PSD rules and the new Act could lead eventually to violations. It says secondly that actual monitoring data may show violations for sources which passed earlier review stages.

In light of these considerations, the agency is asking for comment on whether the new Sections 161 and 163 or "(any other statutory language or legislative history) require SIP's to contain measures in addition to the preconstruction requirements of new Section 165 to protect the increments." EPA is seeking public comment also on the types of additional measures which might be required."

'Basic Questions' Raised

EPA poses the issue of protecting the increment in terms of certain "basic questions." For example, it asks: "Are the increments in new Section 163 absolute statutory requirements to be protected by whatever combination of regulatory measures is necessary?"

If the answer is yes, EPA says it "would mean that the increments would be treated in basically the same regulatory manner as the ambient air quality standards set under Section 109. EPA would then apparently be obligated to disapprove SIP revisions (such as emission limitation regulations for existing sources) which would cause increment violations and to call for SIP revisions under revised Section 110(a)(2)(H)(ii) wherever substantial increment violations were found."

EPA then asks, "Alternatively, are the increments to be protected only through preconstruction review?"

If the answer is yes, EPA says it "would mean that an increment could legally be violated, but that no more major sources could be permitted in or near the area (unless and until the violation were corrected)."

It says the "latter approach reflects EPA's policy under the PSD regulation promulgated in 1974."

250-Ton Definition

Another issue raised in the December 5 preamble is whether all sources with the potential to emit 250 or more tons per year of a pollutant are major and therefore subject to PSD requirements.

Section 169(1) first identifies as major 28 specific sources which also have the potential to emit 100 or more tons per year of any air pollutant.

The section then includes in the term major "any other source" with the potential to emit 250 or more tons per year of any air pollutant.

Included in the list of 28 sources are size cutoffs for four types of sources: fossil-fuel fired steam electric plants of more than 250 million BTU per hour heat input, municipal incinerators capable of charging more than 250 tons of refuse per day, fossil-fuel boilers of more than 250 million BTU per hour heat input, and petroleum storage and transfer facilities with a capacity exceeding 300,000 barrels.

EPA is seeking comment "on the relationship between (1) the sentence in Section 169(1) conferring major source status on 'any other source' of 250-ton potential and (2) the specific size cutoffs for the four types of sources."

"For instance," EPA asks, "if a fossil-fuel boiler has less than 250 million BTU per hour heat input but the potential to emit 250 tons of a pollutant per year, is it a major source?"

Effective Dates Clarified

EPA also clarifies the effective dates of the proposed PSD rules for sources not covered in EPA's current regulations.

EPA said on November 3 that "a source would be subject to the new PSD rules immediately upon promulgation unless the source both (a)obtains a final PSD permit before March 1, 1978, and (b)commences construction before December 1, 1978."

Agency statements "created confusion for those sources not in one of the 19 categories covered by EPA's currently effective PSD regulation (40 CFR 52.21), because such sources are not now required to obtain a PSD permit," the agency says.

EPA says its "intent is that any source not covered by EPA's current PSD regulation would be subject to the new PSD rules beginning on March 1, 1978, unless such source both (a)obtains before March 1, 1978 all final preconstruction permits which are necessary under the applicable state implementation plan under the Clean Air Act, and (b) commences construction before December 1, 1978."

In cases where a "source is not required by a SIP to obtain a permit in order to commence construction before March 1, 1978, then such a source would be subject to the PSD rules only if it fails to commence construction before December 1, 1978," according to EPA.

STRATEGY FOR PUTTING RCRA INTO EFFECT OUTLINED IN PAPER FOR PUBLIC MEETING

A draft strategy for putting into effect the Resource Conservation and Recovery Act of 1976 is being circulated by the Environmental Protection Agency. The strategy paper is to be the subject of a public meeting January 19 in Arlington, Va.

Sections of the Act that would receive major emphasis under the draft strategy are:

- Subtitle C regulations and Section 1008 guidelines for identifying the characteristics of hazardous waste, and listing hazardous wastes, and for controlling generation, transportation, storage, treatment, and disposal of hazardous wastes;
- Subtitle D criteria and Section 1008 guidelines for determining acceptable and unacceptable disposal and for conducting the open dump inventory;
- Section 3006, 3011, 4002, 4008 guidelines and financial assistance to help states develop and put into effect hazardous and solid waste programs including resource recovery;
- Technical assistance panels to assist in development of state programs;
- Resource Conservation Committee recommendations to Congress for resource conservation; and
- Research, demonstration, and evaluation activities for management and recovery of hazardous wastes and solid wastes.

Receiving "medium emphasis" under the draft strategy would be Section 6002 guidelines for federal procurement of recovered materials, Section 8002 reports on special research and demonstration projects, Section 7004 public participation guidelines, Section 8003 public information dissemination, and Section 2003 technical assistance teams for local implementation.

No activity is foreseen on Section 1008 guidelines for agricultural and mining wastes, Section 2004 tire shredder grants, and Section 8003 solid waste management library and model accounting systems.

Highest Priority Activity

The draft strategy says that controlling waste disposal should be the highest priority under RCRA over the next five years because "this activity will have the most direct impact on the adverse public health effects of improper solid waste management."

Other reasons cited for assigning this priority to waste disposal control are that such control will provide an indirect stimulus for resource conservation and recovery by increasing the costs of disposal and that the act "contains very clear and strong mandates relating to disposal controls."

To establish resource conservation and recovery as "the preferred solid waste management options," certain programs also have high priority, the draft strategy says. These programs include development of economic incentives for fostering conservation and recovery, state and regional programs for resource conservation and recovery, and research on recycling and resource recovery technologies.

Outline of Problem

Outlining the problem that must be dealt with, the draft strategy says that mining and agricultural waste quantities "far outweigh all other types of solid waste."

Industrial wastes and sludges, though much smaller in quantity than the mining and agricultural wastes, are about 2 1/2 times the quantity of residential solid wastes and sludges, and about 10 percent of industrial wastes are hazardous, the draft strategy says.

"It is also important to point out that significant increases in waste generation rates can be expected over the next decade as environmental laws relating to air and water pollution are implemented," the draft strategy says. "Particular waste streams that are expected to be affected are the industrial waste, industrial sludge, and wastewater treatment sludge streams."

Other points the draft strategy mentions in its outline of the problem are the dangers of surface and groundwater contamination from land disposal sites and the growing drain on natural resources from current consumption patterns. U.S. consumption of most classes of raw materials "has been growing by 20 to 40 percent per decade in the 20th century, and typical projections by independent resource economists forecast at least a doubling in U.S. consumption of most raw materials by the year 2000," the draft strategy says. Only a small proportion of residential solid waste is recycled, it adds.

Constraints Cited

One chapter of the draft strategy deals with constraints on putting RCRA into effect.

A significant expansion of resource conservation and recovery could take place without major advances in technology, the draft strategy says. But for this to happen, the draft says, opportunities for conservation must be recognized, and it must be in the economic interest of a firm or industry to carry out the opportunities.

In two respects, the draft strategy says, public attitudes may be the major obstacles to putting the Act into effect. "The history of citizen resistance to the siting of solid waste facilities is extensive and consistent," the draft strategy says, adding that such resistance cannot be dismissed as based upon "erroneous or disputed data regarding the adequacy of the proposed facility with respect to public health or the environment."

The other point of public opposition to the Act may be cost. "Public willingness to pay for improved solid and hazardous waste management is difficult to predict, especially without precise data on the nature and scope of those increased costs," the draft strategy says.

The draft strategy, when completed, will not be law and will not have the status of a regulation or of official rulemaking, EPA says. "Rather it broadly describes how EPA plans to proceed implementing RCRA in light of its legislative mandates and the realities of existing federal, state and local capabilities and resources."

Copies of the draft strategy are available from Geraldine Wyer, (202) 755-9157. The public meeting will be held at the Ramada Inn (Rosslyn) in Arlington, Va., beginning at 9 a.m. in Rosslyn Room B.

EPA EXPECTED SOON TO RELEASE SECTION 311 CHEMICALS, REGULATIONS

Final regulations under Section 311 of the Federal Water Pollution Control Act are expected to be released shortly by the Environmental Protection Agency.

Agency sources said December 20 that the regulations for implementing the hazardous and toxic materials discharge provisions of the Water Act should be approved within days by EPA Administrator Douglas M. Costle.

They said the final regulations will be essentially the same as proposed regulations published December 29, 1975. The major difference, one source said, is that the agency has eliminated the gross negligence standard and substituted something "between a low and high discriminator."

He also said that a number of the original proposed toxic or hazardous substances have been removed from the final list, but the agency intends to propose additions. The final list will include about 271 hazardous substances. The agency expects to propose 28 additions to the list, he said.

Discharger Liability

Section 311 of the Water Act prohibits the discharge of toxic or hazardous substances and oil into the nation's waterways. The Water Act directs EPA to establish a list of toxic or hazardous substances and also to formulate procedures for removing chemical discharges. The provision also authorizes imposition of fines on persons found responsible for chemical discharges.

Although EPA has formulated procedures for dealing with oil spills, it has not issued regulations dealing with hazardous materials.

Congressman John J. LaFalce (D-NY) has asked EPA to adopt regulations to cope with hazardous substances buried by Hooker Chemical Company in Niagara County, N.Y. LaFalce has asked the agency and President Carter to put in force regulations that would prohibit chemical discharges and also provide for a revolving fund to remove toxic substances in cases where liability for improper chemical disposal cannot be ascertained.

The Niagara County site was used by Hooker some years ago to dispose of toxic chemicals. The land later was sold by Hooker to the county and private developers. Hooker disclaimed responsibility for the chemicals in the sales contract. In recent months the chemicals have been forced to the surface as containers dissolved and rising ground water tables forced the buried polychlorinated biphenyls up into a recently constructed schoolyard and several private residential properties.

Gravity-of-the-Offense Standard

In a letter to LaFalce December 13, EPA Administrator Costle said the agency's hazardous substances regulations have been delayed since December 1975 because of unresolved policy issues.

One issue, Costle said, concerns the liability for cleanup and mitigation following the discharge of a hazardous substance determined to be nonremovable. Costle said the other issue involves the discriminator that would differentiate between the lower or higher civil penalty rates for the discharge of a nonremovable substance.

Costle said in his letter that the removability issue has been resolved by proposed amendments to the Water Act. Specifically, he said amendments to Section 311 that authorize the Government to clean up chemical discharges determined to be nonremovable and then assess clean-up costs to the discharger resolve the removability issue.

The gross negligence issue has been resolved in favor of a "gravity of the offense" discriminator, Costle said. This new discriminator "provides maximum latitude of discretion for the administrator for each major discharge of a hazardous substance," he said, because the agency "may consider the nature and circumstances surrounding the discharge."

Costle told LaFalce that the new gravity-of-the-offense discriminator will enable the agency to consider such factors as culpability of the owner, operator or other persons charged, the toxicity, degradability, and dispersal characteristics of the discharged substance, and the discharger's cleanup or mitigation efforts.

Costle said the agency is preparing a monitoring program to determine what final action should be taken on the toxic chemicals surfacing in Niagara County.

Air Pollution

EPA DRAFT GUIDELINES REFLECT NEED FOR PUBLIC INVOLVEMENT IN URBAN CLEANUP

Transportation planning to clean up heavily polluted metropolitan areas should involve as wide a range of the public as possible in analyzing and deciding on reasonably available control measures.

This approach is the thrust of transportation planning guidelines being developed by the Environmental Protection Agency in response to the Clean Air Act Amendments of 1977. The current draft, dated November 28, is undergoing comment and revision.

Transportation planning reflects part of what EPA Assistant Administrator for Air and Waste Management David J. Hawkins calls the "unfinished agenda" of the Clean Air Act of 1970. (Current Developments, December 18, p. 1246) — the attainment of the ambient air quality standards set to protect public health.

In dirty metropolitan areas, measures generally must go beyond controls on tailpipe exhausts and stationary sources to include transportation control measures as conditions for extensions of attainment deadlines to 1982 and 1987.

In many areas, transportation controls have been controversial, fraught with litigation, and characterized by federal rather than local development. EPA cites a number of reasons for the failures, including the "extremely tight time constraints imposed" by the court-ordered deadline for plans to include transportation control measures.

However, the EPA draft says "perhaps the greatest deficiency was the lack of intergovernmental coordination and citizen participation." It says "a considerable amount of the opposition to the plans centered not so much on the measures but rather on the manner in which the measures were developed and imposed."

The guidelines deal with "these deficiencies," according to the EPA draft, "by requiring locally developed plans that result from a process containing the following major elements: extensive agency interaction at all government levels, involvement of local elected officials, effective public participation, and integration with the ongoing Department of Transportation planning process to the fullest extent possible."

The amendments inject into the planning process another new element, the EPA draft says, by including funding sanctions.

No longer is the threat of federal intervention the principal sanction. Under the revised Act, failure to submit to EPA an approvable plan by January 1, 1979, triggers a ban on new major sources in nonattainment and the withholding of certain highway and air pollution funds.

The guidelines EPA is developing are intended to describe a planning process adequate to correct earlier deficiencies and result in submission of approvable plans.

They would apply to all government agencies designated according to Section 174 and involved in revising or developing the transportation parts of the control plans.

They are said to recognize that "unique characteristics may exist in any specific area," and to be "designed to be flexibly applied and adapted to ongoing planning processes."

However, although each part is not to be viewed "as an inflexible mandatory requirement," the EPA draft says "the objective of each is considered to be a necessary part of an effective process," and any change would require "substitution by an equally effective approach."

The draft emphasizes that preparing the transportation part of the plan "is not merely the one time development of temporary or short-range tactics to improve air quality, but rather such planning includes the entire process of taking air quality needs into account in all transportation actions on a continuing basis."

For transportation sections of submittals in 1979, it says EPA's approval would be "primarily dependent on the establishment of an effective planning process" and "less dependent on actual emission reduction from the transportation system." But for submittals after 1979, it says "approval will be primarily dependent on demonstrable, incremental progress in reducing emissions from the transportation system."

Air Pollution

EPA ANTICIPATES NO MORE POLLUTANTS, EXCEPT LEAD, TO BE ADDED TO CRITERIA LIST

With the exception of lead, the Environmental Protection Agency does not anticipate adding any more pollutants to its Section 108 air pollutant list, according to EPA Administrator Douglas M. Costle.

EPA has issued criteria documents for sulfur oxides, particulates, hydrocarbons, carbon monoxide, oxidants and nitrogen oxides. The agency recently issued a criteria document for lead and proposed a lead standard of 1.5 micrograms per cubic meter based on a monthly average (Current Developments, December 16, p. 1235).

In a letter December 9 to Congressman George E. Brown, Jr. (R-Calif), Costle said that although there are no written standards for determining when criteria documents should be revised, the Clean Air Act specifies that "the Administrator shall from time to time review, and, as appropriate, modify, and reissue any criteria." Costle indicated that the next projected revisions are currently scheduled as follows:

- Sulfur oxides and particulate matter — May 1980;
- Hydrocarbons — September 1980;
- Carbon monoxide — December 1979;
- Oxidants — March 1978; and
- Nitrogen oxides — January 1979 with revision to areas specified in Section 104(b)(research relating to fuels and vehicles) by February 1978.

In addition, Costle said the Clean Air Act amendments of 1977 specify that such revisions occur no less than once every five years. Therefore, some changes will occur in the criteria revision schedules, particularly the February 1978 nitrogen oxide deadline, he said.

In advising Brown of methods used in revising the criteria documents, Costle said most of the existing documents were prepared by agency experts with little assistance from outside contractors. However, because of difficulty in meeting the deadline imposed by the 1977 amendments, Costle said, the agency will request assistance from outside contractors for most parts of the revision process except for internal staff review and overview.

Costle added that the "in-house" approach is being used in the pending oxidant revision and in preparation of the lead document, as well as for assessing reports prepared by the National Research Council under contract to EPA. These reports will be used for all other revisions, he said.

Atomic Energy

MAJOR RADIATION CONTROLS ROLE SHOULD GO TO EPA, SENATE REPORT SAYS

Government control of radiation should be the exclusive preserve of the Environmental Protection Agency, according to a two-year Senate Government Affairs Committee study of federal regulation.

"The field of radiation safety shows many deficiencies which typically mark a piecemeal approach to federal regulation," the report says.

To remedy the situation in which "numerous agencies. . . administer numerous statutes in the field of radiation health and safety," the report recommends, EPA should be authorized by Congress to:

- Request action from another agency if EPA determines that a hazard exists which could be addressed by the agency under separate statutory authority;
- Set "reasonable" timetables for the other agency's consideration; and
- Allow EPA to intervene if the other agency does not act on "a recognized hazard" and to set enforceable standards for the agency.

Currently, the report says, "Too many agencies are charged with administering too many laws. And nobody has the clear ability to overview the total situation, or the power to guide and coordinate the dispersed authority.

"As a result coordination is often less than systematic, the extent of the risk is not fully understood, and some potentially significant hazards are not subject to any federal controls at all," the report says.

The recommendations are included in a chapter from Volume V of the committee's two-year, six volume study of federal regulation and were released December 28.

"What is needed is not more agencies involved in radiation protection — but one agency with the resources, the mission, and the determination to see that the job gets done," said Committee Chairman Abraham A. Ribicoff (D-Conn).

Radiation Responsibility Scattered

EPA, he said, should be that agency since it is "charged with the responsibility to protect the environment. These are the people who have the expertise and the authority to coordinate federal efforts to regulate radiation levels." "EPA has perhaps the broadest claim of jurisdiction," the direct result of the 1970 consolidation which created EPA and transferred to it the radiation functions from other federal agencies, the report says.

EPA attempts to fill its coordinator role, however, "have often been resisted or ignored by other agencies and departments" and its use of that authority has been "unilateral rather than cooperative in nature."

The ranking minority member of the committee, Charles Percy (R-Ill) said, "If someone were to set out to devise a flawed, cumbersome, ineffective scheme to deal with harmful levels of radiation, he probably could not do better than what we have now."

Water Pollution

GAO REPORT SAYS DATA INADEQUATE ON EFFECTS OF NONPOINT POLLUTION CONTROLS

The General Accounting Office recommends that the Environmental Protection Agency gather additional data on the effects of nonpoint pollution control measures.

In a report released December 20, GAO said nonpoint pollution controls often are poorly defined and cause difficulties that restrict the scope of planning agencies forming comprehensive nonpoint control plans.

GAO said EPA information is available on pollution loadings that could be reduced because of certain nonpoint control measures. But data are lacking on the impact of control measures on overall water quality.

For example, GAO said no-till agricultural methods greatly reduce soil erosion and stream sedimentation. But no-till farming generally requires using additional fertilizers, herbicides, and insecticides. Information on the total effects of no-till farming is lacking, GAO said.

Data-Base Inadequate

"Comprehensive assessments of nonpoint pollution involve sampling numerous water quality parameters at various sites," GAO said. "Existing data is inadequate."

EPA's guidance to state and local agencies should be changed to require data on effects of nonpoint control measures, GAO said. Currently, the guidance instructs the agencies to identify major nonpoint pollution sources and their relative pollutant contributions.

GAO said most of the state and local planning agencies it visited "lacked the data necessary to develop an effective nonpoint source control program." Agencies in Pennsylvania, for example, identified stream miles degraded by mining activities but did not investigate other categories of nonpoint pollution.

GAO also said EPA should more actively involve other federal agencies in developing a nonpoint control program. The Soil Conservation Service has a $214 million nonpoint control program, but GAO said the Soil Conservation Service's approach to the program is "passive."

Copies of the report, "National Water Quality Goals Cannot Be Attained Without More Attention To Pollution From Diffused Or 'Nonpoint' Sources," are available for $1 from the General Accounting Office, Distribution Section, Room 4522, 441 G Street, NW, Washington, D.C. 20545.

AMENDED WATER ACT DELETES FUNDING FOR SEPARATE STORMWATER RUNOFF SEWERS

The recently enacted Federal Water Pollution Control Act amendments delete funding for separate stormwater runoff sewer systems from October 1977 through September 1982, leaving local governments to enforce best management practices to control urban stormwater runoff.

The major sources of urban runoff pollution are:

- Meteorological sources, such as particulates, dustfall, and other air pollutants above urban areas;
- Traffic-related pollutant residue, such as motor vehicle exhaust emissions of suspended solids, chemical oxygen-demanding materials, heavy metals, especially lead, and oil and gasoline spills;
- Urban litter; and,
- Urban construction causing sedimentary erosion from construction sites.

The Environmental Protection Agency estimates that the cost of treating urban stormwater runoff is $200 billion. Preventive measures instead of treatment measures, however, appear to carry a much smaller price tag, EPA says.

Best Management Practices

Best management practices (BMP) can help clean up stormwater runoff by redirecting existing controls to reduce or prevent pollution, EPA says.

Some nonstructural BMPS include extensive street sweeping based on the frequency of rainfall; disposal of street sweeping debris through sanitary landfills; proper solid waste management, including improved trash pickup; and catch basin cleaning on a regular, rather than on a demand, basis.

In developing areas, such as construction sites, sedimentary pollution may be reduced by:

- Detention basin facilities where particulates naturally settle and the cleaner water is released;
- Use of straw bales, which filter out particulates from the runoff;
- Diversion dikes, which channel stormwater to other areas; and,
- Vegetative cover, which holds down sediment and reduces erosion.

All control methods should be checked for maximum effectiveness, EPA says.

The agency says using BMP nonstructural techniques would require a national capital expenditure of close to $6 billion as opposed to the estimated $200 billion for treatment.

A U.S. Court of Appeals ruling (Current Developments, November 25, p. 1107) means that EPA may require use of BMP in the general permit program, the agency says.

Local Participation

EPA encourages local governments and planning agencies to work with the public to assess and devise solutions to the urban runoff problem.

EPA says it is up to local governments to enforce the general permit program area (GPPA) for separate stormwater sewers. The GPPA applies to areas with a population more than 50,000. EPA says there are approximately 200 such areas nationwide.

Joel Miltenberger, administrative environmental specialist for the Urban Runoff Program of the Nonpoint Source Branch, told Environment Reporter that little data exists to document the impact of urban stormwater runoff. He said EPA does not know what amount of heavy metals in the water will kill fish; how many heavy metals or toxics are indigenous to the water, or are dumped upstream; how much is in the rainfall; and how much builds up between rainfalls.

Miltenberger said, however, that EPA does know that use of BMP such as detention basin facilities, straw bales, and vegetative cover, will reduce sedimentation and erosion and will reduce the turbidity levels of silt in the water.

STANDARDS SOUGHT FOR OCS DRILLING SAFETY, POLLUTION CONTROL EQUIPMENT

The U.S. Geological Survey January 3 requested public comments on standards and certification procedures to be applied to safety and pollution control equipment used in Outer Continental Shelf oil and gas production (43 FR 39).

USGS said it intends to require "by National OCS order, that safety and pollution-prevention equipment used in OCS oil and gas operations comply with specific design-performance standards" which are to include standards and procedures developed by the American Society of Mechanical Engineers and the American National Standards Institute.

Acting on an earlier notice of USGS intention to develop these standards, ANSI and ASME developed provisions for:

Quality assurance and certification of safety and pollution-prevention equipment used in offshore oil and gas operations (ANSI/ASME OCS-1-1977);

- Accreditation of testing laboratories for safety and pollution-prevention equipment used in offshore oil and gas operations (ANSI/ASME OCS-2-1977); and
- ASME-certification and accreditation procedures.
- In addition, the USGS said, "in the near future, two documents will be accepted as meeting the criteria for specific equipment standards." The documents are:
- "API Specification for Wellhead Surface Safety Valves for Offshore Service" (API Spec 14D).

Survey Team Certification

Survey teams from ASME will be available, upon request, to certify or accredit manufacturers and test laboratories for subsurface and surface safety valves during visits to plants or laboratories. The visits — to be monitored by USES — are to begin in February and manufacturers will have until the end of January, 1979 to obtain certification for such valves.

The use of certified sub-surface and surface safety valves will be required for use in oil and gas production at OCS leased after July 1, 1979, the agency said.

Survey team certification of other equipment must await development of standards for other equipment, the agency said and invited "any standards writing organizations that have developed equipment standards" to submit them to the ASME Standards Committee.

Comments on the use of the ANSI/ASME standards OCS-1-1977 and OCS-2-1977 and the ASME certification and accreditation procedures and the suitability, addition, or deletion of equipment for which the standards are desired should be directed to the Acting Chief, Conservation Division, U.S. Geological Survey, Mail Stop 600, National Center, Reston, Va. 22092 no later than February 3.

GAO CRITICIZES WETLANDS PROGRAM ADMINISTERED BY CORPS OF ENGINEERS

Regional differences in wetlands programs administered by the Army Corps of Engineers lead to unequal enforcement of federal regulations, confusion, and the issuance of questionable wetlands permits, according to a December 23 report by the General Accounting Office.

Under Section 404 of the Clean Water Act and Section 10 of the River and Harbors Act of 1899, the corps administers permit programs to protect U.S. waterways from activities deemed contrary to the public interest. Inconsistencies among corps district offices in applying federal wetlands for different parts of the U.S., and restrict establishment of a national wetlands program, the report says.

The corps should evaluate its wetlands program, the report says, to determine whether local district offices are over-regulating or are approving activities contrary to national wetlands protection goals.

Geographical Boundaries

The corps, by law, must define the geographical boundaries of wetlands under its control and set procedures for district offices to achieve uniform objectives.

The report says current guidance is inadequate, and "has resulted in significant differences" in program results at various corps offices.

The lack of geographical definitions, for example, has led to violations because individuals were unaware of corps jurisdiction. And, in some instances, the GAO report says, federal officials issue contradictory opinions because they lack definitive guidance.

Corps regulations require consideration of a proposed project's cumulative impact — additional structures or activities that could be expected to occur in the permit area — but the report says guidance is not available on how cumulative effects should be evaluated.

According to the report, the district offices GAO analyzed "recognized that certain types of activities cause serious cumulative impacts." However, permit applications for these projects "are usually approved" because cumulative impacts are not evaluated.

Unauthorized Blanket Permits

The corps should re-examine its use of general and blanket permits to determine whether current procedures are administratively manageable and effective in protecting the public interest, the report says.

The corps should increase its use of general permits "to ensure uniform treatment of applicants" and to reduce workloads, the report says.

General permits are issued, after public comment, to several applicants wishing to engage in similar activities in a wetlands area. The permits may be issued only for activities that individually and cumulatively are determined to have minimal environmental impacts.

The general permits result in less time and paperwork for applicants and can be used more often, the GAO report says.

Blanket permits, however, are not specifically authorized by corps regulations and the continued use of such permits is "questionable," the report says.

Blanket permits allow an applicant to engage in a wide range of activities without identifying the specific location, nature, or type of activity to be undertaken. An applicant would, for example, apply for a permit to conduct a variety of oil and gas exploration and production activities within a large geographical area, the report says. Individual corps district offices determine blanket permit duration, sometimes authorizing activities for up to 10 years.

Although the corps does seek public comment before issuing blanket permits, the report says, the lack of information describing the type of activities covered by the permit and the apparent lack of regulatory authority for issuing blanket permits make their use questionable.

Guidance on Priorities

The GAO report also says the corps should provide district offices with additional guidance for setting priorities and making enforcement actions consistent.

Most violations examined by GAO involved activities undertaken by individuals without permits. Ultimately, the report says, most of these cases were settled by the issuance of after-the-fact permits. But sometimes similar cases were handled differently, it says.

For example, the report says, it found instances where district offices fined individuals for altering wetlands without permits, but in other cases after-the-fact permits were issued. "Districts are inconsistent in their treatment of violators," the report says. "These inconsistencies exist within as well as among districts."

Guidance regarding program emphasis also should be clarified, the report says, to determine whether program emphasis should be placed on permit processing, monitoring and enforcing, or whether each of these functions should be given equal emphasis.

The report says that "currently, the districts differ considerably in their interpretation of the importance of these functions," and guidance to identify proper program emphasis should be provided.

Public Notification

Guidance also should be issued to district offices to ensure adequate information is provided in public notices, the report recommends.

"The corps uses public participation as a key element in evaluating the interest of the public and as a basis for making decisions," but adequate evaluative information such as the type of area to be affected frequently is lacking in district office notices, the report says.

Generally, the report says the corps should clarify how district offices can achieve program results: the "protection, enhancement, and conservation of the Nation's waters." According to the report, the corps' regulations are unclear in many respects, lacking details on critical matters such as how to resolve conflicts involving navigation and water quality or energy development and wetlands protection.

Although corps management recognizes that differences exist among district offices, the report says, corps headquarters views the differences as a good way to regulate because offices are "fine-tuned" to their respective areas and interests.

"We recognize that local interests considerations are very important," the report says. "However, these interests may not always be synonymous with the overall interests of the nation."

MOORMAN SEEKS MORE CITIZEN SUITS, PREDICTS STEP-UP IN CRIMINAL PROBES

The chief of the Justice Department's land and natural resources division, puzzled by the small number of citizen lawsuits filed against polluters, February 21 said citizen lawsuits could help ease the federal burden of enforcing pollution laws.

Although congressional consideration of Clean Air Act and Clean Water Act amendments included sharp debate over citizen suit provisions, Assistant Attorney General James W. Moorman told a District of Columbia Bar Association gathering that the once-controversial concept "appears to be an unused, atrophying part of the law."

Fewer than 25 citizen lawsuits currently are on federal district court dockets throughout the U.S., Moorman said.

The low total is evidence, he said, that fears that the provisions would trigger a flood of frivolous lawsuits "were groundless."

He said he is "disturbed" by the figures and suggested that the "bar doesn't understand how easy it is to bring these suits."

Moorman then outlined the data needed for adequate preparation of a suit.

Under the air and water laws, anyone can file a lawsuit charging violation of a National Pollutant Discharge Elimination System permit, a state implementation plan, effluent or pretreatment standards, or an EPA compliance order. In addition, both laws allow the courts to award litigation costs to the plaintiffs.

Violation Detection Method

Moorman said that for suspected violations of an NPDES permit, the discharger's permit monitoring reports should be examined. For nonpermit dischargers, he said, water samples should be obtained from above and below the discharge point source.

Use of those methods, he said, "would allow citizens to make a substantial contribution to the enforcement of the Act."

For suspected Air Act violators, he said, opacity measurements should be taken with a Ringelmann chart. Evidence of less visible emissions is "more difficult" to gather and demands use of expert witnesses, he said.

Citizen lawsuits against polluters, he said, are "welcomed because of the size of the task facing the Justice Department," and he called for attorneys "to join Justice in seeing to it that the high goals set by Congress are met."

In response to a question about federal enforcement, Moorman said he is "not satisfied" with either the number of enforcement cases or the geographic distribution of the cases.

"It seems that some EPA regions have plenty of enforcement actions pending while other regions can't seem to find any problems in their areas," he said.

He also pointed out that EPA and Justice manpower in enforcing pollution control laws is "stretched very thin" and is concentrated on checking Water Act permit compliance.

Moorman said if more citizen lawsuits were filed, "just enough to be noticed," polluters would be deterred from violating environmental laws.

"Without the deterrent effect, you don't have any enforcement," he said. "You'd much rather deter than go to court after violators."

Tough Criminal Enforcement

But in an earlier address, Moorman spelled out a "policy of vigorous criminal enforcement" that, he said, "will be truly effective as a deterrent and will result in a higher degree of pollution control."

Justice is seeking indictments and convictions for "willful, substantial violations of the pollution control laws of a criminal nature" and has begun grand jury investigations against corporations and individuals, he told an American Law Institute-American Bar Association meeting February 10.

The prime candidates for grand jury investigation are surreptitious dumpings, he said, adding that the Justice Department also "views as extremely serious false reporting to the agencies that conceals or omits important information called for" by reporting requirements.

In addition, he said, the Justice Department will try to "identify the individuals responsible for corporate acts so that the law may be truly enforced and its real deterrent effect mobilized.

"The enforcement of the criminal laws is a serious matter," he said. "The Department of Justice will approach enforcement in the pollution control area with the same seriousness with which it must approach enforcement of the tax laws or the laws against bank robbers."

Although the Justice Department is taking a tougher pollution control enforcement stance, Moorman noted the massive dimensions of the task facing EPA and Justice, and he underlined the need for voluntary compliance.

He said EPA is responsible for the emissions of 22,000 major stationary sources of air pollution, 45,000 NPDES permits, and more than 30,000 registered pesticides.

"Clearly EPA and the Department of Justice cannot deal with these enforcement problems satisfactorily in the absence of widespread voluntary compliance," he said.

"It is illusory to believe that the Government can check every tax return or the effluent coming out of every pipe."

Air Pollution

INDUSTRY SAYS LEAD STANDARD LOWER THAN NEEDED TO MEET HEALTH GOALS

Industry representatives testifying at the Environmental Protection Agency's February 15 hearing on its proposed air quality standard for lead of 1.5 micrograms per cubic meter (ug/m3) said the standard is at least three times lower than needed to protect public health.

Using the same mathematical methods and data base as EPA used, Emmett S. Jacobs, head of environmental studies for Du Pont's Petroleum Chemicals Division, said the air quality standard should be no less than five ug/m3 as originally recommended by EPA in its first draft of the lead criteria document (Current Developments, February 4, 1977, p. 1486).

Citing two differences between EPA's calculations and DuPont's, Jacobs said EPA's assumption that the blood lead level increases two ug/dl (micrograms per deciliter of blood) for each unit increase in air lead exposure is too high. Based on the data, he said, a more appropriate relationship would be in the range of 1.2 to 1.4 ug/dl.

Secondly, Jacobs said the threshold level at which EPA said the potential for adverse health effects in children exists should be 20 ug/dl rather than 15 ug/dl.

Concurring with Jacobs, Jerome Cole, director for environmental health for the Lead Industries Association said, "proper analysis of the data supports a standard of five micrograms per cubic meter on a 90 day basis."

EPA December 12 announced that its proposed federal ambient air quality standard of 1.5 ug/m3, based on a monthly average, would provide a margin of safety to protect young children, who are most susceptible to adverse health effects from lead (Current Developments, December 16, 1977, p. 1235).

Subsequent to the announcement, Cole accused EPA of "caving into the environmental activists" (Current Developments, January 13, p. 1392).

Testifying at the hearing, Cole said, the trade group "objects to the proposed standard because it is designed to protect children from certain biological effects without a shred of evidence that such effects are in any way injurous to health." He said, "If we accept the proposition that children are especially sensitive to lead, the proper function of an ambient air standard should be designed to ensure that blood levels in children are kept below 40 micrograms per deciliter." Thus, he concluded, "a lead ambient air standard of at least five micrograms per cubic meter on a 90 day average will accomplish that goal."

Water Resources

INDUSTRY OFFICIALS CRITICIZE REVIEW OF NATIONAL WATER POLICY

NEW ORLEANS — (By an Environment Reporter staff correspondent) — Industrialists attending the annual Water Resources Congress convention here February 14-17 criticized the process used by federal officials reviewing national water policy and developing reform proposals for President Carter.

Convention participants contended that local influence on policy reform issues was inadequate, Congress should have been included and was by-passed, and the National Water Management Assessment should have been completed before the review was undertaken.

Officials from the Office of Management and Budget, the Council on Environmental Quality, and the Water Resources Council comprise the review committee.

The concerns of industry officials were addressed by Lewis D. Walker, acting deputy director of the Water Resources Council.

Walker assured industrialists that Congress will review the policy group's proposals before the President formulates a national water policy.

"Furthermore, Congress sets water policy," Walker said. "It seems at least the President could set an agenda for what this Administration is going to do with regard to water policy."

Walker said the comment period on water policy was intended to provide a forum for policy suggestions from the private sector.

He also told the group that the National Water Management Assessment was developed concurrently with the policy group's proposals. "There just wasn't sufficient time, but I did what I could to get the assessment out before we finalize the policy review," Walker said.

The review stresses water conservation and increased state responsibility in the financing of water projects, according to Walker.

EPA OBJECTS TO EIS REQUIREMENT IN STATES WITH NPDES AUTHORITY

The Environmental Protection Agency, fearing a threat to its delegation of authority under the Clean Water Act, is asking the Council on Environmental Quality to drop a proposed requirement that environmental impact statements be prepared for new source permits in states that have assumed National Pollutant Discharge Elimination System authority.

Currently, no impact statements are required in the 28 states (including territories and the District of Columbia) that have been delegated NPDES authority. Statements are required, however, for new source permits in states where EPA administers the NPDES program.

Draft regulations distributed by CEQ for interagency review in December (Current Developments, December 16, 1977, p. 1236) would define any federal program "delegated or otherwise transferred to a state or local government" as a "major federal action" requiring an environmental impact statement.

According to both EPA and CEQ sources, this definition means that statements would have to be completed for new source permits in states with NPDES authority, even though no direct federal action is involved.

"This would create inhibitions in terms of a state's assuming a program," an EPA source told Environment Reporter February 22. The inhibition would be there regardless of whether EPA or the state were responsible for preparing the EIS, he said.

The draft CEQ regulations are designed to streamline the environmental impact statement requirement of the National Environmental Policy Act. EPA's comments will be considered along with those of other federal agencies before the regulations are proposed in the Federal Register.

Rules Aimed At NRC

The CEQ source said the provision requiring environmental impact statements for actions delegated to states by the Federal Government was intended primarily to cover authority over energy facilities delegated by the Nuclear Regulatory Commission.

"What we're addressing is not the question of NPDES permits per se, but what happens when a federal program goes to states," the source said.

However, CEQ at this point believes that either states or EPA should prepare an environmental impact statement for new source permits in states with NPDES authority, the CEQ source said.

"We don't want to create a gap in NEPA unless Congress specifically authorizes it," he said.

EPA, in draft comments on the CEQ rules, contends that requiring impact statements in states with NPDES authority would violate NEPA and also would conflict with provisions and congressional intent of the Clean Water Act.

'Federal Taint'

"By its plain language and numerous court decisions, it is well established that NEPA's impact statement provisions are not applicable to state actions," EPA's draft comments say. "The current proposal goes far beyond this principle and establishes some concept of 'federal taint.' The regulations seem to provide that once a program has been administered by the U.S. Government it can never lose its character as a federal action."

Citing legislative history, EPA argues that assumption of authority by a state under the NPDES permit process "does extinguish the federal role, and although originally administered by the EPA, the issuance of new source permits becomes solely a state action."

Rules Said To Inhibit Delegation

Aside from the legal issue, EPA contends that the CEQ proposal "would frustrate the goal of state administration of the NPDES permit process.

"Not only would federal resources be consumed but that independence which is the major incentive to state assumption of NPDES authority would be removed," the draft comments say.

The CEQ source left open the possibility that the regulations would be revised in response to EPA's concerns.

"We are going to go over everything they say extraordinarily carefully," the source said. "We're open to being convinced that there's a different congressional intent."

EPA Supports Thrust of Rules

Aside from the NPDES issue and three other areas of concern, EPA's draft comments support the thrust of the CEQ draft regulations.

The three other areas of dispute revolve around EPA's contention that the rules:

- "Are insensitive to the practical problems associated with federal grant programs;"
- Are too strict and flexible in their criteria for referrals by reviewing agencies;
- Would create an "intolerable burden" on EPA through the new concept of a "cooperating agency" to work with lead agencies on EIS problems.

Foreign EISs

EPA's draft comments "generally support" the controversial proposal to require environmental impact statements for major federal actions outside the U.S., but the agency suggests a change in approach.

Instead of writing uniform procedures for all agencies, EPA suggests that CEQ "consider the simpler approach of a regulation requiring all agencies affected to submit for approval from CEQ procedures for handling international actions.

"This approach differs from the proposed language by allowing the agencies the flexibility to deal with the peculiar sensitivities of their mandates while the CEQ assures that federal agency procedures conform to the requirements of NEPA," EPA's draft comments say.

BILL TO EXPAND REDWOOD PARK GOES TO HOUSE-SENATE CONFERENCE

The House passed legislation (HR 3813) February 9 that would add 48,000 acres to California's Redwood National Park, and would authorize the Department of the Interior to acquire an additional 30,000 acres within a designated area if necessary to protect the park from physical damage.

The bill now goes to a House-Senate conference committee. The Senate version of the bill (S 1976) was passed January 31. The conferees have not yet been named.

Dislocation Benefits

The acreage totals for the proposed park expansion are the same in both versions.

The main issue to be resolved by the conference committee is whether to provide dislocation benefits to workers affected by the reduction in Redwood logging if the park is expanded. The House version would provide income protection and job programs for displaced workers, but the Senate bill contains no such provisions.

Another issue to be resolved is the amount of money alloted for rehabilitation of the added land to reduce the threat of sedimentation. The House version would authorize an appropriation of $12 million for this purpose. The Senate version would aurhorize $33 million.

Finally, the House and Senate versions differ on which court should have jurisdiction over actions taken against the U.S. Government to recover just compensation for lands and trees taken up by park expansion. The House version, favored by the timber industry, would place jurisdiction over contested compensation settlements in the Court of Claims. The Senate version, favored by the Interior Department, would give district courts jurisdiction.

Created in 1968

The 55,000-acre Redwood National Park was created by Congress in 1968 to protect the last great stands of Redwoods in the U.S.

The House National Parks Subcommittee reported last year that the 1968 Act does not adequately protect the Redwoods, and that timber harvesting is causing erosion in the lower Redwood Creek drainage.

The Carter Administration supports the proposed park expansion, but timber industry representatives are strongly opposed, contending that there already are enough trees protected and that any further expansion will depress the economy and eliminate jobs (Current Developments, April 8, 1977, p. 1871; April 15, 1977, p. 1911; and July 1, 1977, p. 351).

The legislation would authorize the Department of the Interior to acquire 48,000 acres adjacent to the existing park, affecting three corporate landowners and their employees.

The 1968 Act would be amended to allow the Interior Department to accept lands with existing title restrictions from the state.

Currently, the Interior Department is prohibited from accepting lands to which it cannot have clear title. That provision has kept California from donating land on which prior owners placed restrictions.

The bills would allow owners to remove any timber cut down between December 3, 1974 and February 1, 1978, unless the Interior Department determines that removal would result in excessive sedimentation or would damage future growth in the park.

Income Protection

The House version would provide benefits for workers laid off because of park expansion. Income benefits would be paid to employees who met the following criteria:

- Seniority under a collective bargaining agreement, and 12 months of employment for one or more affected employers since January 1, 1977; or
- At least 1,000 hours of work for an affected employer between January 1, 1977 and the enactment date, and continued employment with an affected employer.

Income benefits would be based on an employee's highest weekly wage between January 1, 1977 and date of enactment, and the annual average of all hours worked during three of the last five calendar years.

Employees who reach age 60 before September 30, 1984 would remain eligible for income protection benefits until the age of 65. Other employees would be allowed to accept a lump sum severance payment thereby terminating eligibility for benefits.

Job Programs

The bill would require the Interior Department to analyze and report to Congress by January 1, 1979 on steps the Federal Government should take to mitigate adverse effects caused by the expansion.

The Labor and Commerce Departments could use employment programs to provide jobs to dislocated workers. The Interior Department would be authorized to hire 41 fulltime and 91 temporary employees.

Land Rehabilitation

The House bill would authorize $12 million and the Senate version $33 million, for rehabilitation of areas both within and upstream from the park through timber removal, clearing streams, and replanting.

The Interior Department would be required to study erosion and sedimentation within the Redwood Creek basin and use the findings in drawing up its land management plans.

EPA: DRAFT NEW SOURCE STANDARDS COULD BLOCK NEW COAL TECHNOLOGY

Draft Environmental Protection Agency air pollution standards for new fossil fuel plants could block the use of solvent refined coal technology that changes coal into a refined solid fuel, according to a key EPA official.

Stephen J. Gage, EPA acting assistant administrator for research and development, February 9 said the agency's draft new source performance standards (NSPS) could prevent the use of the Solvent Refined Coal I (SRC-I) process.

EPA's standards would limit sulfur dioxide, particulate matter, and nitrogen oxides from electric utility steam generating units.

According to the draft regulations, which could be revised before they are proposed formally, sulfur dioxide emissions would be limited to 520 nanograms per Joule (ng/J) input or about 1.2 pounds per million Btu. Uncontrolled sulfur dioxide emissions would have to be reduced by 90 percent.

Particulate emissions would be limited to 13 ng/J heat input (0.03 pounds per million Btu), and uncontrolled particulates would have to be reduced by 99 percent.

The draft proposed nitrogen dioxide emission standards would limit emissions and require a percentage reduction in uncontrolled nitrogen oxide emissions on a fuel-specific basis.

Gage told the House Science Fossil and Nuclear Subcommittee: "Preliminary analysis indicates the draft NSPS will have only minimal impact on the cost and commercialization of emerging technologies. The only technology that will be severely adversely affected is SRC-I (solid) since it will not be able to meet the 90 percent sulfur dioxide removal requirement without excessive cost penalties."

Some Uses For SRC-I

The SRC-I process still could be used in existing facilities or in industrial boilers which have standards below 1.2 pounds per million Btu, Gage said.

The SRC-II process, which converts coal to a refined liquid fuel, "appears to be able to meet the draft standard without excessive cost penalty," he said.

Gage said EPA's findings indicate atmospheric fluidized bed combustion technology "should not experience any significant impact on cost or commercialization."

Low-Btu gasification processes, such as combined cycle, in-situ gasification, and above-ground low-Btu gasification "should be only minimally impacted by the sulfur removal standard," Gage said. Gage said "minimally impacted" means costs would rise by no more than 15 percent because of the new source performance standards.

Although development of shale oil and magneto-hydrodynamics technologies are "impacted significantly" by existing new source performance standards, Gage said, the draft new source standards would have little effect on these processes.

Congressman Walter Flowers (D-Ala) said the U.S. will "suffer" if environmental provisions block coal conversion technologies.

Flowers said the subcommittee members are "all hawks on energy development. My frustration, my concern — I don't see any enthusiasm on the part of EPA to enlarge the technological aspect. I think we ought to be loose as opposed to tight on what we should innovate, what we should try."

EPA, more than any other agency, "will set the pace" for energy technology through its regulations, Flowers said.

15 Percent Cost Increase

The subcommittee chairman particularly criticized EPA's conclusion that a 15 percent increase in cost because of environmental provisions was a minimal impact.

Considering that several billion dollars could be spent to bring new conversion technology on line, Flowers said, an additional 15 percent could raise the cost of a facility by $200 million to $300 million. Utilities already are being required to install flue gas desulfurization units at a cost of $150 million to $200 million per plant, he said.

Gage said EPA is "enthusiastic" about new conversion technologies being developed. EPA's findings indicate, he said, that only one technology may be blocked by the agency's regulations. And even that technology might not be totally precluded, he added.

"I want to respond very strongly that this time we don't think environmental laws are going to stand in the way of new coal-based technology," Gage said.

Walter C. Barber, EPA deputy assistant administrator, office of air quality planning and standards, said EPA's draft new source standards will allow use of higher-sulfur coal by electric utilities. Utilities would be required to install scrubbers to clean up emissions.

Because higher-sulfur coal would be used, lower-sulfur coal could be freed for smaller facilities, which cannot afford to purchase scrubbers, Barber said.

Frank Princiotta, EPA director of energy process development, said the draft new source standards would result in less mining and transportation of western coal to eastern utilities.

Drinking Water

EPA PROPOSES AMENDMENTS TO INTERIM DRINKING WATER REGULATIONS

The Environmental Protection Agency February 9 issued proposed revisions to the National Interim Primary Drinking Water Regulations (43 FR 5756).

The proposed regulations, intended to protect public water supplies from organic chemical contamination, establish maximum contaminant levels for trihalomethane compounds and also establish treatment standards. The proposed regulations are published in the Full Text section of this issue.

EPA is accepting comments on the proposed regulations until May 31, 1978. For further information contact Joseph A. Cotruvo, Director, Criteria and Standards Division, Office of Water Supply, (WH-550), Room 1111, WSME, Environmental Protection Agency, 401 M Street SW., Washington, D.C. 20460, 202-755-5643.

Air Pollution

ANDRUS RECOMMENDS SPECIAL PROTECTION AGAINST VISIBLE POLLUTION FOR 158 AREAS

Interior Secretary Cecil D. Andrus recommended February 10 that 156 federal parks and wilderness areas receive special protection against visible air pollution.

All but two of the 158 federal parks and wilderness areas for which protection against air quality deterioration is provided are included in Andrus's proposal (Current Developments, November 14, 1977, p. 932).

The two areas for which Andrus is not seeking the added protection, Bradwell Bay Wilderness in Florida, and Rainbow Lake Wilderness in Wisconsin, have dense vegetation making it impossible to see far.

"It was a little difficult to argue that the ability to see a great distance was a significant factor," an Interior Department spokesman said.

Andrus sent his recommendations to Environmental Protection Agency Administrator Douglas M. Costle, whose staff will review the list before developing a final list of "Class I" federal areas which merit special protection of scenic values.

Under the Clean Air Act amendments of 1977, EPA will develop procedures and regulations ensuring protection of those areas. The amendments, which established the prevention of significant deterioration provision, also requires studies to determine which areas merit special protection from visible air pollution.

Originally, an interagency federal task force recommended only 153 areas as warranting the added protection. As a result of public response, three additional areas were added to Andrus's list.

Coal

HEINE WILL GRANT A SECOND EXTENSION OF STRIP MINING COMPLIANCE DEADLINES

Walter J. Heine, director of the Office of Surface Mining, said February 14 that a second extension of a deadline for compliance with interim strip mining regulations is in the offing.

Heine's latest thought is to give operators until mid-April to submit plans for upgrading existing structures not in compliance with the Surface Mining Control and Reclamation Act of 1977.

The interim program originally required operators to submit those plans by February 3. Two weeks ago, Heine extended that deadline to March 1, claiming that the "lateness of the regulations" made it impossible to expect compliance from operators.

That lateness, coupled with Heine's plan to amend the sedimentation pond requirements, accounts for his latest decision to postpone the deadline again.

"We're going to propose rulemaking to modify some of the hydrologic aspects of the regulations," Heine said. "We would allow for a 30-day comment period, hold a hearing, and have final publication. For all that to happen, it would be around April 1 before the amended regulations would go into effect."

Given those conditions, Heine said, the March 1 deadline "starts not to make sense anymore."

Heine said the deadline extension and amended regulation may result in the withdrawal of some of the lawsuits challenging the regulations, which were filed by coal industry officials in late January (Current Developments, February 10, 1978, p. 1537).

"I have a feeling the time element and additional flexibility we're going to put into the hydrologic portion of the regulations may result in the withdrawal of some of the suits," Heine said. "We certainly hope so."

Environmentalists File Suit

Environmentalists joined the bandwagon of parties challenging the regulations and filed suit February 10 in the U.S. District Court for the District of Columbia.

Their action alleges that a regulation exempting certain pre-existing structures from a May 4, 1978, compliance deadline violates the strip mining law and the Administrative Procedure Act.

The environmental groups are requesting that the court enjoin Interior Secretary Cecil D. Andrus and federal regulators from enforcing or applying the regulation.

The suit was filed by the National Wildlife Federation, Appalachian Coalition, Northern Plains Resource Council, Virginia Citizens for Better Reclamation, Council of the Southern Mountains Inc., and Citizens League to Protect Surface Rights.

'Congressional Intent Fulfilled'

Heine responded to the environmentalists' action, saying that the regulations fulfill congressional intent.

"Because of the timing of passage and publication of the regulations, and winter and the coal strike, we quickly recognized that the vast majority of companies could not get their nonconforming structures into compliance by May 4," Heine said.

The regulations were written, Heine said, to give operators every opportunity to comply.

"If they are operating on a compliance schedule and start construction by May 4, we give them until November 4 to complete construction and bring structures into compliance," Heine said. "We think we are effectively interpreting what Congress intended."

Western States Resource Congress

~~Western States Conference~~

March 20, 1978

Reno, Nevada

I. Call To Order - Robert Dilger, President, WETA-Washington

II. Introductions

III. Summary of February 13th Meeting in Spokane - Charles T. Keenan, Executive Director, WETA-Washington

IV. Round Robin Discussion

A. Your Organization - description.
B. Issues of greatest concern.
C. Your thoughts regarding a Western States Conference.

V. Break

VI. Call To Order - Bob Fleming, President, Organization for the Management of Alaska Lands (OMAR)

VII. Structure - Jim Cook, Executive Vice President, California Business Properties Association

VIII. Name - Paula Easley, Executive Director, OMAR

IX. Issues - John Thompson, Corporate Liaison, Land Resources, Georgia-Pacific

X. Discussion of Structure, Name and Issues

XI. Break for Lunch

XII. Call To Order - Roger Blades, President, WETA-Idaho

XIII. Guest Speaker - John Thompson Introduce

XIV. "Think West Conference", "Great Western Debate" - Charles T. Keenan

XV. Discussion and approval of:

A. Structure
B. Bylaws
C. Projects
D. Membership
E. Other

XIV. Next Meeting - ~~April 27~~ May 2, 1978, Denver, Colorado

CTK:jh
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3/19/78

WESTERN ENVIRONMENTAL TRADE ASSOCIATION
OF WASHINGTON

314 Park Place Bldg., 1200 Sixth Avenue • Seattle, Washington 98101 • (206) 623-5235

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PHIL [illegible]
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WOODROW TAYLOR
Burlington Northern, Inc.

February 28, 1978

TO: Western States Conference Meeting Attendees

FROM: Judy Henry

Chuck and I were very pleased to see you in Spokane at the first organizational meeting of the Western States Conference. Find enclosed herewith the Minutes of the February 23rd meeting.

You will note from the Minutes that many aspects of this organization were left rather unstructured. That was done purposely, in order to encourage participation by others in its formation, and to allow for flexibility during the development stages.

As you recall, the next meeting will be held in Reno, March 20, 1978. Arrangements are being made at Harrah's, Center Street at Second, Box 10, Reno, Nevada. When you make your room reservations, please indicate that you are attending the Western States Conference. The rates range from $31.00 per day for a single, to $46.00 per day for a double. The toll free number for the States of California, Oregon, Utah, Idaho and Arizona is 800-648-3773. For Nevada and all other states, the number to call is (702) 329-4422.

An agenda and other proposals will be forthcoming from Chuck Keenan in the very near future. If you have any comments or suggestions, please contact us at your earliest convenience.

Please RSVP Chuck or me at the WETA-Washington office regarding your attendance at your very earliest convenience. Also, please contact us regarding any additional persons you feel should be invited to the March 20th meeting.

Yours truly,

Judy Henry
Executive Assistant

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Enclosures

Western States Conference - Organizational Meeting

February 13, 1978, Spokane, Washington

MINUTES

The meeting was called to order at 8:45 A.M. by Robert Dilger, WETA-Washington President.

A roster of meeting attendees is attached to these minutes.

Mr. Dilger made a brief statement regarding the need for those with common concerns to join together to fight the no-growth trend in government regulations; to educate legislators throughout the nation; to promote sensible guidelines and sensible growth; and, at the same time, protect the environment.

Mr. Dilger then asked for comments from the Organization for the Management of Alaska's Resources (OMAR) representatives. Ms. Paula Easley, OMAR Executive Director, stated that one reason they are involved is to avoid another defeat such as the one Alaska experienced regarding the natural gas pipeline. Mr. Stringham, Administrative Assistant of the Alaska District Council of Laborers, related a similar concern regarding the Alaska d-2 lands situation.

Following these introductory remarks, was a "round robin" discussion, with attendees each describing their respective organization, discussing their areas of concern, and stating their feelings regarding the purpose, goals, etc., of a Western States Conference. Following is a summary of this portion of the meeting:

There is a need to address the problem of Eastern legislators (not fully realizing the impact of their actions) promoting legislation which locks up the vast resources of the west. A cohesive coalition could, via the grass roots strength of its varied membership, educate and influence these legislators on issues of common concern.

The concern was raised, and it was the consensus of the entire group, that the issues addressed must be limited to areas of interest which reflect the actual purpose and goals of this group. Any issue which could divide and/or hinder its effectiveness or credibility should be avoided.

One common problem is the adverse impact on employment caused by unreasonable legislation and delays. Another area of common concern is the use and regulation of public and private lands, including all types of land use regulation.

There is deep concern regarding oil and mineral exploration and development in Alaska and on the Outer Continental Shelf. Mr. J. A. Stransky of the Western Oil & Gas Association stated that there is not much about which they are not concerned; and basically would like to know what kind of direction and assistance this group would like from WOGA.

Mr. Charles Keenan, WETA-Washington Executive Director, expressed the need for an entity to work together to identify areas that need addressing, identify any possible roadblocks, and reach a consensus on such issues, which consensus can be advocated and strongly promoted by a unified western block. Some of the areas which he identified as possible targets are: the need for transportation; the need for timber policies; the need for land use regulations which do not downzone or slow responsible growth; the need for water policies; and the ability to develop mineral and energy generating capabilities.

Mr. Lynn Engdahl, WETA-Oregon Executive Director, made three basic points: (1) It is important to concentrate and cooperate on issues upon which all involved can agree; (2) Most have the same feelings on many issues, but we need to combine forces to accomplish our goals; and (3) It is very important to be able to communicate our story.

Mr. John Thompson, Georgia-Pacific Corporate Liaison, stated that it is not only the Eastern legislators that present a problem. He feels there is also a real need to educate and influence our Western legislators, citing the example of the Redwood National Park legislation. He suggests concentrating on our own legislators, then moving east, and, with the support of our congressmen, begin concentrating on the Eastern legislators. He also stated that the choice of persons to represent the Western States Conference on a particular issue is critical; and that we should not disregard the importance and influence of key legislative staff.

Mr. Bob Getts of Shell Oil Company indicated their concern with government leaders placing too much importance on energy conservation, and not enough on energy development and growth to provide employment and a continued good standard of living.

Mr. Joe Crosswhite, WETA-Montana President, stated that he had been sent to this meeting to observe and report to his Board before making an official commitment. He also stated that legislators in Montana need education, etc., and that he feels they should be addressed before considering the eastern state's legislators.

There was other discussion and comment expressing concern regarding the discretionary power of bureaucrats, etc.; and general agreement that it is important to educate and obtain the support of our Western states legislators first, and that an important in-road to any legislator is via key staff.

Mr. Bob Fleming, President of OMAR, stated a concern of Alaska interests is that Alaska is being used as an example, pitted against the rest of the United States and some of its environmental problems, of what not to do, environmentally. Individuals are determined that the same mistakes not be made there; therefore, its mineral and resource importance to the nation is being minimized.

Mr. James Cook, California Business Properties Association Executive Vice President, stated his concern about organizations in the East raising funds in the West, which funds are then used against the interests of the West. He feels that a Western States Conference is an excellent approach to this and other problems previously discussed. He also stressed the importance of addressing issues of common concern to all, not individual state's or organization's interests.

Senator Joe Orsini of Alaska stated his belief that a strong labor/business group, such as being discussed here, could be very effective and is very important. He feels that this group should be concerned about legislators' concerns also - such as state's rights. He cautioned against public funding.

After a short break, the meeting was reconvened and called to order by Bob Fleming, who stated the need for structure and unity within this group.

Mr. Keenan then presented, for discussion, the following summarization and proposed structure:

1. Name: Western States Conference.

2. Goals:

A. Form Western states group of laymen to advance legislation beneficial to the Western states;

B. Form a Western states conscious - an entity which formulates policy beneficial to the Western states.

C. Activate key persons within congressional districts to intercede with their representatives on issues of concern.

D. Attempt to coordinate in-place organization to facilitate and achieve broad-based support for our concerns.

3. Structure:

A. Thirteen Western states.

B. Five representatives from each state on Steering Committee.

C. Generate two representatives per congressional district in each state.

D. Staff be voluntary at first.

E. Dues - none.

F. Steering Committee and representatives be a mixture of labor and management.

4. Possible activities:

A. Conduct an annual "Think West" conference in Washington, D.C., for congressmen from Western states and their staff.

B. Develop rating system with which to measure voting of Western congressmen on issues of concern.

C. Conduct an annual conference, and on-going communications, for and among media.

D. Establish mechanism to identify and put into laymen's terms, data regarding specific issues.

4. Issues - Candidates for Action:

A. RARE II.

B. 160-acre water limitation issue.

C. Nuclear facility sitings, permits, construction, and initiatives.

D. Divestiture - affecting all companies - horizontal and vertical.

E. OCS legislation in the Gulf of Alaska and on the Western Coast.

F. Water reclamation projects - sites available and needed.

G. Federal highway appropriations.

H. Alaska d-2 legislation.

I. Coal mining legislation - exploration and extraction.

J. Stringent national air standards.

K. Chemical regulations for silvacultural and agricultural uses.

5. Establish a task force to identify, assess, and communicate with key legislative and administrative staff.

6. Promote recreation and access to public lands specifically as an on-going general policy.

At this point a motion was made to revise Item VIII on the agenda, which was to break into workshops, and continue the meeting as one group.

Mr. Cook stated that he felt the goal of this group should address the need to have our local state efforts stronger. He felt we should identify organizations and various interests in relation to each state who should be part of this organization, and explain what we might expect them to contribute. He identified the 13 Western states as Washington, California, Alaska, Oregon, Montana, Idaho, Hawaii, Utah, Arizona, New Mexico, Colorado, Nevada, and Wyoming. Mr. Cook stated that goals should be (1) at the federal level - (a) impact legislation, and (b) impact regulators; and (2) at the state level (a) influence federal western representatives; (b) influence federal eastern representatives; and (c) communicate problems within the states.

At this point the question of an office and staff was raised. After discussion, Mr. Dilger volunteered the WETA-Washington office and staff to coordinate and plan events prior to and including the next meeting.

Two additions were suggested to Mr. Keenan's proposal:

7. Influence federal legislation and regulations.

8. Circulate information on issues which occur in different states - don't take positions on them at this time.

Mr. Thompson stated that he felt the overall goal is to get the Western Congressional Delegation voting in our best interests, and then to do what we can to see that they have a strong coalition to depend on. He also suggested that specific delegates be appointed for the annual "Think West" conference - individuals who would have the most effective influence on their congressmen.

There was also discussion regarding the number and type of representatives from each state. Mr. Thompson suggested that there be three - one the Executive Director of the WETA-type group from each state, one from labor, and one from business. Mr. Cook indicated that this may be a problem in a larger state where several organizations would qualify as a WETA-type group.

At this point, Mr. Bolin suggested that an ad hoc committee of this group be formed to meet during lunch, discuss the points made during the morning session, and come back after lunch with some specific suggestions..

The following ad hoc committee was appointed: Jim Cook, Joe Crosswhite, Paula Easley, Lynn Engdahl, Judy Henry, Chuck Keenan, Kent Lamberson, and John Thompson.

At 1:30 P.M., Mr. Crosswhite reconvened the meeting of the entire group, and asked Mr. Cook to summarize the ad hoc committee's meeting.

It was decided to establish a steering committee of three members per state. Ultimately, there will also be a group of two representatives for each federal legislator (not decided if these would be Senate or House representatives).

At this time, there will be no election of officers or solicitation of members. The following persons will be responsible for appointing/selecting the Steering Committee representatives for the state indicated: Washington - Chuck Keenan; Montana -Joe Crosswhite; Oregon - Lynn Engdahl; Alaska - Paula Easley; California -Jim Cook; and Idaho - Kent Lamberson (pending approval by various state organizations involved). These appointments/selections are not unchangeable, and number of representatives and involvement by individuals from states will be flexible.

Structure:

1. Establish one group to work with issues.

2. Establish one group to deal with legislation.

3. Establish a Communications Committee which is responsible for getting material to the various organizations involved, which organization then would distribute the material to their members. The material would be generated by the group or interest which desires the material circulated. Also, establish a method to get the information to the audience we are trying to reach.

4. The "Think West" function would be first held in the West for Western legislators, and from that conference, use the expertise and knowledge generated to determine how to carry the message to the Eastern legislators.

5. Sponsoring a "Great Western Debate" was also suggested.

The next meeting was decided to be held March 20, 1978, in Reno, Nevada. Those in attendance today were asked to send in to the WETA-Washington office their suggestions of others from other states to be invited to the next meeting.

The following responsibilities were assigned relating to the next meeting:

Ms. Easley - brir ; suggestions for a name for this group.

Mr. Cook - finalize structure.

Mr. Thompson - chair committee to identify issues and legislation which could possibly be addressed.

Mr. Keenan - Communications Chairman - present proposals for "Think West" conference, "Great Western Debate", and other similar events.

Mr. Thompson - bring guest speaker to speak on the nature and structure of our adversary.

Mr. Cook - make meeting arrangements, etc., for the meeting in Reno.

There being no further business, the meeting was adjourned at 2:00 P.M.

Respectfully Submitted,

Judy Henry, Executive Assistant
WETA-Washington

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WESTERN STATES CONFERENCE

Organizational Meeting

February 13, 1978, Spokane, Washington

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SAM HESS
Seattle Times
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Simpson Timber Company
GEORGE LUMAN
PACCAR
RUTH McCREADY
Washington State Federation of Teachers, AFL-CIO
HUGH McMILLAN
Kaiser Aluminum & Chemical Corporation
JOHN MAGEE
Pope & Talbot
BILL MARLATT
Weyerhaeuser Company
MARSHALL MILLER
Washington Natural Gas Company
THOMAS O'BRIEN
Group Health Cooperative of Puget Sound
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VICTOR PONTARELLI
Pontarelli Restaurants
MARIE SAILER
Academy Construction Group
PHILIP STANLEY
Washington Trust Bank
JAMES A. THOMPSON
Alcoa
JOHN THOMPSON
General Plastics
LINDY WARD
Washington State Association of Electrical Workers — IBEW AFL-CIO
LYLE WATTS
Caldwell Banker & Company
LINDA WOODRUFF
Penn Controls Corporation

February 21, 1978

The Honorable Joseph L. Orsini
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Joe:

It was a pleasure to talk with you at the Western States Conference meeting in Spokane, February 13th.

Find enclosed information regarding WETA-Washington's role in d-2 legislation. I have enclosed our letter to CMAL which describes our present affiliation with that organization.

I agree with you that a follow-up program is needed regarding previous contacts with members of the House Interior Committee. I would suggest that you contact Tony Motley or Clarence Kramer of CMAL regarding their activities in this area.

I look forward to working with you and others in Alaska on the Western States Coalition in the near future.

Best regards.

Yours truly,

Charles T. Keenan
Executive Director

CTK:lfc
opeiu8

Enclosures

January 9, 1978

Mr. James F. Clark
Robertson, Monagle,
Eastaugh & Bradley
Attorneys at Law
217 - 2nd Street
Juneua, Alaska 99801

Dear Jim:

I believe the meeting among Clarence Kramer, Jim Rynearson, Larry Keenan, you, and myself was worthwhile and will accomplish the coordination and leadership needed for the d-2 legislative efforts.

Pursuant to our conversation, WETA-Washington's activities will be as follows:

1. Responsibility for contact and coordination of overall efforts will be with Tony Motley and Citizens for the Management of Alaska Lands (CMAL).

2. Contacts, questions, etc., will be through the CMAL office in Washington, D.C. or as directed by CMAL.

3. WETA-Washington will conduct ARCTIC activities in conjunction with CMAL as follows:

   a. WETA-Washington will conduct in-district contacts, and will have primary responsibility for selected legislators in the Northwest.

   b. WETA-Washington will contact and be primary coordinator for selected Congressmen in other parts of the country, as assigned by CMAL.

   c. WETA-Washington will follow-up by telephone and mail, on those Congressmen previously contacted, for the purpose of introducing them to contacts selected by CMAL. CMAL selected contacts will have the primary responsibility for the selected congressional contact.

4. Regarding the Congressmen for whom WETA-Washington has primary responsibility, the following methods for maintaining contact and coordination will be utilized:

(11)

a. In-district visitation, including visual display, and in some instances, "response packet" distribution.

b. A follow-up from Seattle and Washington, D.C. to generate needed response.

Enclosed find a list of Congressmen, in priority-contact order, and a revised budget for ARCTIC II.

At the present time, WETA-Washington has been conducting fund-raising activities among three major groups. In the future, all budgets and invoices will be submitted to CMAL directly, who will conduct all fund-raising efforts. Organizations and firms previously contacted by WETA-Washington will be informed of the above, and will be referred to you for all future funding for ARCTIC II.

WETA-Washington requests that the current project deficit of approximately $6,000 retired by CMAL, and that funding, in approved increments, be forwarded to WETA-Washington in advance, based on an approved estimated budget.

Best regards.

Yours truly,

Charles T. Keenan
Executive Director

CTK:lfc
opeiu8

Enclosures

ARCTIC II

Estimated Budget

(Includes In-Process & Revised Project)

	ITEM	ESTIMATED EXPENSE	ACTUAL
A.	WETA Coordinator - 600 hours @ $20 per hour	$12,000.00	$ 3,500.00
B.	Airfare - Seattle to Los Angeles - $204 x 2	408.00	408.00
C.	Airfare - Seattle to Washington, D.C. - $406 x 2	812.00	-0-
D.	Airfare & Travel (in-district)	2,000.00	200.00
E.	Lodging, Meals, etc.		
	1. Los Angeles - $130 per day for 2 x 12 days	1,560.00	1,200.00
	2. Washington, D.C. - $130 per day for 2 x 10 days	1,300.00	-0-
	3. In-district - 21 days @ $100 per day	2,100.00	50.00
F.	Steno and Mag Card Time	1,000.00	500.00
G.	Telephone	1,000.00	400.00
H.	Visual Presentations	1,000.00	2,500.00
I.	Response Kits (optional)	1,000.00	-0-
	Sub-Total	$24,180.00	$ 8,758.00
J.	WETA 20% Contingency	$ 4,836.00	$ 1,751.60
	Total Expenses	$29,016.00	$10,509.60

SUMMARY

Income to date	$ 2,487.20
Expenses to date	$10,509.60
Deficit/Excess	($ 8,022.40)

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WETA-Washington Priority Contact List
House and Senate

Following is a list of House Interior Committee members and their Senate Energy and Natural Resources Committee counterparts listed by state and priority.

Priority I

Washington - House: Meeds Senate: Jackson
Expansion of WETA ARCTIC I with Seattle Chamber's Alaska Resource Committee (Blumenfeld)

Idaho - House: Symms Senate: McClure and Church
Through WETA-Idaho, Building Trades, and Laborers. Strong labor and business contacts.

Montana - House: Marlenee Senate: Metcalf
Marlenee is freshman Congressman. Metcalf sponsor of S1500 - expansion of HR39. WETA-Montana as nucleus. Strong labor and business contacts.

Colorado - House: James Johnson Senate: Haskell
Johnson is worthy of additional effort to assure his vote. No ARCTIC I activity. Mining to be nucleus of "in district" meetings.

Wyoming - House: Roncalio Senate: Hansen
Roncalio, as lame duck, is deserving of additional effort. ARCTIC I contact limited. Keys will be mining, oil, and Laborers and State Building Trades.

Oregon - House: Weaver Senate: Hatfield
WETA-Oregon and Eugene-Medford based labor will be key to "in district" involvement.

The above itinerary would involve a trip - Seattle to Boise to Helena (Billings) to Cheyene to Fort Collins (Colorado).

Washington and Oregon would be handled by auto from Seattle base.

For each stop (state) there would be allocated two days for "in-district" meetings and involvement motivation.

Priority II

California - House: Burton, G. Miller, Krebs, Clausen, Lagomarsino No Senate
All California representatives are members of full committee - no subcommittee members. ARCTIC I established good labor commitments from State Building Trades and State AFL-CIO. Forest product participation will be limited, due to Redwood espansion issue. Look to WOGA for help on oil and overall assistance.

Nevada - House: Santini Senate: Laxalt
ARCTIC I d-2 commitments from Building Trades. Look to industry help from Nevada miners.

New Mexico - House: Lujan and Runnels Senate: Domenici
No ARCTIC I contact. Delegation would appear supportive of Young. Listed as priority due to State Congressional delegation's d-2 committee positions.

Arizona - House: Udall and Rudd No Senate
ARCTIC I established good base for "in-district" involvement.

Utah - House: Marriott No Senate
Marriott is freshman Congressman and deserving of "in-district" effort. Good ARCTIC I labor contact.

Priority III

Minnesota - House: Vento No Senate
ARCTIC I "in-district" established good labor base. Vento is considered swing. WETA assessment: Vento can be brought into our column through additional "in-district" efforts.

Michigan - House: Ruppe No Senate
Ruppe, by voting analysis and present assessment, could be worthy of "in-district" efforts. ARCTIC I did not visit Ruppe's district.

Pennsylvania - House: Kostmayer and A. Murphy No Senate
ARCTIC I established good base with Penn. labor. Feel this has moved A. Murphy. Kostmayer, though a sponsor of HR39, could be moved to "compromise" legislation through intensified "in-district" effort.

New York - House: Bingham and McHugh
Bingham is a "lost cause". McHugh has been assessed as pivotal to subcommittee vote. ARCTIC I established good New York City based labor support. This could be extended to localize to McHugh's.

Priority IV

Meet and transfer rapport with assigned responsibility of individuals.

Massachusetts - House: Tsongas and Markey
ARCTIC I

West Virginia - House: Rahall
ARCTIC I

North Carolina - House: Gudger
ARCTIC I

Indiana - House: Sharp
ARCTIC I

Wisconsin - House: Kastenmeier
ARCTIC I

Texas - House: Eckhardt and Kazen
ARCTIC I Eckhardt worthy of additional effort

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WETA-WASHINGTON
ARCTIC PROJECT ACTIVITIES

Formulation of Project

Following the June 18th Alaska d-2 lands hearing of the Alaska Subcommittee in Seattle, Washington, the Western Environmental Trade Association of Washington, Inc. (WETA-Washington) met with mining, oil, labor, and forest product representatives of Washington, Alaska, and national interests.

This group asked WETA to utilize its expertise with the House Interior Committee and to develope a project to limit the acreage, resource impact, and job losses of eventual Alaska National Interest Lands (d-2) legislation.

ARCTIC I - July 1st through October 15th, 1977

This portion of the project, the Alaska Resources Committee To Influence Congress (ARCTIC), entailed the establishment of local labor-business contact with supportive interests in 29 of the 46 House Interior Committee districts.

This was accomplished through in-district (within Congressional Districts) meetings conducted by WETA during August and September to familiarize local constituents with the economic and resource tradeoffs of the Alaska d-2 lands issue. These individuals were then urged to support the WETA guidelines utilizing model resolutions, position papers, etc., through their unions, chambers, AGC chapters, and industry associations.

Each of these ARCTIC meetings included representation from local and/or state Building and Construction Trades Councils as the catalyst for labor d-2 involvement. (See ARCTIC preliminary report)

WETA-Washington's strategy anticipated that Washington's Congressman Meeds, senior member of the House Interior Committee, and Senator Jackson, Chairman of the Senate Energy and Natural Resources Committee, would play key roles in Alaska d-2 lands legislation development.

ARCTIC's in-district campaign for Congressman Meeds, involved labor councils, chambers, and industry groups within the 2nd District. This led to letter campaigns, resolutions, and constituents/Meeds meetings within the Congressman's district.

ARCTIC I Influence

During ARCTIC I's timespan (July 1st through October 15th) the following occurred:

1. Washington, D.C. industry spokesmen reported that ARCTIC succeeded in establishing d-2 as an issue in selected Congressmen's local districts and further eliminated a vote for locking-up Alaska as a free environmental vote.
2. Interior Committee minority staff reported that activity suddenly occurred among Democratic Interior Committee Members for "some sort" of compromise legislation.
3. Congressman Meeds announced plans to introduce alternative d-2 legislation in January session.

ARCTIC II - November, 1977 through February, 1978

ARCTIC II includes activities already accomplished at the Building Trades Department and AFL-CIO National Conventions in Los Angeles in late November and early December, respectively.

ARCTIC II also provides for WETA involvement in Washington, D.C. during markup.

At the National labor conventions, WETA-Washington arranged to meet with national labor legislative staff in Washington, D.C. for briefing and strategy sessions regarding further lobbying efforts.

ARCTIC II (interim) Events

1. Building Trades Department Resolution
2. AFL-CIO Resolution
3. WETA-Washington Labor D.C. Coordination Arrangement
4. National AGC Resolution
5. Washington State WETA Labor/Meeds meeting
6. Political assessment of HR 39 demise. Present assessment of subcommittee members would project enough votes to support "compromise" d-2 legislation.

ARCTIC II Continuation

Funding of a continued WETA-Washington Alaska d-2 lands involvement will avail Washington, D.C. d-2 interests of ARCTIC I's in-district contacts, provide WETA-Washington in a continuing role with Congressman Meeds, and place WETA in a labor advisory and overall coordinating capacity to the d-2 labor-industry task force.

1977 ANNUAL MEETING

WESTERN CONFERENCE

Santa Fe, New Mexico

September 25-28

PROPOSED RESOLUTIONS & POLICY POSITIONS

I. ALCOHOL ABUSE

II. EDUCATION FOR HANDICAPPED

III. HEALTH CARE COST CONTAINMENT

IV. WELFARE REFORM

V. HYDROELECTRIC PRODUCTION AND ENERGY

VI. NATIONAL ENERGY ACT AND PUBLIC UTILITY REGULATION

VII. NATIONAL WATER POLICY STUDY

VIII. FEDERAL LAND MANAGEMENT

IX. FEDERAL PUBLIC LANDS

X. DEFINITION OF AN ECONOMIC UNIT FOR PURPOSES OF THE FEDERAL RECLAMATION ACT OF 1902

XI. RESOLUTION ON NATIONAL WILDERNESS PRESERVATION SYSTEM POLICY

XII. TRANSFER OF SELECTED IN-LIEU AND EXCHANGE LANDS

XIII. RESOLUTION ON INDIAN JURISDICTION

XIV. U.S. DEPARTMENT OF TRANSPORTATION PAPERWORK REDUCTION STUDY

XV. GASOLINE ALLOCATION

XVI. COMMUTER AIRLINE SERVICE

XVII. AMERICAN INDIAN POLICY REVIEW COMMISSION

XVIII. MECHANISM FOR THE DEVELOPMENT OF A WESTERN COALITION ON ENERGY, LAND, WATER, AND AGRICULTURE

XIX. PARTICIPATION IN THE WESTERN STATES WATER COUNCIL

XX. PROPOSED AMENDMENTS TO THE RULES OF THE WESTERN CONFERENCE

XXI. GUIDELINES FOR THE PROCESSING AND FOLLOW-UP ACTION ON POLICY POSITIONS APPROVED BY THE WESTERN CONFERENCE OF THE COUNCIL OF STATE GOVERNMENTS

XXII. APPOINTMENTS TO THE WESTERN CONFERENCE COMMITTEES

I. ALCOHOL ABUSE

WHEREAS, the abuse of the drug, alchol, is a problem common to every state and territory in the nation and,

WHEREAS, the abuse of alcohol affects children and adults alike, through welfare costs, police services, court costs, and disruptions of family life, and,

WHEREAS, alcohol related accidents drive up the cost of auto insurance for every automobile owner.

THEREFORE BE IT RESOLVED THAT:

1. Information on the harmful effects of alcohol be required in the entire educational process.

2, Attempts be made to require insurance companies to recognize alcoholism as a disease in dealing with the diseases caused by alcohol.

II. EDUCATION FOR HANDICAPPED

WHEREAS, the framers of our Constitution in their wisdom, left to the several states the right to provide education for the citizens within their jurisdiction; and

WHEREAS, each state and territory has different sociological, econmic, geogaphic needs and problems; and

WHEREAS, the Education for All Handicapped Children Act represents a significant expansion of requirements upon the states to provide services to students with handicapping conditions; and

WHEREAS, concurrent development of Vocational Rehabilitation and Vocational Education regulations place further requirements upon school districts and other providers of public services;and

WHEREAS, while we commend the goals and directions of the Act, and as states and citizens are anxious to extend the opportunity for quality education to all students, we must also act responsibly to guide the implementation of federally imposed standards and programs; and

WHEREAS, the Education Act requires designation of the State Educational Agency as the sole supervisory authority for all programs and services to the handicapped, a provision which conflicts with state law and practice in many jurisdictions; and

WHEREAS, the requirements for an Individual Education Program evaluation for each handicapped student are comprehensive and detailed, and seem in the view of some state officials to create a potential basis for legal adversary proceedings; and

WHEREAS, the provisions of these two federal programs are indicative of a continuing and expanding policy of encrochment upon traditional state and territorial policy areas and represent a trend which contradicts legitimate state and territory concern; and

WHEREAS, the federal funding commitment lags far behind the implementation dates imposed upon states, placing the primary financial burden upon school district state education systems, and state service providers.

NOW, THEREFORE BE IT RESOLVED by the Western Conference of the Council of State Governments, meeting in Santa Fe, that Congress instruct the Department of Health, Education and Welfare through its Office of Education to allow the various states and territories to assess their educational needs and goals and permit the states and territories to assist in designing the programs needed to resolve the special education needs as well as other educational requirements of their respective jurisdictions.

III. HEALTH CARE COST CONTAINMENT

WHEREAS, the rising costs of medical care represent a significant financial burden upon the states and our citizens without apparant increases in quality of services which warrant such costs; and

WHEREAS, federal intervention through mandated limits to increasing costs would not represent a viable solution to the legitimate concerns about health care cost containment; and

WHEREAS, systems of health care vary widely from state to state and any program of cost containment must respect the diversity represented; and

WHEREAS, each state and territory should be authorized and encouraged to develop innovative programs, demonstration projects, and feasibility studies in response to the unique needs of the state; and

WHEREAS, while developing systems of cost containment, policy makers should also be cognizant of the value of preventive health methods as a control on increasing costs.

NOW, THEREFORE BE IT RESOLVED by the Western Conference of the Council of State Governments, meeting in Santa Fe, that as Congress develops the federal approach to health care cost containment, we urge that the respective states be given the opportunity to develop state programs which are responsive to state needs. Unnecessary and duplicative federal mandates should be avoided and emphasis should be placed upon state program initiatives to achieve health care cost containment.

IV. WELFARE REFORM

WHEREAS, the President of the United States has undertaken and submitted to Congress a comprehensive program of welfare revision with impact upon all of the states and our citizens, and

WHEREAS, the President, through the Department of Health, Education, and Welfare, has held hearings throughout the nation, and has listened to the comments of state policy makers, state administrators, and citizens, and

WHEREAS,many features of the proposed welfare reform continue to be of concern to state legislators, including the role which the states will play in the administration of the program, the fiscal relief envisioned for states, the development of an alternative work and training program, the inclusion of medical coverage for those eligible, and others; and

WHEREAS, some specific problem areas of the proposal warrant careful consideration including the impact upon recipients and eligibility criteria, the inadequacies of provisions for emergency response, the intention to make eligibility determinations and payments through federal structures completely by-passing the states, and the cursory attention given to the subject of medical eligibility, and

WHEREAS, the on-going development of welfare reform as it progresses through the legislative process will continue to be of great interest and concern to state legislators;

BE IT RESOLVED by the Western Conference of the Council of State Governments, meeting in Santa Fe, that the Congress of the United States and the President, acting through the Secretary of the Department of Health, Education, and Welfare, be prepared to give specific response to concerns of the states and territories of the Western Conference in the continuing development of the welfare reform proposal.

V. HYDROELECTRIC PRODUCTION AND ENERGY

WHEREAS, there is created a new Federal Department of Energy, which will take over from the Bureau of Reclamation the marketing of Electric Energy and transmission related to Hydro projects,

WHEREAS, the Bureau of Reclamation has done a commendable job in administering this program; and

WHEREAS, these projects are almost all located in the Western part of the United States,

NOW THEREFORE BE IT RESOLVED by the We ern Conference Committee on Energy and Resources, that the new Departme . of Energy establish a Western office in some accessible city in the West to market and administer the Electric Energy and transmission serving the Bureau of Reclamation Hydro projects; and,

BE IT FURTHER RESOLVED that the Department of Energy draw heavily from the present Bureau of Reclamation staff, who are familiar with the needs of the western region to administer this portion of the Department's programs.

BE IT FURTHER RESOLVED that copies of this resolution be forwarded to the state legislatures of South Dakota, Nebraska, North Dakota, Minnesota, Iowa, Kansas, and the Bureau of Reclamation, Department of Energy, and the Congressional delegation of the western region.

VI. NATIONAL ENERGY ACT AND PUBLIC UTILITY REGULATION

States traditionally have been responsible for public utility electric and gas regulatory matters at the retail and intrastate level, including establishing consumer rates. Part E of the National Energy Act (S. 1469) would deprive the states of this traditional responsibility.

The Western Conference of the Council of State Governments opposes the federal preemption of the states' regulatory authority over electric and natural gas utility operations, including the right of the states to regulate consumer rates to be charged for these services.

The Western Conference of the Council of State Governments therefore urges the Congress to delete Part E from S. 1469 and preserve the right of the states to regulate public utilities within their borders.

VII. NATIONAL WATER POLICY STUDY

WHEREAS, a true National Water Policy should combine federal, state and local policies to form the overall strategy for guiding present and future water resource management and development;

WHEREAS, the Western Conference of the Council of State Governments believes that a National Water Resources Policy should respond to state goals and objectives, reflecting the diversity of economic, social and environmental problems of individual states and regions of the nation;

WHEREAS, the proposed options in the Natural Water Policy Study (Federal Register, July 15 and July 25, 1977) do not fully recognize the differing regional problems;

WHEREAS, formulation of the policy cannot be accomplished without the participation of water interests throughout the country; and

WHEREAS, most states have established or are improving their systems of water law to meet individual economic and environmental needs.

NOW, THEREFORE, be it resolved by the Western Conference of the Council of State Governments that it unequivocably opposes intrusion of the federal government into water resource areas traditionally managed by the states. In particular, the Western Conference opposes any attempt by the federal government to usurp the role of the states in allocating, distributing and adjudicating water rights;

BE IT FURTHER RESOLVED that the Western Conference of the Council of State Governments recognizes a need for clarification and improved coordination of federal water policy among federal agencies; this clarification, however, should recognize and strengthen the states' role in water administration;

BE IT FURTHER RESOLVED that because many of the options proposed by the National Water Resources Policy Study are unclear, unrealistic or unworkable, the Secretary of the Interior be requested, upon completion of additional public review, to provide state policymakers an adequate opportunity to review and comment on all water policy recommendations that the Secretary intends to present to the President.

BE IT FURTHER RESOLVED that all water rights be recognized as a property right as established by the laws of the various states and territories.

BE IT FURTHER RESOLVED that a copy of this resolution be forwarded to the President of the United States and the Secretary of the Interior.

VIII. FEDERAL LAND MANAGEMENT

WHEREAS, there is a continuing and increasing effort on the part of the federal government to designate vast acreages of federal lands in the West for use, conservation and management without regard for input from the State and local governments of the Western Region; and

WHEREAS, input to federal land classification and management decisions from Western State and local government has been ignored or overridden by administrative and Congressional actions; and

WHEREAS, recent federal land management decisions have tended to be overly restrictive and single-purpose use oriented rather than addressing the diverse needs of all the people; and

WHEREAS, pending federal legislation regarding federal lands in the West, such as H.R. 39, would have the effect of establishing dangerous precedents encroaching upon historical state and local government land, resource and wildlife management preogatives and violating the fundamental principles of States' rights; and

WHEREAS, federal land management decisions and regulatory authority frequently have unreasonable and confiscatory effects upon adjacent and nearby state, local government, and private lands; and

WHEREAS, the majority of all federal lands in the United States are located in the Western States and these same Western States have the capability to fulfill many of the renewable and non-renewable resource needs of the entire country but are being denied these opportunities by federal land use, conservation and management policies and regulatory controls;

NOW, THEREFORE, BE IT RESOLVED that the Western Conference of the Council of State Governments vigorously opposes H.R. 39 (the Alaska National Interest Lands Conservation Act) and any other pending or proposed federal legislation which usurps States' rights, revokes state management of state resources, ignores input from state and local governments, and revokes established state-federal land selection provisions; and

BE IT FURTHER RESOLVED that the Western Conference of the Council of State Governments urges the federal land management agencies of the U.S. Department of the Interior to join with the Western States to establish a more meaningful process of input from State and local governments to federal land management decisions and policy development; and

BE IT FURTHER RESOLVED that the Western Conference of The Council of State Governments urges federal land management agencies of the U.S. Department of the Interior and the U.S. Congress to be more mindful of their obligations to meet all the needs of the people consistent with the preservation of wilderness values.

IX. FEDERAL PUBLIC LANDS

WHEREAS, 93.5 percent of all federal public lands are contained within twelve western states;

WHEREAS, federal public lands comprise 63.6 percent of the total land area of the twelve states;

WHEREAS, the representation of these western public land states in the United States House of Representatives amounts to 17 percent of the total voting power;

WHEREAS, non-western states have representation in the United States House of Representatives amountin to 83 percent of the voting power, while only 6.5 percent of the federal public lands are located within their boundaries;

WHEREAS, this disparity between the amount of public land in the western states and their political power causes the following conditions to exist:

1. Land use policies made through such laws as the Mineral Leasing Act, Historic Preservation Act, the Endangered Species Act, the National Forest Management Act of 1976, the Federal Land Policy and Management Act and the Natural Environmental Policy Act, among others, control vast land areas of the western states with little regard for the knowledge, experience and needs of the western states and those who live on or near these lands.

2. In addition to that determined by law, much of the land use policy of the western states is developed by administrative rule and regulation through policy-making power residing outside of the states' boundaries.

3. Virtually all of the nation's energy reserves are in the West, but the federal government controls the power to develop those resources.

4. The federal government through Congressional action and administrative fiat controls not only the development of public lands but indirectly controls the development of state and private lands encircled by the federal public lands;

WHEREAS, the BLM Organic Act (P.L. 94-579) declares that it is the policy of the United States that the public lands be retained in federal ownership;

WHEREAS, the Western Conference of the Council of State Governments believes these facts to describe a situation reminiscent of colonialism that is contrary to the following constitutional and legal doctrines:

1. The doctrine of equal protection

2. The doctrine of equal footing

3. The Tenth Amendment reservation of residual power in the several states

4. The common law doctrine of fiduciary trust

5. The Fifth Amendment guarantee of just compensation for the taking of private property; and

WHEREAS, the inequities herein described interfere with the rightful exercise of sovereign power by western states and unduly restrict their citizenries in the control of their own destinies.

NOW, THEREFORE, BE IT RESOLVED by the Western Conference of the Council of State Governments that it adopt the position that the described disparities are intolerable to the Western United States; and,

BE IT FURTHER RESOLVED that the Western Conference of the Council of State Governments act to seek remedy through legislative action and at the same time prepare to seek redress through the courts from the flagrant inequities placed upon the West by past precedents and policies of the federal government and crystallized by the BLM Organic Act.

X. DEFINITION OF AN ECONOMIC UNIT FOR PURPOSES OF THE FEDERAL RECLAMATION ACT OF 1902

WHEREAS, the U. S. Department of the Interior intends to promulgate regulations within the 1902 Federal Reclamation Act which will limit the acreage farmers can reasonably expect to farm and make a living; and

WHEREAS, the promulgation of these regulations will fall under the law with the interpretation of an Act written in 1902; and

WHEREAS, the Act mandates a standard of 160 acre limitation for farmers using present irrigation methods; and

WHEREAS, farming conditions have changed significantly over the years;

THEREFORE BE IT RESOLVED by the Western Conference of The Council of State Governments that we would propose that the Administration and the U.S. Department of the Interior reconsider their definition of an "economic unit" for the purposes of the Act, in relationship to the 160 acre limitation.

XI. RESOLUTION ON NATIONAL WILDERNESS PRESERVATION SYSTEM POLICY

WHEREAS, additional acreage in the western states is being considered for inclusion in the National Wilderness Preservation System; and

WHEREAS, the designation of large areas of the western states as federal wilderness areas prohibits the harvesting of timber, prevents the development of needed mineral resources and makes difficult the improvement of range land by the reseeding of grasses, the eradication of brush and nonproductive vegetation, the control of forest fires and diseases and the development of water resources, thereby limiting the national food supply and decreasing the value of wildlife habitat; and

WHEREAS, by such designation, the multipleuse concept of federal lands is being undermined, thereby eliminating the utilization of those lands by the majority of our citizens for recreation, resource development and other beneficial use; and

WHEREAS, the largest amount of federal land is located within the western states whose economy and governments are handicapped by the consequent loss of tax revenue, employment opportunities and national resource development; and

WHEREAS, the Roadless Area Review Evaluation II Study has, as its purpose, the expansion of the wilderness system by the inclusion of additional large tracts of western lands, without sufficient consultation, communication or involvement with the state and local governments affected; and

WHEREAS, federal lands belong to the entire citizenry of our nation and should be managed under multiple-use concept for the benefit of all;

NOW, THEREFORE, BE IT RESOLVED BY THE WESTERN CONFERENCE OF THE COUNCIL OF STATE GOVERNMENTS that the United States Congress and the Secretaries of Agriculture and the Interior be requested to refrain from designating any additional federal lands west of the 100th meridian for inclusion in the National Wilderness Preservation System without express consent of the governor and the legislature of the affected state, and, further, that those areas in the American West presently included in the National Wilderness Preservation System be reevaluated for their possible return to multipleuse management; and

BE IT FURTHER RESOLVED, that, prior to the review of the suitability of any lands for inclusion in the National Wilderness Preservation System, the Congress of the United States through its appropriate committees, confer with and seek the cooperation and approval of the state and local governments affected by such inclusion; and

BE IT FURTHER RESOLVED, that copies of this resolution be delivered to the President of the United States, the President Pro Tempore of the United States Senate, the Speaker of the United States House of Representatives, the Secretaries of Agriculture and the Interior and to the Congressional Delegation of each of the member states of the Western Conference of the Council of State Governments and each of the six easterly adjoining states.

XII. TRANSFER OF SELECTED IN-LIEU AND EXCHANGE LANDS

WHEREAS, there exist in the Western States large tracts of the unappropriated and unreserved public domain to which the individual states are entitled by Acts of Congress, and

WHEREAS, the Bureau of Land Management has failed to act in a timely and properly manner of selected in-lieu lands and exchange lands which are due the individual states,

NOW, THEREFORE, BE IT RESOLVED that it is the sense of the Western Conference of The Council of State Governments that the Bureau of Land Management be encouraged and assisted to speedily and completely transfer all selected in-lieu lands and exchange lands to the respective states.

XIII. RESOLUTION ON INDIAN JURISDICTION

WHEREAS, the Western Conference Committee on Judiciary, having examined and studied Indian Jurisdiction, finds the matter to be of extreme import and complexity;

WHEREAS, Indian Jurisdiction will continue to be of major importance and concern to all states;

WHEREAS, even though a preliminary position paper has been prepared, further study and publication is necessary in order to properly deal with the questions evolving in the field of Indian Jurisdiction;

NOW, THEREFORE BE IT RESOLVED that the position paper presented to the Western Conference of The Council of State Governments be published as an article in the appropriate publication of CSG, and that this article be forwarded to all members of Congress and the President of the United States;

BE IT FURTHER RESOLVED that the Western Conference Committee on Judiciary proceed in further examination of Indian Jurisdiction and further present a position paper for the considerations of the members of the Western Conference of The Council of State Governments.

XIV. U.S. DEPARTMENT OF TRANSPORTATION PAPERWORK REDUCTION STUDY

WHEREAS: The State Highway and Transportation agencies of the several states have been increasingly burdened as a result of unnecessary Federal Rules and Regulations; and,

WHEREAS: the processes resulting from unnecessary rules and regulations have resulted in paper work and time delays on federally aided highway projects; and,

WHEREAS: these delays have resulted in increased cost of highway construction projects; and,

WHEREAS: a task force established by the Federal Highway Administrator has conducted an extensive study of federal procedures to identify how the red tape may be reduced; and,

WHEREAS: the members of the task force have recommended changes that could materially reduce the delays in processing federal aid projects;

NOW THEREFORE, BE IT RESOLVED: that the Western Conference of the Council of State Governments urge the Secretary of the Federal Department of Transportation and Federal Highway Administrator to adopt the recommendations of the task force as proposed in the Federal Register; and,

BE IT FURTHER RESOLVED: that the Secretary of the Federal Department of Transportation and the Federal Highway Administrator be commended for their outstanding effort in seeking to reduce the red tape and delays attendant in processing Federal Aid Highway Projects.

XV. GASOLINE ALLOCATION

WHEREAS, the new Department of Energy has been recently developed by the Carter Administration; and

WHEREAS, the legislation which will establish the new department will also drop the present gasoline allocation plan as established by the present Federal Energy Agency;

THEREFORE BE IT RESOLVED, that the Western Conference of the Council of State Governments would encourage that the Congress reconsider the plan to drop the present gasoline allocation plan.

XVI. COMMUTER AIRLINE SERVICE

WHEREAS, the Western Conference of The Council of State Governments, recognizing the need of the communities of the West for an adequate transportation system, and

WHEREAS, to make air transportation an effective and responsive force in achieving goals for social, economic, and environmental development, and conservation of entitled resources; and

WHEREAS, to provide for optimum and broader use of federal funds as they become available; and

WHEREAS, to promote the development and continuation of privately owned air commuter service;

BE IT THEREFORE RESOLVED that the Western Conference of The Council of State Governments urges the U.S. Congress to support legislation that would protect and promote air service to small communities; and,

BE IT FURTHER RESOLVED that copies of this resolution be distributed to the appropriate federal agencies, members of The Western Congressional delegation and appropriate state offices and agencies.

XVII. AMERICAN INDIAN POLICY REVIEW COMMISSION

WHEREAS, the American Indian Policy Review Commission has recently completed its report to Congress;

WHEREAS, the Commission Report has assumed as first principles that all policy and legal issues in contemporary Indian law should be resolved in favor of the Indians;

WHEREAS; the Western Conference of the Council of State Governments believes that the Commission Report fails to recognize the following facts:

1. That the Constitution of the United States provides for only two sovereign powers -- the United States and the several states within their shperes of influence.

2. Indian tribes are political subdivisions of the United States and are not sovereign in their own sphere.

3. Powers not specifically denied by treaty are not reserved to the tribes.

4. The intent of the Federal Congress in establishing Indian self-government was purposive in nature, to maintain tribal integrity and identity. Therefore, Congress did not intend Indian government to be general or territorial in nature.

5. There is no legal doctrine whereby one entering the land of another consents to general lawmaking and enforcing authority of the landowner.

6. The Commission Report fails to recognize that Indian tribes are no longer isolated communities; and

WHEREAS, the granting of sovereignty to Indian tribes and the necessary inclusion of non-Indians under their jurisdiction will destroy the ability of Indian peoples to make their own laws and be governed by them.

NOW THEREFORE, BE IT RESOLVED by the Western Conference of the Council of State Governments that it agree with the Minority Report of Congressman Lloyd Meeds, Vice Chairman of the American Indian Policy Review Commission, that Americans are justified in believing that 400 years have been sufficient to quiet title to the continent;

BE IT FURTHER RESOLVED that the Western Conference also agrees with the following recommendations and opinions of the Minority Report:

1. That Congress should enact comprehensive legislation defining the scope and nature of tribal self-government, making clear that tribal governmental powers are limited.

2. Legislation should be enacted directly prohibiting Indian courts from excercising criminal jurisdiction or civil jurisdiction over any non-Indian or Indian who is not a member of the tribe which operates the court.

3. Congress should enact legislation allowing civil jurisdiction in state courts against Indian defendants in all cases where states would have jurisdiction were it not for Indian status of the defendant, and tribal government does not provide a judicial forum. Tribal interests could be protected by providing that rules of decision must be given appropriate weight in state courts.

4. Congress should bar actions by Indians against non-Indians for claims arising on reservations where tribes have not provided forums for similar actions by non-Indians against Indians.

5. Congress should enact legislation confirming that states have the same power to levy taxes, the legal incidence of which falls upon non-Indian activities or property, on Indian reservations as they have off Indian reservations. The exemptions to this blanket state authority should come in instances where federal regulation of special subject matter would preempt state regulation.

6. Congress should expressly proscribe the authorization for tribal taxation of nonmembers or property of nonmembers.

7. With regard to the Indian Civil Right Act of 1968, if Indian governments are to excercise governmental powers as licensees of the United States, it is imperative that they be fully answerable for the improper excercise of those powers.

8. To the extent that chosen national Indian policy entails financial burdens on persons other than Indians, it is neither fair nor rational for those burdens to be cast disproportionately on the taxpayers of the states in which Indian reservations are situated.

9. Congress should undertake to define "Indian Country" for the various purposes for which the term is used.

10. In regard to the operation of Public Law 280, if withdrawal from state jurisdiction is to be done on grounds of federal policy, the policy choices should be made by Congress, which can weigh fairly the cost of balkanizing state jurisdictions as well as the advantages to Indians.

11. In the Absence of ultimate authority over Indian land use planning lying with federal officials, the fairest system would be to place final authority in state planning agencies in which Indians would participate equally with other affected citizens.

BE IT FURTHER RESOLVED, that copies of this resolution be delivered to the President of the United States, the President Pro Tempore of the United States Sentae, the Speaker of the United States House of Representatives, the Secretaries of Agriculture and the Interior and to the Congressional Delegation of each of the member states of the Western Conference of the Council of State Governments and each of the six easterly adjoining states.

XVIII. MECHANISM FOR THE DEVELOPMENT OF A WESTERN COALITION ON ENERGY, LAND, WATER, AND AGRICULTURE

Whereas, there is a need to balance the interests of western American into national/subnational policy, including law, rule, or regulation; relating to land, water, energy, and agriculture; and,

Whereas, at the present time there is no formal mechanism established wherein the voice of western Governors, legislatures, county officials or city officials can coalesce on issues of mutual concern; and,

Whereas, it is evident on many occasions that there is often expressed to officials in Washington, D.C. a variety of western feelings and policy statements on issues in land, water, energy, and agriculture; and,

Whereas, oftentimes this divergence of opinion can be detrimental to the West as a whole;

Therefore be it resolved that The Western Conference of The Council of State Governments do hereby acknowledge the need for Governors, legislatures, and city and county officials to join into a coalition effort and establish a mechanism with existing organizations in the western region, to, where possible, develop policies of mutual agreement and transmit those policies to the proper federal elected and appointed officials in Washington, D.C. and,

Be it further resolved that there be an appointment of equal membership from each western state to formalize the procedures for the coalition effort.

Senator Ernest Dean, Utah
Chairman, Committee on Energy and Resources

XIX. PARTICIPATION IN THE WESTERN STATES WATER COUNCIL

The Western Conference of the Council of State Governments, at its 1977 Annual Meeting in Santa Fe identifies that water and related issues are of major importance to states from the perspective of both the executive and legislative branches of governments.

The Western States Water Council, established by the governors of the West had proven to be a sucessful tool in assisting the governors in areas of water policy. Since the inception of the Western States Water Council in 1965, there has been a working relationship between WSWC and the Western Conference of the Council of State Governments. Invaluable information has been provided to assist the Conference in its efforts to speak to water issues.

The Western Conference, in its efforts to avoid conflict in water policy areas and duplication of services, and recognizing the importance of water and its related impact on all the Western States, desires to become more actively involved in activities of the Western States Water Council. It is therefore requested that each governor give serious consideration to appointing, as a member of his or her delegation to the Western States Water Council, a member of their state legislature.

It is urged that each member of the Western Conference Executive Committee, visiting with his or her governor to explain the reasoning behind this effort and that the members will report the results of the discussion at the next meeting of the Western Conference Executive Committee. The President of the Senate and the Speaker of the House of

Representatives from the State of Utah are urged to convey the sentiments and feelings of this resolution to the Council members at the next meeting of the Western States Water Council, which will be held in Salt Lake City, October 14.

XX. PROPOSED AMENDMENTS TO THE RULES OF THE WESTERN CONFERENCE

XIII. AMENDMENTS - The Rules of the Conference and any amendments thereto may be adopted, altered, amended, added to or repealed at any annual meeting of the Conference by a majority vote of all member states, voting by state, provided that a notice of such amendments be filed with the Director of the Western Office of The Council of State Governments at least thirty (30) days prior to the meeting. Upon receipt of a copy of the proposed amendments, the Director shall forward copies thereof to the presiding officers of each house of every member legislature and to the members of the Western Conference Executive Committee.

The following recommended amendments to the rules have been reviewed and approved by the Western Conference Executive Committee and the Western Conference Resolutions Committee; (language to be deleted is struck out; new language is in caps)

VI. OFFICERS fficers of the Conference are Chairman, Chairman-elec., ~~and Vice-Chairman.~~ The Chairman-elect shall be elected from anong the state delegates or alternate members of the Executive Committee who have been formally designated by the appropriate appointing authority in his or her State. THE CHAIRMAN-ELECT PRESIDES IN THE ABSENCE OF THE CHAIRMAN AND WILL SUCCEED TO THAT OFFICE IF THE CHAIRMAN RESIGNS OR LEAVES STATE SERVICE. The Executive Committee may fill an officer vacancy occuring between annual meetings in conformity with the qualifications stated in this rule.

VIII.a. Committee Membership. The Chairman of the Conference at the beginning of each biennium shall request the appointing authorities in each state to name, within 60 days, individuals to each study committee, on which it wishes representation -- the appointments to include at least one member from each house of the legislature, a legislative staff agency head or his designee, and at least one executive branch agency official appointed by the Governor whose position and competence would contribute to the work of the committee. MEMBERS OF THE STUDY COMMITTEE SHALL SERVE UNTIL REPLACED.

XXI. GUIDELINES FOR THE PROCESSING AND FOLLOW-UP ACTION ON POLICY POSITIONS APPROVED BY THE WESTERN CONFERENCE OF THE COUNCIL OF STATE GOVERNMENTS

The following guidelines shall be observed, in the name of the Western Conference of the Council of State Governments, regarding policy positions approved by the Western Conference of The Council of State Governments.

1) Policy positions, drafted in simple, clear and concise Terms are preferred in accordance with By-Law #2;

2) Policy positions shall be forwarded by the Executive Committee, through the actions of the Chairman of the Conference to the Governor, the President of the Senate and the Speaker of the House or Assembly of each of the member states and territories of the Western Conference;

3) Policy positions that urge action by the Congress of the United States will be forwarded to the President of the United States, the Vice President of the United States, the President Pro Tem of the Senate and the Speaker of the House of Representatives and to the Senators and Representatives representing the Western States and territories in Congress;

4) It shall be the responsibility of the Chairman of the Conference and the Executive Committee of the Conference to assure that all policy positions adopted by the Conference at its Annual Meeting and followed up to determine if responsive action had been taken and to each year review the positions taken in prior years to determine if further action is required. The review process shall be undertaken in cooperation with the standing committees of the Conference;

5) In concert with the afore mentioned point regarding the distribution process of policy positions to the appropriate members of the administration and the United States Congress, it is realized that the needs and desired goals of the Western Conference must be vigorously brought to the attention of Congress. Therefore it is the policy of the Western Conference that all committees of the Conference are authorized to travel to Washington, D.C. or to other appropriate locations (at the expense of the home state or territory of the committee member) to articulate the viewpoints of the Western States concerning the needs and goals which have been approved as policies of the Western Conference. Any travel in the name of the Western Conference must be done in consultation with both the Chairman of the Western Conference and the appropriate study committee chairman.

XXII. APPOINTMENTS TO THE WESTERN CONFERENCE COMMITTEES

The Western Conference and its Executive Committee recognize that a significant part of the total Western Conference activities revolve around the interim committee activities. It is further noted that in order to obtain the maximum benefit from the unique benefits of each state, it is important to receive appointments to all committees as soon as possible. Therefore it is the policy of the Western Conference to encourage member states and territories to make appointments as soon as is practical. Staff of the Western Conference shall, at the direction of the Chairman of the Conference, solicit appointments from the appropriate state and territorial appointing authority to all committees.

WESTERN STATES RESOURCE CONGRESS MEETING
March 20, 1978
Reno, Nevada

The meeting was called to order by Robert Dilger, President of WETA-Washington, at 9:05 A.M.

Charles T. Keenan, WETA-Washington Executive Director, summarized the February 13th meeting in Spokane. Mr. Keenan outlined the structure, scope, and procedures as discussed in the Spokane meeting, and as summarized in the minutes sent to the attendees and to the invitees.

During a round-robin, discussion the following comments, in summary form, were offered by the attendees.

John Thompson, Corporate Liaison, Georgia-Pacific: Lets not lose sight of the kitchen cabinet approach, nor of identifying key issues and key legislators. Gentlemen, we are getting "out-grass-rooted" by the preservationists. WSRC must address that fact.

Jim Craine, Executive Vice President, Federal Timber Purchasers Association (FTPA) suggested that we include South Dakota among the Western States targeted for the organization. His association has members in South Dakota.

Jim Cook, Executive Vice President, California Business Properties Association (CBPA) commenting on Mr. Craine's statement, suggested that we keep the organization loose, so that other organizations who want to belong to the WSRC will be able to join.

Paula Easley, Executive Director, Organization for the Management of Alaska Lands (OMAR), suggested that we may want to drop Hawaii because she felt they do not share the same issues as any other Western States.

John Thompson, responding to Paula Easley's statement, pointed out that Hawaii was the first state to develop a state-wide comprehensive land use plan; therefore, Hawaii not being considered for part of the Congress is certainly worth monitoring.

Lynn Engdahl, Executive Director of WETA-Oregon, stated that Hawaii has nuclear siting problems.

Patricia Wright, Executive Assitant, CBPA, described CBPA as an association of builders and commercial interests, with activities in many states other than California.

Roger Blades, President of WETA-Idaho, described Idaho as sharing most of the same problems that the other Western States experience; that the new organization is gearing up for a membership drive; and that WETA-Idaho would be a part of the WSRC. He stated that his members in Idaho are in favor of a strong WSRC, and he feels it would be beneficial to the citizens of Idaho.

Dave VanCamp, Chevron U.S.A., described the corporation as having operations in the nine Western States, and which is conducting its own grass-roots program as to trying to build a relationship with key legislators and regulators within those states.

Joe Stransky, Western Oil and Gas Association (WOGA), described WOGA as an 80-member organization of producers, refineries, and marketers of oil products. WOGA is also conducting a grass-roots program, and is very interested in the "kitchen cabinet" approach described earlier.

Joe Orsini, Senator, State of Alaska, reported on the latest session of the Western Council of State Governments (WCSG). Issues that the organization discussed at their quarterly meeting included a Western States Coalition similar to WSRC, and a concern with air, water, and Indian land issues.

Senator Orsini said that the WCSG, which is not as dynamic as it could be, hopes that the WSRC might coordinate activities with the WCSG organization. Senator Orsini also expressed the hope that the Council might consider supporting funds for WSRC, probably through individual state legislators.

Phillip Truluck, Heritage Foundation, described the foundation as a public policy research organization which distributes its research among the legislature and media.

Phil attended this meeting to discuss environmental legislation, nuclear issues, and the nature of selected environmental organizations.

Jim Craine, FTPA, described the organization as a 32-member group with 50 mills operating primarily in the Eastern/Western states. This group interfaces with legislators and agencies regarding federal timber policy.

Dick Pittenger, representing CMAL, described the statewide Alaska organization as a group which worked closely with WETA-Washington and OMAR, and which is addressing the d-2 lands legislation, operating out of three Alaska offices and one Washington, D.C. office.

John Thompson of Georgia-Pacific described the corporation as a basic forest products producer company managing 4½ million acres; highly concerned with legislation at the national level; and quite interested in the WSRC.

Paula Easley, OMAR, stated that the organization was established in 1975 at 6,000 members, including corporations, municiple groups, labor, educators, and others.

Jim Cook further described CBPA as a California association since 1972. Mr. Cook is concerned with the impact of Eastern influence in the West. He stated a keen interest in WSRC. CBPA members operate in 38 states, therefore, have a vested interest in most of the Western States. As restrictions grow in California, there is more pressure to operate in the other states, primarily in the West. CBPA's main concerns are: (1) Air Quality Act in California; (2) Coastal Zone Management Act; (3) NEPA; and (4) Seizing of agricultural lands.

CBPA conducts its work among legislative, regulatory, and judicial mediums.

The 200-member organization operates on approximately a $100,000 per year budget and conducts regular mailings up to 1,000 per mailing.

Charles T. Keenan described WETA-Washington as an 800-member statewide organization, including 80 association members, who, in its 52 months, has conducted several innovative projects of interest, including: (1) Creation of a layman's response form regarding federal timber withdrawals; (2) Formation of quasi-autonomous citizens groups called Citizens For Energy & Jobs; (3) Positive programs, such as Construction Obstacles Evaluation, which calls for solving major construction problems before they become an issue; and (4) constant grass-roots activities, primarily at the county level, addressing comprehensive plans and shoreline ordinances.

WETA-Washington operates on an approximate $150,000 per year budget, and generates approximately $60,000 per year on special projects.

Bob Dilger, WETA-Washington President, and Executive Secretary of the Washington State Building and Construction Trades Council suggested that "our side" has waited too long to take the offensive regarding promotion of common sense environmental/economic issues. He urged that we "get it together".

The Washington State Building and Construction Trades Council represents 45,000 members, 126 locals, and has played a leading role in WETA-Washington since its inception.

Dave VanCamp indicated strong support of the concept of a WSRC. He further stated that it is important that the organization be fully representative of both labor and business.

Joe Stransky suggested that the organization fully research federal and state lobbying laws before it embarks upon its contact with lawmakers and lawmakers' staff.

Senator Joe Orsini suggested that Alaska's legislator-to-legislator program regarding the d-2 lands issue could be a tool for WSRC to adapt.

Charles T. Keenan suggested that one of the functions of WSRC could be to see that the various lobbying rulings are applied equally to groups, such as the Council of Churches, the Sierra Club, etc., as are applied to corporation and labor activities.

Jim Cook, CBPA, circulated information regarding that organization's experience with the IRS regarding lobbying and other issues.

Bob Dilger suggested that WSRC could initially be an arm of another existing organization, such as WETA-Washington.

Jim Craine, FTPA, supported the concept of WSRC, and endorsed the concept that full use be made of in-place organizations, stating that many organizations are going down the "same path".

John Thompson stated that a greater legislative involvement is needed in WSRC initially, and perhaps a function of WSRC could be sponsorship of various state legislators participating in the Western States Legislative Coalition.

Paula Easley, OMAR, presented a map illustrating the impact of public lands and policies in the Western States. She cited the Alaska d-2 lands legislation as a prime example of a need for WSRC.

Guy Stringham, OMAR, indicated that Western States faced a common battle, and was enthusiastic about the fact that three months ago someone was talking about a Western States group, and at least now, we are on our way

Jim Craine expressed his opposition to the WSRC being an arm of existing organizations. He suggested that the WSRC be kept independent.

Mason Warren, National Vice President, Laborers' International, suggested that one function of the WSRC be to bring together Association Executives and Officers.

Charles T. Keenan presented the following items for consideration so that that organization could proceed. He suggested that activities be conducted immediately in the following areas: (1) Compose and file Articles of Incorporation; (2) Designate and activate a Steering Committee; (3) Compose and approve By-Laws; (4) Organize and conduct a "Think West Conference"; and (5) Elect five issues from which one or more issues could be addressed as a WSRC project.

At this point, Guy Stringham, representing OMAR, assumed chairmanship of the meeting.

Jim Cook was asked to report regarding his proposed structure.

Mr. Cook summarized some of the thoughts of the previous meeting in Spokane, including his conclusion that representation be limited to three or five per state, and that the organization not be highly structured.

It was decided in consensus among the group, that representation per state not be limited to three to five persons, and that the decision regarding specific numbers of representatives per state be made in the future.

Charles T. Keenan suggested that we agree to have a meeting in Denver, Colorado, and to propose for adoption Articles of Incorporation and By-Laws, and that we designate a Steering Committee.

Lynn Engdahl suggested that we address and resolve the following two major questions before the body: (1) Should WSRC be a separate structure; or (2) Should it be a part of another group?

Lynn went on to move that WSRC be a loose organization, coordinated from either WETA-Washington or OMAR for the time being. Upon discussion, the above motion was amended and seconded to state that WETA-Washignton and OMAR coordinate the formation of WSRC.

Mr. Pittenger further amended the motion to state that time for coordination and formation of WSRC be limited to a 120-day period.

The motion, as amended, passed by unanimous consent.

Charles T. Keenan added that it is the intention of WETA-Washington to "make or break" the formation of WSRC in 30 to 45 days; deadline being the Denver, Colorado meeting.

Paula Easley, OMAR, suggested that the name of the organization be Western States Resource Congress. John Thompson proposed that that name be adopted, and Lynn Engdahl seconded. The group passed the name without objection.

Following lunch, the meeting was called to order by Roger Blades, President of WETA-Idaho.

Phillip Truluck, Heritage Foundation, presented the Foundation's observations regarding preservationists, including their lobbying, funding tactics, and philosophies.

Phil stated that many believe that the preservationists growth has peaked, and present administration has given them a tremendous boost via key appointments. He stated that preservationist activists are now at many mid-level bureaucratic positions "on the inside".

Phil also pointed out that the major preservationists organizations might not exist if it were not for funding from "business-oriented" sources, especially major foundations, such as Rockefeller, Ford, Mellon, and others.

Phil also discussed the contents of the publications "Unfinished Agenda" and "A Time To Choose".

Phil stated that a grass-roots organization was needed to respond to the preservationist onslaught with "coalition politics" emphasizing jobs, and articulating the option for growth in various areas, such as options to nuclear energy, which Phil stated would create eight million jobs for Americans.

Following Mr. Truluck's presentation, Chuck Keenan proposed that the group conduct a "Think West" Conference. He further proposed that the conference be conducted June 15th and 16th in either San Francisco or Seattle.

The conference proposal is as follows:

DATE & TIME	PERSON OR EVENT	PERSON ASSIGNED TO BE RESPONSIBLE FOR CONTACTING OR ARRANGING FOR THAT EVENT OR PERSONS IN THE "THINK WEST" CONFERENCE
June 15, 1978		
9:15 A.M.	Governor Dixy Lee Ray	Bob Dilger
10:30 A.M.	Panel of State Legislators (California, Alaska, Utah, and Washington)	Senator Joe Orsini, Alaska
12:00 Noon	Lunch	
12:45 P.M.	Jack Henning, President, California, AFL-CIO or Andy Anderson, President, Western Conference of Teamsters	Mason Warren
1:30 P.M.	Panel: Western States Resource Congress (Subjects: Air, Water, Mining, and RARE II)	Air - Jim Cook Water - Lynn Engdahl Mining - Russ Babcock RARE II - Jim Craine
3:00 P.M.	Harry Merlo, President, Louisiana-Pacific	John Thompson
4:00 P.M.	Legislative Reception	_____
June 16th, 1978		
9:15 A.M.	Senator Paul Laxalt	John Thompson
10:30 A.M.	Western States Resource Congress Panel (Subjects: Nuclear, _____, Transportation, Agriculture)	_____
12:00 Noon	Lunch	
12:45 P.M.	Governor _____ Judge of Montana	Roger Blades
1:30 P.M.	Panel of Federal Legislators (Oregon, Colorado, New Mexico, and Arizona)	_____
3:00 P.M.	Speaker	_____
4:00 P.M.	Legislative Reception	_____

It was the consensus of the group that the "Think West" Conference be approved, based upon the availability of speakers, place, and commitments, all of which will be coordinated by Charles T. Keenan.

Charles T. Keenan recommended that the following subjects be researched; that presentations be made at the next meeting in Denver, Colorado; and that the WSRC could choose one or more of them to address.

1. Air - Jim Cook or John Thompson
2. RARE II - Jim Craine
3. Water - 160 acres - Lynn Engdahl
4. Mining - Gene Baker
5. Divestiture - Joe Stransky or Dave VanCamp
6. Nuclear - Max Warren via CCEEB

It was agreed that the next meeting will be held in Denver, Colorado, May 2, 1978, beginning at 9:00 A.M., at Stouffer's Denver Inn, 3203 Quebec Street, Denver.

There being no further business, the meeting adjourned at 2:45 P.M.

Respectfully submitted,

Charles T. Keenan/lfc

Charles T. Keenan, Executive Director
WETA-Washington

CTK:lfc
opeiu8

Western States Resource Congress

"Think West" Conference Proposal

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3:00 P.M.	Harry Merlo, President, Louisiana-Pacific	John Thompson
4:00 P.M.	Legislative Reception	Jack Boggess
June 16th, 1978		
9:15 A.M.	Senator Paul Laxalt	John Thompson
10:30 A.M.	Western States Resource Congress Panel (Subjects: Nuclear, Divestiture, Transportation, Agriculture)	Nuclear - Mason Warren Divestiture - Joe Stransky Transportation - Charles T. Keeman Agriculture - Joe Crosswhite
12:00 Noon	Lunch	
12:45 P.M.	Governor _____ Judge of Montana	Roger Blades
1:30 P.M.	Panel of Federal Legislators (Oregon, Colorado, New Mexico, and Arizona)	Jim Craine
3:00 P.M.	Senator Ted Stevens	Guy Stringham
4:00 P.M.	Legislative Reception	Jack Boggess

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Project Priorities Committee
WOODROW TAYLOR
Burlington Northern, Inc.

March 31, 1978

TO: Western States Resource Congress

FROM: Charles T. Keenan

SUBJECT: May 2, 1978 Meeting

Find enclosed herewith the Minutes of the March 20, 1978, meeting in Reno, Nevada.

The next meeting of the Western States Resource Congress will be Tuesday, May 2, 1978, beginning at 9:00 A.M., at Stouffer's Denver Inn, 3203 Quebec Street, Denver, Colorado. In the near future, you will receive a reservation card for accomodations at Stouffer's Denver Inn. Please use the card for your reservations, and also please RSVP the WETA-Washington office regarding your attendance at your very earliest convenience.

An agenda and proposals for events suggested in the Minutes will be forwarded to you prior to the May 2nd meeting.

We look forward to seeing you there.

Best regards.

Yours truly,

Charles T. Keenan
Executive Director

CTK:lfc
opeiu8

Enclosures

WESTERN ENVIRONMENTAL TRADE ASSOCIATION
OF WASHINGTON

314 Park Place Bldg., 1200 Sixth Avenue • Seattle, Washington 98101 • (206) 623-5235

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LEIA WOODRUFF
Great Lakes Chemical Corporation

April 1, 1978

The Honorable Joseph L. Orsini
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

I believe the Western States Resource Congress (WSRC) meeting in Reno went well.

Although considerable time and effort must be invested in developing the organization, I firmly believe that there is solid enthusiasm and a compelling need for the Western States venture.

I am requesting that you advise me at your earliest convenience regarding the persons whom you have contacted to participate in the June 15th 10:30 A.M. Panel of State Legislators, in conjunction with the "Think West" Conference June 15th and 16th in San Francisco.

Because of scheduling complexities regarding several Governors and Senators, etc., we must know in the next few days of state legislators who can definitely be available June 15th.

While you are procuring commitments for the June 15th date, also inquire about your assigned legislators' availability June 22nd and 23rd, in the event that we move the date back one week to facilitate scheduling.

Enclosed find a more complete "Think West" Conference proposal, which updates the one included in the Minutes of the Reno meeting.

Please advise me regarding your actions at your earliest convenience.

Best regards.

Yours truly,

Charles T. Keenan
Executive Director

CTK:jh
opeiu8

Enclosure

Western Environmental Trade Association
314 PARK PLACE BUILDING
SEATTLE, WASHINGTON 98101
(206) 623-5235

memo reply

Date 4/7/78

Subject Western States Resource Congress

to

Senator Joe Orisni
Pouch V
Juneau, Alaska 99811

☐ IMMEDIATE REPLY REQUESTED ☐ NO REPLY NECESSARY

message

Fold Fold

Dear Senator Orsini:

Do you have available to you a complete list, with addresses and telephone numbers, of state legislators in the 13 western states we have identified for our Western States Resource Congress (WSRC)? If so, please send us a copy so that we may inform all of them regarding activities of the WSRC.

We appreciate your interest and assistance regarding the WSRC.

Signed Judy Henry

Judy Henry
Executive Assistant

reply

Signed Date

RECIPIENT RETURN PINK COPY

Reorder from Safeguard Business Products, Ft. Washington, Pa. 19034 Item No. 10223

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Washington State Association of Railroad Workers — UTU, AFL-CIO
PHIL WILLIS
Caldwell Banker & Company
LYDIA WOLFORD
Boise Cascade Corporation

April 10, 1978

TO: Western States Resource Congress Mailing List

FROM: Charles T. Keenan

Due to logistic problems, the Western States Resource Congress (WSRC) meeting previously scheduled for May 2nd in Denver is being rescheduled as follows:

Thursday, May 25, 1978

9:00 A.M. to Approximately 4:00 P.M.

Cosmopolitan Hotel

East 18th and Broadway

Denver, Colorado 80202

Registration cards for accommodations and a meeting agenda will be mailed prior to the meeting.

Please RSVP the WETA-Washington office by mail or telephone, (206) 623-5235, at your earliest convenience.

Best regards.

Yours truly,

Charles T. Keenan

Charles T. Keenan
Executive Director

CTK:lfc
opeiu8

Western States' Coalition Takes Shape At Meeting

Wednesday, Feb. 22, 1978, Anchorage Times

Business and lab aders from six western states – including Alaska — met in Spokane last week to lay the groundwork for a western states' coalition.

The organization will lobby for legislation and national policies favorable to western states' needs. States represented this week included Alaska, California, Idaho, Montana, Oregon and Washington.

Bob Fleming, president of the Organization for Manager. ent of Alaska's Resources, one of those attending the meeting, said the all-day meeting was devoted to "identifying issues of mutual concern to the western states."

Issues mentioned repeatedly, he said, were federal land use regulations and land withdrawals, mineral extraction policies and environmental restrictions to resource development.

Three persons from each state, including a coordinator and representatives from business and labor, will be members of the coalition's steering committee to direct the organization's activities.

Fleming, who has been named coordinator for Alaska, said a second meeting will be held in March. It will concentrate on selecting several key issues and setting up a communications system between the states. The states of Arizona, Colorado, Hawaii, Nevada, New Mexico, Utah and Wyoming will be invited to send representatives to that meeting.

Alaskans attending the Spokane meeting, in addition to Fleming, were state Sen. Joe Orsini, R-Anchorage; Guy Stringham, Paula Easley, executive director of Omar; and Dick Pittenger.

Orsini told Omar he was pleased to see the formation of the western states coalition for resource development "because of many high-handed actions" by the federal government in dealing with states and with resource development within states.

Joe, 2/9/78

Becky from the D-2 Steering Council called to confirm your flight to Spokane.

Travel Agency will send down an itenarary to your office here in Jun. and you will just take that to the airport where your pre-paid ticket will be.

FLIGHT SCHEDULE

	Sunday
Leave Juneau Flight 62	12:10 p.m.
Stop Seattle / Hughes Air West Fl. 34	
Arrive Spokane - Sunday	5:18 p.m.
Leave Spokane - Mon. Hughes Air West Flight 37	3:30 p.m.
Stop Seattle/Alaska Airlines Flight 69	
Arrive Juneau - Mon.	8:15 p.m.

over →

Colletta - citizens west. coal.

Spokane - Fri 12th $23

Davenport Hotel 509-624-2121

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Other

Church [illegible] Kearney

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206-623-5235

Conf. begins Mon 15th 9 AM

[illegible]

Gray St [illegible]

Senate Bldg 100
Room

STATE OF ALASKA

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- ☐ Return For Approval
- ☐ Necessary Action
- ☐ Your Information

Remarks:

Please call me if you need more maps.

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OMAR RESOURCE REVIEW

Published Monthly by OMAR — The ORGANIZATION for the MANAGEMENT of ALASKA'S RESOURCES, Inc.

Box 516 Anchorage, Alaska 99510 January 1978

NEW YEAR'S RESOLUTIONS

Tom Kelly's weekly column (**Anchorage Times**, 1-15-78) suggested 1978 resolutions for legislators. Two we particularly liked: "Do something positive to encourage job opportunities other than in government by enacting or reenacting laws or policies that are an incentive to business and industry." The other would have the legislature uphold Article VIII of the State Constitution: "IT IS THE POLICY OF THE STATE TO ENCOURAGE THE SETTLEMENT OF ITS LAND AND THE DEVELOPMENT OF ITS RESOURCES BY MAKING THEM AVAILABLE FOR MAXIMUM USE CONSISTENT WITH THE PUBLIC INTEREST."

ALASKA— ENERGY CENTER OF THE WORLD

"The combination of Alaska's energy resources—oil, gas, coal, uranium, wood, hydro and geothermal power—and energy operations—such as TAPS, Cook Inlet, the Kenai and North Pole refineries, the Usibelli Coal Mine—makes Alaska the energy center of the world," said Dr. Gene Rutledge at OMAR's January 5 meeting. Rutledge is Project Leader of the Alaska Regional Energy Resource Planning Project.

With this combination Dr. Rutledge hopes to see Alaska become the "energy education center" of the world. Rutledge is working with Alaska Methodist University to assess interest in developing a "Pacific-Polar Rims Energy Institute." Rutledge sees the Institute as a center for research and planning projects related to Pacific-Polar Rims' energy resources.

A new course on Alaska's energy resources is being offered by Dr. Rutledge at AMU this semester. OMAR staff members Judy Rolle and Donna Dent are enrolled.

OMAR FORMS NEW DIVISIONS

Five divisions have been established in the statewide operation of the Organization for the Management of Alaska's Resources. In a January 19 release, Robert Fleming, OMAR President, announced formation of the divisions "to more effectively deal with the vast complexity of resource development issues facing Alaska."

The five divisions are: (1) Land, Minerals and Energy, (2) Forestry and Agriculture, (3) Fisheries, (4) Transportation and (5) Recreation and Tourism. Technical advisors are being selected for each division. Management of division activities will be the responsibility of five division directors.

Fleming stated the new management plan would enable statewide members to concentrate their activities in specific areas of interest and to develop information for the entire organization and public.

Fleming also announced that individuals, businesses and governments will now be able to earmark contributions to any of the five divisions.

OMAR was incorporated in April 1975 "to insure the wise management of Alaska's natural resources for the benefit to all Americans" and has a membership of over 6,000. Persons wishing to work for specific divisions are urged to contact OMAR headquarters in Anchorage.

SUSITNA/WATANA DAM PROJECT

Three million dollars of Corps of Engineers' funds have been given to the Corps' Alaska District to gather additional data to supplement its feasibility study of the power potential of the Upper Susitna River.

At Congressional direction, the Corps prepared a feasibility study of the possible construction of two dams on the river, some 110 miles north of Anchorage, to provide electrical energy for the "Rainbelt" area from Fairbanks to the Kenai Peninsula. The dams, which could supply more than 60% of Rainbelt power needs, would constitute the largest hydroelectric project in North America.

The Corps' environmental impact statement on the $2.1 billion project came under sharp criticism for not sufficiently addressing possible seismic problems. However, Colonel Greorge R. Robertson, Alaska District Engineer, told OMAR "the Corps recognizes that additional data must be obtained to evaluate the seismic conditions and to develop ways to insure the economic viabilities of constructing dams in that environment, and has included more than $1 million for these investigations in the plan of study covering Phase 1 work. Recommendation for a go or no-go decision will not be made until completion of this four-year effort costing about $25 million." Phase 1 will include more complete environmental study, cost-benefit analyses, advance engineering and design work.

The Alaska District was allocated the $3 million to expand the 1975 feasibility study of foundation conditions at the proposed Watana dam site, and to perform other technical and economic studies before Phase I investigations are initiated.

Senator Mike Gravel continues his efforts to amend the Water Resources Act of 1976 to make it possible for the state to proceed as rapidly as possible with this much-needed project to reduce power costs for Alaskan citizens.

George Easley has headed the Susitna Dam Project for OMAR since 1975.

NEW ESTIMATE ON COST OF ALCAN PIPELINE

A full-page **Wall Street Journal** ad on December 15 begins. "THE ALCAN PIPELINE. A project to be privately financed, that will cost more than the Apollo 11 Moonwalk, the Golden Gate Bridge, the Alaskan Pipeline and the movie Star Wars. Combined."

The ad was placed by the Bank of America's World Banking Division. Seems an odd way to promote a badly-needed project struggling to put together a financing package.

MEMBER OF THE MONTH (YEAR?) — DON HILL

It is with sadness we leave our favorite landlord, Don Hill, the end of January. Since July 1976 we have lived in comfortable luxury, compliments of the Wometco-Lathrop Company. The value of that generous firm's contribution of office space? No less than **$43,605.00!!**

Don also has participated in virtually every OMAR project, no matter how time-consuming. Wometco-Lathrop's management outside the state worked tirelessly on the gas line issue and is now planning a campaign to help us on D-2.

PETROCHEMICALS — NEW INDUSTRY FOR ALASKA?

Some 350 persons attended a December 10 petrochemicals symposium sponsored by OMAR, the Alaska State District Council of Laborers and the Anchorage Central Labor Council. Industry experts and state and community representatives discussed the technological, economic and social considerations of petrochemical development in Alaska.

Symposium participants were asked to complete a survey regarding the use of Alaska's oil and natural gas. Of 135 responses, 57% indicated a desire to see all royalty oil and gas used in Alaska for fuel and for petrochemical development, and 83% wanted the State to use investment or taxation policies to encourage instate use of all or part of producer-owned oil and gas.

Respondents identified specific policies to encourage a petrochemicals industry: 28% wanted incentive programs concerning loan guarantees or bond financing, 25% favored tax incentives, and 16% saw an advantage to making feedstocks available at reduced prices. 22% chose to let free market conditions decide the question.

Assuming such industry became a reality, participants were asked where it should be located. An overwhelming majority, 59%, responded: "Whichever region possesses the greatest economic and environmental advantages."

This response tells us Alaskans are moving to the conclusion that industry space benefits the entire state, regardless of its physical location.

Highlight of the meeting, in our opinion, was the valuable contribution made by community representatives John Carlson, Fairbanks North Star Borough; Don Gilman, Kenai Peninsula Borough; Vincent O'Reilly, City of Kenai; Carl Heinmiller, City of Haines; Raymond Menaker, Haines Borough; George Sullivan, Anchorage; and Lynn Chrystal, Valdez. Their comments were generally positive and supportive of development. Transcripts are available from OMAR.

TO SUBSIDIZE OR NOT TO SUBSIDIZE

On the subject of an oil and natural gas-based petrochemicals industry in Alaska, Governor Jay Hammond recently commented, "I'm not saying I will absolutely oppose any subsidy whatsoever," and "I am disinclined because I don't think it is necessary. But I am willing to take a look at a modest subsidy if it reflects a broad, collective public benefit that couldn't be met as well by using the money for something else."

OMAR, aware of political implications of the subsidy issue, is researching pros and cons of loan guarantees, capital loans, bond financing, tax holidays and other industrial incentives and exploring subsidy policies of other oil-producing states, with the assistance of A. Kermit Black, Vice President of the Pace Company consulting firm.

SEED MONEY FOR AGRICULTURE

Last issue reported on state administration efforts to develop export markets for Delta-area barley. On January 6 Governor Hammond announced plans to create the "Alaska Agriculture Action Group" to coordinate future agriculture development and recommend agricultural projects" in which the state can and should play a legitimate role of encouragement and front end assistance." The governor said some 8 million acres of Alaska land were suitable for cultivation and another 8-9 million suitable for livestock pasture. To help the industry become self-supporting, Hammond will request legislative funding of $5 million this year and another $8 to 10 million next year to place 50,000 acres of Delta land into production. He expressed confidence the venture could become profitable within a few years. Front end money would be used to clear land, divide it into farmable units and convey agricultural rights to farmers. Federal funds may be available to assist with land clearing and certain other costs.

OMAR, an advocate of this project for over a year, will support legislative funding.

VALDEZ GETS CLEAN BILL OF AIR

A Dames and Moore study of the Valdez airshed was presented to the Valdez Council January 19. Mayor Lynn Chrystal said he was "extremely happy to see the results of this particular study. We think this will once again open the door for serious consideration of Valdez as a site for the royalty refinery." The study concluded, in part, that the city could accommodate development equal to another oil terminal without violating clear air standards.

UPDATE— U.S. BORAX MOLYBDENUM PROJECT

Eleven organizations have appealed to the Forest Service to cancel a permit allowing construction of an access road to U. S. Borax and Chemical Company's molybdenum claim in Southeast Alaska.

U. S. Borax began exploratory drilling in 1974 and found what could be one of the world's major molybdenum deposits at Quartz Hill, 45 miles east of Ketchikan. Molybdenum is used as an alloying agent to give strength and corrosion resistance to steel, cast iron and non-ferrous metals. There are no competitive substitutes for molybdenum in these applications.

If brought into production, U. S. Borax would construct an open pit mine, a concentrating plant to process 30,000 tons of ore per day, a dock and other support facilities at an estimated cost of $250 million. The project would employ 700 to 1000 people during construction and 500 full-time workers during operation.

To facilitate the larger scale operations, U. S. Borax applied for approval to build an access road from tidewater to the site. On November 4, 1977, Ketchikan Forest Supervisor Jim Watson approved the Final Environmental Impact Statement (FEIS) on the road and issued a special use permit.

Notice of appeal was filed on December 7 by the following groups: Sierra Club, Alaska Conservation Society, Southeast Alaska Conservation Council, Tongass Conservation Society, Wilderness Society, National Audubon Society, United Fishermen of Alaska, Commercial Fisherman's Cooperative Association, Alaska Trollers Association, Southeast Alaska Seine Boat Owners and Operators, and the Ketchikan Indian Corporation.

Continued on page 4

They maintained the FEIS failed to adequately analyze alternative means of access and did not sufficiently address potential socio-environmental impacts of road construction or impacts of – or alternatives to – the developed mine. They also felt the decision jeopardized the proposed wilderness status of the Misty Fjords area.

Watson's decision will be reviewed by the regional forester in Juneau. If opponents are not satisfied, they may then appeal to the chief forester of the United States in Washington, D.C. After all administrative appeals are exhausted the final decision could be challenged in the courts.

Because of the importance of this decision to the Ketchikan area and the possible implications for future mineral development in the State, OMAR will keep you informed of developments and any action required.

COAL – A TRILLION TONS OF IT

The University of Alaska, Fairbanks, may be selected as one of ten coal research laboratories to be established in the United States under Title VIII of the Surface Mining Control and Reclamation Act of 1977.

The Act requires laboratories to be located at institutions of higher education in states having abundant coal reserves, with at least one facility established within each of the major coal provinces recognized by the Bureau of Mines, including Alaska. Title VIII further stipulates that selected universities must have currently active programs in coal research and the capacity to establish and operate the facility assisted under the Title.

The University of Alaska is active in coal research, stimulated several years ago by a Usibelli Coal Mine grant. An application for federal funds is being prepared for submission by the Univeristy. However, non-federal matching funds (50%) are limited, and according to Earl Beistline, Dean of the University's School of Mineral Industry, special legislation may be necessary.

While the amount of Alaska's coal deposits is not accurately known, some geologists estimate reserves of one trillion tons – nearly a 2,000 year supply at 1976 U. S. production rates.

To begin now to investigate the potential for productive use of Alaska's coal can only serve to facilitate economically and environmentally sound resource development.

RIGHT WORDS, WRONG SECTION

A letter enclosed with your December 1977 Resource Review stated "Business contributions are tax deductible as ordinary business expense under Sec. 506 (c) 3 of the Internal Revenue Code." The section referred to should have been 501 (c) 6.

WESTERN STATES TO UNITE ON RESOURCE ISSUES

A Western States Coalition is being formed to address regional and national resource management issues in the thirteen western states.

An organizational meeting of labor, industry and legislative representatives will be held in Spokane, Washington, February 12 and 13. Seven states will be involved in the first meeting Alaska, Washington, Oregon, California, Montana, Idaho and Utah. At that time the organization will be established that can then identify projects and procedures.

OMAR and the Western Environmental Trade Association based in Seattle are working together on organizational details.

Land use is certain to be a key issue, according to Paula Easley, OMAR executive director. "Regulations affecting national timber land, of which some 80% lies in the western states, coal and mineral extraction, agricultural reclamation, water, energy and transportation——these are areas in which the coalition may focus," said Easley. "By working as a strong coalition, the western states will have substantially more impact than would each state fighting its own battle."

OMAR executive committee member Guy Stringham stated: "The suggestion that Alaska become active in this type effort has been made numerous times over the years. It's exciting to have it finally under way."

HOUSEWARMING TO BE ANNOUNCED

OMAR's new home: 627 West Third, Anchorage, 99501.

Same box number: Box 516, Anchorage, 99510.

Open house will be held soon after moving day, January 30.

**OMAR RESOURCE REVIEW published monthly by OMAR,
The ORGANIZATION for the MANAGEMENT OF ALASKA'S RESOURCES, INC.
Box 516, Anchorage, Alaska 99510**

CHAMBER BUSINESS PROPERTIES ASSOCIATION/200 CONTINENTAL BOULEVARD/EL SEGUNDO, CALIFORNIA 90245 (213) 772-4200

ACT NOW February 13, 1978

From: Jim Cook

TIME FOR REACTION TO ABAG EMP
(Association of Bay Area
Government's Environmental
Management Plan.)

Do what? : Communicate your reactions.

By when, to whom? :
Before March 14, to ABAG Executive Board members (green list)
Before April 4, to ABAG General Assembly (green list)

What is it? :
ABAG EMP (Assn of Bay Area Government's Environmental Management Plan.)
A comprehensive interrelated program controlling water quality, water supply, solid waste, and air quality.
Plan is mandated by federal legislation, particularly the recent amendments to the Clean Air Act.
In July 1979, if the regionally-developed plan doesn't demonstrate compliance with federal air quality standards by 1987, the federal government can withhold federal funds to areawide activities.

Who did it? What next? :
46-member Environmental Management Task Force received it from ABAG staf
Product of two-year's work and $4.3 million in EPA funding support.
169 other metropolitan regions nationwide involved in similar planning.
S.F. area plan to become one of 50 in national action program.
Expected to cost $620 million per pear in public & private expenditures.
Comply or suffer loss of federal funds after July 1, 1979 for sewage treatment plants, highway projects, airports, some housing, land use and transportation planning.
Bay area action will be significantly influential:
Within weeks, other California areas must also respond.
Within months, remaining national regions respond.

What happens? :
The EMP, of over 600 pages, encompasses 48 strategies, 16 policies, and 49 actions.
Issues of prime importance to CBPA members are attached in "EMP Plan Excerpts" (blue attachment)

Who is affected? :
First, existing developments & currently operating commercial establishments. One goal, among many, is the reduction of VMT (Vehicle Miles Travelled) in the greater Bay area by 11%.
Second, newly proposed developments. One goal, among many, is to achieve 100,000 more acres of open space in the area by the year 2000 than would otherwise have occurred.

What affects us? :

1. New concept of indirect source regulation: as a tool of growth management control.

   Special note: Leasing agents and developers appealing to tenants and financiers on basis of potential growth for developer's project may be establishing the very reason for denying permission to commence project. "The higher the rate of growth, the more stringent control measures generally would have to be applied for the region to meet the standards. A greater fraction of permits would be denied, off-set requirements would be increased, or an amended comprehensive strategy would be needed." Draft summary of EMP, Dec 77, page 13.

2. Use of indirect source regulation for pollution control. Aim is control of oxidant, but individual indirect source regulation for oxidant control is virtually unmeasurable. Consequently, use of ISR would be to control carbon monoxide; not the one-hour ppm standard which is not violated and for which ISR could be useful, but for the 8-hour ppm standard wherein ISR is less likely to be influential.

3. Transportation controls
   Limitation on number of parking spaces.
   Parking taxes, fees on otherwise free parking lots, restrictions on parking, raised bridge tolls.

4. Land use controls
   Compaction in-filling property development.

Say what? :

Communicate, both orally and written (so that name and company, on paper, are reminders to recipients).
Communicate with ABAG Executive Board and General Assembly members (green list) by March 14 and April 4.
Express it in your own words.
Attached are "Suggested comments" (pink attachment)

What's the time schedule, short and long-range? :

Feb 16 ABAG Exec Board, public hearing on plan & DEIR.
7:30-10:30 PM. Holiday Inn, Union Square, San Francisco

Feb 22 Envtl Mgmt Task Force adopts EMP recommendations.
9:30AM-5PM, Hotel Claremont, Berkeley

Mar 1 ABAG Regional Planning Committee reviews EMP recommendations.
Findings to ABAG Exec Bd., 2-5PM, Hotel Claremont, Berkeley

Mar 3 Last day for submitting proposed changes in EMP

Mar 14 Last, best opportunity for you to express your reactions to ABAG Exec Bd members before March 16.

Mar 16 ABAG Exec Bd debates & recommends to General Assembly.
7:30PM. Hotel Claremont, Berkeley

Apr 4 Last, best opportunity for you to express your reactions to ABAG General Assembly members April 6.

Apr 6 ABAG General Assembly final debate & action on EMP.
9:30AM-10PM., McCabe Hall, San Jose.

Time schedule (continued)

Sept ABAG EMP goes to California air, water resources, and solid waste management boards.
1978 Adopt indirect source review program, if required by EMP.
1979 Implement indirect source review, if required by EMP.
Jan 1,'79 EMP submitted to federal EPA.
Jul 1,'79 Possible ban on all new,major industrial pollution sources emitting 100 tons a year or more by EPA if region's plan is insufficient.
Jul 1,'79 SF-area EMP becomes one of 50 as a national action blueprint. After July 1,'79 federal government can apply sanctions if plan is insufficient. Freeze federal funds for:
- Sewage treatment plants
- Highway projects not related to mass transit, safety, or air quality
- Airports
- Land use and transportation planning
- Some housing projects

Nov 12,'82 Region must backup proposals with enforcement tools. If so, region retains local control of planning & development til '87.
1982 Deliver gains in oxidant control; 25% annual reduction in carbon monoxide, nitrogen oxides, particulate matter, and sulfur dioxide.
1987 Region's air quality in compliance with federal Clean Air Act.

The difference makes the difference.
CBPA represents your interests.

CBPA is evidently the only group contesting "indirect source regulation."

CBPA may also be the only organization questioning
Parking restrictions-taxes-fees, and
Transportation controls

Speak out! We have a legitimate need to cancel or defer these controls.

But, the ABAG Executive Board and General Assembly must hear from us to evaluate our concerns in comparison with other groups about different, offsetting, EMP regulations.

For instance:
A primary concern about controls on industrial sources is pursued by the S.F. Bay Area Council and CEEB.

Concern about land use restrictions on housing development is pursued by COLAB and BIA.

Be specific about your, and CBPA's, concerns, first:
Indirect source, Parking controls, Transportation control

Subsequently, we may also help other organizations as well.

Joe;

Presume you put this on my desk ??

How did you propose we use this ?

V.M.

The Council of State Governments

WESTERN OFFICE

85 POST STREET
SAN FRANCISCO, CALIFORNIA 94104
(415) 986-3760

October 17, 1977

Senator Joe Orsini
c/o TNH
740 I St.
Anchorage, AK 99501

Dear Senator Orsini:

Enclosed please find a copy of the preliminary attendence listing for the 1977 Annual Meeting of the Southern Conference of The Council of State Governments. The final attendence listing will be produced when minutes of that meeting are distributed later in the month.

The minutes of the Annual Meeting of the Western Conference will be forwarded to you shortly.

Sincerely,

Talbott C. Smith
Special Assistant

TCS/jh

Enclosure

SOUTHERN LEGISLATIVE CONFERENCE
OF
THE COUNCIL OF STATE GOVERNMENTS

31ST ANNUAL MEETING
CHARLESTON, SOUTH CAROLINA
JULY 18-22, 1977

THE FOLLOWING IS A CODE SHOWING THE LOCATION OF PERSONS ATTENDING THE CONFERENCE:

MH - Mills Hyatt House
GE - Golden Eagle Motor Inn
KC - King Charles Inn
HI - Holiday Inn Downtown
FM - Francis Marion Hotel
OA - Other Accommodations

PRELIMINARY ATTENDANCE LIST

ALABAMA

MH Bloom, Hal, Jr. - Executive Assistant, Office of the Speaker
HI Bonham, John D. - Assistant Director and Chief Attorney, Legislative Reference Service
HI Greene, Louis G. - Director, Legislative Reference Service
MH McCorquodale, Joe C., Jr. - Speaker of the House
MH McCluskey, Murray P. - Representative
KC McCurley, Bob - Director, Council of Alabama Law Institute
HI McDowell, Rex - House Fiscal Officer
MH McDonald, Albert - Senator
MH McNees, Allen - Representative
MH Merrill, Hugh D. - Representative
MH Mitchell, Wendell - Senator
HI Ray, George - Administrative Engineer, Alabama Highway Department
MH Robertson, Edward D. - Representative
MH Shelby, Richard - Senator
MH Turnham, Pete B. - Representative
MH Vicca, Paschal P. - Senator

ARKANSAS

HI Adams, Doug - Representative
GE Alford, Boyce - Representative
HI Arrington, Grady P. - Representative
MH Benham, Paul B., Jr. - Senator
HI Brewer, James H. - Representative
MH Bryant, Clovis - Senator
HI Childers, Mrs Jim - Chief Clerk of the House
HI Cogbill, T. C., Jr. - State Board of Educators
MH Collier, Tom - Representative
HI Gibson, John F. - Senator
HI Goodman, Bill - Budget Administrator, Legislative Council
HI Halbrook, Marcus - Director, Legislative Council
HI Harris, Jim - Representative
KC Hendrix, B. G. - Representative
MH Holland, James - Representative
GE Harvey, Robert - Senator

ARKANSAS (Continued)

HI Jackson, Cleo - Representative
FM Jenkins, Morris - Legislative Council
MH Landers, Lacy - Representative
KC Linder, Jim - Representative
MH Lipton, John M. - Representative
MH Massanelli, Tim - House Parliamentarian
GE Mazzanti, Geno, Jr. - Representativ
HI McCoy, Jack - Representative
GE McCuiston, Lloyd, Jr. - Representative
HI McGraw, Wallace - Assistant Administrator, Budget & Fiscal Section, Legislative Counc
HI McKissack, Jimmie - Representative
GE Meacham, Shirley - Representative
GE Miller, John E. - Representative
HI Moody, Hal - Assistant Secretary of the Senate
HI Moore, Charles R. - Representative
GE Moore, W. D. - Senator
GE Newman, Bobby G. - Representative
GE Nicholson, William R. - Representative
HI Peacock, Joe N. - Representative
KC Poole, Bain - Representative
GE Ramsey, John W. "Bill" - Representative
HI Ray, Joe - Senator
HI Roberts, David E. - Representative
GE Ryburn, Bennie, Jr. - Representative
MH Shaver, J. L., Jr. - Speaker of the House
GE Sherman, William F. - Representative
GE Smith, J. B. - Representative
MH Smith, Ray S., Jr. - Representative
FM Spratt, Jerry E. - Administrator, Division of Local Affairs and Audit
GE Stancil, Bill - Representative
MH Streett, Julian D. - Representative
MH Swesey, Helen D. - Secretary to the Speaker
MH Teague, James R. - Senator
KC Thicksten, Edward F. - Representative
HI Thompson, W. H. - Representative
HI Treat, Kern L. - Deputy Director
GE Wade, Charles O. - Representative
FM Willems, Frank - Representative
GE Williams, Paul - Representative
GE Williams, Sharon - Legislative Council
FM Williams, Tim - Counsel, Legislative Joint Auditing Committee
MH Wilson, Nick - Senator
GE Windsor, Gayle, Jr. - Representative

FLORIDA

FM Blanc, Phil - Administrative Assistant to the Speaker
FM Brown, Joe - Secretary of the Senate
FM Burns, Tommy - Assistant Secretary of the Senate
HI Carpenter, James L. - Staff Director, House Appropriations Committee
GE Christensen, John F., Jr. - Senate Transportation Committee
MH Craig, A. H. "Gus" - Representative
HI Dixon, Earl - Representative
OA Dolan, Gerri - Staff Director, House Commerce Committee
MH Fortune, Edmond M. - Representative
MH Fulford, Bill - Representative

FLORIDA (Continued)

FM Herbert, Dr. Thomas A. - Staff Director, House Natural Resources Committee
FM Johnson, Dozier - Director, Systems & Data Processing Division
MH Jones, C. Fred - Representative
MH Kiser, S. Curtis - Representative
GE Kranz, Ken - Counsel, House Retirement, Personnel & Collective Bargaining Committee
MH Kutun, Barry - Representative
FM McDaniel, Faye - Assistant to the Secretary of the Senate
HI Morris, Allen - Clerk of the House
HI Poole, Van B. - Representative
MH Renick, Richard - Senator
KC Shoemaker, Jack - Resident Counsel, Department of Agriculture & Consumer Services
MH Tucker, Donald L. - Speaker of the House
MH Vogt, John - Senator
HI Webb, Carroll - Executive Director, Joint Administrative Procedures Committee
FM Keys, John R. - Legislative Analyst, House Finance & Tax Committee
FM Uhlfelder, Steven J. - Executive Director, Constitution Revision Commission

GEORGIA

GE Adams, G. D. - Representative
HI Bond, Cary - Fiscal Officer
FM Bowlden, R. N. - Research Analyst, Legislative Budget Office
MH Broun, Paul C. - Senator
HI Brown, Canter, Jr. - Assistant Legislative Counsel
GE Buck, Tom - Representative
GE Castleberry, Don - Representative
GE Coleman, Terry - Representative
OA Cox, G. Don - Research Analyst, Legislative Budget Office
HI Crowe, Robert L. - Legislative DP Coordinator, Department of Administrative Services
GE Daugherty, J. C. - Representative
MH Doss, Sam W., Jr. - Senator
GE Duncan, J. Ebb - Senator
MH Edwards, Ward - Representative
MH Ellard, Glenn - Clerk of the House
FM Fincher, Bill - Senator
KC Gammage, Lynn - Representative
FM Guerreiro, Richard D. B. - Research Analyst, Legislative Budget Office
GE Hamilton, Grace T. - Representative
FM Harris, Andrew - Research Analyst, Legislative Budget Office
MH Harris, Joe Frank - Representative
FM Hawkins, Charlie F. - Deputy Legislative Budget Analyst, Legislative Budget Office
HI Hodgkins, L. Martin - Executive Director, Select Committee on Constitutional Revision
KC Hogan, Barbara A. - State Legislative Coordinator, Department of Natural Resources
HI Jackson, Edwin L. - State Government Associate, Institute of Government
GE Jackson, Jerry - Representative
GE Jessup, Ben - Representative
GE Kennedy, Joseph E. - Senator
KC Kirk, Robert C. - Transportation Planning Engineer, Department of Transportation
KC Knight, Nathan - Representative
MH Lee, Bill - Representative
GE Lester, James L. - Senator
GE Littleton, Jack - Office of the Legislative Counsel
MH Mann, Charles C. - Representative
MH McGill, Sam P. - Senator
KC Oener, Jeannine - Office of the Legislative Fiscal Officer
GE Peters, Bob - Representative
GE Reaves, Henry L. - Representatives

GEORGIA (Continued)

GE Reynolds, Steve - Senator
KC Sherman, David - Department of Natural Resources
MH Smith, Virgil T. - Coordinator, Commission on Interstate Cooperation
GE Snow, Wayne, Jr. - Representative
HI Steeple, Frederick - Deputy Information Director
FM Walden, Omi - Director, Office of Energy Resources
KC Walker, Larry - Representative
KC Wassell, Tom - Senate Information Officer
MH Eldridge, Frank - Senator

KENTUCKY

GE Alsip, Allan - Administrative Assistant, Office of the Speaker
KC Arnold, Adrian - Representative
HI Bell, Sara - Clerk of the House
MH Bendl, Gerta - Representative
MH Benson, Bob - Representative
MH Blandford, Donald J. - Representative
HI Dutton, C. Gilmore - Committee Staff Administrator, Legislative Research Commission
MH Hancock, C. M. Hank - Representative
FM Harscher, Frank III - Special Assistant to the Governor
KC Hellard, Vic, Jr. - Director, Legislative Research Commission
MH Holloway, Edward L. - Representative
HI Jackson, Danny - Data Processing Manager, Legislative Research Commission
MH Kenton, William G. - Speaker of the House
HI Marston, Evelyn - Assistant Clerk of the House
MH Murphy, Delbert S. - Senator
MH O'Brien, Mark - Representative
FM Peyton, Dr. Jim - Deputy Director of Research, Legislative Research Commission
MH Pollitte, Bert Ed - Senator
FM Robinson, Albert - Representative
MH Rogers, John - Senator
KC Schmidt, Arthur L. - Representative
GE Severs, Jean - Administrative Assistant to the Lieutenant Governor
KC Smith, Harry - Assistant Director, Fiscal Analysis, Legislative Research Commission
GE Taylor, H. K. - Executive Assistant, Office of the Lieutenant Governor
KC Verbeten, Bill - Legislative Analyst, Legislative Research Commission
HI Wagoner, Marjorie K. - Clerk of the Senate
HI Walker, Courtenay J. - Assistant Director for Legislative Services, Legislative Research Commission
HI Watts, Margaret - Enrolling Clerk of the House
MH Fitzgerald, Mark - Representative
MH LeMaster, Jim - Representative

LOUISIANA

MH Baker, Richard - Representative
MH Brown, James H., Jr. - Senator
FM Burns, Charles - Research Analyst, Legislative Council
GE Champaign, Juanita - Department of Urban & Community Affairs
KC Coco, J. Reginald, Jr. - Staff Attorney, House Ways & Means Committee
HI Curry, E. W. "Bill" Curry - Legislative Controller
FM Daggett, DeVan - Executive Director, Legislative Council
FM Firmin, Larry - Research Analyst, I, Legislative Council
FM Forgotston, C. B. - Staff Attorney, House Appropriations Committee
FM Godfrey, Bruce B. - Research Analyst, Legislative Council
MH Grisbaum, Charles - Representative
HI Henderson, Wallace J. - Counsel, House Natural Resources Committee

LOUISIANA (Continued)

MH Henry, E. L. - Speaker of the House
MH Jackson, Alphonse - Representative
MH Jasper, Thomas - Representative
MH Kennard, Donald Ray - Representative
HI Kyle, Joseph F. - Legislative Fiscal Officer
GE LeBreton, Edward F. - Chairman, Governor's Commission on Intergovernmental Relations
MH Martin, James P. - Representative
MH Miller, Ralph R. - Representative
MH Randolph, Edward G. - Senator
FM Rimes, Billy - Administrative Services Supervisor, Legislative Council
MH Tiemann, Joe - Senator
FM Tyler, Tom - Staff Attorney, Legislative Council
FM Will, Shady - Representative
HI Elens, James - Legislative Fiscal Analyst

MARYLAND

MH Athey, Tyras S. - Delegate
HI Bartlett, J. Kemp - Chief, Legislative Division, Department of Legislative Reference
FM Bishop, John J., Jr. - Senator
MH Briscoe, John Hanson - Speaker of the House
GE Cardin, Benjamin L. - Delegate
MH Clark, James - Senator
MH Curran, J. Joseph, Jr. - Senator
MH Gibbons, Victoria S. - Legislative Assistant to the Speaker of the House
KC Hance, Young D. - Secretary, Department of Agriculture
MH Hickman, Carter M. - Delegate
FM Hopkins, C. A. Porter - Senator
MH Horne, William S. - Delegate
KC Krysiak, Charles - Delegate
MH Levitan, Laurence - Senator
MH Malkus, Frederick C., Jr. - Senator
GE McCahan, Susan E. - Office of the Speaker
GE Menes, Pauline H. - Delegate
HI Merlo, Anthony L. - Chief, Computer Division, Department of Legislative Reference
MH Minnick, Daniel J., Jr. - Delegate
KC Needle, Howard J. - Delegate
GE Payne, F. Carvel - Committee Reporter, Joint Standing Committee on Administrative, Executive & Legislative Review
MH Schweinhaut, Margaret - Senator
KC Shore, S. Frank - Delegate
GE Spell, Jacqueline M. - Assistant Chief Clerk of the House
MH Welcome, Verda F. - Senator
KC Wolfgang, John W. - Delegate
GE Zander, Eugene J. - Delegate

MISSISSIPPI

MH Blount, Joseph L. - Representative
MH Connar, George Payne - Representative
MH Crook, Robert - Senator
KC Fitzhugh, Ginger - Legislative Systems Analyst, Central Data Processing Authority
HI Fortenberry, Rick - Director, Legislative Services
MH Ingram, Carroll - Senator
KC Ingram, Harold B. - Special Projects Manager, Central Data Processing Authority
HI Purvis, Perrin - Senator

MISSISSIPPI (Continued)

HI Raigins, Kenneth B. - Draftsman, Legislative Services Office
HI Ross, Jim Buck - Commissioner, Department of Agriculture & Commerce
MH Shumake, Glynn, F. - Representative
HI Tabb, John R - Director, State Highway Department
HI Thigpen, J. A. - Director, House Management Committee
KC Waggoner, Sam W. - Highway Commissioner
HI Ward, T. G. - Chief, Research and Drafting, State Senate
HI Wilkerson, Joe - Fiscal Services, Senate Legislative Services Office
MH Wilkerson, W. A. - Representative
MH Williams, Kenneth O. - Representative

NORTH CAROLINA

KC Allen, John L. - Director, Legislative Fiscal Research
HI Ball, Clyde L. - Legislative Services Officer
KC Brendle, T. P. - Senior Fiscal Analyst, Legislative Fiscal Resear
KC Collins, Grace A. - Principal Clerk of the House
KC Flattery, Brian - Director, Energy Division
GE Fink, Sylvia M. - Senate Principal Clerk
HI Hale, William K. - Committee Staff, Legislative Services Office
MH Hardison, Harold W. - Senator
MH Henley, John T. - Senate President Pro Tem
MH Jordan, Robert B., III - Senator
KC Newlin, Jim - Fiscal Analyst, Legislative Fiscal Research
HI Potter, William H., Jr. - Director of Research, Legislative Services Office
KC Powell, Linda - Senior Fiscal Analyst, Legislative Fiscal Research
MH Rountree, H. Horton - Representative
MH Royall, Kenneth C., Jr. - Senator
MH Stewart, Carl J. - Speaker of the House
HI Stock, Paul - Committee Staff, Legislative Services Office
HI Sullivan, Terry - Committee Counsel, Legislative Services Office
HI Taylor, Ron - Representative
KC Webb, Charles E. - Representative
MH White, Vernon E. - Senator
MH Whichard, Willis P. - Senator
HI Gunnells, Durward - Committee Staff, Legislative Services Office

OKLAHOMA

GE Bradley, V.O. - Department of Transportation
MH Caldwell, F.A. "Red" - Representative
GE Camp, George - Representative
MH Capps, Gilmer N. - Senator
GE Holaday, T. W. "Bill" - Representative
KC McElvany, Paul E. - Director of Fiscal Services, Legislative Council
FM Rowton, Michael - Research Assistant
KC Smith, Ruth I. - Chief Clerk of the Senate
KC Tollerson, Thelma - Secretary to the Speaker of the House
HI Vaughn, George - Representative
GE Watson, Phil - Senator
MH Willis, William P. - Speaker of the House

PUERTO RICO

MH Duffy, Lawrence - Administrative Assistant, Office of the Senate President
MH Nogueras, Nicolas - Senator
MH Ramos, Jose M. - Senator, Vice President of the Senate

SOUTH CAROLINA (continued)

KC Leeke, William D. - Commissioner, Department of Corrections
OA LeaMond, F. Julian - Commissioner, Public Service Commission
OA Lightle, Salley - Legislative Information System
MH Linton, Tom - Research & Personnel
KC MacDougall, Ellis C. - College of Criminal Justice, University of South Carolina
KC Mack, Margie J. - Representative
FM Matthews, Georgiana - Administrative Assistant to Senator Gressette
OA McCoy, Kay - Secretary, PRT
OA McKinney, Charles T. - Legislative Information System
MH McMillan, Gilbert E. - Senator
MH Munn, Russell - Assistant to the Speaker
MH Ott, Sidelle D. - General Desk Clerk, State Senate
KC Parker, Harriet L. - Representative
GE Pendarvis, Carol - Administrative Assistant, State Research & Administration
GE Reid, David - Director, Tourism Division, PRT
MH Risher, Sylvia - Clerk of the House
MH Russell, Norma - Representative
HI Schroeder, George L. - Legislative Audit Council
MH Schwartz, Ramon - Speaker Pro Tem
KC Shealy, Lois T. - Representative
FM Simpson, Edward W., Jr. - Representative
GE Sims, Dot - Secretary, PRT
MH Smith, Horace C. - Senator
GE Smith, Peggy - Director, Travel Information Centers, PRT
GE Sossamon, Lisa - Travel Information Center, PRT
OA Stevenson, Ferdinan B. - Representative
KC Stuckey, John - Consultant, State Reorganization Commission
FM Taylor, Harold E. - Representative
MH Theodore, Nick A. - Representative
MH Thomas, Lovick O. - Clerk of the Senate
MH Thornton, O. Frank - Secretary of State
MH Toal, Jean Hoefer - Representative
MH Toomey, Robert E. - Director of Research; Medical, Military, Public and Municipal Affairs
GE Usher, Mat, PRT
OA Washington, McKinley - Representative
MH Watson, Laverne - House of Representatives
MH Wilkins, Betty - House of Representatives
OA Williams, Marshall - Senator
GE Williamson, Sandra - Administrative Assistant, Senate Research & Administration
FM Matthews, Georgiana - Administrative Assistant to Senator Gressette

TENNESSEE

HI Abel, Clifton E. - Acting Director, Legislative Administration
HI Becker, Janet - Legislative Aide
MH Bishop, Jimmy - Representative
MH Blank, Edward C. II - Senator
KC Bonet, Bill - Senator
MH Bragg, John T. - Representative
KC Burks, Tommy - Representative
MH Butler, Bobby - Representative
FM Byrd, Harold - Representative
GE Byrd, Robert T. III - Senator
FM Clodfelter, James A. - Director, Office of Legal Services
MH Crouch, Ernest - Senator

SOUTH CAROLINA

OA Edwards, James B. - Governor
MH Arledge, Lorene - House of Representatives
MH Ashley, Dr. Franklin
GE Beckman, Martha - PRT
FM Braswell, William - State Auditor's Office
HI Brinkley, Gwen B. - Secretary, Legislative Council
OA Bryan, James C. - Assistant Director, Legislative Council
KC Bryan, Nettie L. - Research & Administration
MH Buchan, Archie - Representative
MH Burnside, Robert H. - Judge
MH Byrd, Gary E., Jr. - Representative
MH Caggiano, Frank - Director of Research, House Agriculture & Natural Resources
MH Cain, Leroy - Office of the Speaker
OA Campbell, Bill - Representative
OA Carter, Allen - Senator
MH Carter, Rex - Speaker of the House
MH Coker, Harry - Sergeant at Arms, State Senate
FM Corbett, Marie - Senate Staff
MH Carnell, Marion P. - Representative
MH Davis, Pam - House of Representatives
FM Demetrious, Mary - State Reorganization Commission
MH Dennis, Rembert - Senator
MH Drummond, John - Senator
OA Durst, John - Executive Assistant to the Lieutenant Governor
MH Edwards, T. W., Jr. - Representative
FM Francis, Ed - Legislative Information System
MH Fedillo, Charles T., Jr. - Executive Director, House Research & Personnel
MH Fields, James - Office of the Senate President Pro Tem
MH Fisher, Julie - House of Representatives
MH Floyd, Henry F. - Representative
MH Granger, Herbert C. - Representative
GE Grantham, Dottie - Special Projects Coordinator, Division of Tourism, PRT
MH Gregory, George W., Jr. - Representative
MH Gressette, L. Marion - Senate President Pro Tem
HI Gross, Albert - Deputy Director, Legislative Audit Council
FM Grose, Philip G. - Director, State Reorganization Commission
FM Hamilton, Larry - Associate Analyst/Auditor, Legislative Audit Council
FM Hearn, Joyce C. - Representative
OA Helmly, Robert - Representative
MH Henderson, Sara Jane - Administrative Assistant, House of Representatives
FM Harris, Patrick B. - Representative
GE Harter, Dave - Director, Energy Management Office
MH Harvey, W. Brantley, Jr. - Lieutenant Governor
HI Haynes, Barbara L. - Administrative Assistant to the Director, Legislative Council
GE Hiott, Harry W., Jr. - Director, Senate Research & Administration
MH Hodges, Charles - Representative
OA Hollings, Ernest F. - United States Senator
OA Holmes, Baron, IV - Special Projects Director
FM Howard, Hunter, Jr. - Representative
MH Jenkins, Kinsey - House of Representatives
MH Jolly, Henry L. - Representative
MH Keller, David W., Jr. - Representative
MH Kelly, Sandra W. - Office of the Speaker
MH Keyserling, Harriet - Representative
OA Lake, Leah, J. - Administrative Assistant, Committee on Mental Health & Mental Retardation
MH Lake, Robert C., Jr. - Senator
GE Lawrence, Kathy - Secretary, PRT

TENNESSEE (Continued)

KC Darnell, Riley C. - Representative
KC DePriest, C. E. - Representative
GE Dunavant, Leonard C. - Senator
GE Eaves, Betty - Executive Secretary to the Speaker
MH Edwards, Penny - Press Secretary, Office of the Lieutenant Governor
KC Elkins, James E. - Representative
GE Ellis, Larry M. - Coordinator, Highway Safety Program, Office of Urban and Federal Affairs
GE Fisher, Janice - Administrative Assistant, Legislative Plaza
MH Ford, John N. - Senator
MH Fuqua, L. P. "Buck" - Representative
MH Henry, Douglas Jr. - Senator
FM Hollings, William - Legislative Attorney, Office of Legal Services
HI Garnett, John - Program Analyst II
HI Greene, Bob - Assistant Chief Clerk of the Senate
HI Hamlin, Daisy - Chief Journal Clerk, State Senate
MH Kennedy, Jim - Administrative to the Speaker
MH Lanier, James O. - Representative
GE Lashlee, Frank P. - Representative
MH McCord, James T. - Administrative Assistant, Office of the Lieutenant Governor
FM McCown, Julie - Legislative Librarian, Office of Legal Services
HI McCullough, Clyde - Chief Clerk of the Senate
MH McWherter, Ned R. - Speaker of the House of Representatives
HI McWilliams, Cletus - Speaker Pro Tem
FM Miller, Ted Ray - Representative
GE Morton, Donald L. - Executive Director, Fiscal Review Committee
MH Murphy, J. H. - Representative
MH Naifeh, Jimmy - Representative
KC Nave, Marshall T. - Senator
KC Person, Curtis - Senator
GE Roberts, Maxine - Secretary to the Lieutenant Governor
KC Rucher, John - Senator
HI Snodgrass, W. R. - Comptroller of the Treasury
MH Stallings, Robert S. - Representative
GE Spitzer, Ed - Director, Energy Authority
MH Tanner, John S. - Representative
GE Thomas, Dr. Jack - Energy Authority
MH Travis, Virginia - Office of the Speaker
FM Turner, Chris - Representative
MH Rhinehart, Shelby A. - Representative
MH Walters, Dan - Administrative Assistant
MH Webb, Clyde B. - Representative
GE White, James H. - Senator
MH Wilder, John S. - Lieutenant Governor

TEXAS

MH Bartow, Sue - Office of the Speaker
KC Bird, Ron - Representative
MH Blake, Roy - Representative
MH Bobbitt, Susan - Office of the Speaker
MH Cartwright, Don - Representative
MH Clayton, Bill - Speaker of the House of Representatives
KC Compton, D. W. - Director, LIST Division, Legislative Council

TEXAS (Continued)

MH Gullahorn, Jack - Administrative Assistant, Office of the Speaker
KC Davis, Robert E. - Representative
MH Hanna, Joe - Representative
GE Harris, O. H. "Ike" - Senator
KC Koenig, Ann - Systems Analyst, Legislative Council
KC Kopp, Larry - Senior Budget Examiner, Legislative Budget Board
MH Laney, Pete - Representative
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FM Reynolds, Jim - House of Representatives
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FM Semos, Chris V. - Representative
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MH Traeger, John - Senator
FM Treadway, Tom - House of Representatives
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FM Holleman, Joseph H - Clerk of the House
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MH Michael, J. Harry, Jr. - Senator
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MH Burke, Billy B. - Delegate
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MH Gilligan, W. L. - Senator
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KC Neal, Sarah Lee - Delegate
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GE French, Al - Chief of Highway Statistics Division, Federal Highway Administration, Department of Transportation, Washington, D. C.
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GE Richter, Tom E. - The Council of State Governments, Atlanta, Georgia
MH Wiltsee, Herbert L. - Executive Director, The Council of State Governments, Atlanta, Georgia; Secretary, Southern Legislative Conference

AO-77-R53

OCT 1 1 1977

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PRELIMINARY ATTENDANCE LIST
SOUTHERN LEGISLATIVE CONFERENCE
THE COUNCIL OF STATE GOVERNMENTS
71ST ANNUAL MEETING
CHARLESTON, SOUTH CAROLINA
JULY 18-22, 1977

(The Following is a Code Showing the Location of Persons Attending the Conference:)

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KC - King Charles Inn
HI - Holiday Inn Downtown
FM - Francis Marion Hotel
OA - Other Accommodations

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UNITED FISHERMEN OF ALASKA

Resolution on Wilderness Designations in Alaska

March 4, 1977

WHEREAS the protection of habitat quality is essential to wild stocks of salmon; and

WHEREAS the maintenance of high water quality is essential to hatchery production of fish; and

WHEREAS the salmon resource can and should be enhanced and increased;

THEREFORE BE IT RESOLVED that the United Fishermen of Alaska supports the position of wilderness designations in Alaska, providing that:

(1) Provisions are made allowing for identification and/or future establishment of aquaculture sites in areas proposed as wilderness before designation;

(2) Access for habitat maintenance and enhancement, including the use of mechanized equipment, is permitted;

(3) Motorized access is permitted on all navigable waters; and

(4) Existing use areas such as fish camps, set net sites, etc. are maintained.

RESOLUTIONS

of the

68th Pacific Logging Congress

concerning

Wilderness Issue

Timber Supply

Forest Land Management

Alaska Forest Land Designation

Adopted by majority vote of the Pacific Logging Congress membership convened at its 68th Sessions, Vancouver, British Columbia, November 10, 1977.

THE PACIFIC LOGGING CONGRESS is a voluntary membership, non-profit, incorporated association of individuals engaged in, or interested in the growing and harvesting of forest products.

It was founded in 1909 for the purpose of providing a forum where the logging industry could meet to discuss its operating problems, renew old friendships and to make new acquaintances. Its membership consists of representatives of both small and large logging firms, logging equipment manufacturers and distributors, public forestry officials and forestry educators.

The following resolutions, we believe, accurately reflect the thinking of the forest industries of the western states and British Columbia in regard to the specific matters of public concern referred to in each of the quoted resolutions.

PACIFIC LOGGING CONGRESS
217 American Bank Building
Portland, Oregon 97205
CARWIN A. WOOLLEY,
Executive Vice-President

RESOLUTION NO. I

Wilderness Issue

WHEREAS approximately '2 percent of the National Forest lands in the Pacific Northwest Region have been designated as Wilderness by the WILDERNESS ACT OF 1974 and subsequent additions thereto, and

WHEREAS there is ongoing Roadless Area Review and Evaluation process (RARE II) of potential areas for additional Wilderness designation. Now, therefore

BE IT RESOLVED the 68th Pacific Logging Congress endorses the RARE II program concept and requests the Secretary of Agriculture, subsequent to Forest Service study schedule compliance in the fall of 1978, to designate the maximum possible number of study areas acreage to Non Wilderness status and that he direct these lands to be promptly managed for multiple use with strong consideration for timber production.

BE IT FURTHER RESOLVED the Pacific Logging Congress requests the Secretary of Agriculture to require the Forest Service to complete final reports on all remaining RARE II study areas within a two year period following scheduled 1978 initial report date and the Secretary then promptly declare these areas as either Wilderness or Non Wilderness status and direct that Non Wilderness lands be managed for multiple use with strong consideration for timber production.

BE IT FURTHER RESOLVED the Pacific Logging Congress requests the Council of Environmental Quality, the Secretary of Agriculture and the Chief, US Forest Service, to require that all future Environmental Impact Statements shall include a separate section covering complete Economic Impact Analysis study findings.

RESOLUTION NO. II

Timber Supply

WHEREAS the FOREST & RANGELAND RENEWABLE RESOURCES PLANNING ACT (PL 93-378) was passed by the United States Congress in 1974, and

WHEREAS the NATIONAL FOREST MANAGEMENT ACT OF 1976 (PL 94-588) was passed by the same body last year, and

WHEREAS the Forest Service, US Department of Agriculture, is specifically charged in these Acts with the responsibility for management, protection and utilization of the natural resources on the Nation's forests and related rangelands. Now, therefore

BE IT RESOLVED that the 68th Pacific Logging Congress request the Secretary of Agriculture, through actions of the Forest Service, to expeditiously comply with Resources Planning Act goals by preparing stipulated plans for study areas.

BE IT FURTHER RESOLVED that the Pacific Logging Congress request of the U. S. Congress and the Carter administration their approval of funding and manpower to carry out goals of the Resources Planning Act and that Congress direct the Forest Service to sell the approved maximum volume of timber.

BE IT FURTHER RESOLVED that the Pacific Logging Congress request the Secretary of Agriculture to direct the Forest Service to effect timber management practices and policies that will produce maximum timber growth, including but not limited to the abandonment of even-flow non-declining yield policy in conversion of old growth forests, within the limits of Sec. 13 of the National Forest Management Act of 1976.

RESOLUTION NO. III

Forest Land Management

WHEREAS increased timber supply potential is available from Federal, State, industrial and non-industrial private forest lands by the use of improved land management practices, and

WHEREAS there are presently governmental considerations to programs funding that will provide incentives for the use of improved management practices on private forest lands. Now, therefore

BE IT RESOLVED that the 68th Pacific Logging Congress request of all governmental bodies who are now, or might be in the future, considering establishing improved land management practices

incentive programs that they consult with industrial and non-industrial private forest land owner representatives along with public timber agency and university forestry school representatives, both on the organization of such programs and also on subsequent program performance evaluations and modification considerations.

BE IT FURTHER RESOLVED that the Pacific Logging Congress request of those Federal and States' elected officials responsible for refo estation financing appropriations that they provide sufficient monies to permit needed reforestation work to be performed in an efficient and expeditious manner, including the use of herbicides.

RESOLUTION NO. IV

Alaska Forest Land Designation

WHEREAS Section 17 (d) (2) of the ALASKA NATIVE CLAIMS SETTLEMENT ACT authorized the Secretary of Interior to withdraw up to 80 million acres of vacant, unreserved and unappropriated federal public lands for study as potential additions to national parks, wildlife refuges, forests and wild and scenic river systems, and

WHEREAS these withdrawals are to be finalized by December 31, 1978, and

WHEREAS there exists innumerable pieces of legislation concerning proposed disposition of this land. Now, therefore

BE IT RESOLVED that the 68th Pacific Logging Congress request President Carter and the Congress of the United States to support legislation that offers the maximum amount of cooperative management possibilities between the Federal, State and Private land owners.

BE IT FURTHER RESOLVED that the Pacific Logging Congress supports the Federal land withdrawals in Alaska to have the maximum amount of multiple use designation possible and include those lands suitable to be used to create new National Forests in the interior of Alaska.

DRAFT DRAFT

POSITION STATEMENT

ON

ALASKA NATIONAL INTEREST LANDS
Section 17(d)(2) ANCSA

by the Planning Association
of
Alaska

PREFACE:

The Planning Association of Alaska (P.A.A.) is an organization of land use planning professionals, persons who are members of local, state and federal land planning commissions or other official groups, and persons interested in land use planning in Alaska. [Almost all] individuals who are engaged professionally in the public and private practice of urban, regional, state or rural land use planning in Alaska are members of P.A.A. Thus, the membership is widely representative of the geographic areas of the state and of the viewpoints held by public agency employees, private sector planners and lay persons active in land use planning in Alaska. [The P.A.A. membership totals ___.]

STATEMENT:

P.A.A. strongly believes that certain basic principals should govern the many decisions the Congress of the United States will make relative to National Interest Lands in Alaska under Section 17(d)(2) of the Alaska Native Claims Settlement Act. For the benefit of the Interior and Insular Affairs Committee of the U.S. House of Representatives, the Sub-Committee on General Oversite and Alaska Lands, and the Alaska Congressional Delegation, and Alaska Governor Hammond, P.A.A. offers the following:

1. It must be recognized that the so-called d-2 lands and their classification and eventual use is a matter of concern to all Americans and especially to Alaskans as those who will be most directly affected by their use and classification. It therefore is apparent that several national goals and policies related to environmental enhancement and protection, energy self-sufficiency, national security, and meeting national recreational-open space needs must be equally considered in reaching decisions on d-2 lands. No single national goal, need or desire, should be [either] ignored [or given unnecessary emphasis] than any other factor in evaluating this issue.

2. Sound and nationally recognized planning procedures should be followed in evaluating the extent of resources and ranges of proper uses for these National Interest Lands. Arbitrary and hasty decisions to classify millions of acres of land in wilderness or other single purpose use land classifications without first subjecting the lands to a logical planning process is contrary to National and State policy. P.A.A. urges all involved parties to adhere to established land use planning procedures as part of the process of classifying d-2 lands.

3. An exhaustive resource inventory of all lands in the National Interest Lands category should proceed their classification for use. Extent of natural resources, capability of the land to support the variety of uses in an environmentally safe and compatable manner should be determined and should guide decisions as to classification. Potential for recreation use, wilderness values and scenic and aesthetic values should be considered equally as resources along with minerals, oil and gas, timber, wildlife and agriculture in the inventory and subsequent evaluations.

4. Classification of National Interest Lands in Alaska should not interfere with or in any way negate the State of Alaska's selection rights under the Alaska Statehood Act or selection rights of Alaska Natives under the Alaska Native Claims Settlement Act. No existing State or Native selection should be revoked and both the State and the several Native Corporations should be allowed to complete their selection entitlements prior to any classification of Alaska National Interest Lands. The State of Alaska selection rights are part of a contract between Alaskans and the Congress of the United States, and Congress should not, by classification actions in this instance, unilaterally nulify that contract or any portion of it.

5. P.A.A. urges Congress to evaluate the merits of land classification schemes which digress from those traditionally applied to Federal lands in the other 49 states. There are significant differences in ecosystems, wildlife habitat, settlement patterns, land ownership patterns and use potentials in Alaska to warrant consideration of new and inovative land management approaches for public lands in Alaska.

6. P.A.A. urges Congress to be cognizant of the problems associated with access to and through these National Interest Lands as well as to State and Native lands. Arbitrary classification of d-2 lands without provisions for access to and through these lands will, in many cases, render State and Native selected lands as well as Federal lands valueless and severely restrict their use potential. No-access wilderness, refuge and park classifications

would be contrary to national interest and would serve to effectively deny use of the several resources and benefits thought to exist on lands in Alaska.

CONCLUSION:

The Planning Association of Alaska does not believe that Congressman Udal's proposed legislation, HR 39, is consistent with these principals. We therefore urge the House Interior Sub-Committee on General Oversight and Alaska Lands to reject HR 39 as the vehicle for dealing with Alaska National Interest Lands. P.A.A. further urges the Sub-Committee to consider utilizing the principals spelled out above in guiding the Committee's deliberations and decisions.

JBN

The Council of State Governments

WESTERN OFFICE

85 POST STREET
SAN FRANCISCO, CALIFORNIA 94104
(415) 986-3760

Senator Orgini

MEMBERS (BY STATE) OF CSG NATIONAL AND REGIONAL BOARDS AND COMMITTEES

1977-78

	NAME	ASSIGNMENT
ALASKA:	Senator W. E. Bradley	Government Reform & Fiscal Affairs
	Representative Fred Brown	Judiciary; Suggested State Legislation
	Representative Thelma Buchholdt	Government Reform & Fiscal Affairs
	Senator Mike Colletta	Suggested State Legislation; Energy & Resources
	John C. Doyle	Suggested State Legislation
	Representative Clark Gruening	Energy & Resources
	Senator Glenn Hackney	Education & Social Services
	Governor Jay S. Hammond	CSG Governing Board
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	Senator Bill Ray	Transportation
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	David T. Walker	Suggested State Legislation
	Senator Robert H. Ziegler, Sr.	Judiciary, Chairman; Western Conference Executive Committee, CSG Governing Board
AMERICAN SAMOA:	Senator Salanoa S. P. Aumoeualogo	Suggested State Legislation
	Senator A. U. Fuimaono	Judiciary
	Senator Lutu Tenari S. Fuimaono	Education & Social Services
	Representative Gata Edwin Gurr	Judiciary
	Roger K. Hazell	Suggested State Legislation
	Representative Filifaiesea A. Le'iato	Education & Social Services
	Representative Fa'asuka S. Lutu	Government Reform & Fiscal Affairs
	Senator Meauta O. Atufili Mageo	Energy & Resources
	Senator Aituana'i E. R. Meredith	Government Reform & Fiscal Affairs
	Representative Fuesina Auono Pili	Energy & Resources
	Senator Galea'i P. Poumele	Western Conference Executive Committee
	Representative Frank Reed	Agriculture
	Senator Paogofie Sasa'e	Agriculture
	Representative So'oso'oali'i Savali	Western Conference Executive Committee
	Senator Alo W. Steffany	Transportation
	Representative Faisiota Tauanu'u	Transportation
	Speaker Tuana'itau F. Tuia	Suggested State Legislation

ARIZONA:	Representative Stanley W. Akers	CSG Governing Board
	Governor Raul H. Castro	CSG Governing Board
	Representative Jim Cooper	Education & Social Services
	Senator Leo Corbet	Judiciary
	Representative Peter Corpstein	Transportation
	Betty De Graw	Suggested State Legislation
	Senator Sue Dye	Education & Social Services
	Kathy Ferris	Suggested State Legislation
	Senator Polly Getzwiller	Agriculture
	Senator A. V. "Bill" Hardt	Western Conference Executive Committee
	Pat Harrington	Suggested State Legislation
	Representative John U. Hays	Agriculture
	Senator John Hutton	Government Reform & Fiscal Affairs
	Representative Peter Kay	Judiciary
	Representative C. W. "Bill" Lewis	Energy & Resources
	Representative Sam McConnell, Jr.	Western Conference Executive Committee
	Senator James A. Mack	Western Conference Executive Committee; Immediate Past President, CSG Governing Board
	Senator Tom Moore	Transportation
	Norris Nordvold	Suggested State Legislation
	Senator Jones Osborn	Judiciary
	Representative James B. Ratliff	Government Reform & Fiscal Affairs
	Senate President Ed C. Sawyer	Western Conference Executive Committee
	Mike Sophy	Suggested State Legislation
	Senator William Swink	Energy & Resources
CALIFORNIA:	Governor Edmund G. Brown, Jr.	CSG Governing Board
	Assemblyman Willie L. Brown, Jr.	Suggested State Legislation
	Assemblyman Mike Cullen	Suggested State Legislation
	Howard J. Schwab	Suggested State Legislation
	Assemblyman Vincent Thomas	Suggested State Legislation
COLORADO:	Senator Fred Anderson	Energy & Resources; Western Conference Executive Committee; CSG Governing Board
	Representative Sam Barnhill	Energy & Resources
	Senator Regis Groff	Education & Social Services
	Representative Carl Gustafson	Western Conference Executive Committee
	Representative W. P. Hinman	Agriculture
	Representative Bob Kirscht	Education & Social Services
	Senator Ray Kogovsek	Agriculture
	Lyle C. Kyle	Suggested State Legislation
	Governor Richard D. Lamm	CSG Governing Board
	Senator Harold L. McCormick	Government Reform & Fiscal Affairs
	Representative Phillip Massari	Transportation
	Senator Dan Noble	Transportation
	Senator Richard H. Plock	Judiciary
	Representative Ronald Strahle	Judiciary; CSG Governing Board
	Representative Ruben A. Valdez	Government Reform & Fiscal Affairs

HAWAII:	Governor George R. Ariyoshi	CSG Governing Board
	Representative Bryon Baker	Education & Social Services
	Representative Benjamin Cayetano	Transportation
	Representative Steve Cobb	Energy & Resources
	Representative Robert Dods	Transportation
	Representative Richard Garcia	Judiciary
	Senator Stanley Hara	Education & Social Services
	Senator John Hulten	Western Conference Executive Committee; CSG Governing Board
	Representative Daniel Kihano	Western Conference Executive Committee
	Millicient Kim	Suggested State Legislation
	Wendell Kimura	Suggested State Legislation
	Representative Ronald Kondo	Western Conference Executive Committee; Suggested State Legislation
	Representative Tony T. Kunimura	Suggested State Legislation
	Representative Norman Mizuguchi	Education & Social Services
	Representative Ted Morioka	Agriculture
	Senator Donald Nishimura	Judiciary
	Senator Dennis O'Connor	Transportation
	Melvin Y. Shinn	Suggested State Legislation
	Representative Kathleen Stanley	Government Reform & Fiscal Affairs
	Representative Jack Suwa	Government Reform & Fiscal Affairs
	Representative Carl Takamura	Energy & Resources
	Representative Mitsuo Uechi	Agriculture
	Speaker James H. Wakatsuki	CSG Governing Board
	Senator Francis A. Wong	Agriculture
	Senator Richard S. H. Wong	Government Reform & Fiscal Affairs
	Representative Katsuya Yamada	Suggested State Legislation; Judiciary
	Senator T. C. Yim	Energy & Resources
	Representative Jann L. Yuen	Suggested State Legislation
IDAHO:	Senator John M. Barker	Education & Social Services
	Senator Michael S. Black	Agriculture
	Representative Carl P. Braun	Agriculture
	Senator C. C. Chase	Energy & Resources
	Representative Marion Davidson	Government Reform & Fiscal Affairs
	Senator Richard A. Egbert	Transportation
	Governor John V. Evans	CSG Governing Board, Vice Chairman
	Representative Gary Gould	Judiciary
	Representative Ronald V. Harlow	Energy & Resources
	Senator Richard S. High	Government Reform & Fiscal Affairs
	Representative Elaine Kearnes	Education & Social Services
	Wayne L. Kidwell	Suggested State Legislat
	Senator Edith Miller Klein	Suggested State Legislat
	Speaker Allan F. Larsen	CSG Governing Board
	Representative B. E. "Bud" Lewis	Energy & Resources
	Representative Walter Little	Western Conference Executive Committee; Agriculture
	Representative Dorothy H. McCann	Education & Social Services
	Representative Patricia L. McDermott	Judiciary
	Senator Mike Mitchell	Education & Social Services, Chairman; Western Conference Executive Committe
	Representative Morgan Munger	Government Reform & Fiscal Affairs
	Senator Arthur P. Murphy	Judiciary
	Representative Harold W. Reid	Government Reform & Fiscal Affairs
	Senator James E. Risch	Judiciary

IDAHO continued:	Representative John O. Sessions	Transportation, Vice Chairman
	Senator E. W. (Dick) Smith	CSG Governing Board
	Representative T. W. Stivers	Judiciary
	Senator Ron J. Twilegar	Government Reform & Fiscal Affairs
	Senator Dane Watkins	Agriculture
	Representative Russell A. Westerberg	Transportation
	Senator J. Marsden Williams	Energy & Resources
MONTANA:	Representative Francis Bardanouve	Suggested State Legislation
	Representative William Baeth	Transportation
	Senator Chet Blaylock	Education & Social Services
	Representative Tom Conroy	Agriculture
	Representative William M. Day	Energy & Resources
	Speaker John Brian Driscoll	Western Conference Executive Committee; Government Reform & Fiscal Affairs; CSG Governing Board
	Senator Jack E. Galt	Agriculture
	Senator Pat M. Goodover	Transportation; CSG Governing Board
	Senator Carroll Graham	Transportation
	Representative William M. Hand	Energy & Resources
	Senator Matt Himsl	Government Reform & Fiscal Affairs
	Governor Thomas L. Judge	CSG Governing Board
	Representative Kerry Keyser	Transportation
	Representative Gary Kimble	Judiciary
	Senator Allen Kolstad	Agriculture
	Representative Oscar Kvaalen	Agriculture
	Representative J. D. Lynch	Education & Social Services
	Representative Robert L. Marks	Government Reform & Fiscal Affairs; Western Conference Executive Committee Chairman-elect
	Representaitve William Menahan	Education & Social Services
	Representative Jack Ramirez	Judiciary
	Senator George F. Roskie	Energy & Resources
	Representative John P. Scully	Judiciary
	Senator C. R. Thiessen	Energy & Resources
	Senator Jean A. Turnage	Judiciary
	Rose Weber	Suggested State Legislation
NEVADA:	Senator Keith Ashworth	Transportation; Suggestive State Legis.
	Assemblyman Robert R. Barengo	Suggested State Legislation
	Senator Richard Blakemore	Government Reform & Fiscal Affairs
	Assemblyman Eileen B. Brookman	Judiciary
	Senator Richard H. Bryan	Judiciary
	Senator Melvin D. Close, Jr.	Suggested State Legislation
	Frank W. Daykin	Suggested State Legislation
	Speaker Joseph E. Dini, Jr.	Western Conference Executive Committee; CSG Governing Board
	Senator James J. Gibson	Western Conference Executive Committee; CSG Governing Board
	Senator Norman D. Glaser	Agriculture
	Assemblyman Harley L. Harmon	Transportation
	Representative Thomas J. Hickey	Agriculture, Vice Chairman
	Senator Norman Ty Hilbrecht	Energy & Resources
	Assemblyman Lawrence E. Jacobsen	Energy & Resources, Vice Chairman

NEVADA continued:	Assemblyman Patrick M. Murphy	Government Reform & Fiscal Affairs
	Governor Mike O'Callaghan	CSG Governing Board
	Assemblyperson Sue Wagner	Education & Social Services
	Senator R. C. Wilson	Education & Social Services
NEW MEXICO:	Senator Ben D. Altamirano	Transportation
	Representative Phelps Anderson	Agriculture
	Governor Jerry Apodaca	CSG Governing Board
	Representative James A. Caudell	Transportation
	Senator Tito Chavez	Energy & Resources
	Representative Silas T. Garcia	Western Conference Executive Committee
	Senator Les Houston	Judiciary
	Representative Stephen Kennedy	Suggested State Legislation
	Representative Vernon Kerr	Suggested State Legislation
	Senator Don L. King	Agriculture
	Senator Edmund J. Lang	Government Reform & Fiscal Affairs
	Senator Ray Leger	Education & Social Services
	Representative Fred Luna	CSG Governing Board
	Representative Daniel Lyon	Suggested State Legislation
	Representative Jim McGee, Jr.	Suggested State Legislation
	Representative Lenton Malry	Education & Social Services
	Senator Alex G. Martinez	Western Conference Executive Committee
	Representative John J. Mershon	Suggested State Legislation
	Senator Emilio Naranjo	Suggested State Legislation
	Representative Dennis S. Peña	Judiciary
	Senator John Pinto	Suggested State Legislation
	Representative Nick L. Salazar	Suggested State Legislation
	Representative Jerry Sandel	Energy & Resources
	Senator C. B. Trujillo	Western Conference Executive Committee; Chairman, Western Conference; CSG Governing Board
OREGON:	Thomas Clifford	Suggested State Legislation
	Senator Edward Fadeley	Suggested State Legislation
	Representative Mark Gardner	Judiciary
	Representative Jeff Gilmour	Agriculture
	Representative William N. Grannell	Western Conference Executive Committee; Chairman, Government Reform & Fiscal Affairs
	Representative Richard Gustafson	Suggested State Legislation
	Representative Cecil Johnson	Agriculture
	Representative Lloyd Kinsey	Energy & Resources
	Representative Clayton Klein	Education & Social Services
	Speaker Philip D. Lang	Suggested State Legislation
	Representative Ed Lindquist	CSG Governing Board
	Representative Ben "Kip" Lombard	Judiciary
	Senator E. D. Potts	CSG Governing Board
	Representative Al Riebel	Education & Social Services
	Senator Jack D. Ripper	Western Conference Executive Committee
	Representative Al Shaw	Transportation
	Representative Max Simpson	Transportation
	Governor Robert W. Straub	CSG Governing Board
	Representative Tony Van Vliet	Government Reform & Fiscal Affairs
	Representative Glen Whallon	Energy & Resources

UTAH:	Senator Haven J. Barlow	Education & Social Services
	Senator Edward T. Beck	Energy & Resources
	Representative Charles Bennett	Education & Social Services
	Senator Wilford Rex Black	Transportation
	Senator Robert O. Bowen	Government Reform & Fiscal Affairs, Vice Chairman
	Senator Omar B. Bunnell	Suggested State Legislation
	Representative John B. Cooper	Transportation
	Senator K. S. Cornaby	Judiciary
	Senator Ernest H. Dean	Energy & Resources, Chairman; Western Conference Executive Committe
	Senator Fred W. Finlinson	Energy & Resources; Suggested State Legislation
	Representative Lloyd Frandson	Education & Social Services, Vice Chairman
	Representative Ronald Halverson	Government Reform & Fiscal Affairs
	Senate President Moroni L. Jensen	Western Conference Executive Committee; CSG Governing Board
	Representative Garth Jones	Energy & Resources
	Representative C. DeMont Judd, Jr.	Suggested State Legislation
	Representative Stanley Leavitt	Judiciary
	Representative Roger Livingston	Judiciary
	Senator M. James Macfarlane	Education & Social Services
	Senator Ivan M. Matheson	Agriculture
	Governor Scott M. Matheson	CSG Governing Board
	Representative Eldon A. Money	Agriculture
	Representative Ray Nielsen	Energy & Resources
	Representative Lorin Pace	Suggested State Legislation
	Representative Georgia Peterson	Transportation
	Senator M. Blaine Peterson	Agriculture
	Senator Warren E. Pugh	Transportation
	Representative Roger Rawson	Government Reform & Fiscal Affairs
	Senator Darrell G. Renstrom	Judiciary
	Senator Karl N. Snow, Jr.	Goverment Reform & Fiscal Affairs
	Speaker Glade M. Sowards	Western Conference Executive Committee; CSG Governing Board
	Representative Edison Stephens	Agriculture
WASHINGTON:	Representative A. A. Adams	Education & Social Services
	Speaker John Bagnariol	CSG Governing Board
	Representative Albert Bauer	Suggested State Legislation
	Senator Del Bausch	Energy & Resources
	Senator C. W. Beck	Transportation
	Representative May Kay Becker	Agriculture
	Senator Max E. Benitz	Agriculture
	Representative Duane Berentsen	Transportation
	Senator Nancy Buffington	Judiciary
	Representative Robert L. Charette	Suggested State Legislation
	Representative Paul Conner	Transportation
	Senator Hubert F. Donohue	Government Reform & Fiscal Affairs
	Representative Ron Dunlap	Energy & Resources
	Representative William Flack	Suggested State Legislation
	Representative Eleanor Fortson	Education & Social Services
	Senator Marcus Gaspard	Agriculture
	Senator Susan E. Gould	Education & Social Services
	Senator Sam Guess	Transportation, Chairman; Western Conference Executive Committee
	Representative Frank Hansen	Transportation
	Senator Jeannette Hayner	Suggested State Legislation

WASHINGTON continued:	Senator Al Henry	Transportation
	Senator Gordon Herr	Education and Social Services
	Senator James E. Keefe	Suggested State Legislation
	Representative Charles Kilbury	Agriculture
	Representative Richard King	Suggested State Legislation; Western Conference Executive Committee
	Representative Walt Knowles	Judiciary
	Representative King Lysen	Energy & Resources
	Representative Geraldine McCormick	Energy & Resources
	Senator August P. Mardesich	Government Reform & Fiscal Affairs
	Senator Dan Marsh	Judiciary, Vice Chairman
	Representative Frances North	Suggested State Legislation
	Senator Gary M. Odegaard	Government Reform & Fiscal Affairs
	Governor Dixy Lee Ray	CSG Governing Board
	Senator Peter von Reichbauer	Education & Social Services
	Senator George W. Scott	Government Reform & Fiscal Affairs
	Senator George L. Sellar	Energy & Resources
	Representative Bud Shinpoch	Government Reform & Fiscal Affairs
	Senator Don L. Talley	Energy & Resources
	Representative Alan Thompson	Western Conference Executive Committee
	Senator Ramon Van Hollebeke	Suggested State Legislation
	Senator Gordon L. Walgren	Western Conference Executive Committee
	Representative Frank Warnke	Government Reform & Fiscal Affairs
	Senator Nat W. Washington	CSG Governing Board
	Wes Wilburn	Suggested State Legislation
	Senator Lorraine Wojahn	Education & Social Services
WYOMING:	Representative Ross D. Copenhaver	Judiciary
	Governor Ed Herschler	CSG Governing Board
	Representative H. L. Jensen	Transportation
	Senator Rodger McDaniel	Education & Social Services
	Representative Warren A. Morton	CSG Governing Board
	Senator Milton E. Nichols	Judiciary; Western Conference Executive Committee
	Senate President L. Donald Northrup	Western Conference Executive Committee; Agriculture, Chairman
	Senator Robert L. Novotony	Government Reform & Fiscal Affairs
	Representative C. R. O'Neil	Energy & Resources
	Senator John C. Ostlund	Energy & Resources; CSG Governing Board
	Senator Dick R. Sedar	Suggestive State Legislation; Transportation
	Representative Jack Sidi	Education & Social Services
	Speaker Nels J. Smith	Agriculture
	Representative Joe W. Stewart	Suggested State Legislation; Government Reform & Fiscal Affairs
	Ralph E. Thomas	Suggested State Legislation

SFO/I/1

THE WESTERN CONFERENCE

of

The Council of State Governments

Conference Staff
The Council of State Governments
Western Office
85 Post Street, Suite 400
San Francisco, California 94104
(415) 986 - 3760

1977 ANNUAL MEETING
Santa Fe Hilton
Santa Fe, New Mexico
September 25-28

STATE OFFICIALS IN THE WEST:

The Executive Committee of the Western Conference of The Council of State Governments, its Chairman, Senator C. B. Trujillo of New Mexico, and the New Mexico Host State Committee are pleased to announce and to invite you to attend the Annual Meeting of the WESTERN CONFERENCE OF THE COUNCIL OF STATE GOVERNMENTS in Santa Fe this fall.

The program for the Annual Meeting has been formulated by the Executive Committee, the Program Advisory Committee, chaired by Representative Robert Marks, Chairman-elect of Montana, and the New Mexico Host State Committee, chaired by Representative Adele C. Hundley. It is hoped that the program will attract legislators, state administrators and their families to what promises to be a productive, educational and enjoyable meeting.

Registration will commence at 10:00 am on Sunday, September 25, and four committees will be meeting at 2:00 pm. Please check airline schedules to see if it might be necessary to arrive on Saturday in order to participate in the Sunday meetings. Space has been blocked for some Saturday arrivals at the several hotels. The opening social event will be a welcoming reception which will start at 5:30 pm and will include local entertainment. The evening has been set aside to allow conference attendees to enjoy Santa Fe's finest restaurants. A continental breakfast will be provided each morning of the conference. The opening General Session will start at 9:00 am on Monday, September 26. All attendees are encouraged to attend all general and individual committee sessions and to feel free to take part in discussions at any time. The remaining portions of the program, both business and social, are reviewed in the enclosed "preliminary" program. Members of the study committees will be contacted with the updated information prior to the conference. Some of the subjects to be covered in the individual committee sessions will include:

Privacy
Indian/Native American Jurisdictional Questions
Update on Actuarial Figures Regarding Medical Malpractice Insurance
International Registration Plan
Electronic Permit Issuance for Trucks
Quality Control and Design Standards
Hospital Cost Containment

SFO/A/7

Welfare Reform
School Financing Issues
160 Acres Limitation Question
Public Land Ownership and Management
Environmental Impact Statements
Energy Alternatives

Please indicate your hotel needs and other information on the enclosed conference and hotel reservation form. The registration fee, payable only at the meeting site, will be $10 per attendee and $20 for accompanying spouse. A registration fee of $75 will be charged for all other attendees. PLEASE RETURN THE RESERVATION FORM AS SOON AS POSSIBLE. We look forward to seeing you in Santa Fe.

Sincerely,

Jerry D. Morris
Director

JDM/vk

Enclosures

SFO/M/7

1977 Annual Meeting
of the

Preliminary Program
as of August 8

WESTERN CONFERENCE

of The Council of State Governments

September 25-28
Santa Fe Hilton
Santa Fe, New Mexico

SUNDAY, September 25

10:00 am - 5:00 pm	REGISTRATION OF DELEGATES	Santa Fe Hilton
2:00 pm - 5:00 pm	Legislative Service Agency and Research Directors Presiding: John C. Doyle, Alaska, Chairman	Room 270
2:30 pm	Concurrent Meetings of Conference Committees	Santa Fe Hilton
	Committee on Government Reform and Fiscal Affairs Presiding: Representative William M. Crannell, Oregon	Room 269
	Committee on Transportation Presiding: Representative Sam C. Guess, Washington	Don Nicholas Room
	Joint Meeting of the Committees Agriculture and Energy & Resources Presiding: Senate President L. Donald Northrup, Wyoming, and Senator Ernest H. Dean, Utah	De Onate Room
5:30 pm	Welcoming Reception Entertainment (To Be Announced)	Pool Side, Santa Fe Hilton
Evening	Open for Conference participants to enjoy Santa Fe's finest restaurants	

MONDAY September 26

7:00 am - 8:45 am	Executive Committee Breakfast	Don Nicholas Room
7:30 am - 8:45 am	Continental Breakfast for Conference Attendees	De Vargas Room
8:00 am - 5:00 pm	Conference Registration reopens	Room 267

MONDAY, September 26 - Continued

9:00 am - 12:00 pm	OPENING GENERAL SESSION Presiding: Senator C. B. Trujillo New Mexico, Chairman, Western Conference Welcomes: Governor Jerry Apodaca, New Mexico Representative Adele C. Hundley, Chairman, New Mexico Host State Committee Honorable Sam Pick, Mayor, Santa Fe	Room 267
9:20 am	"State-Federal Intergovernmental Efforts in 1977" Presiding: Representative Robert L. Marks, Montana, Chairman-elect, Western Conference and Program Chairman Session Moderators: Senate President L. Donald Northrup, Wyoming. Chairman Committee on Agriculture and Senator Ernest H. Dean, Chairman, Committee on Energy & Resources U. S. Senator Paul Laxalt, Nevada (invited) Governor , Chairman, Western Governors' Policy Office	
10:30 am	Coffee Break (Roll-in)	
10:45 am	"Natural Resources Management - A Western Coalition" Presiding: Assemblyman Thomas J. Hickey, Nevada, Vice-Chairman, Committee on Agriculture and Assemblyman Lawrence E. Jacobsen, Nevada, Vice-Chairman, Committee on Energy & Resources, National Association of Counties, and National League of Cities	
11:40 am	Report of the Committee on Transportation	
12:00 pm	Conference Luncheon Presiding: Speaker: To Be Announced	De Vargas Room

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MONDAY, September 26 - Continued

1:15 pm	Report of the Committee on Judiciary	
1:30 pm	Members of the Western Region of the American Society of Clerks and Secretaries meet in Hotel Lobby and depart for the State Capitol	
1:30 pm	Concurrent meetings of Conference Committees	
	Committee on Judiciary Presiding: Senator Robert E. Ziegler, Sr., Alaska	Room 269
	Committee on Education & Social Services Presiding: Senator Mike P. Mitchell, Idaho	Room 270
	Committee on Energy & Resources Presiding: Senator Ernest H. Dean, Utah	Don Nicholas Room
	Committee on Agriculture Presiding: Senate President L. Donald Morthrup, Wyoming	De Onate Room
6:30 pm	Depart Hotel Lobby for Governor's Residence	
7:00 pm	Reception and Buffet	Governor's Residence
9:00 pm	Delegates return to the Santa Fe Hilton	

TUESDAY, September 27

7:00 am - 8:45 am	Resolution Committee Breakfast	Don Nicholas Room
7:30 am - 8:45 am	Continental Breakfast for Conference attendees	De Vargas Room
9:00 am - 12:00 pm	GENERAL SESSION Presiding: Senator C. D. Trujillo, Report on The Council of State Governments: President Pro Tem John J. Thomas, Indiana, Chairman, CSG Governing Board and Herbert L. Miltsee, Executive Director, The Council of State Governments	De Onate Room

TUESDAY, September 27 - Continued

9:20 am	Presiding: Representative Robert L. Parks _____ (topic) Moderator: Senator Sam C. Guess, Washington, (Chairman, Committee on Transportation)	
10:00 am	Coffee Break (Poll-in)	
10:10 am	_____ (topic) Moderator: Senator Mike P. Mitchell, Idaho, (Chairman, Committee on Education & Social Services)	
11:00 am	_____ (topic) Moderator: Representative William H. Grannell, Oregon, (Chairman, Committee on Government Reform & Fiscal Affairs)	
11:55 am	Committee reports on Energy & Resources and Government Reform & Fiscal Affairs)	
12:15 pm	Conference attendees depart for Los Alamos (box lunches will be served on route)	Santa Fe Hilton
1:15 pm	Los Alamos Conference Center Presiding: Senator Ernest H. Dean, Utah, and Senate President L. Donald Northrup, Wyoming Speaker: To Be Announced	
2:30 pm	Tour of Los Alamos facilities	
5:00 pm	Conference attendees return to Santa Fe Hilton	
6:30 pm	Reception	Pool Side, Santa Fe Hilton
7:30 pm	New Mexico State Dinner Presiding: Senator C. B. Trujillo Invocation: Speaker: To Be Announced Entertainment (To Be Announced)	De Vargas/Peralta Rooms

SEO/A/6

WEDNESDAY, September 28

7:30 am - 8:45 am	Continental Breakfast for Conference attendees	De Vargas Room
9:00 am - 12:00 pm	GENERAL SESSION Presiding: Representative Robert Marks _____ (topic) Moderator: Senator Robert B. Ziegler, Sr., Alaska, (Chairman, Committee on Judiciary)	Onate/Peralta R
9:50 am	Committee Report on Agriculture and Education & Social Services	
10:00 am	The Council of State Governments Outreach Programs Speaker: Michael Minnesohn, Special Assistant, CSG	
10:20 am	Concluding Business Session Report of the Resolutions Committee Report of the Nominating Committee Report of the Executive Committee on the location of the 1978 Annual Meeting Invitations for the 1979 Annual Meeting Installation of Officers Other Business Adjournments	
Immediately following the Adjournment of the 1977 Annual Meeting	Meeting of the Executive Committee	Don Nicholas Room

SFC/T/C

1977 Annual Meeting

WESTERN CONFERENCE
of The Council of State Governments

Santa Fe Hilton
Santa Fe, New Mexico
September 25-28

NAME & TITLE: _____

ADDRESS: _____

TELEPHONE: Work: _____ Home _____

Room Reservations Information:

Santa Fe Hilton:	Single $22 ____	Double $22 ____	Twin $28 ____
Inn of the Governors:	Single $22 ____	Double $30 ____	Twin $38 ____
La Fonda Hotel	Single $25 ____	Double $30 ____	Twin $30 ____
Inn at Loretto:	Single $31 ____	Double $37 ____	Twin $37 ____

Please indicate a first (1) choice and a second (2) choice. Every effort will be made to accommodate your first choice, but hotel reservations will be made on a first come, first serve basis.

Person with whom you are sharing accommodations _____ _____

Name and ages of children accompanying Conference attendees _____

_____

I PLAN TO ATTEND THE CONFERENCE, BUT WILL NOT REQUIRE SLEEPING ACCOMMODATIONS: ____

Travel Plans:

I plan to arrive at Albuquerque _____ (or) Santa Fe _____ Airport.

Arrival - September _____ _____ am ___ (or) pm ___ Flight name & number

Departure - September _____ _____ am ___ (or) pm ___ Flight name & number

_____

I plan to rent a car in Albuquerque ___, ___ Avis __ Budget __ Hertz __ National __

NOTE: You will have to make your own car rental reservations. Budget has quoted the following special rate--$20/day standard sedan; $18/day compact with unlimited mileage.

Registration Fee:

$40 per state official; $20 per spouse; $75 others. (Registration fees are payable at time of registration in Santa Fe.)

Since all reservations are to be made through the Western Offices of CSG, we would appreciate your supplying the information requested by September 16 to the address on the opposite side of this page. Thank you.

SFO/1977

return address

_____

_____

_____

stamp

THE COUNCIL OF STATE GOVERNMENTS

85 POST STREET, #400

SAN FRANCISCO, CA 94104

1977 Annual Meeting

WESTERN CONFERENCE
of The Council of State Governments

September 25-28
Santa Fe Hilton
Santa Fe, New Mexico

INFORMATION SHEET

DATES: September 25-28, 1977.

PLACE: The Conference headquarters will be the Santa Fe Hilton. Accommodations are also available at the Inn at Loretto, the Inn of the Governors, and the La Fonda Hotel. Registrants are asked to indicate a first (1) and a second (2) choice on the reservation forms. Reservations for hotel accommodations will be made on a first-come, first-serve basis, with every attempt being made to honor your first request. All hotels are within walking distance of the Santa Fe Hilton.

TRANSPORTATION: Commuter Air Carriers service Santa Fe from Albuquerque, Denver and several cities within New Mexico, to include Las Cruces, Silver City, and Taos. Carriers providing service are Trans-Western Airlines, Trans-American Airways, and Zia Airlines. Aircraft are Cessna 402 Twin Turbo Systems, and Ted Smith Aerostar 601.

The Host State Committee, operating on the premise that most attendees will be arriving at the Albuquerque International Airport, have made arrangements for bus travel to the city of Santa Fe for those arriving on Sunday, September 25. Transportation will also be provided for those desiring to return to Santa Fe on Wednesday, September 28, commencing at the conclusion of the closing general session. The schedules for bus transportation will depend on your providing the appropriate information as to flight numbers and arrival and departure times on the enclosed reservation form.

For those planning to arrive and/or depart on days other than Sunday and Wednesdays, there is a local transportation service which provides service directly from the Albuquerque International Airport to each hotel in Santa Fe. The service is called The Shuttle-Jack and operates periodically during the day. Reservations are necessary and when making reservations you are required to have your flight number and time. The cost for the round trip service (Albuquerque to Santa Fe and return) is $18.00. Reservations may be made by calling (505) 983-7435. Total shuttle time each way is 1 1/2 hours.

Budget Rent-A-Car has quoted attendees a commercial rate, which is described on the reservation form. Rental cars are also available from Avis, Hertz and National. You will have to make your own reservations for car rentals. All we are trying to do is to obtain information as to numbers, so that any of the rental outfits can stock additional cars as required.

WEATHER: 70-80°, but dry and very comfortable. Suggest a wrap or coat for evening activities (Santa Fe is 7000 feet above sea level).

LOCAL POINTS OF INTEREST:

Los Alamos Scientific Laboratories
Loretto Chapel - Santa Fe
Historic Palace of the Governors & The Plaza
Puye Cliff Dwellings
Canyon Road Arts & Crafts Area
Albuquerque Indian Pueblo Cultural Center and Old Town
Pecos National Monument
Bandelier National Monument
Taos and the Rio Grande Gorge
Various museums; nearby Indian pueblos

REGISTRATION FEE: $40 for official attendees; $20 for accompanying spouse and for children 16 years of age and older; $75 per person for other than official attendees. Please make checks payable to the Western Conference of CSG, and present them at the registration desk at Santa Fe.

Please note that several of the Western Conference committees will be meeting early on Sunday afternoon. To assure attendance at the meetings by members of the committees and other interested individuals, please check air arrival times and coordinate your efforts to assure attendance at these very important meetings.

SEO/11/6

misc.

corresp.

SENATE C/RA COMMITTEE BILL FILES

FIRST DRAWER

1) All Senate Bills before C/RA, in numerical order
2) All House Bills before C/RA, in numerical order

SECOND DRAWER

1) All Senate Bills passed out of C/RA, in numerical order
2) All House Bills passed out of C/RA, in numerical order

THIRD DRAWER

1)All Senate Bills for which C/RA is second referral, in numerical order
2) All House Bills for which C/RA is second referral, in numerical order

STORAGE DRAWER

1) All Senate Bills passed out of C/RA and which have been approved by the House and Senate, in numerical order.
2) All House Bills passed out of C/RA and which have been approved by the Senate, in numerical order.

Also:

1) Once the C/RA committee has taken action on a bill, the file should immediately be transferred to the second drawer with an informal notation (until the minutes are done) that such and such a bill passed out of committee on such and such a date.

2) Whenever a committee substitute is introduced to a bill, or a bill is amended, a new folder should be made reflecting this change and the old folder discarded (but not its contents).

REPORT OF THE JOINT RULES COMMITTEE

Session Employee Compensation

January 21, 1977

The Rules Committees of the House of Representatives and the Senate, sitting as the Joint Rules Committee and acting under authority of AS 24.15.060, met on January 21, 1977 to adopt a uniform plan for the compensation of temporary session employees for the duration of the Tenth Legislature (1977-78). The compensation plan is submitted herewith for the approval of each house. Upon approval by both houses the compensation plan will be considered operative effective January 21, 1977. The compensation plan assumes the availability of all employees on a seven-day a week basis for as many hours as their assigned work may require.

Position Title	Daily Rate
Chief Clerk and Senate Secretary	$89.00
Assistants to Chief Clerk and Senate Secretary	59.00
Enrolling and Engrossing	59.00
Sergeant-at-Arms	68.00
Assistant Sergeant-at-Arms	63.00
Pages and Messengers	46.00
Administrative Assistant to Speaker and President	73.00
Secretary to Speaker and President	56.00
Administrative Assistant to Committee Chairmen	68.00
Secretary	52.00
Typists	49.00
Clerks	46.00
Senior Lounge Hostess	52.00
Lounge Hostess	46.00

52.00
46.00
2L98.
49

Machine Operators	56.00
Xerox Operator	52.00
Finance Committee Assistants	59.00
Chaplains	15.00

Longevity Pay - $2.00 per day extra for each year of previous experience (at least 70 days) up to a maximum of $10.00.

Cost of Living - For employees outside of Juneau and Anchorage, the same cost-of-living percentage differential as permanent state employees receive will be paid, rounded to the nearest dollar.

###

FOR THE SENATE RULES COMMITTEE:

Robert H. Ziegler, Sr.
Chairman

FOR THE HOUSE RULES COMMITTEE:

Samuel Cotten
Chairman

Stuart Hirsh
Box 147
Glennallen, AK. 99588

October 12, 1977

Ms. Lee McAnerey, Commissioner
Dept. of Community and Regional Affairs
Pouch B
Juneau, Ak. 99811

Dear Commissioner McAnerney,

Valdez city councilman Jerry Neeble was recently reported in the local press to have said the following about a Valdez proposal to expand a Valdez Borough into the Copper River Basin:

> The Boundary Commission rejected a Valdez proposal that would have put bobough boundaries at the present Valdez city limits. This boundary proposal was rejected ostensibly for the reason that current Valdez municipal boundaries do not encompass enough land for a borough.
>
> The current Valdez boundary proposal comes north along the Richardson Highway to mile 74 and includes Alyeska Pipeline pump station #12. This was done so that property tax revenue from the pump station would go to Valdez.
>
> The new borough would tax only for services rendered. If no services were requested by residents of the new borough in the Copper River Basin, then no property taxes would be levied.

If what has been reported about the Boundary Commission is correct, then I must vigorously protest the Valdez boundary proposals. The Boundary Commissions reasoning fails to consider other important aspects of the Valdez proposal and also fails to consider other important attributes of boroughs in general.

Physical size should not be a sole determinant of a boroughs boundaries. The inclusion of large areas of undeveloped land should not necessarily make Valdez's current proposal attractive, nor should a small area (the present Valdez municipal boundaries) necessarily be disqualified without taking into account other important considerations.

The Copper River Basin comprises an identifiable geographic unit that is separate and disinct from Valdez. Basin residents are more closely tied to Anchorage than to Valdez. Shopping trips are usually made to Anchorage, not Valdez. Ground transportation to Anchorage is more reliable than to Valdez since the Richardson Highway at Thompson Pass is frequently hazardous and/or closed during the winter. Television comes into the Basin from Fairbanks via Midnight Sun Broadcasting Co. headquartered in Anchorage. Two local newspapers, along with two papers from Anchorage, serve residents of the Basin as well as if not better than the Valdez Vanguard.

The preceding considerations not withstanding, it is immediately apparent

that the current Valdez Borough boundary proposal has been made for only one reason: to relieve Basin residents of the burden of collecting and spending potential property tax revenues from pump station #12. These revenues have been variously estimated to range from 2.4 to 4 million dollars annually.

Valdez does not plan to provide residents of the Copper River Basin with any services in return for these quite substantial revenues. Any services rendered to Basin residents apparently would be financed by additional property taxes. The property tax revenues accruing to Valdez then represent, in my opinion, a substantial unearned wind fall.

Please understand that the real property represented by pump station #12 would be the only substantial property tax revenue producer if there was an existing borough in the Copper River Basin. Valdez has become quite wealthy by annexing and then taxing the Alyeska Oil Terminal.

The elimination of pump station #12 as a source of property tax revenue (by including it in the Valdez Borough) would effectively doom any local government in the Basin to poverty. There are no other revenue sources comparable to the pump station. The role and importance of pump station #12 in the financing of potential local government in the Copper River Basin becomes even more important since all accessible and unappropriated land along the highway system between Chitina and Mentasta Pass has been selected by various native corporations under provisions of the Alaska Native Claims Settlement Act. Even land underlying the Glennallen High School has been selected.

It should be clear that if Valdez's current boundary proposal were to remain unchanged, any future borough government in the Copper River Basin would essentially be landless and poverty stricken.

I would submit that the north boundary for a Valdez Borough be drawn along more sensible and realistic lines. Those lines would put the north borough boundary along the crest of the Chugach Mountains.

Since the current Valdez borough proposal is vital to the interests of all residents of the Copper River Basin, I respectfully request that public hearings be held in the Basin prior to any final decision on the matter.

Sincerely,

Stuart Hirsh

Stuart Hirsh

Stuart Hirsh
Box 147
Glennallen, Ak. 99588

October 12, 1977

Senator Joe Orsini, Chairman
Senate Committee on Community and Regional Affairs
2912 Alder Drive,
Anchorage, Ak. 99504

Dear Senator Orsini,

Enclosed please find a copy of a letter I recently sent to the Commissioner of the Department of Community and Regional Affairs. It concerns a matter that is vital to the long term interests of all residents of the Copper River Basin.

Since the State Legislature sits as the Assembly for the State Wide Unorganized Borough, I request that you give the issues presented here in your valuable consideration. Thank you for your kink attention.

Sincerely,

Stuart Hirsh

Stuart Hirsh

Copper River School District

School Board
Box 108
Glennallen, Alaska 99588
(907) 822-3234

July 12, 1977

The Honorable Joseph Orsini
Chairman
Community & Regional Affairs
2912 Alder Drive
Anchorage, Alaska 99504

Dear Senator Orsini:

We, here in the Copper River Basin, are concerned with the Resolution and Application to the Boundary Commission by the City Council of Valdez pertaining to an expansion of their boundaries into Regional Education Attendance Area #17 (Ahtna Region).

I feel quite confident that I am speaking for an overwhelming majority of the entire population of our area, when I state that we are opposed to any movement of any city or borough into our REAA boundaries.

You will recall that when the REAAs were being set up, the Boundary Commission tried to combine Ahtna with the Chugach region and that we were totally unified in our opposition. The Copper River School District Board will take any necessary action in hearings, elections or court proceedings to oppose this proposed movement into our area.

We would appreciate hearing your comments on this subject.

Very sincerely,

Paul Weir

Paul Weir, Legislative Chairman
Copper River School District Board
P.O. Box 275
Glennallen, Alaska 99588

PW:pm

cc: Bill Overstreet

ANCHORAGE
SCHOOL DISTRICT
4600 DeBarr Road · Anchorage, Alaska
99504
AREA CODE 907-333-9561

January 27, 1978

The Honorable Joseph L. Orsini
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Mr. Orsini:

During the current legislative session, your committee will be dealing with a number of bills affecting public education.

Since the Anchorage School District enrolls one half of Alaska's public school students, we feel that many of these proposals are of vital importance to us.

Would it be possible for your staff to alert us to committee hearings on bills dealing with these matters? We are most interested in proposals on public employment practices affecting teachers and school employees, educational programs and school finance.

Your assistance in this matter would be appreciated.

For your information, we are enclosing copies of the Anchorage School District's Facts and Figures Digest. This booklet contains a summary of the District's financial activities and student enrollment patterns and may help you place some perspective on the size of our system.

Thank you in advance for your time and cooperation.

Sincerely,

John B. Peper

John B. Peper, Ed.D.
Superintendent

F. General Correspondence

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

February 1, 1978

Robert Jenks
Municipal Lands Trustee
Department of Community &
Regional Affairs
511 West Fourth Avenue
Anchorage, Alaska 99501

Dear Mr. Jenks:

I appreciated having the opportunity to discuss with you recently the situation concerning the conveyance of village lands to municipalities under the provisions of Paragraph 14(c)(3) of the Alaska Native Claims Settlement Act.

I understand that presently most attention has focused on the situation between the Village Corporation of Eklutna and the Municipality of Anchorage. I would be interested in receiving your assessment as to where else in Alaska differences of opinion between municipality and village corporation regarding the conveyance of village land may occur; and where else, in your view, the State of Alaska should act as trustee for this land in place of a Borough government.

I would also appreciate any other comments you might have on this issue and how close it is to a satisfactory settlement.

Sincerely,

Joe Orsini

JOE ORSINI
Chairman, Senate
Community and Regional
Affairs Committee

JO:gd

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

MANPOWER DIVISION

POUCH BC—JUNEAU, ALASKA 99811
PHONE 465-4890

February 8, 1978

Senator Joseph Orsini
Pouch V
Juneau. Alaska 99811

Dear Senator Orsini:

The Manpower Division, Department of Community and Regional Affairs has found it necessary to reduce public service employment under Title VI of CETA by 234 participants. Currently the Manpower Division is funding 740 participants.

The reduction, which will begin April 1, 1978, is necessary to adjust enrollment schedules to program dollars available. As you might know, CETA Prime Sponsors were directed by USDOL to develop enrollment schedules as a result of the passage of the President's Economic Stimulus Package. When previous enrollment schedules were negotiated with the Region X Employment and Training Administration our cost projections were ignored and an unrealistic cost of $875.00 per participant month was imposed upon the Prime Sponsor by the funding agency. This low participant cost artificially inflated our required enrollment schedule. When costs were computed through December 31, 1977, documented costs were $971.00 per participant month. When the Actual cost per participant was proved the Manpower Division requested additional funding from the Employment and Training Administration to support participants on board through September 30, 1978. The request has not been approved.

In order to give maximum notice of impending termination to those CETA participants involved and to afford sub-grantees opportunity to transition CETA participants to regular employment status it is essential we announce the reduction publicly and inform each sub-grantee individually as soon as possible.

The purpose of this letter is to inform you of the reasons we are reducing program activity. If you wish additional information please contact Fred Ali or Art Zillig of my staff.

Sincerely,

Lois A. Lind, Director
Manpower Division

LAL:tmp

cc: Fred Ali
Art Zillig

21-P1LH

STATE OF ALASKA
JAY S. HAMMOND, GOVERNOR
DEPT. OF COMMUNITY & REGIONAL AFFAIRS
DIVISION OF LOCAL GOVERNMENT ASSISTANCE
511 WEST 4TH AVENUE
ANCHORAGE 99501

May 6, 1977

Mr. Paul Conger
Administrative Assistant
Senate Community & Regional
Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Mr. Congor:

This is in response to your request for information about municipal detachment procedures.

Basically, there are two methods by which a territory may be detached from a municipality. The two methods are generally referred to as the "Legislative Review" method and the "Local Option" method.

Procedures for the Legislative Review method detachment go, generally, like this: A petition containing all information and signatures required by 19 AAC .10.010 (copy enclosed) is prepared and submitted to the Department of Community & Regional Affairs. Upon receipt the Department reviews the petition and determines whether or not it is sufficient. Assuming that it is determined sufficient, the petition is forwarded to the Local Boundary Commission for their consideration. Upon receipt, the Commission would schedule a public hearing on the proposal. At the public hearing all individuals, as well as the subject municipality and petitioners attorney, are allowed to present arguments and opinions with respect to the detachment proposal. Following the public hearing the Commission would convene a decisional meeting at which they would determine whether or not to accept the petition. If accepted, the Commission then prepares a recommendation to the legislature recommending that the subject territory be detached from the municipality. The Commission's recommendation is, as you are probably aware, submitted within the first 10 days of the session and is effective 45 days later unless earlier disapproved by a joint resolution concurred in by a majority of the members of each house.

The Local Option method is somewhat different. It is initiated by a petition too, but the petition is first submitted to the city council. If the city council approves of the detachment they adopt a resolution so stating and then forward that to the Boundary Commission. The Boundary Commission reviews it and makes a determination as to acceptability. If found acceptable (that is, it meets the requirements of 19 AAC 15.070) the city is so notified and directed to conduct an election on the question of detachment. Only those persons

residing within the area proposed to be detached are allowed to vote on the question of detachment. The majority vote decides the issue.

I have enclosed copies of administrative regulations that the Local Boundary Commission follows in deciding all detachment proceedings before it. The Legislative Review sections are contained in 19 AAC .05-10 while the Local Option provisions are contained at 19 AAC .15. I believe you will find the regulations quite specific and informative with respect to standards for detachment proceedings as well as procedures for such action.

Please contact me should you have additional questions.

Sincerely,

Patrick K. Poland
Local Government Specialist

PKP:sj

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

JAY S. HAMMOND, Governor

DIVISION OF LOCAL GOVERNMENT ASSISTANCE

POUCH B - JUNEAU 99811

April 2, 1975

Mr. Leonard Kato, President
Klawock/Heenya Corporation
Post Office Box 74
Klawock, Alaska 99925

Dear Mr. Kato:

Enclosed please find a copy of the Local Boundary Commission recommendation for changing the corporate boundaries of the City of Craig. This recommendation includes a legal description of the annexed area which may help you to more clearly define the area in question.

I have also enclosed a copy of a rough outline map of the annexed area. (The annexed lands of the City of Craig are outlined in blue)

You are correct in observing that a portion of the new city limits of Craig lie within the core township of the Klawock-Heenya village corporation. However, this area does not include the total of 2670 acres that were annexed by Craig. Rather, Craig's area of municipal jurisdiction appears to include approximately 4 square miles of village corporation land. A close examination of the annexed area will reveal that if Klawock-Heenya were to initiate detachment proceedings, the area to be detached would include simply the annexed lands within the core township of Klawock-Heenya Corporation.

However, since the Craig sanitary land fill lies within this area, and it appears that control of this site may have constituted the main thrust for annexing this area, a suggestion is in order.

The rightful owner of the annexed lands within the core township-- Klawock-Heenya Corporation, could resolve to detach Craig lands within its core township. Upon approval by the legislature, Klawock-Heenya could offer Craig use of these lands for disposal purposes through use of a long-term lease or mutual use agreement.

I trust that this information may be of use to you.

Sincerely,

Carlton Smith
Local Government Specialist

CS:dt

Enclosures

Klawock Heenya Corporation

P.O. Box 74
Klawock, Alaska 99925
(907) 755-2270

April 3, 1975

City Council of Craig

Craig, Alaska 99921

Gentlemen:

Klawock Heenya Corporation has been corresponding with the Department of Community and Regional Affairs the past few weeks in regards to the following lands that wereannexed by the City of Craig some time after November 1972.

	Sec	Sub	Area
T73S	27	All	640 acres
R81E	28	"	640 "
	29	"	265 "
	32	"	325 "
	33	N½;SW¼	480 "
	34	N½	320 "

The reason Klawock Heenya Corporation is concerned about these lands is that they are in the corporation's primary township. We are aware that when these lands are turned over to this corporation that we will have full title to them and that any sales, leases, timber cuttings or even leaving the said lands as they stand will be to the sole discretion of this corporation.

We are also aware that if the said lands are developed, that they could be taxed by the city of Craig and in return the City of Craig will have some municipal service obligations to the developed area within the

city limits.

However, the Board of Directors feels that if there is any way that we could pursue a joint cooperative arrangement with the City Council of Craig to have these lands detached, then we should proceed in this manner.

What the Department of Community and Regional Affairs recommended was that, Klawock Heenya Corporation initiate a formal detachment procedure of the said lands that are involved. Procedurally, this would involve a letter from this corporation to the City Council of Craig. If the request is approved by the Council, a petition would then be forwarded to the Local Boundary Commission for review.

As this procedure would take place under the local option provision dealing with boundary adjustments, a minimal amount of processing would then be necessary.

In our correspondence with the dept. it was stated to us also that "on November 6, 1972, public notice of hearing for purposes of receiving public testimony on the Craig Annexation was sent to the City of Klawock and the City of Craig. I would like to point out that at that time our City Council in Klawock was very inactive and that there is no record of any correspondence in the files of the City of Klawock for the year 1972. The City council of Klawock has records starting in the year 1973 when Mr. William Woods was elected mayor.

I am pointing this out because the people I have talked to do not recall ever seeing a posted notice of the hearing and I am sure that with the passage and signing of the Alaska Native Claims Settlement Act on December 18, 1971, that these people knowing that they would be receiving land, would have expressed some concern as to this annexation.

I believe that the growth and economics of our area will weigh heavily on how well both the cities and both the village corporations could best stand and work together for the future.

This letter is not a formal request but rather a letter of inquiry into the general feelings of the council about this matter. If any of you have questions please feel free to call this office.

Sincerely yours,

Leonard Kato
President

CITY OF CRAIG

P.O. Box 23

CRAIG, ALASKA 99921

Phone: 826-3232

April 4, 1975

Mr. Leonard Kato, President
Klawock Heenya Corporation
P O Box 74
Klawock, Alaska 99925

Dear Mr. Kato:

Your letter in reference to altering the City Limits of Craig was read at last nights Craig City Council meeting.

First - Your letter didn't state why you would like the Heenya Corporation land removed from the Craig City limits. Title, Control, etc. remains with the owner as you stated in your letter. What are the disadvantages of the land in question lying within the city limits of Craig?

Second - you stated that no-one you talked to knew about the annexation hearing held in Craig in 1972. I was at that meeting and remember a number of Klawock residents present...specifically Isaac Katas and Mr. & Mrs. Seltzer. I talked with Mr. Bippus who was Mayor here at the time, and he also remembers Byron Skinna being there, taping the whole hearing. So--I'm sure that Klawock was in fact notified of the hearing.

Third - It is the Councils' feeling that we could in no way justify either to ourselves or to our constituents the detachment of a large portion of taxable land in return for a possible improvement in the relationships between the two towns.

Sincerely,

Jim W. Paul

Jim W. Paul -Councilman
for the Craig City Council

JWP/jc

Klawock Heenya Corporation
P.O. Box 25
Klawock, Alaska 99925

(907) 755-2270
755-2266
755-2267

April 4, 1977

Senator Joe Orsini
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

Back in January 8, 1973 the Boundry Commission submitted a recomendation to the legislature for changes of the City of Craig's corporate boundries, which was passed the same year.

Enclosed is a series of letters on past communications with Community and Regional Affairs and the City of Craig.

As you review the letters, the concerns of Klawock Heenya Corporation will clearly spell themselves out, as well as, some miss information that was given to incorporate the northeast section of Craig's then present boundries.

Klawock Heenya Corporation would like to know if there is any help you and your committee could give us in this department.

If you have any questions, please feel free to call this office.

Sincerely yours,

Leonard Kato
President

LK:rs

Enclosure

April 8, 1975

City Council of Craig

Craig, Alaska 99921

Gentlemen:

In regards to the recent exchange of letters pertaining to Klawock Heenya Corporation's interest in detaching our land from the Craig City limits, I would like to request a meeting between this board of directors and the Craig City Council.

In re-reading both letters it seems there are numerous areas where unanswered questions have arisen. I am requesting this meeting in the hopes of resolving any differences of opinion and avoiding any future antagonisms that may arise.

Because of the inconvenient travel schedule during the week it might be best to consider a suitable time over any weekend, other than this weekend. However, this could be at your discression and convenience.

Thank you.

Sincerely yours,

Leonard Kato, President

copies to: Phil Andrew
Jim Paul
George Yates
Fred Hamilton, Sr.
Karen Thomas
Jim Sprague
Glenn Charles, Mayor

Note;
The Road was being worked on At this Time and a ferry would Run between Craig + Klawock on week days. However The Road would be opened to car traffic on Week ends. (The last Ferry Run WAS A 7:00 P.M. week days)

CITY OF CRAIG

P.O. Box 23

CRAIG, ALASKA 99921

Phone: 826-3232

April 18, 1975

Leonard Kato, President
Klawock Heenya Corporation
P O Box 74
Klawock Alaska 99925

Dear Mr. Kato:

In regards to you letter of April 8, 1975 pertaining to Klawock Heenya Corporation's interest in detaching land form the City of Craig, please be advised that the Officers of your Heenya Corporation are invited to the Craig City Council meeting to be held on Thursday May 1st, 1975, at the 1st National Bank of Ketchikan, POW Branch in Craig, Ak at 7:30 P. M.

Yours very truly,

Glen O Charles

Glen O Charles, Mayor

JC/c

April 28, 1975

Craig City Council
P.O. Box 23
Craig, Alaska 99921

Gentlemen:

I must apologize for not being present in person as other corporation committments have necessitated my being away at this time. However, Mr. Rudolph Smith, Sr., Chairman of the Board of Directors, and Mrs. Lee Perkins, Corporate Secretary, should be able to answer any questions posed by the council.

Under the somewhat complex U.S. Land Survey System, the City of Klawock lies in the northern half of T73S, R81E, projected Copper River Meridian. According to the Alaska Native Claims Settlement Act, Sec 16 (b), which in part reads, '...shall select in accordance with rules established by the Secretary (of Interior), an area equal to 23,040 acres, which must include the township or townships in which all or part of the Native village is located....' Thi- selection of land was made for Klawock Heenya Corporation by virtue of the ANCSA and not by any action of its board of directors. Similarly, the City of Craig lies within the northern half of T74S, R81E, and likewise Shaan-Seet's primary selected lands lie within this area. The city of Craig's choice of expansion could conceivably have gone in any other direction and not have had any effect on Klawock Heenya's mandated primary selection.

At the time of the hearing for expansion of Craig's Corporate boundaries, Klawock Heenya Corporation was not operating. In fact,

this corporation was not incorporated until November, 1973, which was almost a year since the hearing by the Local Boundary Commission. The interests and views of this corporation therefore could not have been fairly represented by anyone. The land area affected is in the neighborhood of 2700 acres as listed below:

Copper River Meridian, T73S, R81E

SEC	SUB	ACRES
27	All	640
28	"	640
29	"	265
32	"	325
33	N½;SW¼	480
34	N½	320

The petition by the City of Craig presented to the Local Boundary Commission states in part, 'territory northeast of the present corporate boundaries containing the Craig Sanitary Land Fill and Barge Off Loading Ramp...." In checking our files and re-checking with the U.S. Forest Service in Craig, wording in the petition seems to be incorrect. The special use permit for the Sanitary Land Fill was issued jointly to both the cities of Craig and Klawock, as signed by Alvin Young, Acting Mayor, Criag and Frank Peratrovich, Mayor, Klawock. The Barge Off Loading Ramp is under no special use permit and never has been. The ramp also lies within the primary selection made by this corporation. Granted, these errors may be insignificant, but if they had been made known at the hearing in Craig, who can guess what the result could have been.

Another aspect I have taken under consideration is to acknowledge the fact that the city of Craig needed to expand. I can not see any urgent need however. With this need in mind, the ANCSA provides for such a need for all municipal corporations, '...the amount of lands to be transferred to the municipal corporation, or in trust shall be no less than 1280 acres.' (Sec 14(c) (3)). Klawock Heenya Corporation has this obligation to the city of Klawock and likewise Shaan-Seet, Inc. has this obligation to the city of Craig. This land can be used for expansion or anyway the city seems fit to use it.

I also acknowledge the fact that this corporation holds substantial lands within the present expanded corporate boundaries of Craig. This under normal circumstances could represent a broad tax base for the city. Again, referring to the ANCSA, no taxation is allowed for 20 years unless prior to that time improvements, sales or leases on these land-holdings occur. (Sec 21 (c) & (d))

Without a doubt there are other views on the prior action taken by the City Council of Craig to justify the expansion that had been granted. As the views of this corporation were not heard than I feel I have expressed them now. The views and interpretations on an overall basis represent the views of Klawock Heenya Corporation and its Board of Directors.

In the event that detachment is approved, Klawock Heenya Corporation would be willing to meet with the cities of Craig and Klawock to draw up an agreement satisfactory to all parties involved on the now present sanitary land fill on which a special use permit now exists.

Respectfully yours,

Leonard Kato, President

Klawock Heenya Corporation

P.O. Box 74
Klawock, Alaska 99925
(907) 755-2270

File

February 3, 1976

City Council of Craig
P.O. Box 23
Craig, Alaska 99921

Gentlemen:

Enclosed are the correspondence that took place between Klawock Heenya Corporation and the past Craig Council Members.

I hope this will enlighten you on why the corporation had to select such lands.

The letters of April 8, 1975 requesting a meeting between the board of directors & Craig City Council was written when the Ferry had scheduled trips between Craig and Klawock and on week days the last trip would be a 7:00p.m. This is the reason the Corporation requested a meeting on a weekend.

However, the reply on April 18,1975 indicated that the request was accepted, but the inconvenience of the week day ferry schedule was not considered.

I hope this is of some help to you and that in the near future we could meet together to try and resolve this matter.

I firmly believe that the future of the two Village Corporations and the cities of Klawock and Craig will weigh heavily on how well we as, seperate entities could work together.

Sincerely,

Leonard Kato
President

LK:js

cc: Mr. Marvin Yoder, Mayor
Mrs. John Christal
Mr. Fred Hamilton, Sr.
Mrs. Al Dennis
Mr. Jim Sprague
Mr. Kirk Thomas
Mr. Robert Thomas

January 11, 1977

Mr. Marvin Yoder
City of Craig
P. O. Box 90
Craig Alaska 99921

Dear Mr. Yoder:

On a meeting held on November 10, 1976, the Klawock Heenya Corporation Board of Directors formed a committee to meet with the Craig Liason Committee. The intent, I believe, was to come up with a recommendation on how we could best work together to solve the present situation with Craig City limits and Klawock Heenya Corporation land selection.

As you will notice, the committee was formed some time ago. However, I fail to find in our files, a letter informing you of Klawock Heenya Corporation action.

If this is agreeable with you, we will wait for your answer on a possible meeting date.

Sincerely yours,

Leonard Katep
President

LK:rs

CITY OF CRAIG

P.O. Box 23

CRAIG, ALASKA 99921

Phone: 826-3232

February 4, 1977

Leonard Kato, President
Heenya Corporation
Klawock, Alaska 99925

Dear Leonard:

In reference to our recent meeting concerning adjustments to Craig's boundaries, we have discussed your proposal thoroughly. The Council did not feel they could defend this to the taxpayers of Craig.

One recurring objection is that without a land use plan for the area past East Craig, we really don't at this time have a clear idea of our future needs, such as water supplies or industrial sites. Further study will be essential before we can even discuss any lard transfer intelligently.

In any event, we found a great deal of opposition to the terms considered at our meeting. The strong feeling is that they were unfairly generous to Heenya Corporation at the expense of the City of Craig. I'm sure that before we could justify accepting any proposal we would have to be able to demonstrate a more tangible benefit to Craig.

I think we both realize that this was only the first step in negotiations, and that by rejecting the proposed terms, it isn't our intention to close the door to future discussions. We haven't heard what your Board of Director's reaction was to our discussion, but we will certainly be interested in any further comments you may have about this.

Sincerely,

Marvin L Yoder

Marvin L. Yoder
Mayor

MLY/kt

United States Department of Agriculture Forest Service	a. Record no. (1-2)	b. Re (3-4)	c. Forest (5-6)
	70	10	Tongass 02
SPECIAL USE PERMIT	d. District (7-8)	e. Use number (9-12)	f. Kind of use (13-15)
Act of June 4, 1897 This permit is revocable and nontransferable (Ref. FSM 2710)	Craig 02	2720	Access 211
	g. State (16-17)	h. County (18-20)	k. Card no. (21)
	Alaska 50	000	1

Permission is hereby granted to City of Craig and Klawock

of Craig, and Klawock, Alaska

hereinafter called the permittee, to use subject to the conditions set out below, the following described lands or improvements:

Area accessible from Forest Service system road #6200 (Crab Creek), between the cities of Craig and Klawock, Alaska, as shown on the map attached hereto and made a part of this permit.

This permit covers 1 acres and/or 200' miles and is issued for the purpose of:

gravel, Alaska and access road

1 area for sanitary land fill, 200' x 200'
1 right-of-way for access road, 200' long

1. Construction or occupancy and use under this permit shall begin within 3 months, and construction, if any, shall be completed within 6 months, from the date of the permit. This use shall be actually exercised at least 365 days each year, unless otherwise authorized in writing. [illegible] LATION 6-11

2. In consideration for this use, the permittee shall pay to the Forest Service, U.S. Department of Agriculture, the sum of _____ Dollars ($_____) for the period from _____, 19__, to _____, 19__, and thereafter annually on _____ Dollars ($_____):

Provided, however, Charges for this use may be made or readjusted whenever necessary to place the charges on a basis commensurate with the value of use authorized by this permit.

3. This permit is accepted subject to the conditions set forth herein, and to conditions 1 to _____ attached hereto and made a part of this permit.

	NAME OF PERMITTEE	SIGNATURE OF AUTHORIZED OFFICER	DATE
PERMITTEE	City of Craig and Klawock	(Signed) ALLEN YOUNG, Acting Mayor	
		TITLE (Signed) FRANK PERATROVICH	10/7/70 DATE

forest officer in charge has approved, and has marked or otherwise designated, or destroyed. Timber cut or destroyed will be paid for by the permittee as follows: Merchantable timber at appraised value; young-growth timber below merchantable size at current damage appraisal value; *provided* that the Forest Service reserves the right to dispose of the merchantable timber to others than the permittee at no stumpage cost to the permittee. Trees, shrubs, and other plants may be planted in such manner and in such places about the premises as may be approved by the forest officer in charge.

5. The permittee shall maintain the improvements and premises to standards of repair, orderliness, neatness, sanitation, and safety acceptable to the forest officer in charge.

6. This permit is subject to all valid claims.

7. The permittee, in exercising the privileges granted by this permit, shall comply with the regulations of the Department of Agriculture and all Federal, State, county, and municipal laws, ordinances, or regulations which are applicable to the area or operations covered by this permit.

8. The permittee shall take all reasonable precautions to prevent and suppress forest fires. No material shall be disposed of by burning in open fires during the closed season established by law or regulation without a written permit from the forest officer in charge or his authorized agent.

9. The permittee shall exercise diligence in protecting from damage the land and property of the United States covered by and used in connection with this permit, and shall pay the United States for any damage resulting from negligence or from the violation of the terms of this permit or of any law or regulation applicable to the national forests by the permittee, or by any agents or employees of the permittee acting within the scope of their agency or employment.

10. The permittee shall fully repair all damage, other than ordinary wear and tear, to national forest roads and trails caused by the permittee in the exercise of the privilege granted by this permit.

11. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this agreement or to any benefit that may arise herefrom unless it is made with a corporation for its general benefit.

12. Upon abandonment, termination, revocation, or cancellation of this permit, the permittee shall remove within a reasonable time all structures and improvements except those owned by the United States, and shall restore the site, unless otherwise agreed upon in writing or in this permit. If the permittee fails to remove all such structures or improvements within a reasonable period, they shall become the property of the United States, but that will not relieve the permittee of liability for the cost of their removal and restoration of the site.

13. This permit is not transferable. If the permittee through voluntary sale or transfer, or through enforcement of contract, foreclosure, tax sale, or other valid legal proceeding shall cease to be the owner of the physical improvements other than those owned by the United States situated on the land described in this permit and is unable to furnish adequate proof of ability to redeem or otherwise reestablish title to said improvements, this permit shall be subject to cancellation. But if the person to whom title to said improvements shall have been transferred in either manner provided is qualified as a permittee and is willing that his future occupancy of the premises shall be subject to such new conditions and stipulations as existing or prospective circumstances may warrant, his continued occupancy of the premises may be authorized by permit to him if, in the opinion of the issuing officer or his successor, issuance of a permit is desirable and in the public interest.

14. In case of change of address, the permittee shall immediately notify the forest supervisor.

15. The temporary use and occupancy of the premises and improvements herein described may be sublet by the permittee to third parties only with the prior written approval of the forest supervisor but the permittee shall continue to be responsible for compliance with all conditions of this permit by persons to whom such premises may be sublet.

16. This permit may be terminated upon breach of any of the conditions herein or at the discretion of the regional forester or the Chief, Forest Service.

17. In the event of any conflict between any of the preceding printed clauses or any provisions thereof and any of the following clauses or any provisions thereof, the following clauses will control.

GPO 886-132

18. The permittee will designate in writing to the Forest Supervisor, the name and title of the person or persons who is authorized to act in all matters connected with the privileges authorized by this permit. In the event the designated representative is to be changed for any reason, the Forest Supervisor will be notified of his replacement as soon as possible.

19. Should this permit fall within the boundaries of a present or future State selection area, the permit will terminate on the date the selection received tentative approval for transfer and patent to the State of Alaska.

20. Compliance With Title VI of Civil Rights Act of 1964. The permittee does by the acceptance of this document covenant and agree for itself, its assign, and its successors in interest to the property herein leased or any part thereof, that the covenants set forth below shall attach to and run with the land:

(1) That the described property, and its appurtenant areas and its building and facilities, whether or not on the land herein leased, will be operated as a disposal area in full compliance with Title VI of the Civil Rights Act of 1964 and all requirements imposed by or pursuant to the regulations issued thereunder by the Department of Agriculture and in effect on the date of this document to the end that no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits or, be subjected to discrimination under any programs or activities provided thereon; and

(2) That the United States shall have the right to judicial enforcement of these covenants not only as to the permittee, its successors and assigns, but also as to lessees and licensees doing business or extending services under contractual or other arrangements on the land herein conveyed.

In the event of a breach of any of the conditions set forth above, all right, title, and interest in and to the above described property shall, at the option of the Grantor, revert to and become the property of the United States of America, which shall have an immediate right of entry thereon, and the permittee, its successors or assigns, shall forfeit all right, title, and interest in and to the above described property and in any and all of the tenements, hereditaments and appurtenances thereunto belonging; provided, however, that the failure of the Grantor to

insist in any one or more instances upon complete performance of any of the said conditions shall not be construed as a waiver or a relinquishment of the future performance of any such conditions, but the obligations of the permittee with respect to such future performance shall continue in full force and effect.

21. Garbage or Solid Waste Disposal. The disposal area covered by this permit shall be operated as a sanitary landfill. No burning and no salvage operations will be permitted at the site. Refuse shall be spread, compacted, and covered on the day it is deposited at the site.

Specific Disposal Standards. The depth of refuse in each cell, which is refuse covered on the day of deposit, shall not exceed 6 feet. The depth of compacted earth over each cell shall not be less than 6 inches. The final elevation shall be attained when 2.5 feet of compacted earth has been placed over the uppermost deposit. Drainage shall be provided where necessary to intercept and/or divert surface runoff from the entire fill area.

Borrow pits, if used, shall be regularly smoothed and revegetated to the satisfaction of the Forest Service. (X-13)

22. Nondiscrimination, Services. During the performance of this permit, the permittee agrees:

a. In connection with the performance of work under this permit, including construction, maintenance, and operation of the facility, the permittee shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin.

b. The permittee and his employees shall not discriminate by segregation or otherwise against any person on the basis of race, color, religion, sex, or national origin by curtailing or refusing to furnish accommodations, facilities, services, or use privileges offered to the public generally.

c. The permittee shall include and require compliance with the above nondiscrimination provisions in any subcontract made with respect to the operations under this permit.

d. Signs setting forth this policy of nondiscrimination to be furnished by the Forest Service will be conspicuously displayed at the public entrance to the premises, and at other exterior or interior locations as directed by the Forest Service. (R-2)

23. Indemnification of United States. The permittee shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of National Forest lands under this permit. (B-8)

24. Erosion Control. The permittee shall be responsible for the prevention and control of soil erosion and gullying on the area covered by this permit and lands adjacent thereto, and shall provide preventive measures as required by specifications attached to and made a part of this permit. (D-7)

25. Water Pollution. No waste or byproducts shall be discharged if it contains any substances in concentrations which will result in substantial harm to fish and wildlife, or to human water supplies.

Storage facilities for materials capable of causing water pollution, if accidentally discharged, shall be located so as to prevent any spillage into waters, or channels leading into water, that would result in substantial harm to fish and wildlife or to human water supplies. (D-2)

26. Esthetics. The permittee shall protect the scenic esthetic values of the area under this permit, and the adjacent land, as far as possible with the authorized use, during construction, operation, and maintenance of the improvements. (D-3)

27. Permit Termination. Unless sooner terminated or revoked by the Regional Forester in accordance with the provisions of the permit, this permit shall expire and become void on 12/31/90, but a new permit to occupy and use the same National Forest land may be granted provided the permittee will comply with the then existing laws and regulations governing the occupancy and use of National Forest lands and shall have notified the Regional Forester not less than 6 months prior to said date that such new permit is desired. (D-4)

28. Revegetation, Surface Restoration of Ground Cover. All earth cut or fill slopes favorable to revegetation or other areas on which ground cover is destroyed in the course of construction, will be revegetated to grasses or other suitable vegetation as required by the Forest Supervisor. (D-9)

29. Revegetation, Surface Restoration, Seeding or Planting. Seeding or planting will be done at a time of the year, in a manner, and with species which the District Ranger considers offer the best chance of success and will be repeated annually until such areas are accepted in writing by the District Ranger as satisfactorily revegetated and stabilized. (D-11)

30. Pollution. The permittee shall take reasonable precautions to prevent pollution of or deterioration of lands or waters which may result from the exercise of the privileges extended by this permit. (B-13)

31. Firebreaks. The permittee shall construct and maintain such firebreaks as required by the Forest Service. (F-12)

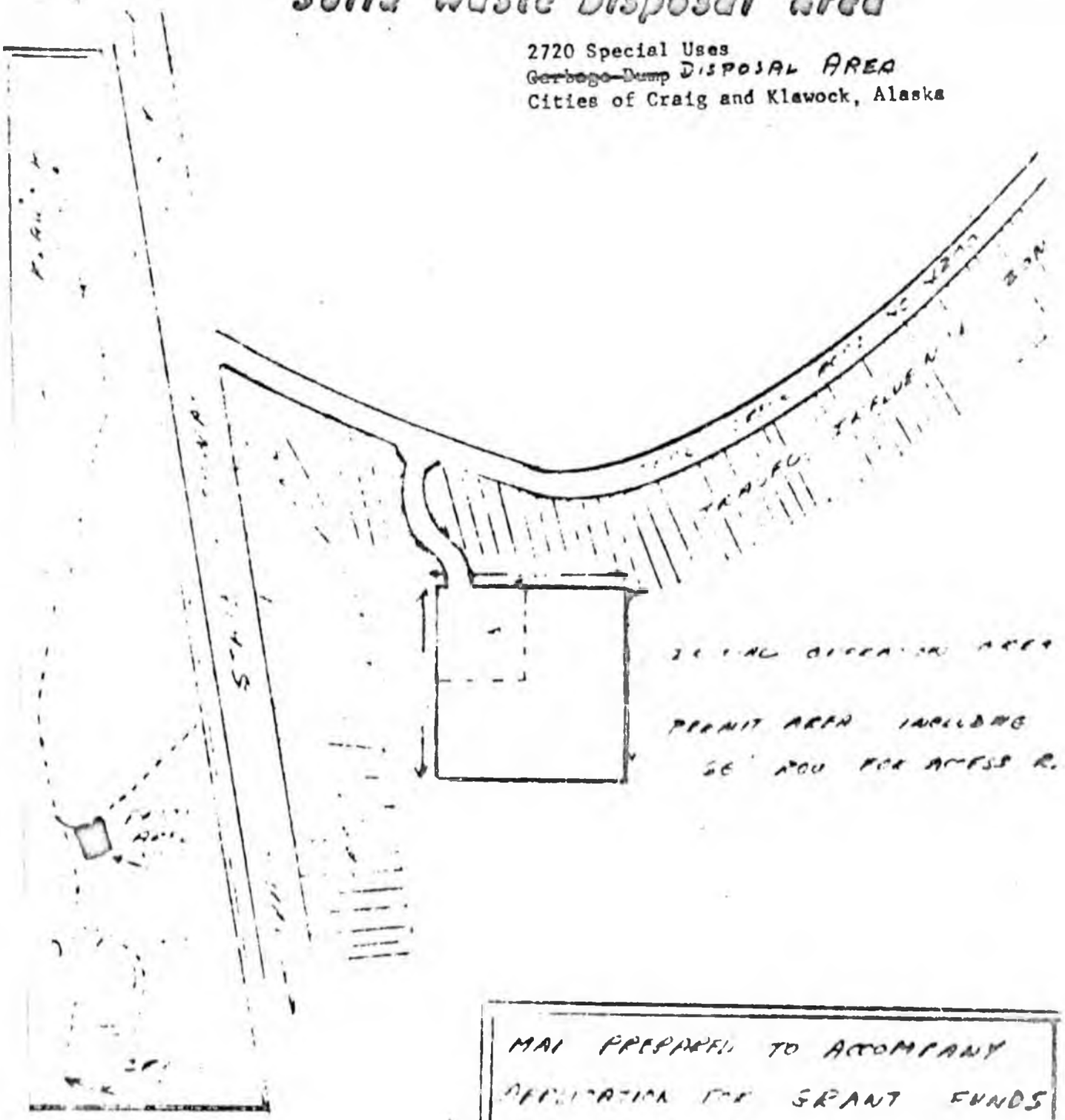
32. Fire Prevention and Suppression. Use in place of printed clauses pertaining to payment of damages resulting from fire in permits to States, counties, municipalities, and other Government agencies, when officials do not have authority to accept permits containing the printed clause. (F-24)

33. Live Trees and Fencing. All fences constructed under this permit will be attached to posts "H" in no case will the fence wire be fastened to live trees. (H-1)

34. Archeological-Paleontological Discoveries. If, during excavation work, items of substantial archeological or paleontological value are discovered, or a known deposit of such items is disturbed, the permittee will cease excavation in the area so affected. He will then notify the Forest Service and will not resume excavation until written approval is given. (X-17)

Solid Waste Disposal Area

2720 Special Uses
~~Garbage Dump~~ DISPOSAL AREA
Cities of Craig and Klawock, Alaska



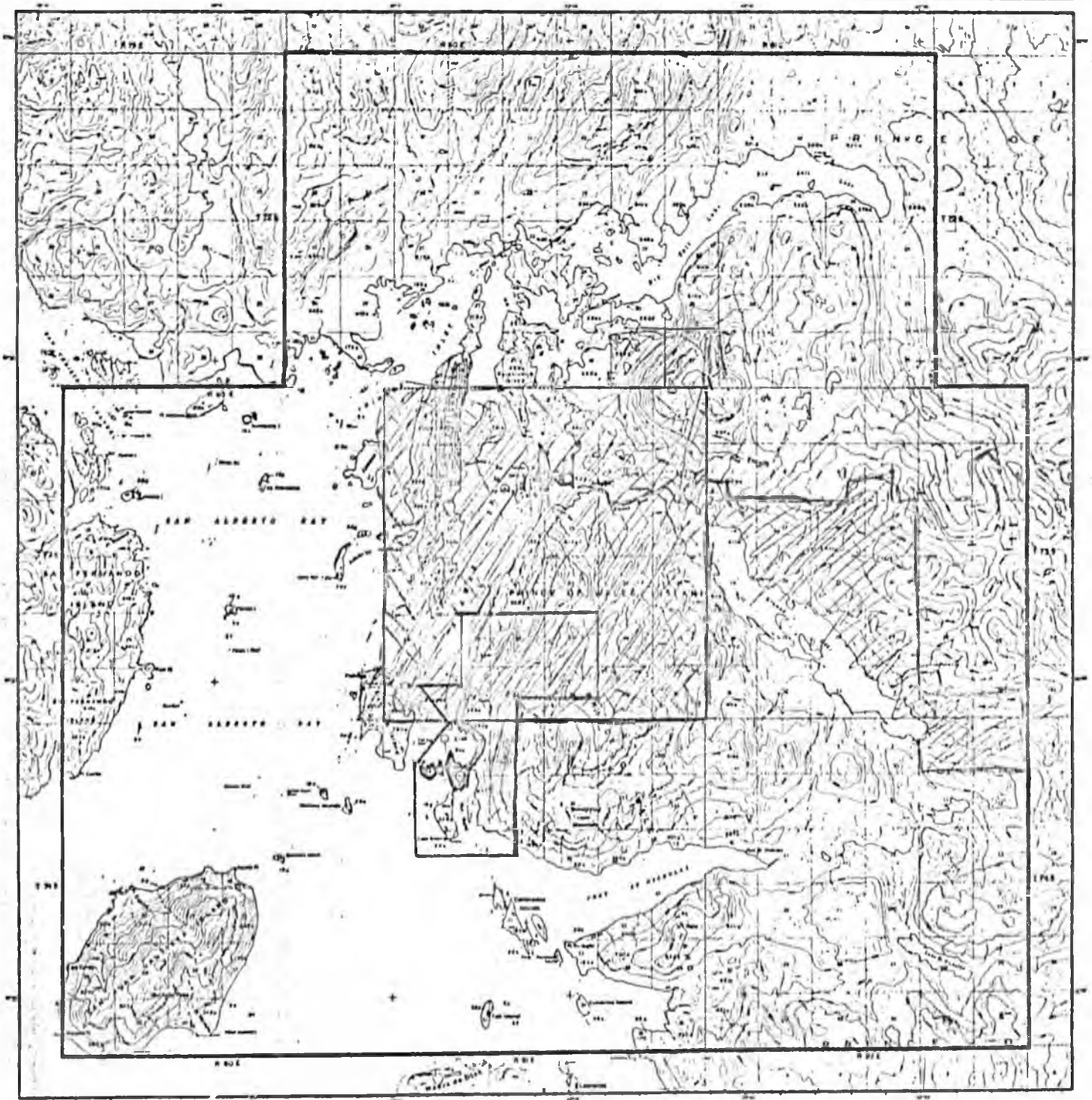
MAP PREPARED TO ACCOMPANY
APPLICATION FOR GRANT FUNDS
TO STATE OF ALASKA
RURAL DEVELOPMENT AGENCY
POUCH A - JUNEAU, ALASKA

PRINCE OF
Vicinity Map
1" = 1 mile
Occupancy Site
Road
Travel Influence Zone
Patent Land
Rock Quarry
Eagle nest
Salmon Stream
Watershed

KLAWOCK

PATENTED LANDS

WITHDRAWAL LANDS



SEALASKA CORPORATION

MCGALDRIAN & JOHNSON

WILBEY & HAM INC.

LEGEND

SCALE

OCTOBER, 1972

RECORD COPY

STATE OF ALASKA

LOCAL BOUNDARY COMMISSION

JUNEAU, ALASKA

RECOMMENDATION FOR CHANGING THE CORPORATE BOUNDARIES OF THE CITY OF CRAIG, ALASKA

SUBMITTED TO THE EIGHTH STATE LEGISLATURE
FIRST SESSION ASSEMBLED

SUBMITTED JANUARY 8, 1973

RECORD COPY

RECOMMENDATION FOR CHANGING THE CORPORATE
BOUNDARIES OF THE CITY OF CRAIG, ALASKA

WHEREAS, Petitioner, the City of Craig, has requested certain territory to be annexed to the City of Craig, to wit: territory east of the present corporate boundaries containing the Craig small boat harbor, the Craig Cold Storage, and a residential area; territory northeast of the present corporate boundaries containing the Craig Sanitary Land Fill and barge off-loading ramp; territory southeast of the present corporate boundaries containing the Craig Cementery and city park, all of which areas are contiguous to the present corporate limits of the City of Craig; and

WHEREAS, subsequent to giving properrnotice, the Local Boundary Commission conducted a public hearing in Craig on Friday, December 1, 1972, to consider whether the territory for which the City of Craig petitioned, as well as other areas contiguous and adjacent to the city, should be annexed to the City of Craig; and

WHEREAS, the Local Boundary Commission, at a public meeting held in Anchorage on Monday, December 4, 1972, reviewed the City of Craig's petition, supporting brief and all testimony advanced at the public hearing; and

WHEREAS, no answer or other written objections to the petition had been filed; and

WHEREAS, after having adjusted the boundaries, the area proposed for annexation did meet the standards for annexation of territory to a municipality as established by the Local Boundary Commission; and

WHEREAS, it appeared to the Commission that the extension of municipal jurisdiction in the territory to be annexed would enable the city to provide for planned orderly development of the territory and provide fire and police protection as well as other municipal services;

NOW, THEREFORE, the Local Boundary Commission recommends that pursuant to

Constitution, Alaska Statutes

44.19.260, and Alaska Administrative Code regulations 19 AAC 05.010 (a) (3), (4), (5) and (7), that the corporate boundaries of the City of Craig be changed to read as follows:

CITY OF CRAIG

Beginning at the NE corner of Section 27 Unsurveyed T73S, R81E, projected Copper River Meridian, Alaska; thence west to the NW corner of the NE 1/4 of Section 29, T73S, R81E; thence south to the SW corner of the NE 1/4 of Section 32, T73S, R81E; thence west to the SW corner of the NE 1/4 of Section 31, T73S, R81E; thence southeasterly to the SE corner of Section 31, T73S, R81E; thence southwest to the SW corner of the NE 1/4 of Section 6, T74S, R81E; thence south to the SW corner of the NE 1/4 of Section 18, T74S, R81E; thence east to the SE corner of the NW 1/4 of Section 16, T74S, R81E; thence north to the SW corner of the NE 1/4 of Section 33, T73S, R81E; thence east to the SE corner of the NE 1/4 of Section 34, T73S, R81E; thence north to the point of beginning containing 9.5 square miles more or less.

In accordance with the Constitution, this recommendation shall become effective forty-five days after its presentation to the Legislature or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house.

February 26, 1975

State of Alaska
Department of Community & Regional Affairs
Pouch B;
Juneau, Alaska 99811

Attention: Local Boundary Commission

Dear Sir:

It is to our understanding that the City of Craig's future city limits expansion runs into our primary land selection, with this fact in mind, the Board of Directors of Klawock Heenya Corporation has expressed some concern on how many acres are directly involved, why wasn't the area patented, and is there any time limit to the City of Craig on development in this area. What obligations would the City of Craig and this corporation have, if any, to each other and is there any office besides the City of Craig's that this corporation has to deal with to come up with a neutral understanding.

We would appreciate the above questions answered as well as receive any information you could give us on this matter.

This corporation's primary townsite is located on T73S; R81E, Copper River Meridian. To our knowledge the acres involved are:

T73S R81E	Sec	Sub	Total Area
	27	All	640 Acres
	28	"	640 "
	29	"	265 "
	32	"	325 "
	33	N½;SW¼	480 "
	34	N½	320 "
		TOTAL	2670 ACRES

Sincerely yours,

Copy to Bob Mullendore

STATE OF ALASKA
DEPT. OF COMMUNITY & REGIONAL AFFAIRS
DIVISION OF LOCAL GOVERNMENT ASSISTANCE
JAY S. HAMMOND, Governor
POUCH B–JUNEAU 99801

March 6, 1975

Mr. Leonard Kato, President
Klawock - Heenya Corporation
P.O. Box 74
Klawock, Alaska 99925

Dear Mr. Kato:

This correspondence is in response to your letter of February 26, wherein you requested opinions concerning the annexation of Klawock-Heenya lands to the City of Craig.

First, the description of lands annexed by the City of Craig which you indicated is correct. By law, the City of Craig now has essentially the same powers to exercise its authority within the 2,670 acres of Heenya corporate land holdings as the City of Klawock now exercises over lands within its corporate boundaries. However, it should be made clear that municipal authority exercised by the City of Craig by annexation does not concern title to the Heenya properties to which you referred in your letter.

Further, the lands annexed to the City of Craig cannot be patented to the City of Craig as they are the property of Heenya corporation. The patent to be received by the Heenya Corporation is being processed by the Bureau of Land Management. By law, village corporations must receive "interim" patents to selected lands. The Bureau of Land Management will then issue final patent to approved selected lands, which usually takes place after a period of two to four years.

Regarding development of the area, the City of Craig may not tax Klawock Heenya lands until December 18, 1991 unless these lands are improved through commercial or residential development.

At this time, it would be advisable for the board members of Klawock Heenya corporation to meet jointly with the city council of Craig in order to review possible plans of the City of Craig for the annexed lands. If after a joint review of the annexed area, Klawock Heenya Corporation and the City of Craig wish to adjust the existing boundaries, the Local Boundary Commission would hold a public hearing to accept testimony on the issue once a petition was received by the Department.

In 1972 the Department conducted a public hearing on the annexation of the City of Craig. Our records indicate that notices of these hearings were sent to the City of Klawock. However, no testimony from Klawock was received on this matter.

In closing, I would recommend that Klawock - Heenya Corporation pursue active co - operation with the City of Craig to arrive at a swift and reasonable conclusion to this matter. If further boundary adjustments are to be made, it would be in the best interest of both parties to initiate these proceedings as soon as possible.

I trust that these points may be helpful in your consideration of the situation.

Sincerely,

Carl Smith

Carl Smith
Local Government Specialist

CS: dt

March 21, 1975

Mr. Carl Smith, Local Government Specialist
State of Alaska
Department of Community & Regional Affairs
Division of Local Government Assistance
Pouch B
Juneau, Alaska 99801

Dear Mr. Smith:

Thank you for your reply to my letter of February 26, 1975.

Some of the things mentioned such as the possibility of Klawock Heenya Corporation having private lands in the city limits of Craig was already understood by the board of directors of this corporation. I mentioned the 'possibility of having private lands within the city limits of Craig', for the reason that the Bureau of Land Management has not made a final decision on these lands.

For our records we would like to have copies of all correspondence relating to this matter for our own review and study.

In addition, there are questions raised that we definitely need answers for:

1) Why the department did not send notices to other local organizations such as the local Alaska Native Brotherhood & Sisterhood, Tlinget & Haida as well as the city council of Klawock. This corporation was not chartered until November 1973 and the city council of Klawock during 1972 was inactive, therefore the possibility of fair representation at any such hearing was virtually nil. I can see that this idea could have easily been overlooked.

2) In your reply of March 6, 1975, you mention that 'the land annexed to the city of Craig cannot be patented to the city of Craig as they are the property of Klawock Heenya Corporation.' First of all thethe

time that that the annexation hearing took place the lands were not the property of Klawock Heenya Corporation and this corporation is still waiting for a final decision from BLM on these lands. My question is: Why were the annexed lands not patented at that time, so that Klawock Heenya Corporation could have choosen other lands? The reason for this question is that in September 1973, this corporation received a land resources book that was done for Sealaska Regional Corporation by Wilsey & Ham, Inc. and McGaughan & Johnson. This book contained information on withdrawal lands; patented lands; land encumbrances, etc. and under patented land this book did not show the 2770 acres that was annexed by the City of Craig.

3) The City of Craig will have some obligations to this corporation as private land owners when we choose to build a building for business, such as giving obewater; sewage and electricity. To What extend could a private owner demand such services from a municipal government in that event.

4) What alternatives does a private home owner or business owner have, if any, when such services are not provided?

Klawock Heenya Corporation would appreciate the answere to these questions brought up and any other information that a private land owner and builder has a right to ask for from a municipal government.

We are presently looking forward to a joint review with the City of Craig and any information from your department on matters such as expressed in this letter will greatly help our corporation. We are looking forward to a speedy reply so as to get started on a joint review.

Thank you for your department's co-operation.

Sincerely yours,

Leonard Kato
President

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE

POUCH B - JUNEAU 99811

March 27, 1975

Mr. Leonard Kato, President
Klawodk-Heenya Corporation
P.O. Box 74
Klawock, Alaska 99925

Dear Mr. Kato:

I will respond to your questions as put forth in your letter of March 21.
(1) Under Alaska law, proper notice of public hearing includes the forwarding of legal notices to municipal corporations affected by the proposed boundary adjustment. On November 6, 1972 public notice of hearing for purposes of receiving public testimony on the Craig Annexation was sent to the City of Klawock and the City of Craig. While the Department respects your observation that "fair" representation was minimal under the circumstances, it is the clear responsibility of the City of Klawock to note legal notices, regardless of its action or inaction at the time. Further, since the record leading to the hearing and to the Local Boundary Commission's decisional meeting did not reflect correspondence from any Klawock residents in protest of the annexation, the majority of the Commission accepted the petition and submitted its recommendation for the Craig annexation to the Alaska Legislature.

(2) The Sealaska Corporation publication to which you refer did not reflect the 2,670 acre area annexed by Craig because extension of municipal jurisdiction does not enter the concern of the BLM in its consideration of withdrawal lands; patented lands; and land encumberances. Again, BLM is the only agency which can answer your question regarding the timing of patents. We have no information at this office that could satisfy this question. As I am sure you are aware, the BLM is burdened with informational requests of this nature. I would suggest that you pursue this matter further through the BLM office in Anchorage phone 277-1561.

(3) The City of Craig currently is receiving state shared revenue for providing the following municipal services:

Police and Fire protection
Parks and Recreation
Transportation
Road Maintenance
Pollution control (water/sewer)

As a general rule, a municipality is obligated to make services available to residents where the service can be implemented without undue burden on the municipality and on the individual parties served. In any event, determinations on the extension of services are a clear consideration of the local municipality and of those who reside within the municipal boundaries.

The Alaska Public Utilities Commission (APUC) has the authority to review services of municipal utilities. This agency reports that services may be extended to an area not previously served by the municipal utility if (1) the utility has the resources with which to expand its services to a reasonable number of users within reasonable proximity to existing service lines and (2) the extension of service would not enter an area where a competing utility might operate.

If and when residents of Craig petition to receive municipal services and are refused, the legal recourse is again through the APUC. When a complaint is received, the Commission will proceed with an investigation to determine the "reasonableness" or "unreasonableness" of the request/denial for services. For further information, please write the Alaska Public Utilities Commission, McKay Building Anchorage, Alaska 99501.

The Klawock-Heenya Corporation could initiate a formal detachment procedure of the lands annexed by the City of Craig if your board can agree on this arrangement. Procedurally, this would involve a letter or request from the Heenya Corporation (with lands to be detached from the City of Craig described) to the City Council of Craig. If the idea is approved by the City Council, a petition would be then forwarded by the City to the Local Boundary Commission for review. As this procedure would take place under the local option provision dealing with boundary adjustments, a minimal amount of processing would be necessary. If you have any specific questions concerning this procedure, please contact this office directly.

Sincerely,

Carlton Smith
Local Government Specialist

CPS:ml

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

IAY S. HAMMOND, Governor

DIVISION OF LOCAL GOVERNMENT ASSISTANCE / *POUCH B - JUNEAU 99811*

April 2, 1975

Mr. Leonard Kato, President
Klawock/Heenya Corporation
Post Office Box 74
Klawock, Alaska 99925

Dear Mr. Kato:

Enclosed please find a copy of the Local Boundary Commission recommendation for changing the corporate boundaries of the City of Craig. This recommendation includes a legal description of the annexed area which may help you to more clearly define the area in question.

I have also enclosed a copy of a rough outline map of the annexed area. (The annexed lands of the City of Craig are outlined in blue)

You are correct in observing that a portion of the new city limits of Craig lie within the core township of the Klawock-Heenya village corporation. However, this area does not include the total of 2670 acres that were annexed by Craig. Rather, Craig's area of municipal jurisdiction appears to include approximately 4 square miles of village corporation land. A close examination of the annexed area will reveal that if Klawock-Heenya were to initiate detachment proceedings, the area to be detached would include simply the annexed lands within the core township of Klawock-Heenya Corporation.

However, since the Craig sanitary land fill lies within this area, and it appears that control of this site may have constituted the main thrust for annexing this area, a suggestion is in order.

The rightful owner of the annexed lands within the core township-- Klawock-Heenya Corporation, could resolve to detach Craig lands within its core township. Upon approval by the legislature, Klawock-Heenya could offer Craig use of these lands for disposal purposes through use of a long-term lease or mutual use agreement.

I trust that this information may be of use to you.

Sincerely,

Carlton Smith
Local Government Specialist

CS:dt

Enclosures

COPPER
RIVER
NATIVE
ASSOCIATION, INC.
(Ahtna Tanah Ninnah)

Education Welfare Health

Adm. 822-3949-3521
Health
Alcoholism 822-3955
J.O.M. 822-3333
Manpower 822-3333
Housing 822-3333

Drawer H-Copper Center, Alaska 99573

File

May 3, 1977

Senator Joseph Orsini
Chairman Community & Regional Affairs
Assembley 100
Juneau, Alaska 99811

Dear Senator Orsini:

At the present time the community and regional affairs is administrating state RDA grants in the amount of $20,000.00. Several of the villages in our region are currently receiving these grants. These have been greatly instrumental increasing the capacity of village councils of our area.

We would request your support with the increase in these grants from $20,000.00 to $40,000.00 as is contained Senate Bill 213. By increasing the amount of the grant from $20,000.00 to $40,000.00 it will greatly offset increased costs of construction due to inflation and other factors.

Your support is appreciated.

Sincerely,

Maxwell L. Fancher
Executive Director
Copper River Native
Association, Inc.

cc: Lisa Rudd, Chairman
Community &Regional Affairs
Court Building 620
Alaska House of Representive
Juneau, Alaska 99811

Senator Jalmar M. Kerttula
Court Building 624
Juneau, Alaska 99811

Your attention is requested.

KODIAK AREA
COMMUNITY DEVELOPMENT
CORPORATION, INC.

KODIAK AIRWAYS B DG
P.O. BOX 571
KODIAK, ALASKA 99615
PHONE 907 486-3296

5 May 1977

Senator Orsini, Chairman
Community & Regional Affairs Comm.
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

Our Office wishes to express our strong support for CS House Bill 193am. We are heavily involved in the Day Care program as we act as coordinators and administrators for the program here in Kodiak and in the villages of Kodiak Island. And, as such, have a strong interest in the progress of this Bill.

Under Section 1 b., we feel it is extremely important to create the 90 day limit. This will insure timely establishment of day care centers within the villages.

Section 2 also will have an extremely beneficial effect on our Day Care programs. By increasing the age limit of those who may be eligible for assistance, it will allow much needed day care for children during after school hours. It also can allow for assistance for children 7 to 11 years of age during the summer when school is not in session.

And finally an increased age limit can eliminate many of the inequities of the system. As it is now AFDC recipients are eligible to receive day care assistance for children through age 11 and non AFDC recipients are cut off at age 7. By equalizing or standardizing the age limit we can begin to reduce the partiality of the program to Welfare recipients.

We have discussed these proposed changes with the Day Care Center people here in Kodiak and at the Coast Guard Base. They are in strong support of these measures.

We hope that you will expediate the speedy passage of CS for House Bill 193am. through your committee.

Sincerely,

Wayne E. Marshall

Wayne E. Marshall
Regional Director

cc: Kay Poland

WEM/drm

ASSOCIATION OF VILLAGE COUNCIL PRESEIDENTS

P.O. BOX 219

BETHEL, ALASKA 99559

Dear Mr. Orsini:

The Association of Village Council Presidents will be holding thier Convention at Bethel, Alaska on the 26th, 27th and 28th of January, 1977.

As you are well briefed on the Subject Matter to be discussed, I, as President of the Association of Village Council Presidents, am formally inviting you to be one of the Moderators and/or to be on the panel.

If you plan to participate in this very important Convention, please fill in the enclosed form and return to this office as soon as possible so we could make appropriate arrangements for you.

Sincerely,

Eddie Hoffman, President
Association of Village Council
Presidents

cc; Carl Jack, Executive Director
Association of Village Council Presidents

Jack, I'm sorry I was unable to attend the Chairman's ICRA Awards banquet in person. Please accept my best wishes for a successful Convention.

Etc.

ASSOCIATION

OF

VILLAGE COUNCIL PRESIDENTS

C O N V E N T I O N

BETHEL, ALASKA 99559

WIEN TERMINAL

January 26, 27, 28, 1977

Tentative Agenda

Wednesday - January 26, 1977

8:30 - 10:00 a.m.	Registration	
9:30 - 9:35 a.m.	Call to Order	Eddie Hoffman, President
9:35 - 9:45 a.m.	Invocation	
9:45 - 9:50 a.m.	Opening Remarks	Eddie Hoffman, President
9:50 - 10:05 a.m.	Welcome Address	Gene Peltola, Mayor, City of Bethel
10:05- 10:20 a.m.	Coffee Break	
10:20- 10:35	Credentials Report	John Hope, Parliamentarian
10:35- 11:05 a.m.	President's Report	Eddie Hoffman, President
11:05- 11:15 a.m.	Welcome Address	Raymond Petersen, President, Wien Consolidated
11:15- 12:00 p.m.	Executive Director's Report AVCP/Yupiktak Bista, Inc.	Carl Jack
12:00 - 1:30 p.m.	Lunch	
1:30 - 4:30 p.m.	WORKSHOPS	MODERATORS
	Housing	Bob Loescher, Mark Roy, Paul Phillip
	Health & Social Services	Robert Clark, Bob Hurwitz, Paul Gregory
	Manpower	Mark Mickelson, Jonny Hawk, Joe Angiak
	Education	John Schuler, Peter Galila
	Subsistence	Harold Sparck, Harold Napoleon
4:30 - 5:00 p.m.	General Session for briefing of next days events	
5:00	Recess	

Thursday - January 27, 1977

9:00 = 9:05 a.m.	Announcements	
9:05 - 9:30 a.m.	AVCP Housing Report	Mike Jones
9:30 - 10:00 a.m.	YKHC Report	Alvin Ivanoff
10:00 - 10:15 a.m.	Coffee Break	
10:15 - 10:45 a.m.	Nunam Kitlutsisti Report	Harold Sparck
10:45 - 11:15 a.m.	YB Manpower Report	James Sanders
11:15 - 12:00 p.m.	Question & Answer Period	
12:00 - 1:30 p.m.	Lunch	
1:30 - 3:00 p.m.	WORKSHOPS	MODERATORS
	Legislation	G. Hohman, P. Guy, N. Andersen, J. Sackett
	Regional Governments	Mike Harper, Pat Poland, H. Napoloen, I. Hawk, W.B. Evan
	P.L. 93-638	B. Hirsch, Gordon Jackson
	OCS/CZM	K. Poland, J. Orsini, H. Sparck, P. Guy
3:00 - 4:00 p.m.	Regional Government Panel	M. Harper, H. Napoleon, I. Hawk, M. Jon
4:00 - 5:00 p.m.	Legislative Panel	G. Hohman, J. Sackett, Phillip Guy, Bill Akers, N. Anderson
5:00	Recess	
7:00	REAA Report	Marshall Lind, J. Hout, G. Erickson L. Etter

Friday - January 28, 1977

9:00 - 9:05 a.m.	Announcements	
9:05 - 9:35 a.m.	Indian Health Service Program	Gerald Ivey, Area Director IHS
9:35 - 10:00 a.m.	Bureau of Indian Affairs	Clay Antioquia, Area Director BIA
10:00 - 11:30 a.m.	Calista Corporation Panel	Martin Moore, Ray Christiansen
11:30 - 12:15 p.m.	KEYNOTE ADDRESS	Byron Mallott, President, AFN, Inc.
12:15 - 1:30 p.m.	Lunch	
1:30 - 2:00 p.m.	Incorporation, AVCP, Inc.	
2:00 - 5:00 p.m.	Resolutions	
5:00 - 5:10 p.m.	Closing Remarks	President
5:10	Adjourn	

ASSOCIATION OF VILLAGE COUNCIL PRESIDENTS

P.O. BOX 219

BETHEL, ALASKA 99559

TO: Eddie Hoffman, President
AVCP

FROM:

SUBJECT: AVCP Convention

☐ Yes, I will be able to participate during the convention. I will be arriving _____, January, 1977 on (morning/evening) flight. Please make arrangements for room and board.

☐ No, I won't be able to make it to the convention.

As our financial resources are somewhat limited, we will not be able to pay for your transportation or per diem. However, If you intend to participate in the Convention, we could arrange room and board for you.

Alaska State Legislature

SENATOR
JOE ORSINI
2912 ALDER DRIVE
ANCHORAGE, ALASKA 99504

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA
99811

File copy

COMMITTEES

RESOURCES
COMMERCE
COMMUNITY & REGIONAL AFFAIRS

Senate

February 25, 1977

Mr. David Courtis
2913 Wentworth
Anchorage, Alaska 99504

Dear Mr. Courtis:

Thank you for your letter of February 22, 1977. Your points regarding Richard Nygaard's report were very well taken. In my opinion, others would benefit greatly from your comments, and I would recommend your writing a "Letter to the Editor" to both the Anchorage Daily News and the Anchorage Times, so as to share your observations with the general public. Your article could generate a good deal of interesting information regarding state oil and gas leasing policies, particularly with respect to Prudhoe Bay.

If you have any more comments or suggestions, I would be very interested in hearing them.

Very truly yours,

Senator Joe Orsini

JO/js

February 22, 1977

2913 Wentworth
Anchorage, Alaska 99504

Senator Joseph Orsini
Pouch V
Juneau, Alaska 99811

Dear Mr. Orsini:

I am very concerned with the account of Norgaard and Gaffney's report on state oil and gas leasing policy which appeared in the Anchorage Daily News last week. I definitely do not agree with a number of their quoted opinions. I think it is extremely unfortunate that my tax dollars went to pay for such an unrealistic analysis. In addition, I hope that the legislature in the future will hire consultants who live in the real world and not in dream-land.

The following items indicate to me that Norgaard isn't being realistic in his analysis.

1. "Clearly if the state had known about the Prudhoe Bay field in advance, between $5 billion and $10 billion more would have been collected in bonus bids."

   I don't deny that statement, but absolutely NO ONE knew the Prudhoe Bay field was there before the discovery well was drilled. In addition, by analogy with Norgaard's analysis, I would be a millionaire today if I had purchased 2000 shares of IBM stock thirty years ago when it was selling at a few dollars a share. So what. I, like most people, did not recognize the potential of IBM at that time. Likewise, the true potential of the North Slope wasn't recognized prior to 1968 either.

2. Even if the bonus bid system were continued, state revenues would increase if there were exploratory drilling before lease sales, and the information from the exploration was publicly disseminated.

What foolishness. What oil company is going to pay $2 million to $12 million to drill a well and then give the information free to the state and the public before leasing occurs? No company that I know of. Also, suppose such a well were drilled and it found the prospect to be unproductive. How much bonus money do you think would be bid for that area? I suspect 2¢ would be a generous offer.

3. The state should seriously consider...establishment of a system to reject bids that are too low for a particular tract.

In order to do this, the state would need to have extensive geologic and geophysical data to analyze all the tracts in a sale. Does Norgaard realize the cost involved? I think not. In the Cook Inlet basin, onshore seismic data costs a minimum of $10,000/mile and there are thousands of square miles to cover. The cost becomes astronomical when the rest of Alaska is also included for evaluation.

Sincerely,

Dave Courtis

Dave Courtis

DC:ch

Report calls Prudhoe 'tough luck' story

Billions lost on oil, gas?

By ROSEMARY SHINOHARA
Daily News Staff Writer

The State of Alaska lost out on at least $5 billion to $10 billion, and possibly an additional $15 billion to $30 billion, on its Prudhoe Bay oil and gas leases because of an ineffective leasing policy, a state consultant said in a report obtained by The Daily News Wednesday.

"Prudhoe Bay is clearly a 'tough luck' story for the state," said Richard B. Norgaard, a member of the Energy and Resources Group at the University of California, Berkeley.

THE NORGAARD paper is an appendix to a report on alternatives to improve state oil and gas leasing policy done for the state administration and the legislature by Mason Gaffney, professor of economics at the University of California, Riverside, and former executive director of the British Columbia Institute of Analysis of Economic Policy.

Both consultants say the bonus bid system that earned Alaska $900 million for Prudhoe Bay leases in 1969 should be tossed out in favor of one or a combination of several different systems.

A report prepared independently within the Department of Natural Resources reached much the same conclusions, The Daily News learned, but that report has not yet been made public.

THE CONCLUSIONS of all three studies are to be presented to legislative committees in Juneau Thursday and Friday.

Norgaard said in his paper that even if the bonus bid system were continued, state revenues would increase if there were exploratory drilling before lease sales, and the information from the exploration was publicly disseminated.

On the North Slope, 90 per cent of the Prudhoe Bay field was acquired in the mid-60s by Atlantic - Richfield Co. and British Petroleum when $10.5 million in bonus bids were received from leased acreage.

AFTER OIL was discovered, the famous 1969 North Slope lease sale brought in $900 million in bonus bids for the remaining acreage.

"Clearly, had the state known about the Prudhoe Bay field in advance, between $5 billion and $10 billion more would have been collected in bonus bids," Norgaard said.

Petroleum prices increased three-fold several years after the sale. "Presuming that industry had not predicted this increase at the time of the sale, then the state probably 'lost out' on perhaps an additional $15 billion to $30 billion."

IN THE CASE of offshore Cook Inlet sales through 1968, lease bonus bids would have increased five times over, assuming exploratory drilling increased the effectiveness of the bonus bid from 16 per cent to 80 per cent as a means of collection rent, Norgaard said.

"The increased revenues to the state would have been equivalent to nearly $300 million (in 1975 dollars) received in 1961," he said.

Norgaard concluded the lease bonus bid system "appears to have been between five and 20 per cent effective as a means of collecting rent over and above that collected through royalties."

HE SAID THE state should seriously consider alternative leasing systems, presale exploration, and establishment of a system to reject bids that are too low for a particular tract.

Norgaard did not address leasing alternatives, but Gaffney did.

Gaffney said he would "screen out" systems such as the high front-end bonus plan for oil and gas leasing, and place "greatest emphasis" on a system called the ad valorem charge, which he said could be described as "a low signature bonus paid on the installment plan followed by a high production bonus or discovery bonus whose size depends on the flow of production."

THE BONUS BID system required bidders to pay in an advance for an unknown possibility. It essentially substitutes wealth for productivity as the basis for awarding bids, Gaffney said.

The ad valorem charge is similar to a property tax, Gaffney said. The charge would be a percentage rate of the current appraised value of the resource, which might range from zero to "very high values for superior deposits."

LM:2/14/77

Voting "yes": Hanger
Watt
Salazar
Davidson
Laurance
Elkins
Kouni
McBride
Johnson
Voting "no": Simpson
Absent: Zastrow

6 4/7 votes required for passage

Effective date: 2/22/77

K E T C H I K A N G A T E W A Y B O R O U G H

RESOLUTION NO. 248

A RESOLUTION OF THE ASSEMBLY OF THE KETCHIKAN GATEWAY BOROUGH, ALASKA, EXPRESSING TO THE LEGISLATURE OF THE STATE OF ALASKA, THE ASSEMBLY'S SUPPORT OF HOUSE BILL NO. 134, RELATING TO PENALTIES FOR VIOLATION OF A MUNICIPAL ORDINANCE; DIRECTING THE CLERK TO SEND COPIES OF THIS RESOLUTION TO THE MEMBERS OF THE ALASKA LEGISLATURE; AND ESTABLISHING AN EFFECTIVE DATE.

THE ASSEMBLY OF THE KETCHIKAN GATEWAY BOROUGH, ALASKA, RESOLVES, as follows:

Section 1. The Alaska Legislature is requested to adopt House Bill 134, "An Act relating to penalties for violation of a municipal ordinance." The Assembly fully supports increasing penalties for knowing and willful violation of ordinances.

Section 2. The Clerk is directed to send copies of this resolution to the members of the Alaska Legislature.

Section 3. This resolution is effective immediately.

ADOPTED this 22nd day of February, 1977.

BOROUGH MAYOR

ATTEST:

BOROUGH CLERK

Approved as to form:

Borough Attorney

Alaska State Legislature

SENATOR
JOE ORSINI
2912 ALDER DRIVE
ANCHORAGE, ALASKA 99504

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA
99811

COMMITTEES

RESOURCES
COMMERCE
COMMUNITY & REGIONAL AFFAIRS

Senate

March 1, 1977

Dr. John Lindauer
Chancellor
University of Alaska, Anchorage
3221 Providence Drive
Anchorage, Alaska 99504

Dear Dr. Lindauer:

It has come to my attention that you are seeking a Dean for the School of Business and Public Administration. While you may be looking nationwide for suitable candidates, I feel very strongly that where there is an Alaskan "available and qualified", that he (or she) be given preference over an "outsider".

It seems that we do have such an Alaskan in the person of Dr. Garth Jones, and he has my wholehearted support for the position. I have known Dr. Jones since shortly after he came to Alaska, and have every confidence he can admirably do the job.

My first meeting with Dr. Jones was in the course of researching a bill of mine pertaining to agricultural land in Alaska. His xpertise and willingness to take sufficient time to provide the information needed to serve as backup to the bill was instrumental in its passage. That bill is, to date, the most significant piece of legislation passed with respect to the eventual promotion of a true agricultural industry in the state.

Again, I hope you will give favorable consideration to his candidacy for Dean.

Sincerely,

Senator Joe Orsini

cc: Dr. Richard Ender

JO/js

UNIVERSITY OF ALASKA, ANCHORAGE
3221 PROVIDENCE DRIVE
ANCHORAGE, ALASKA 99504

SCHOOL OF BUSINESS
AND PUBLIC ADMINISTRATION

February 23, 1977

The Hon. Joseph L. Orsini
Alaska State Senate
Pouch V
Juneau, AK 99811

Dear Senator Orsini:

Could you write a letter of recommendation in support of my candidacy for the position of Dean of the School of Business and Public Administration at UAA? Under the University's reorganization scheme and Chancellor Lindauer's guidelines, all top positions shall be filled on the basis of a nationwide search. I feel that I have a reputation in my academic field as well as a proven track record in Alaska.

For awhile I was reluctant to become a candidate, particularly in light of the turbulence in the University system. However, a number of Alaskans have requested that I become a candidate and feel that it would be a mistake to bring in an "outsider." I feel pleased that I'm now deemed an "insider." I've now been here almost four years and have managed to build a reputable program with only modest budgetary support.

If you can support my candidacy, please address a letter to Chancellor John Lindauer with a copy to:

Richard L. Ender, Chairman
Search Committee
University of Alaska, Anchorage
3221 Providence Drive
Anchorage, AK 99504

Thanks for a copy of your recent legislative newsletter, I enjoyed reading it immensely.

Best regards.

Sincerely,

Garth N. Jones, Head
School of Business and Public Administration

GNJ/sr

Enclosures

A DIVISION OF THE UNIVERSITY OF ALASKA STATEWIDE SYSTEM OF HIGHER EDUCATION

BIOGRAPHIC DATA

NAME: Garth N. Jones

January 1977

BIOGRAPHIC DATA:

DOB: February 25, 1925; Salt Lake C. Utah. Married, three sons.

EDUCATION:

1943-47 Utah State University - B.S., Political Science and Economics
1947-48 University of Utah - M.A., Political Science and Economics
1948-49 Pennsylvania State University
1950-51 University of Utah - Ph.D. (1954) Political Science and Economics
University of Utah, Special Certificate Public Administration (1948)

CAREER:

September, 1972 to Present
Professor, Public Policy and Administration
Head of School of Business and Public Administration
Senior College, University of Alaska, Anchorage

Primary responsibility to develop a professional education program in business and public management. Also taught courses in the areas of organizational theory and behavior, urban administration, political dynamics, and public finance administration.

October, 1972 to August, 1973
Senior Consultant, Population Programme, Public Administration Division, Economic and Social Council, United Nations

Responsible for developing a comprehensive programme in the organization and administration aspects of population programmes. This includes preparing background papers for the 1974 World Population Conference, organizing symposia and seminars, writing a major study on the organization and administration of family planning programmes, consulting with national and international agencies, arranging special training and management development programs.

August, 1970 to October, 1972
Professor, Department of Political Science
Colorado State University, Fort Collins.

Primary activity in research and writing on the development process in the lesser developed countries and the United States. Principal frame of reference socio-technical systems for human and natural resource development. Emphasis placed on environment impacts, particularly in relationship to water needs. Considerable publication on the Indus basin irrigation systems. Also major work in organizational theory and behavior issues in the LDC's.

Also served as a member of an interdisciplinary research team to study the environmental impact of oil shale development in Western Colorado. Project sponsored by Thorne Ecological Institute, Boulder, Colorado.

September, 1969 to July, 1970
Senior Specialist, East-West Center, Honolulu, Hawaii

Invited as one of twenty-four Asian, European, and American scholars to spend nine months at the East-West Center researching and writing upon particularly the two following topics:

1. "Role of Bureaucracy in Planned Development: A Comparative Study of Indonesia and Pakistan."
2. "Planned Organizational Change: A Study of the Change Process through Marginal Utility and Social Exchange Analyses."

June, 1967 to August, 1969
Chief, Public Administration Division, FSRO-2, Pakistan

Responsible for supervising a broadly-designed technical assistance in public administration which centered on three development goals: (a) strengthening economic decision-making, (b) strengthening key development agencies, and (c) strengthening local government. Supervised five contract operations as well as direct agency activities. These included 25 - 30 professionals.

October, 1964 to June, 1967
Chief of Party, University of Southern California Contract in Pakistan
Associate Professor

From October 1964 to June 1965 USC Party Representative in Lahore with the primary responsibility of developing an academic program at the Department of Administrative Science, University of the Punjab. On July 1, 1965 appointed Chief of Party of the Contract. The contract provided for assistance to three National Institutes of Public Administration located at Karachi, Dacca, and Lahore; Department of Administrative Science at the University of the Punjab, and the Civil Service Academy at Lahore.

September, 1961 to October, 1964
Associate Professor, School of Public Administration, University of Southern California, Los Angeles

Position equally divided between teaching and administrative activities. Subjects of instruction were Finance Administration, Local Government Administration, Modernization of Administration in Emerging Countries, and Organizational Theory and Behavior. Faculty Student Advisor for the Pakistan Project. Also served as Peace Corps Liaison Coordinator.

December, 1956 to February, 1962
Public Administration Advisor, FSRO-3, US/AID, Indonesia, Djakarta

Planned and implemented an administrative management educational and training program; initiated and assisted in carrying out management improvement projects for more efficient operation of provincial and local governments. Projects were undertaken to establish a bureau of reconstruction and development, bureau of statistics and planning, and an integrated department of finance. In the absence of the Chief, assumed his responsibilities; prepared and implemented necessary program and related documents; and undertook reconnaisance and research type activities as to the nature and scope of the Indonesian Public Administration, particularly in the field of fiscal and financial management.

August, 1953 to December, 1956
Assistant Professor, Brigham Young University, Provo, Utah

Delivered lectures in Public Administration, Municipal Administration, American Heritage and related subjects. During 1955-56 taught a Personnel Management course to Air Force Reserve Officers at Clearfield, Utah. Also served as Research Associate, Local Government Survey Commission. Acted as consultant to Utah Municipal League and Utah State Association of County Officials.

April, 1953 to September, 1954
Research Consultant - Utah Foundation, Salt Lake City

Utah Foundation is a private research organization concerned with government problems. Prepared studies on public finance, tax administration, and state and local government organization and administration.

December, 1951 to April, 1953
Food and Drug Inspector - Dept. of Agriculture, Salt Lake City, Utah

Responsible for enforcement of pure food and drug laws of State of Utah entailing review of written reports from seven regional food and drug inspectors; determination of measures to be taken against business concerns or persons who violated the law; inspection of food and drug processing plants; and preparation of monthly and periodic reports for submission to Board of Agriculture and special advisory bodi

May, 1951 to December, 1951
Administrave Assistant to the District Administrator, Ponape District, Eastern Carolines, Department of Interior.

Responsible for establishment of records and record keeping systems; gathering data, doing research and performing other related activities for preparation of economic and other reports; assisting heads of other units in developing necessary report forms; routing of all income mail;

preparation and review of correspondence relating to administrative matters. Handled all necessary local personnel action and served as reviewing officer for efficiency-rating system. Assisted in preparation of budgets; made field trips; and in absence of District Administrator, supervised the district.

May, 1950 to April, 1951
Research Specialist and Consultant, Utah Municipal Leage and Utah State Association of County Officers and Officials, Salt Lake City, Utah

Periodically called upon to make studies and advise on various legal and administrative problems confronting local governments.

September, 1949 to June, 1950
Research and Teaching Assistant at the University of Utah

September, 1948 to June, 1949
Teaching and Research Assistant in Political Science Department, Pennsylvania State College

September, 1947 to June, 1948
Research Assistant, Political Science Department, University of Utah

April, 1947 to August, 1948
Research Specialist, Internship, County of Salt Lake City, Salt Lake City, Utah

HONORS AND FELLOWSHIPS:

A. Utah State University, Logan, Utah
   1. Sears Scholarship, 1943-44
   2. Selected for Who's Who in American Colleges and Universities, 1947
   3. Elected Blue Key Fraternity, 1946

B. University of Utah
   1. Graduate Research Fellowship in Political Science, 1947-48
   2. Graduate and Teaching Fellowships, 1949-50

C. Pennsylvania State University
   Graduate Teaching Fellowship in Political Science, 1948-49

D. University of Southern California
   Professor of the Year, School of Public Administration, 1962

E. East West Center, Honolulu, Hawaii
   Senior Specialist, September, 1969 to July, 1970.

F. Other Honors:
   Listed in American Men of Science, American Women and Men of Science, Who's Who in America, and Who's Who in the West.

Professional Associations:

A. American Society of Public Administration
B. American Political Science Association
C. Western Political Science Association
D. Society for Applied Anthropology
E. Comparative and International Administration Group of the American Society for Public Administration

Teaching and Research Interests:

A. Teaching:

Public Policy and Administration, Organizational Theory and Behavior, Comparative and Development Administration, Public Finance Administration, Local Government Administration

B. Research:

Planned Organizational Change with emphasis on the empirical approach.
Financial Management with emphasis on the integration of planning and budgeting institutions and processes.
Environmental Policy and Management with emphasis on Water and Population.

Recent Grants:

A. Comparative Administration Group of the American Society for Public Administration, Grant of $3,000 to study planned organizational change, 1964.

B. Research Committee, University of Southern California, Grant of $500 to study planned organizational change, 1964.

C. East-West Center, Honolulu, Hawaii. Provides assistance in services valued $5,000 beside a grant equivalent to $24,000 year salary, 1969-70.

D. Colorado State University, Water Management studies. 75% salary, four graduate assistants, and related aid for three years. AID financing. Total grant over $60,000: 1970-73.

E. Columbia University, Pakistan Program, Grant of $1,000 to prepare volume IV of Pakistan Bibliography. Also $500 from Colorado State University to complete this study, 1974-75.

F. Urban Observatory, National League of Cities and HUD. Supervised preparation of proposal. Funded for $300,000, 1975-77. Assisted in the preparation and securing of grant.

G. Urban Education, ICMA/NASPAA Grant of $9,000, 1975-76.

RECENT PUBLICATIONS:

I have published over 100 articles, monographs and books. My most recent book is Planned Organizational Change: A Study Using an Empirical Approach, London: Routledge and Kegan Paul (1968) and Praeger (1969). Prentice-Hall Publishers, as well as the English Publisher, have approached me to write an updated version.

Below are some publicatons:

1. "Integration of Political Ethos and Local Government Systems: The Utah Experience with Council Manager Government," Human Organization, 23 (Fall 1964): 210-222.

2. "Soekarno's Early Views on the Territorial Boundaries of Indonesia," Australian Outlook, 18 (April 1964): 30-39.

3. "Planned Organizational Change: A Case from the Malaria Eradication Program of Indonesia," National Institute of Public Administration Reporter, Karachi: April 1964: 57-72.

4. "Strategies and Tactics of Planned Organizational Change: Case Examples of the Modernization Process of Traditional Scoieties," Human Organization, 24, Fall 1965: 192-200.

5. "Muhammad Yamin: The Chief Architect of Indonesias' Manifest History," East-West Center Journal, Fall 1965.

6. "Preventive Medicine at Work: A Hypothetical Study of Managed Organizational Change," Philippine Journal of Public Administration, July 1965.

7. "The Problem of Water Scheduling in West Pakistan: Research Studies and Needs," Water Management Technical Report No. 13, Fort Collins: Cususwah Water Management Project, Colorado State University, 1971.

8. "The Problem of Under-Irrigation in West Pakistan: Research Studies and Needs," Water Management Technical Report No. 8, Fort Collins: Cususwash Water Management Project, Colorado State University, 1971, (co-author Raymond L. Anderson). Also published in Jouranal of Rural Development and Administration, 9, April-June 1972: 1-42.

9. Two chapters on "Community Relations," in Desmond Anderson (ed.), Municipal Public Relations, Chicago: International City Managers' Association, 1965.

10. "Frontiersmen in Search for the 'Lost Horizon': The State of Development Administration in the 1960's," Public Administration Review, 36 (January/February) 1976: 99-110.

Translated from Indonesian into English:

1. Imam Roesdi, Some Problems of State Budgeting, Jogjakarta: University of Gadjah Mada, Public Administration Center, 1960. 37 p.

2. Arifin Abdulrachman, State Finance Administratin and Soepardi, Finance Management and Organization of Second Level Autonomous Government, Jogjakarta: University of Gadjah Mada, Public Administration Center, 1960. 18 p.

3. Soepamo, The 1950 Provisional Constitution of the Republic of Indonesia, Ithaca: Cornell University, Modern Indonesia Project, 1964. 156 p.

Recent University Activities:

A. Senior College Representative - Southcentral Regional Council 1973-74 and 1974-75.

B. Criminal Justice Center
   1. Senior College Representative 1974-75, 1975 to date
   2. Member Bachelor Curriculum Committee

Recent Public Service Activities:

A. Second Annual Western Governors' Conference, Billings, Montana. March 31 to April 3, 1975 - Member of Alaska's delegation.

B. Alaska Council of World Affairs - Member of Board of Directors.

C. Chairman, Mayor's Ad Hoc Governmental Review Committee, Municipality of Anchorage, 1976-77.

Miscellaneous:

A. Guest lecturer, University of North Carolina, Chapel Hill. Delivered the opening address on population lecture series: "Populational Policy in this Age of Dissonance."

B. Consulted with United National and Agency of International Development on problem of development administration.

In fiscal year '77, the state spent between $3.5 and $4.0 million on the non-Federal Highway System maintenance outside of municipalities. This is the type of maintenance that is done on local roads and paid for by municipal taxpayer when those roads are within municipalities.

Since state motor fuel tax pays about half of maintenance costs, this amounts to an annual state subsidy of almost $2 million to those areas outside of municipalities. Why should municipal residents pay for a service that non-municipal residents receive free?

There are over 4000 registered motor vehicles outside of municipalities. Assuming that these are taxed at an average rate equal to a 3 year old auto, this amendment would raise approximately $160,000; certainly not enough to completely pay for the subsidy, but at least it will help.

KENAI PENINSULA BOROUGH

BOX 850 • SOLDOTNA, ALASKA 99669
PHONE 262-4441

DON GILMAN
MAYOR

April 7, 1977

Honorable Joseph Orsini
Alaska State Senate
Pouch V
Juneau, Alaska 99801

Dear Senator Orsini:

In reviewing the numerous bills that have been introduced in order to distribute the expected large oil revenues and to alleviate the tax burdens of the residents of the state, our assembly committee has noted some disturbing similarities.

While removing from the municipalities the burde· of taxing residents and property taxpayers these bills also remove from the local governments, borough and municipality, the burden of deciding on the use of the revenues which will replace the present taxes.

We find this inconsistent with the intent of the Constitution of the state, with the Governor's "grass-roots" level of involvement and extremely detrimental to the local governments. We cannot believe that it is in the best interest of the state or the people to dictate to them and to their locally elected and responsible government units what uses they should ultimately make of such revenues.

For example, HB 163, which we adamantly oppose, would place the Commissioner of Education in charge of designing, assigning priorities and approving local school construction. In our borough we have 16 assemblymembers and 7 school board members who are directly elected by the residents of the Kenai Peninsula and we feel that they are more aware of the problems, needs and priorities of the Peninsula than any state agency, and if they prove not to be, the voters will amend their thinking.

Public Law 94-565
94th Congress

An Act

Oct. 20, 1976
[H.R. 9719]

To provide for certain payments to be made to local governments by the Secretary of the Interior based upon the amount of certain public lands within the boundaries of such locality.

Local government units.
Public lands, payments.
31 USC 1601.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That effective for fiscal years beginning on and after October 1, 1976, the Secretary is authorized and directed to make payments on a fiscal year basis to each unit of local government in which entitlement lands (as defined in section 6) are located. Such payments may be used by such unit for any governmental purpose. The amount of such payments shall be computed as provided in section 2.

Amounts, determination.
31USC 1602.

SEC. 2. (a) The amount of any payment made for any fiscal year to a unit of local government under section 1 shall be equal to the greater of the following amounts—

(1) 75 cents for each acre of entitlement land located within the boundaries of such unit of local government (but not in excess of the population limitation determined under subsection (b)), reduced (but not below 0) by the aggregate amount of payments, if any, received by such unit of local government during the preceding fiscal year under all of the provisions specified in section 4, or

(2) 10 cents for each acre of entitlement land located within the boundaries of such unit of local government (but not in excess of the population limitation determined under subsection (b)).

In the case of any payment under a provision specified in section 4 which is received by a State, the Governor (or his delegate) shall submit to the Secretary a statement respecting the amount of such payment which is transferred to each unit of local government within the State.

(b) (1) In the case of any unit of local government having a population of less than five thousand, the population limitation applicable to such unit of local government shall not exceed an amount equal to $50 multiplied by the population within the jurisdiction of such unit of local government.

(2) In the case of any unit of local government having a population of five thousand or more, the population limitation applicable to such unit of local government shall not exceed the amount computed under the following table (using a population figure rounded off to the nearest thousand):

If population equals—	Payment shall not exceed the amount computed by multiplying such population by—
5,000	$50.00
6,000	47.00
7,000	44.00
8,000	41.00
9,000	38.00
10,000	35.00
11,000	34.00
12,000	33.00
13,000	

If population equals—	Payment shall not exceed the amount computed by multiplying such population by—
14,000	31.00
15,000	30.00
16,000	29.50
17,000	29.00
18,000	28.50
19,000	28.00
20,000	27.50
21,000	27.20
22,000	26.90
23,000	26.60
24,000	26.30
25,000	26.00
26,000	25.80
27,000	25.60
28,000	25.40
29,000	25.20
30,000	25.00
31,000	24.75
32,000	24.50
33,000	24.25
34,000	24.00
35,000	23.75
36,000	23.50
37,000	23.25
38,000	23.00
39,000	22.75
40,000	22.50
41,000	22.25
42,000	22.00
43,000	21.75
44,000	21.50
45,000	21.25
46,000	21.00
47,000	20.75
48,000	20.50
49,000	20.25
50,000	20.00

For the purpose of this computation no unit of local government shall be credited with a population greater than fifty thousand.

(c) For purposes of this section, "population" shall be determined on the same basis as resident population is determined by the Bureau of the Census for general statistical purposes.

(d) In the case of a smaller unit of local government all or part of which is located within another unit of local government, entitlement lands which are within the jurisdiction of both such units shall be treated for purposes of this section as only within the jurisdiction of such smaller unit.

Payments to counties.
31 USC 1602.

SEC. 3. In the case of any land or interest therein, acquired by the United States (i) for the Redwood National Park pursuant to the Act of October 2, 1968 (82 Stat. 931) or (ii) acquired for addition to the National Park System or National Forest Wilderness Areas after December 31, 1970, which was subject to local real property taxes within the five years preceding such acquisition, the Secretary is authorized and directed to make payments to counties within the jurisdiction of which such lands or interests therein are located, in addition to payments under section 1. The counties, under guidelines established by the Secretary, shall distribute the payments on a proportional basis to those units of local government and affected school districts which have incurred losses of real property taxes due to the

Distribution guidelines.

than the county acts as the collecting and distributing agency for real property taxes, the payments shall be made to such unit of local government, which shall distribute such payments as provided in this subsection. The Secretary may prescribe regulations under which payments may be made to units of local government in any case in which the preceding provisions will not carry out the purposes of this subsection.

Regulations.

(b) Payments authorized under this section shall be made on a fiscal year basis beginning with the later of—

(1) the fiscal year beginning October 1, 1976, or

(2) the first full fiscal year beginning after the fiscal year in which such lands or interests therein are acquired by the United States.

Such payments may be used by the affected local governmental unit for any governmental purpose.

(c) (1) The amount of any payment made for any fiscal year to any unit of local government and affected school districts under subsection (a) shall be an amount equal to 1 per centum of the fair market value of such lands and interests therein on the date on which acquired by the United States. If, after the date of enactment of legislation authorizing any unit of the National Park System or National Forest Wilderness Areas as to which a payment is authorized under subsection (a), rezoning increases the value of the land or any interest therein, the fair market value for the purpose of such payments shall be computed as if such land had not been rezoned.

Rezoned land.

(2) Notwithstanding paragraph (1), the payment made for any fiscal year to a unit of local government under subsection (a) shall not exceed the amount of real property taxes assessed and levied on such property during the last full fiscal year before the fiscal year in which such land or interest was acquired for addition to the National Park System or National Forest Wilderness Areas.

Payment limitation.

(d) No payment shall be made under this section with respect to any land or interest therein after the fifth full fiscal year beginning after the first fiscal year in which such a payment was made with respect to such land or interest therein.

31 USC 1604.

SEC. 4. The provisions of law referred to in section 2 are as follows:

(1) the Act of May 23, 1908, entitled "An Act making appropriations for the Department of Agriculture for the fiscal year ending June thirtieth, nineteen hundred and nine" (35 Stat. 251; 16 U.S.C. 500);

(2) the Act of June 20, 1910, entitled "An Act to enable the people of New Mexico to form a constitution and State government and be admitted into the Union on an equal footing with the original States, and to enable the people of Arizona to form a constitution and State government and be admitted into the Union on an equal footing with the original States" (36 Stat. 557);

(3) section 35 of the Act of February 25, 1920, entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", commonly known as the "Mineral Lands Leasing Act" (41 Stat. 450; 30 U.S.C. 191);

(4) section 17 of the Federal Power Act (41 Stat. 1072; 16 U.S.C. 810);

(5) section 10 of the Taylor Grazing Act (48 Stat. 1273; 43 U.S.C. 315i);

(6) section 33 of the Bankhead-Jones Farm Tenant Act (50 Stat. 526; 7 U.S.C. 1012);

(7) section
certain areas
National For
approved Jun
(8) section
June 22, 1948
June 22, 1956
(9) section
(61 Stat. 915;
(10) section
U.S.C. 603).

SEC. 5. (a) No u
with respect to an
875), or the Act of
shall be eligible to
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to apply to the Ac
May 24, 1939 (53 St
(b) If the total
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shall not be made.

SEC. 6. As used in
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SEC. 7. There are a

5 of the Act entitled "To safeguard and consolidate
of exceptional public value within the Superior
st, State of Minnesota, and for other purposes",
e 22, 1948 (62 Stat. 570; 16 U.S.C. 577g);
5 of the Act entitled "An Act to amend the Act of
(62 Stat. 568) and for other purposes" approved
(70 Stat. 366; 16 U.S.C. 577g-1);
6 of the Mineral Leasing Act for Acquired Lands
30 U.S.C. 355); and
3 of the Materials Disposal Act (61 Stat. 681; 30

it of local government which receives any payment
land under the Act of August 28, 1937 (50 Stat.
May 24, 1939 (53 Stat. 753), during any fiscal year
receive any payment under this Act for such fiscal
such land. Nothing in this Act shall be construed
of August 28, 1937 (50 Stat. 875), or the Act of
at. 753),.
ayment by the Secretary to any county or unit of
nder this Act would be less than $100, such payment

this Act, the term—
nent lands" means lands owned by the United

in the National Park System, the National Forest
cluding wilderness areas within each, or any com-
reof, including, but not limited to, lands described
of the Act referred to in paragraph (7) of section
ct (16 U.S.C. 577d) and the first section of the
d to in paragraph (8) of this Act (16 U.S.C.

nistered by the Secretary of the Interior through
of Land Management;
cated to the use of water resource development
he United States;
ng in this section shall authorize any payments
of local government for any lands otherwise
receive payments pursuant to subsection (a) of
if such lands were owned and/or administered
or local unit of government and exempt from the
real estate taxes at the time title to such lands
to the United States; or
ge disposal areas owned by the United States
risdiction of the Army Corps of Engineers;
y" means the Secretary of the Interior; and
ocal government" means a county, parish, town-
ty, borough existing in the State of Alaska on
tment of this Act, or other unit of government
which is a unit of general government as deter-
retary (on the basis of the same principles as are
au of the Census for general statistical purposes).
includes the Commonwealth of Puerto Rico,
irgin Islands.
thorized to be appropriated for carrying out the

Eligibility.
31 USC 1605.

Definitions.
31 USC 1606.

Appropriation

provisions of this Act such sums as may be necessary: *Provided*, That, notwithstanding any other provision of this Act, no funds may be made available except to the extent provided in advance in appropriation Acts.

Approved October 20, 1976.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 94-1106 (Comm. on Interior and Insular Affairs).
SENATE REPORT No. 94-1262 (Comm. on Interior and Insular Affairs).
CONGRESSIONAL RECORD, Vol. 122 (1976):
Aug. 5, considered and passed House.
Oct. 1, considered and passed Senate.

CITY OF VALDEZ

P.O. BOX 307
PHONE: (907) 835-4313

ZIP CODE 99686

April 14, 1977

Senator Joe Orsini
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Subject: CS for Senate Concurrent Resolution No. 25

Dear Senator Orsini:

The city council and the citizens of Valdez urge your support of the subject resolution.

The resolution as drafted expresses our feelings and desires. The utilization of Alaskan resources by Alaskans should be the highest priority of all legislators.

Highest personal regards,

Herbert W. Lehfeldt
City Manager

HWL:ss

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE

POUCH B – JUNEAU 99811

April 21, 1977

The Honorable Joseph L. Orsini
Chairman, Senate Community and Regional Affairs Committee
Alaska State Legislature
Pouch "Y"
Juneau, Alaska 99811

Re: CS for House Bill No. 403, amending ch. 59, SLA 1975 - Juneau Indemnification Act.

Dear Senator Orsini:

Attached are two proposed amendments to CS for House Bill No. 403 which if adopted will correct obvious inconsistancies in terminology and if not corrected before the program is activated may result in an adverse state court interpretation of legislative intent.

Amendment No. 1: Section 8 (3) of ch. 59, SLA 1975, defines rental real property as a business capital asset. The fair market value of business capital assets as stated in section 11 (c) of that Act is computed on the basis of replacement cost in the year of sale less depreciation. In our opinion legislative intent was that the fair market value of real property, (single family, multifamily, multipurpose, business and commercial), whether rented or not should be computed by adjustments to the base year assessment as stated in section 11 (a) of the Act.

Amendment No. 2: Section 8 (5) states that mobile homes and business inventories are the only classes of personal property eligible for indemnification under the Act. This section is in conflict with paragraph (3) which states that business capital assets include major items of fixed equipment and machinery which produces income but are not bought or sold in the ordinary course of the proprietor's business.

In Summary: The two suggested amendments would result in equal treatment to all owners of real property and stipulate that business inventories are not eligible for indemnification under the Act.

Sincerely,

Lee McAnerney
Commissioner

S Robert Dozier

By: S. Robert Dozier
State Assessor

LMA: SRD: lz

Attachment: Proposed Amendments
to CS HB No. 403

PROPOSED AMENDMENTS

CS FOR HOUSE BILL NO. 403

Section 4. Section 8, (3) and (5) ch. 59, SLA 1975 are amended to read:

(3) Business capital assets include [RENTAL REAL PROPERTY AND] major items of fixed equipment and machinery which produce income but are not bought or sold in the ordinary course of the proprietor's business. Business capital assets must be in use in an ongoing business which has been carried on for at least one year before the application is submitted.

(5) Personal property other than mobile homes and business capital assets [INVENTORIES] are not eligible for indemnification under this program.

City of Nome

BOX 281
NOME, ALASKA 99762

Office of the Mayor
Robert H. Renshaw

Phone 443 5242

May 10, 1977

Senator Joe Orsini
Chairman, Community & Regional Affairs
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

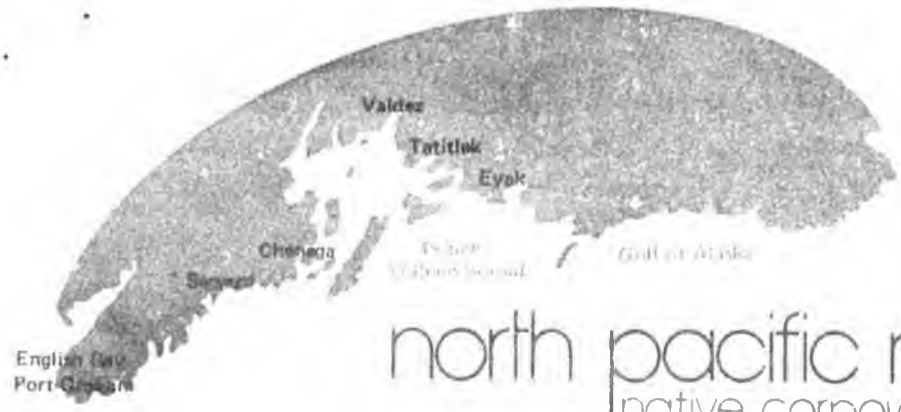
The people on which I rely for expertise are all tied up with assessment and Board of Equalization meetings. I will send you information on this probably the middle of next week. I'll get on this as quickly as I can. Thank you for the letter, sorry I couldn't help you sooner.

Sincerely,

RHR

Robert H. Renshaw
Mayor

RHR:mo



north pacific rim
native corporation

May 19, 1977

Senator Joseph L. Orsini
Juneau, Alaska 99801

Dear Senator Orsini:

The enclosed statement, in my opinion, is a blatant lie. It appears Commissioner Burton is allowing some very strong tendencies to show through.

No one should be allowed to make racist statements and get away with it. It is sufficiently difficult already to get the two major ethnic groups to work together, without making obviously falacious statements that are aimed at derision and division.

It is my feeling that Commissioner Burton has ended his effectiveness as the Commissioner of Public Safety and I would like your support in voicing this position to the Governor.

Sincerely,

Clifford A. Black
Executive Director

Enclosure

~~812 East 16th Avenue~~ / Anchorage / Alaska 99501 / Ph

433 W. 9th Ave., Suite 200
~~812 East 16th Avenue~~ / Anchorage / Alaska 99501 / Ph. (907) 276-2121

The Non Profit Corporation Serving The People of the Chugach Native Region

'Agents' on pipeline workforce

WASHINGTON (AP) - Alaska Public Safety Commissioner Richard Burton told a congressional committee that foreign powers probably placed agents within the workforce on the trans-Alaska oil pipeline.

The state official also told the Senate Judiciary Committee' internal security subcommittee that Native militants pose a threat to the security of the 800mile pipeline.

Burton made his comments during a closed meeting of the now-defunct Senate panel last February. The transcript was released on Monday.

The transcript quotes Burton as telling the subcommittee: "I am confident there were a number of people working up there as construction workers who probably have associations with other countries, if you know what I mean.

"If I were in a position of some of the foreign powers and had an opportunity to put a truckdriver in there to tell me what is going on, I would do it."

Burton also told the subcommittee hearing on pipeline security that members of the militant American Indian Movement (AIM) were traveling throughout Alaska.

He said the Alaska State Troopers had noticed a change in areas of Alaska with large Native populations in recent years.

"The younger Native populations, age 30 and down, have become extremely vocal and militant, where we enjoyed an excellent relationship with them in the past. AIM members have moved through . . . these villages," Burton said.

Burton also told the subcommittee that a number of bullets have been fired at the nearly completed pipeline, but he said none penetrated the line.

He said tests by the Alaska State Troopers showed, however, that a high-power bullet fired directly at the pipeline would puncture it.

The Senate also released testimony by another witness who said that if the pipeline were forced to close by terrorists in midwinter, the oil in it could congeal and become the "longest candle in the world."

Leonard O. LeShack, president of Development and Resources Transportation Co., denied, however, that the Alaska line was indefensible from acts of terrorism.

STUART H. BOWDOIN
BOROUGH MANAGER

TELEPHONE
(907) 268-4224

Bristol Bay Borough

BOX 189 • NAKNEK, ALASKA 99633

February 24, 1978

The Honorable Joseph L. Orsini
Alaska State Senate
Pouch "V" State Capitol Building
Juneau. Alaska. 99811

Dear Senator Orsini:

Reference to your letter of January 15. to Mayor Bradford and our recent visit regarding the interpretation by the Department of Community and Regional Affairs of AS44.47.150.

As we discussed with you we fully agree with the opinions expressed by the Municipality of Anchorage on this subject.

Should the Department of Community and Regional Affairs interpretation prevail it will prevent the Bristol Bay Borough from receiving land from Village Corporations. The Borough is the smallest Borough in the State and there are no other municipal governments within its boundries.

The Bristol Bay Borough has the legal responsibility to provide area wide services such as solid waste disposal, cemeteries, Parks and Recreation etc.

It is our opinion that AS44.47.150 is contrary to the intent of ANSCA 14 (c).

Therefore we support your efforts to correct this oversite.

Sincerely,

Stuart H. Bowdoin
Borough Manager

SHB:jmf

Re: 14(c)(3)
Regulations

KENAI PENINSULA BOROUGH

BOX 850 • SOLDOTNA, ALASKA 99669
PHONE 262-4441

DON GILMAN
MAYOR

January 30, 1978

Honorable Joe Orsini, Chairman
Senate Committee on Community &
Regional Affairs
Pouch V
State Capitol
Juneau, Alaska 99811

Dear Senator Orsini:

Thank you for your letter concerning Village Corporation trust lands under ANSCA 14 (c) provisions. The Kenai Peninsula Borough has taken the position that these lands are best administered through the Community and Regional Affairs authority. We have arrived at this conclusion because this agency will have in place all the necessary administrative detail for villages located within the unorganized boroughs. If this borough were to become the trust agency we would be required to initiate additional administrative procedures which would surely duplicate the efforts of DCRA.

The concern of a detrimental effect on second class boroughs is somewhat confusing. As far as I can tell, there are no over-lapping claims of borough selection and what might become village municipal lands. Since CRA is the lead agency in assisting both the boroughs and villages at the time of incorporation into municipalities, it would seem that that department could easily be the adjudicator in case of some unforeseen conflict.

Frankly, we would rather see the program proceed as it is now outlined. If I can be of further assistance please feel free to call on me at any time.

Sincerely,

Lelyde Bayley per

Donald E. Gilman, Mayor
Kenai Peninsula Borough

DEG:nw

October 3, 1977

Lee McAnerney
Commissioner
Department of Community and Regional Affairs
Pouch B
Juneau, Alaska 99811

Re: Comments on Departmental Publication entitled "Municipal Lands Trust Program a Preliminary Statement of Trust Philosophy and Assessment of Principles and Primary Policy Issues".

Dear Mrs. McAnerney:

The departmental publication authored by Robert L. Hanks was referred to my office for study and comment. A thorough legal analysis by my staff has uncovered several fundamental and very disturbing misapplications of state and federal legislation which will be the subject of this letter.

On the broadest level the most serious defect in the document is the erroneous assumption that the Municipal Lands Trust Program has any authority whatsoever over 14(c) reconveyances involving existing municipal corporations exercising jurisdiction over a certified native village. A more specific error of law (which seemingly stems from the general error referenced above) is contained in the stated position that AS 44.47.150 limits the reconveyance entitlement established in section 14(C) to existing first and second class cities.

It is quite clear that under pertinent federal and state law any existing municipal corporation that exercises town-like jurisdiction within a native village with ANCSA selection rights shall be the recipient of a reconveyance from that village corporation "... to the ... surface state of the improved land on which the Native Village is located and as

much additional land as is necessary for community expansion, and appropriate rights-of-way for public use, and other foreseeable community needs; ..." of an area no less than 1,280 acres. Only in situations where no existing municipal corporation exercises territorial jurisdiction within a native village is the State of Alaska to receive land in trust for a future municipal corporation. This principal is made abundantly clear by the plain language of section 14(c)(3) which provides "The village corporation shall then convey to any municipal corporation in the native village or to the State in trust for any municipal corporation established in the native village in the future..." and by reference to ANCSA section 3(i) which defines municipal corporation as "... any general unit of municipal government under the laws of the State of Alaska;". Reference to Title 29 of Alaska Statutes will confirm that all classes of boroughs and cities are defined as a "municipal corporation" and each is a "unit of municipal government". That title also establishes that all classes of municipalities are granted the power to receive property in their own name from the federal government which property is thereafter held in its name and under its exclusive control the same manner as any "person" whether individual or corporate.

The analytical error contained in the publication seems to stem from a lack of familiarity with Alaska municipal law together with a misreading of AS 44.47.134. Subsection (a) of AS 44.47.130 provides:

> The Commissioner of [illegible] and Regional Affairs is designated as trustee, administer trust claims of land conveyed to the state in trust by village corporations under sec. 14(c)(3) of the Alaska Native Claims Settlement Act for the purposes specified in that section. (emphasis added)

Legislative history supports a limited construction of AS 44.47.130(a). The bill enacting the provision was entitled "An Act relating to land to be conveyed to the State in trust for future claims under the Alaska Native Claims Settlement Act" (emphasis added). Plainly, by the above emphasized portion of the bill title and of the statute itself, the section does not have any effect on lands conveyed directly to municipal corporations under the terms of 14(c). The federal act mandates a transfer directly from a village corporation to a municipal corporation whenever "any municipal corporation" exists. The powers of municipal corporations

in this state are such that no involvement of the State is necessary in a direct transfer to a municipality from a third party. In fact, under Alaska law the state legislature could not prevent a municipality from receiving an entitlement from a third party unless the legislature were to make a clear and express exception to the general powers of a municipality under title 29. In short, the statement set forth in your publication to the effect that the state as sovereign may affect municipal corporations is too simplistic as does not take into account the municipal law of this State.

Subsection (g) of AS 44.47.150 limits the application of the chapter to first and second class cities. From this it is apparently inferred by Mr. Fuhs that the subsection also limits direct conveyances under § 14(c) of the federal act. The explicit terms of subsection (g), however, clearly limit its application to Chapter 47.

> (g) For the purposes of this chapter, the term municipality includes only first and second class cities incorporated under the laws of the State. (emphasis added)

The effect then, is only to provide that the state, in accepting conveyances in trust for future municipalities, has chosen to encourage the formation of first and second class cities by villages that desire incorporation as a municipality. Indicated by the express terms of AS 44.47.150 and by the legislative history of Section 2 Chapter 150 / 175 may it be argued that the statute does, or was intended to, modify the power of various classes of municipal corporations.

The Municipality of Anchorage is not directly adversely affected by the position taken by the Municipal Land Trustee. Anchorage, being a home rule municipality, is afforded the powers of a first class city under the laws of Title 29. It would therefore be eligible for 14(c) conveyances from the Eklutna Native Village Corporation irrespective of the department's interpretation of AS 44.47.150. The municipality, however, is disturbed for two reasons. First, the municipality is generally concerned that the municipal land trust program operated by your department does not overstep its jurisdiction on the basis of a close misapplication of the law. While Anchorage definitely welcomes the assistance of the department on the 14(c) reconveyance issue, we insist that the state recognize that its role with respect to municipalities is advisory only. Second, the municipality does not wish to see an injustice done to minor municipalities, such as second class boroughs, which are clearly entitled to 14(c) reconveyances from a Village Corporation under ANCSA.

We strongly urge that the department expressly reverse its position on the issues discussed in this letter. We would further urge that the department, in its promulgation of any administrative regulations to administer the trust, recognize the trustees lack of jurisdiction over existing municipalities. Consultation with your own legal staff will, I am sure, lead to that result. While I am unaware that the Attorney General's office has taken an official position on this matter, our staff has discussed the issues in depth with several of the state's attorneys who have been involved in both municipal law and ANCSA matters and have found their opinions to coincide with ours.

Because this matter is of such great importance I have been very emphatic. This should clearly not be interpreted to mean that the publication has created any antagonisms. I fully recognize that the publication states only preliminary positions and was intended to invite comment and critical analysis. I hope our response has been constructive and will lead to a productive results. Notwithstanding, our position on your department's jurisdiction over the 14(c) trust issue, we appreciate and encourage the department's effort to disseminate information and otherwise help in the resolution of this very complex matter. In this regard, I would very much appreciate your keeping this office informed as to further action on this matter.

Sincerely,

Richard M. Chitwood III
Municipal Attorney

Terry Hartzbaugher
Assistant Municipal Attorney

RC/ka

cc: Governor Jay Hammond
Kevin Waring, Director Division of Community Planning
Robert L. Doyle, Municipal Lands Trustee
Joseph Cordova, Chairman, Senate Interim Committee on
Municipal Reconvocations
Avrum Gross, Attorney General

Municipality of Anchorage

POUCH 6 650
ANCHORAGE, ALASKA 99502
(907) 274-2525

GEORGE P. SAMARAS
Mayor

OFFICE OF THE MUNICIPAL ATTORNEY

January 10, 1978

The Honorable Senator Joseph Orsini
Pouch V
Juneau, Alaska 99811

Re: Department of Community & Regional Affairs - Promulgation of Regulations Pertaining to AS §44.47.150

Dear Senator Orsini:

On or about August 29, 1977, municipal lands trustee, Robert L. Jenkins issued a publication under the signature of Commissioner Lee McAnerney entitled, "Municipal Lands Trust Program, A Preliminary Statement of Trust Philosophy and an Assessment of Principles and Primary Policy Issues". The publication was thoroughly analyzed by the Municipal Attorney in consultation with staff members of the Attorney General's Office. It was the announced opinion of those attorneys consulted that certain portions of the publication contained evidence of misapprehension and misconstruction of AS §44.47.150. That section, adopted by §1, Chapter 119 SLA 1975, provides for the state's acceptance of land conveyed to the state in trust by village corporations under §14.C.3 of the Alaska Native Claims Settlement Act. The Municipality's objection to the Department's treatment of §44.47.150 is fully set forth in the letter to Lee McAnerney, attached. In brief, the Municipality objects to the Department taking a position that only first and second class cities are entitled to direct conveyances from village corporations as clearly provided by the federal and state acts.

It is the Municipality's contention that AS 44.47.150 applies only to conveyances from village corporations to the state under §14.C.3, which conveyances result only when no municipal corporation exercises jurisdiction within the village corporation. This interpretation is supported by the specific terms of the statute, which in pertinent part provides:

> The commissioner of the Department of Community & Regional Affairs is designated to accept, administer,

> and dispose of land conveyed to the state in trust by village corporations under §14.C.3 of the Alaska Native Claims Settlement Act for the purposes specified in that section. [emphasis added]

While the strict terms of both the federal and state statutes support the Municipality's position, that position may be bolstered by a compilation of legislative history on the subject. For that reason, the Municipality is seeking assistance in obtaining any documentation of legislative intent behind the enactment of §44.47.170 (§1, Chapter 113, 1975). In that regard, the Municipality would greatly appreciate your assistance as Chairman of the Community & Regional Affairs Committee. To date the Municipality has only been able to compile the barest legislative history as contained in the Senate and House Journals. If the Committee records or the other Senate records contain committee reports or records of debate, those items may greatly aid our effort.

The Municipality sincerely appreciates any help that you or the Senate staff may be able to offer in compiling the legislative history. In aid of this effort I have listed below the record of the progress of the bill as reflected in the Journals:

> Senate Bill No. 358 introduced by Senator Sackett entitled, "An Act Relating to Land to be Conveyed to the State in Trust for Future Cities under the Alaska Native Claims Settlement Act; and Providing for an Effective Date." was read the first time and referred to the Community & Regional Affairs Committee on April 10, 1975.
>
> SB 358 was recommended for passage by the Community & Regional Affairs Committee on April 21, 1975. The report was signed by Senator Rody, Chairman, and concurred in by Senators Tillion and Willis.
>
> Senate Bill No. 358 was read a second time on April 23, 1975. The bill was advanced for a third reading at that time. The question was called and adopted by the Senate by 19-0. Senate Bill 358 was referred to the secretary for engrossment.
>
> On April 24, 1975, Senate Bill No. 358 was read for the first time before the House and was referred to the committee on Resources and Judiciary.
>
> On April 29, 1975, the Speaker of the House stated that Senate Bill No. 358 had been referred to the Committee on Community & Regional Affairs. That Committee recommended that Senate Bill 358 be replaced with the House Committee substitute for Senate Bill No. 358 (same title) and that it pass.

On May 5, 1975, the House Resource Committee recommended passage of SB 358.

On May 19, 1975, the House Judiciary Committee recommended the substitution of SB 358 with House Committee substitute for Senate Bill No. 358 and recommended that it pass with an amendment.

On May 22, 1975, SB 358 was read a second time with the Community & Regional Affairs Committee report, the Resources Committee report, and the Judiciary Committee report. With the unanimous consent of the House, committee substitute for Senate Bill No. 358 was adopted in lieu of SB 358.

On May 23, 1975, the Senate received a message from the House on SB 358 regarding House committee substitute for Senate Bill No. 358 amended by the House, and transmitting same for consideration. The Senate thereafter adopted House committee substitute for Senate Bill No. 358, and was referred to the Secretary for enrollment.

THEODORE D. BERNS
Municipal Attorney

Jerry Wertzbaugher
Assistant Municipal Attorney

JW:gml

F. 14(c)(3)

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(907) 486-3143
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January 26, 1978

REPLY TO: Anchorage

The Honorable Joe Orsini
Chairman, Senate
Community & Regional Affairs
Alaska State Legislature
Pouch V
State Capitol
Juneau, AK 99811

Re: Our File 101-30

Dear Joe:

Your letter of January 16, 1978, to the Mayor of the Kodiak Island Borough has been referred to me by the Borough for response. Our firm represents the Borough on many land matters.

In November, 1977, I wrote Commissioner McAnerney of the Department of Community and Regional Affairs regarding my interpretation of § 14(c)(3) of the Alaska Native Claims Settlement Act. I agree with the Municipality of Anchorage that boroughs are not to be excluded from receiving village corporation lands. A copy of my letter and her response is attached for your information.

While AS 44.47.150(g) limits trust lands to only first and second class cities, in the case of established municipalities such as Kodiak and Anchorage I would maintain that there is no need to be guided by AS 44.47.150, as the lands can be transferred directly to those municipal entities.

The commissioner feels that somehow AS 44.47.150 is controlling and interprets § 14(c)(3) of the Act as limiting municipalities to first and second class cities. If one were to look at the definition of "municipality" in the Act (§ 3(i)) it would become obvious that the State Legislature could not preclude the borough from receiving the land directly under § 14(c)(3).

Please keep me informed of any action which is taken regarding this matter, and if I can be of assistance I would be happy to do so.

Yours truly,

COLE, HARTIG, RHODES,
NORMAN & MAHONEY
Counsel for Kodiak Island Borough

By: Bob
Robert L. Hartig

RLH:kh

Enclosures

cc: Kodiak Island Borough

Official Business

Alaska State Legislature

Senate

Committee on
Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

February 1, 1978

Robert Jenks
Municipal Lands Trustee
Department of Community &
Regional Affairs
511 West Fourth Avenue
Anchorage, Alaska 99501

Dear Mr. Jenks:

I appreciated having the opportunity to discuss with you recently the situation concerning the conveyance of village lands to municipalities under the provisions of Paragraph 14(c)(3) of the Alaska Native Claims Settlement Act.

I understand that presently most attention has focused on the situation between the Village Corporation of Eklutna and the Municipality of Anchorage. I would be interested in receiving your assessment as to where else in Alaska differences of opinion between municipality and village corporation regarding the conveyance of village land may occur; and where else, in your view, the State of Alaska should act as trustee for this land in place of a Borough government.

I would also appreciate any other comments you might have on this issue and how close it is to a satisfactory settlement.

Sincerely,

Joe Orsini

JOE ORSINI
Chairman, Senate
Community and Regional
Affairs Committee

JO:gd

14 C (3) File Index

December 18, 1971	Alaska Native Claims Settlement Act
June 23, 1974	Discussion of Legal Issues Related to 14 (c) Reconveyances by the Federal State Land Use Planning Commission
July 1975	14-C Handbook - Reconveying Land; Handbook for Village Corporations by the Federal State Land Use Planning Commission
AS 44.47.150	The Alaska Statues which defines the trust responsibility of the state for the village corporations
August 29, 1977	Jenk's Paper Municipal Lands Trust Program A preliminary Statement of Trust Philosophy and an Assessment of Principles and Primary Policy Issues
August 29, 1977	Brief Summary of Comments Received Regarding Bob Jenk's Paper by Bob Jenks
January 1978	Introduction to the 1978 Edition of Alaska Native Land Claims by Bob Arnold
January 15, 1978	Alaska Native Management Report, page 7 "Conveyances of Land to Village Corporations During 1977 (to January 15, 1978)"
February 17, 1978	Letter to Senator Ferguson from Commissioner McAnerney
March 6, 1978	Letter to Senator Orsini from Bob Jenks
News Clippings:	Municipality, Village Continue Discussing School Land Use - Anchorage Times January 14, 1978
	Native Land Plans Shake Up BLM - Anchorage Daily News February 1, 1978
	Eklutna, Anchorage Reach Interim Agreement on Land - Anchorage Times February 10, 1978
	Interim Plan on Chugiak Land - Anchorage Daily News February 10, 1978
	Native Claim Roadblocks May be Erased - Southeast Alaska Empire March 3, 1978

Senator Orsini's File on 14 C (3):

AS 12 A (1) of the Alaska Native Claims Settlement Act

July 21, 1977	Draft of a letter to Commissioner McAnerney from Senator Orsini
August 2, 1977	Letter to Commissioner McAnerney from Senator Orsini
August 10, 1977	Letter to Senator Orsini from Jack Chenoweth, Legislative Counsel
August 16, 1977	Letter to Senator Orsini from Commissioner McAnerney
Sept. 1, 1977	Letter to Senator Orsini from Donald Howell, Chief, Branch of Automatic Data Processing - U.S. Dept. of the Interior, BLM
Sept. 1, 1977	Letter to Senator Orsini from Jack Chenoweth, Legislative Counsel
Sept. 7, 1977	Letter to Senator Orsini from Jack Chenoweth Copies Sent to 128 Municipalities
Sept. 9, 1977	Letter to Mayor Sullivan from Senator Orsini
Sept. 12, 1977	Letter to Senator Orsini from Jack Chenoweth, Legislative Counsel
Sept. 15, 1977	Letter to Senator Orsini from Bob Jenks
Sept. 30, 1977	Letter to Senator Orsini from Mayor Sullivan
October 3, 1977	Letter to Commissioner McAnerney from Jerry Wertzbaugher, Anchorage Assistant Municipal Attorney
Oct. 17, 1977	Letter to Mayor Sullivan from Commissioner McAnerney
Nov. 1, 1977	Letter to Senator Orsini from Edward G. Burton of Burr, Pease and Kurtz, Inc., Enclosure; copy of Nov. 1 letter to Commissioner McAnerney
Nov. 9, 1977	Letter to Bob Jenks from Edward G. Burton of Burr, Pease and Kurtz, Inc. of Anchorage
Nov. 21, 1977	Letter to Commissioner McAnerney from Robert Hartig of Cole, Hartig, Norman and Mahoney of Anchorage
Dec. 8, 1977	Letter to Bob Hartig from Commissioner McAnerney
Dec. 30, 1977	Memo to Bob Jenks from Kevin Waring, Dept. of Community and Regional Affairs
Jan 10, 1978	Letter to Senator Orsini from Jerry Wertzbaugher, Anchorage Assistant Municipal Attorney

Jan. 16, 1978	Letter to W. D. Overstreet, Mayor of City & Borough of Juneau (sent to all Borough Mayors)
Jan. 20, 1978	Comments by Bob Jenks of Dept. of C & RA Regarding the Status of 14 C (3) Land Reconveyances from Village Corporations by Ben Harding, A.A. to Senator Orsini
Jan 26, 1978	Letter to Senator Orsini from Bob Hurtig of Cole, Hartig, Norman and Mahoney of Anchorage
Jan. 30, 1978	Letter to Senator Orsini from Donald Gilman, Mayor of Kenai Peninsula Borough
Feb. 1, 1978	Letter to Bob Jenks from Senator Orsini

Other Related Publications:

Congressional Records regarding ANCSA

Alaska Native Land Claims Hearings before the Subcommittee on Indian Affairs of the Committee on Interior and Insular Affairs of the U.S. House of Representatives, May 3 - 7, 1971

Of Interest:

December 1975	Agenda for State Lands; Recommendations to the People of Alaska on the Future of Their Public Lands by the Federal State Land Use Planning Commission for Alaska
February 1976	Alaska National Interest Land Withdrawals and their opportunity Costs by John V. Krutilla and Sterling Brubaker by the Federal State Land Use Planning Commission
March 15, 1977	Memo to the Federal State Land Use Planning Commission for Alaska from Liz Mathews, Legal Extern
Aug. 1977	Alaska National Interest (D-2) Lands; A History and Reviews of Legislation by the Legislative Research Division
1976	Land Use Planning Workshops by the League of Women Voters
Sept (?) 1977	Report of the Joint Federal State Land Use Planning Commission for Alaska "Cooperative Management and Organization"
Nov. 1977	"The D-2 Book" Volume II, "Lands of National Interest in Alaska; A Comparative Analysis" by the Federal State Land Use Planning Commission for Alaska

Jan. 17, 1978 Memo to Congressman Seiberling from Walt Parker
State Co-Chairman, Federal State Land Use Planning
Commission

A Paper by Guy Martin on Land Trust, "ANCSA Issues Implementation Recommendations " is available for reading in the Division of Community Planning of the Dept. of Community & Regional Affairs

M E M O R A N D U M

To: Senator Orsini, Chairman
and members of the 1977 Interim Committee
on Village Land Reconveyances

From: Katherine Brown, A.A.
to the Bush Caucus

Subject: 14 C (3) of the Alaska Native Claims Settlement Act
Village Lands Reconveyances

Date: March 14, 1978

On Friday, February 17th, I travelled to Anchorage (at my own expense) and met with several people with regard to their various perspectives on the issues and problems surrounding the 14 C (3) reconveyance of lands to village corporations.

At 9 a.m I met with Byron Mallott, President of the Alaska Federation of Natives and members of his staff. Mr. Mallott had just talked to the Governor relevant to the status of the land bills currently before Congress. He told me at that time, that since few easement agreements had been reached with the Secretary of the Interior, the Interior and the State would eliminate the core township language thus allowing conveyance of core townships without easements.

On signing of HR 39, title passes to the "appropriate municipal corporation or to the state in trust." Although they may have title, 14 C (3) reconveyances cannot occur until the patents have been received. BLM is reorganizing and Mr. Mallott feels that they will be prepared to convey the lands quickly upon passage of the bill.

With regard to reconveyance, Mr. Mallott felt that most village corporations are viewing the 1,280 acre community expansion entitlements as a maximum. The municipality must justify a need for the land. Lands held in trust by the state are to be managed as state lands. Mr. Mallott was concerned that sufficient channels be established for village input as to the use of state lands held in trust. The Regional Corporations in this regard have maintained a "hands off" policy.

Mr. Mallott suggested that I talk to Mr. Jenks about the Department of Community and Regional Affair's plan to administer these lands and planned provisions for village input. He also suggested that I talk to Lydia Hayes of the Alaska Native Foundation who may have additional material on the subject as well as Dan Alex of the Eklutna Corporation in Chugiak and Agnes Brown of Tyonek Corporation.

Later that morning, I talked with Bob Arnold and Gordon Jackson at the Alaska Native Foundation. Lydia Hayes was out of town and so I was unable to talk with her. Mr. Arnold gave me the status of conveyances thus far which is also contained in the introduction to the 1978 edition of Alaska Native Land Claims which he authored.

In this introduction which he gave me, he states that "six years after the Settlement Act, only ten percent of the land selected by Native

Corporations had been conveyed to them and most of that had been conveyed in a single region." (The Arctic Slope Region) "Only 22 village corporations in ten regions had received any conveyance of land by late 1977." And the amounts of land that has been conveyed has been very small. Mr. Arnold and Mr. Jackson agreed to keep me informed of any new developments and to send copies of whatever relevant materials they could find.

At 3 p.m. I talked briefly with Susan Wolf at the Anchorage office of BLM. who explained some of the problems associated with interim conveyance of native lands. They can't survey until they know what selections have been made. Once selections have been made, the surveys can begin however the surveyors have to be able to physically see the ground. In many areas, long winters and snow cover prevents this for the greater part of the year, further slowing the process. Some regional corporations are contracting with private field surveyors in an attempt to accelerate surveys. Bristol Bay Regional Corporation is one such corporation and is currently writing guidelines for villages who wish to do this. Ms. Wolf suggested that I contact them for further information.

From four to six p.m. I talked with Bob Jenks, the Municipal Lands Trustee with the Department of Community and Regional Affairs. AS 44.47.150 authorizes the Department of Community and Regional Affairs to assume the role of trustee for approximately one hundred unincorporated villages and gives direction for the administration of these lands.

Mr. Jenks thinks that any potential problems that may develop will occur between cities and village corporations. He strongly believes that since it is in the best interest of both parties to come to agreement with each other as soon as that is possible, within an atmosphere of open communication, good faith negotiation will lead to agreements satisfactory to both parties. In this light, the Department, without being a party to the agreement, seeks to provide the needed technical expertise and a forum for airing conflicts and developing a consensus.

The Department is currently working on regulations to accomplish this end. While I was in the office, Mr. Jenks received a phone call notifying him that Mr. Jim Reeves, an Assistant Attorney General in the Anchorage Office, had been appointed to work on drafting these regs. The regulations at this time are in rough draft form. Mr. Jenks told me that they were attempting to build into these regs appropriate due process provisions as well as conformance to the Administrative Procedures Act.

They hope to uphold the people's right to decide for themselves what lands they will offer to the municipal corporations. They will not dictate what kinds of lands should be included; there will be no "checklist" of land classes. Only land which is clearly essential to community expansion (as determined by the villages) will be offered. It is hoped that decisions made at this level will not adversely affect the general welfare of the village. Key land in the billage area is not necessarily includable.

Mr Jenks emphasized that they will be dealing with approximately one hundred very different villages and therefore the regs must be flexible yet balanced with controls; they must withstand possible changes in the Administration

and any other attempts at political manipulation. Mechanisms must be established to allow the village itself to identify and offer the lands to go into trust. The trust duties would begin when accepted by the appropriate trustee.

There will be one hearing per region on the proposed regulations. These hearings will take place this summer and fall.

STATE OF ALASKA
DEPT. OF COMMUNITY & REGIONAL AFFAIRS
DIVISION OF COMMUNITY PLANNING
JAY S. HAMMOND, GOVERNOR
511 WEST 4TH AVENUE
ANCHORAGE 99501

March 6, 1978

Honorable Joseph Orsini
Chairman, Senate
Community and Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

Thank you for your time last month. I, too, appreciate having had an opportunity to chat briefly on the Municipal Trust Lands Program, but regret not being able to complete our discussion on the substance of the trust program.

Your understanding concerning the Municipal Lands Trustee Program, as stated in your letter of February 1, "that presently most attention has focused on the situation between the Village Corporation of Eklutna and the Municipality of Anchorage," is not one which I share. You may recall that you brought up this subject during the course of our general background discussion of regulations and program development pertaining to Municipal Trust lands. Just as we were stating that we believe we have a clear duty to preserve the option that the "State in trust" may be a potential recipient of a portion or all of Eklutna's conveyances under ANCSA 14(c)(3), our conversation was interrupted when you left for a call of the Senate.

This interruption is unfortunate, as it prevented us from fully discussing the scope of our fiduciary duties in this matter. I completed this discussion as you requested with your aide, Ben Harding. Perhaps your understanding of trust program priorities suffered by the necessity of going through a third party.

As I indicated to Mr. Harding (and recently to Mr. Ferguson's aide, Cathy Brown), we are delighted that Eklutna, Inc. and the Municipality appear to be progressing towards a mutually satisfactory agreement concerning 14(c)(3) lands. We initially sponsored and participated in these negotiations. They are fully consistent with public and private statements of Commissioner McAnerney and myself with respect to Eklutna and Anchorage.

Notwithstanding our interest and participation in Eklutna-Anchorage negotiations, this issue has by no stretch of the imagination occupied "most" of our attention. Eklutna is only one of some 100 villages for which the State has a potential trust duty. Two dozen others during

the past 11 months since I was hired have commanded an equal or greater amount of our attention in providing land interests for highly urgent and critical community needs such as schools, airports, clinics, housing, and electrification systems.

I was explaining as our conversation was interrupted, that our major attention to date has been devoted to program and regulation development. A comprehensive report on this activity recently was given by the Commissioner to the sub-committee chaired by Senator Ferguson.

In response to one of your questions, I am unable to assess which municipalities and village corporations may have differences of opinion concerning 14(c)(3) land reconveyances, since the Municipal Trust Lands Program with which I am associated has no program responsibilities in villages where first or second class cities exist. Our statutory and functional trust responsibilities relate only to those where there is no municipal corporation in the Native village.

In my personal view, what may appear at first blush to be potential differences of opinion between cities and village corporations are merely preliminary assessments of position options each party is studying prior to entering negotiations. For the most part, actual negotiations are premature at this time, since only 3% of the total village corporation land entitlement has been processed by BLM. It is not all together certain in many villages which lands will be conveyed to the village corporations by BLM and thus be available for consideration for reconveyance under Sec. 14(c)(3).

I'd like to re-emphasize my often stated belief that settlement of 14(c)(3) land transfers is fully in the mutual self-interest of both village corporations and the entities which will receive titles thereto. Thus, good faith, arms-length negotiations between those parties are expected to resolve any 14(c)(3) questions without the necessity of serious confrontation or litigation.

The Executive and Legislative branches of state government, I believe, can constructively assist cities and village corporations by providing a climate of unhurried and impartial technical assistance which encourages good-faith dialog between the parties. In contrast, "assistance" which advocates one party's position in opposition to the other may not only inhibit amicable resolution of 14(c)(3) conveyances, but generates a substantial risk in the event of impasse, that the State of Alaska could involuntarily become a plaintiff or defendant in future litigation initiated by the actual parties as they attempt to resolve 14(c)(3) issues. The law does not designate the State as an adjudicator or a party to 14(c)(3) land transfers involving municipalities and village corporations.

In response to your final question concerning the identification of villages where the State "should" act as trustee "in place of" a borough government, it would be appropriate, I believe, to rephase the question to read, "For which villages did Congress and the State Legislature establish a fiduciary trust duty for the State to accept and administer trust lands on behalf of future municipal corporations established in the Native villages in the future?"

Obviously, this question cannot be answered as your question implies, in terms of a policy opinion designating those villages for which the state "should" be a trustee. Since the Legislature defined "municipality" with respect to the Municipal Trust Lands Program as "only first or second class cities incorporated under the laws of the State" (A.S. 44.47.150(g)), it seems apparent that we have a clear and unequivical duty and obligation to accept and administer appropriate trust lands offered for conveyance by village corporations in those villages which do not have a first or second class city therein. At the very least, we have a present and obvious duty to keep open the option that such lands may be received from any village corporation so situated which does not enter into a lawful settlement of 14(c)(3) lands with a Borough, at least until all legal issues surrounding this matter are finally and completely settled. This, of course, is our position with respect to Eklutna; i.e., that the Municipality of Anchorage is not necessarily ineligible to receive land from Eklutna, Inc., but for the present, until the legal issues are resolved, the trustee has a clear duty to stand available as a potential trustee for at least a portion of the settlement. (Eklutna's land lies mostly outside of the Municipality of Anchorage.)

Your final question prompts another observation. It may not be the State which would act as a trustee "in place" of a borough government as you suggest, but more likely, just the reverse would occur if a borough receives a conveyance under 14(c)(3) from a village corporation. Apparently well-reasoned opinions have been expressed, that because donation of the so-called 1,280 acres is for the benefit and expansion of the donating community, (and not for the State, itself), a borough receiving lands under the same circumstances should be a comparable "trustee" over the lands. Thus, a borough would administer the lands for the benefit and expansion of the donating community, and not for the benefit or gain of the borough as a whole. No borough has yet, to my knowledge, willingly expressed a desire to assume the administrative and financial burdens that such a trusteeship would entail. Since the Legislature has accepted and funded these trust duties on behalf of the State, I think acceptance of such lands by Boroughs, to be administered on behalf of unincorporated villages, will be quite limited.

The regulations of the Municipal Trust Lands Program now being drafted will, of course, provide the standards upon which lands offered by any village corporation into the trust can be judged for acceptability. These regulations will go through an extensive public review process

considerably exceeding minimum standards set by the Legislature in the Administrative Procedures Act. Since the drafting, publication, and review process is now evolving, it seems inappropriate to enumerate further concerning this sensitive issue prior to completion of legal interpretations and statements of departmental policy. Proposed regulations probably will be published within the next 90 days.

Sincerely,

Robert L. Jenks
Municipal Lands Trustee

cc: Senator Ferguson
Lee McAnerney
Larry Kimball
Eklutna, Inc.

RLJ:jlg

SB 183

ALASKA DISTRIBUTORS CO.

4601 SIXTH AVENUE SOUTH • SEATTLE, WASHINGTON 98108 • 622-7311

SERVING ALASKA SINCE 1934

IMPORTERS AND WHOLESALERS OF LIQUORS, WINES AND BEERS

March 29, 1978

The Honorable Glenn Hackney
Alaska State Senate
Pouch "V" State Capitol Building
Juneau, Alaska 99811

Dear Senator Hackney:

Believing that it is our Corporate responsibility to help educate the public as to the proper use of our products, Alaska Distributors Co. is embarking on a Moderation Campaign based upon the underlying assumption that alcohol abuse is a people problem, not a product problem.

Moderation and responsibility will be the theme of this campaign. Messages, such as the one that is included with this letter which will run during the week of April 3rd, will appear approximately five times during 1978 in the following publications:

Anchorage News
Anchorage Times
Fairbanks News-Miner
Juneau Southeast Alaska Empire
Ketchikan News
Sitka Sentinel
Kodiak Mirror
Tundra Times
Alaska Advocate

A copy of the "Know Your Limits" pamphlet will be provided to anyone upon request. This pamphlet will let that individual know the impact different amounts of consumption can have on one's system.

Our objective is the healthy and responsible enjoyment of our products. The Moderation Campaign will be our contribution towards achieving that goal.

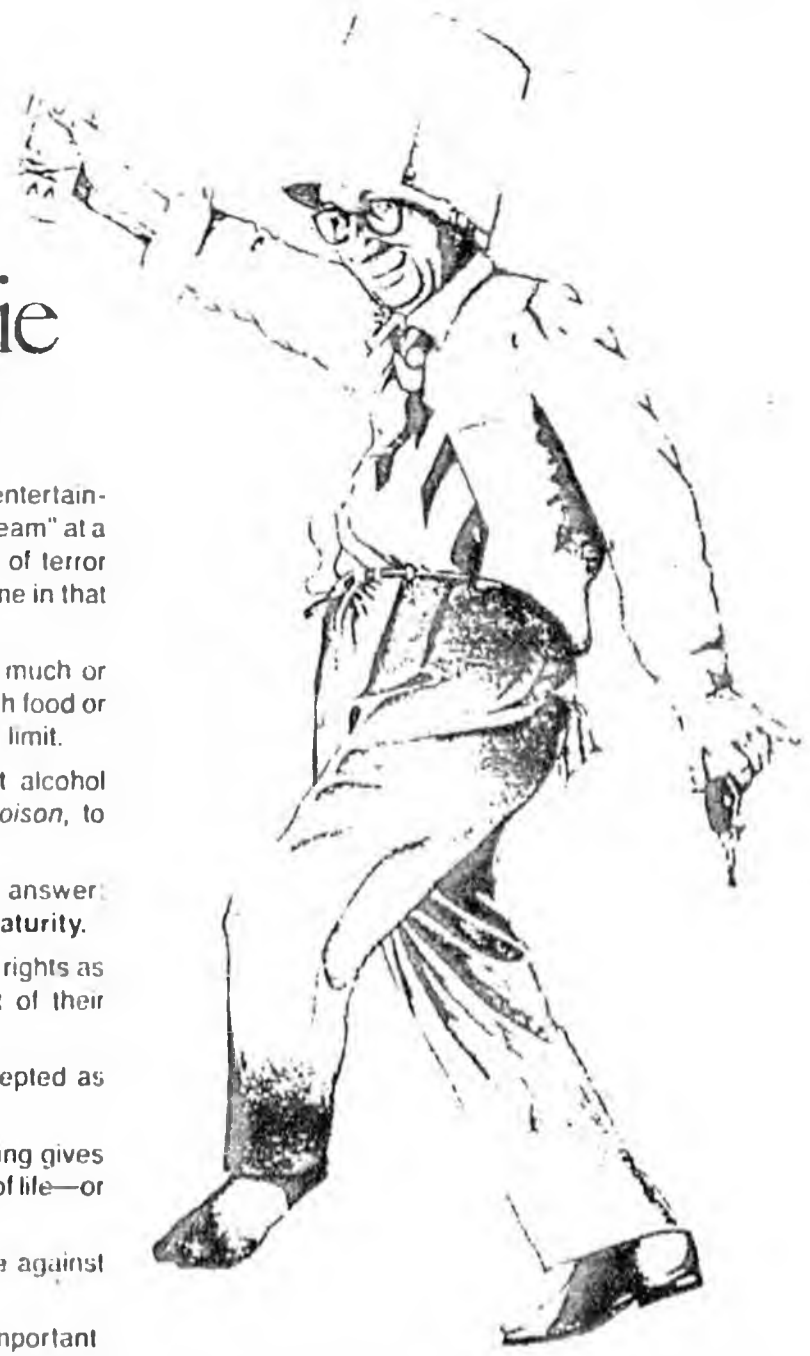
Very truly yours,

ALASKA DISTRIBUTORS CO.

Richard Loeb

RL:ia
Enc.

Ain't Charlie a scream?



The fat man with a lampshade on his head entertaining his friends and their wives may be a "scream" at a party. But the scream could turn into one of terror should good, ol' Charlie decide to drive home in that condition.

There is nothing funny about drinking too much or any kind of excess for that matter—be it with food or exercise, smoking, or exceeding the speed limit.

A poll asking people how they felt about alcohol yielded opinions ranging from *alcohol is poison*, to *the more you drink the better the party*.

Somewhere in between lies a sensible answer: moderation. **Moderation is the mark of maturity.**

Those who abuse alcohol are abusing their rights as members of a free society. And the cost of their misbehavior falls on you and me.

Fun is fun, and an occasional drink is accepted as part of the traditional American scene.

But that doesn't mean that excessive drinking gives you the right to interfere with my enjoyment of life—or to injure me for life—or to take my life.

There is a role for each of us in this battle against alcohol abuse.

That's why education on moderation is so important.

We can begin by adopting a responsible attitude toward the use of beverage alcohol and promoting that attitude among others.

We can respect the rights of abstainers and demand that respect of others if we do not drink.

We can learn and teach that there is a point in time when pleasure turns into punishment.

That's why we're offering a pamphlet, "Know Your Limits." It may be of help to you—or someone you know. Send for it today.

If you can think of anyone who could use a little guidance on moderation, send for our booklet, "Know Your Limits." It includes the latest information on this subject, and it's free for the writing. Alaska Distributors Co., P.O. Box 4-1598, Anchorage, Alaska 99509.

ALASKA DISTRIBUTORS CO.

IMPORTERS AND WHOLESALERS OF LIQUORS, WINES AND BEERS SINCE 1934

© 1978 Ed. Phillips & Sons Co. Minneapolis, Minnesota

You will find it a valuable guide. But it is *not* a guarantee. There are many variables, such as when you've last had a meal or eaten snacks, fatigue, your mood, etc.

This chart also indicates the relationship between number of drinks and other factors to the legal limits (.10 as defined by law in most states and prescribed officially as a Federal standard).

The vast majority of people don't know what "legal limits" means. This chart tells you in precise detail.

Naturally, the distilled spirits industry is NOT urging you to drink up to the legal limit or anywhere near it, before driving or otherwise.

Liquor is part of the good life. Having a drink with friends is a long-time American tradition. Most people don't overdo it. Most adults who choose to drink, drink sensibly.

We urge you to know and stay within your own personal, safe limits. And, if you can't stop drinking, don't start driving. For your sake. And for the safety of others on the road.

DISTILLED SPIRITS COUNCIL OF THE UNITED STATES, INC. DISCUS

KNOW YOUR LIMITS

Distilled Spirits Council
of the United States, Inc.
Suite 1300 - Pennsylvania Building
425 Thirteenth Street, N.W.
Washington, DC 20004

KNOW YOUR LIMITS

CHART FOR RESPONSIBLE PEOPLE WHO MAY SOMETIMES DRIVE AFTER DRINKING!

APPROXIMATE BLOOD ALCOHOL PERCENTAGE

Drinks	Body Weight In Pounds								
	100	120	140	160	180	200	220	240	Influenced
1	.04	.03	.03	.02	.02	.02	.02	.02	Rarely
2	.08	.07	.05	.05	.04	.04	.03	.03	
3	.11	.09	.08	.07	.06	.06	.05	.05	
4	.15	.12	.11	.09	.08	.08	.07	.06	
5	.19	.16	.13	.12	.11	.09	.09	.08	Possibly
6	.23	.19	.16	.14	.13	.11	.10	.09	
7	.26	.22	.19	.16	.15	.13	.12	.11	
8	.30	.25	.21	.19	.17	.15	.14	.13	Definitely
9	.34	.28	.24	.21	.19	.17	.15	.14	
10	.38	.31	.27	.23	.21	.19	.17	.16	

Subtract .01% for each 40 minutes of drinking

One drink is 1 oz. of 100 proof liquor, 12 oz. of beer, or 4 oz. of table wine.

SUREST POLICY IS: DON'T DRIVE AFTER DRINKING!

The safest policy is not to drive after drinking. If you do drink and then drive, then know and stay safely within your own personal limits. Even this chart is only a guide, not a guarantee.

Driving after excessive drinking is dangerous and punishable by law. The operator of a motor vehicle is presumed by law to be impaired when the percent of alcohol in his blood is above the .10 level. The table on the reverse side indicates the relationship between number of drinks (taken by normal adults) and the legal limits. If your weight is between two of those shown, use the lower weight.

The legal limit is not the same as your own personal, safe limit.

Endorsed by Distilled Spirits Council of [illegible]

KNOW YOUR LIMITS

You're probably a licensed driver. And, statistically, you may be one of the millions of normal adults who choose to consume beverage alcohol in moderation, without harm to yourself or others.

Ideally, of course, the safest policy is *not* to drink before driving. But, common observation and experience tell us that millions of Americans drink and then drive on occasion. This is a fact of life.

Also confirmed is the fact that slogans like "If you drink, don't drive" have proved unrealistic and unsuccessful. Why? Because the motoring public simply pays little or no attention to them. Because many adults have had a drink before and a cordial after dinner in a restaurant and then driven home safely.

The Know Your Limits approach to responsible drinking and safe driving recognizes these facts of life and applies them to safety education.

This approach does NOT apply to alcoholics or problem drinkers. They should not drink at all. They require treatment or counselling. The distilled spirits industry certainly does *not* condone drunk driving by anyone, any time.

No two adults are exactly alike. Thus it is impossible to make absolute statements about personal drinking limits that would be equally accurate when applied to the entire adult population. And even an individual's safe limits can vary from time to time, depending upon his state of health and mental outlook. But we do urge you to know and stay safely within your own personal limits beyond which you tend to become impaired. So, know when to say when.

Experts specializing in the drinking and driving field, however, have related number of drinks, body weight and frequency of consumption to risk probabilities.

This information is contained in the Know Your Limits chart pictured above in this publication.

THE CITY AND BOROUGH OF JUNEAU
CAPITAL OF ALASKA
155 SOUTH SEWARD ST. JUNEAU, ALASKA 99801

DATE April 5, 1978

FILE NO. Legislature-1978 Session

SUBJECT SB 183

Honorable Joseph Orsini, Chairman
Senate Community & Regional Affairs Committee
Pouch V, State Capitol Building
Juneau, Alaska 99811

Dear Senator Orsini:

I have reviewed Senate Bill 183 relating to alcoholic beverages. On page 6 of the Bill, it is proposed that the Alcoholic Beverage Control Board be given the authority to determine which debts and taxes must be paid before transfer of ownership of an existing license may be made.

Often, when a license is being transferred, the only thing of value which the transferring entity has is the license itself. For that reason, allowing the Board to decide whether or not local taxes owing by the transferring licensee should be paid is a little like setting the Board up as a bankruptcy court for its licensees. I would suggest that the Board be given no authority to transfer a license where local taxes are still owing unless the licensee has made satisfactory arrangements with the municipality for their payment. I would suggest that the following changes be made on page 6 of SB 183:

On line 11, change the word "and" to "other than".

Change line 15 to read, "debts [AND TAXES] which it determines must be paid and taxes owing or in fact paid, or".

We would appreciate your consideration of the above change which would insure that liquor establishments are not allowed to escape paying taxes owed when licenses are transferred. Thank you.

Very truly yours,

GERALD L. SHARP
Attorney
City and Borough of Juneau

GLS:jt

cc: Senators
Willis, Ferguson,
Hackney, Sumner

F: SB-183

April 18, 1977

Hank Mann, President
Anchorage Associated Broadcasters
P.O. Box 2200
Anchorage, AK 99510

Dear Mr. Mann:

Thank you for your letter of April 11 stating the opinion of the Anchorage Associated Broadcasters regarding the advertising provisions of HB 240/SB183.

The members of the Special Committee on Alcohol which I chair, do not intend to deal with this bill this session. During the interim we are planning an indepth study of the alcohol package complete with public hearing. The dates have not yet been set, but we hope to hear more from you at that time.

Again, thanks for your concern.

Sincerely,

Mike Colletta
Senate Floor Leader

dsf

ANCHORAGE ASSOCIATED BROADCASTERS

April 11, 1977

The Honorable Jay Hammond
Governor, State of Alaska
Pouch A
Juneau, Alaska 99811

Dear Governor Hammond,

Contained herein are the collective thoughts of the Anchorage Associated Broadcasters outlining our opposition to a proposed portion of legislation, currently in committee in the State Senate. Specifically, that portion of HB-240 that would ban all but "competitive brand" advertising of alcoholic beverages in the State of Alaska. SB 183

1. We do not feel such prohibition of advertising would have any appreciable effect in solving the problem of alcoholism. Prohibition of cigarette advertising (discriminatively effective, incidentally, to the electric media, but not to print) has had little significant effect or none at all, on the problem of cigarette smoking. Indeed, Federal HEW statistics indicate that cigarette smoking has increased steadily, since the electric media cigarette advertising ban has been if effect. This did have the effect, however, of depriving the electric media of advertising revenues.

2. Such legislation as an advertising ban as outlined in HB-240 constitutes an infringement of the rights of private citizens to be informed and jeapordizes the economic viability of both advertising alcohol beverage licensees and the advertising media. Such legislation also may be an infringement of first amendment constitutional guarantees and certainly constitutes a "blatant" restraint of trade. Further, electric media facilities are federally, not state, licensed and it is valid to question whether the state government may enact legislation that would restrict what a federal licensee may or may not broadcast. Even the FCC is having difficulties in this area (re: US Court of Appeals 1977 decision, FCC versus WBAI/New York).

3. There is a questionable intelligence behind the logic of allowing, for example, 86 proof whiskies such as "Johnnie Walker" to extoll their virtues as a competitive brand advertiser, while prohibiting businesses such as the Ramada Inn, the Captain Cook Hotel, etcetera, to advertise the

P.O. BOX 2200, ANCHORAGE, ALASKA 99510

price of 7 or 8 proof beer. This, in essence, is what the advertising prohibition in HB-240 does.

4. Enforcement also could constitute a problem. Does the State of Alaska propose to intercept US Mails to clip out offending advertisements, or, is this bill directed only at the electric media? That's not the way we read it, but if so, does the State of Alaska propose to tamper with national commercial continuity, beamed in via satellite, or, make the individual stations liable? That's a real "double bind". In many network affiliate contracts, the affiliate station is prohibited from overriding or deleting network advertising. Their choice would be a contract violation with possible loss of network service versus a State law violation. Not much of a choice, is it?

5. In other sections of HB-240, it is proposed that "bush" communities that vote to go "dry" be compensated by the State (meaning the taxpayers in the "wet" communities) for lost liquor tax revenues. Yet, the same "Rube Goldberg" logic behind this inequity is not carried over into any form of recompensation for lost revenues that will be edgendered by a ban on advertising alcoholic beverages. Does this stand the test of "reasonableness"?

In summation, nobody has shown conclusively that an advertising ban of alcoholic beverages would have a significant effect on the problem of alcoholism. Those who want to purchase or consume alcohol will do so, regardless of the existence or lack of advertising. An advertising ban would constitute a restraint of trade...would have an adverse economic effect of private enterprise...could be a violation of interstate commerce, interstate mail service, and constitutionally guaranteed first ammendment rights. The proposal to ban the advertising of alcoholic beverages is the product of "fuzzy thinking" by a special interest study committee with much broader adverse impact than any good it might accomplish.

Please remember also, that the consumption of alcohol is not, in itself, bad, if done in moderation. Recent clinical tests have shown that regular consumption of small amounts of alcohol is frequently beneficial, both psychologically and physiologically. The problem is alcoholic consumption to excess. I doubt you could show me one radio or television

station that would accept a commercial advertisement that advocates drinking to excess. However, almost all of them cooperate extensively with the Departments of Health & Social Services and Public Safety in public service advertising...at no cost to the taxpayer...pointing out the dangers of drinking to excess. But remember, in order to be able to make public service advertising available to state agencies free, we have to be able to sell other forms of advertising and HB-240 makes that job harder.

With all this in mind, the thirteen radio and television member stations of the Anchorage Associated Broadcasters strongly urge, that should HB-240 ever reach your desk with a prohibition of advertising s ill contained it it, that you exercise your gubernatorial power of veto.... unhesitatingly and unconditionally!

Thank you for your attention.

Hank Mann
President
Anchorage Associated Broadcasters

cc: William Allen, KHAR-AM
Alvin O. Bramstedt, Sr., KENI
Alvin O. Bramstedt, Jr., KENI-T.V.
Robert Flemming, KYAK/KGOT
Ken Flynn, Vice President, AAB
James Hafer, KENI-AM
Patti Harpel, KHAR/KKLV
Auggie Hebert, KTVA/KBYR/KNIK-FM
Ronald Moore, Secretary/Treasurer AAB
Jay Perry, KJZZ-FM
Roy Robinson, KFQD
Dunne Tripplet, KIMO-T.V.
William Walley, President, Alaska Broadcasters Association

cc: Legislators;
Mike Colletta
Joseph Hayes
Bill Ray

F: DAN. HAECKEL
(RE PETERSBURG
ANNEXATION)

Sig Strassburg

Haines Bar - No operation.

Skagway

Petersburg

Wrangell

Juneau

Treadwell

Douglas

Sears Bldg — Addition —
Dec. 12 letter to Mr. Wm. Kearney
Lessee of Bldg City
Fire Department recommends new addition.
Building Inspector approves
75 to 100 employees now in City

Trumbull — Estimate 1½ Yr.
Building Inspector called him in
Opposition to annexation.
50 to 60 men employed in specialty shops
in Heart of City

Building Permit
Issued for Building
2nd Story — Basement
Cost of 25 thousand; Owner engineer City Employee
City Building Inspector approved Plans
Superintendent Building Inspector
City Treasurer
Pd. Contractor in 75; 80 Thousand
U.S. 35,067. Fee for Detention
75 employees in Mill

Lane Bevens — Living in City
City Hospital Central Hospital Development

John Doe — Employee — Living in City
Employer — Department
Planning in Needle Trades City

Hackney

SB 373

~~Horlacher proposals~~

Randall Shelley

APEA - opposes - would limit strikes and impasse since it would solidify both parties in their positions and put added stress on parties.

Pat Hunt

Barfield with (c) 24 hour language
would prefer that in stead of renegotiation by item, Subject
negotiation a statute report be issued periodically
Possibly problem with (b) Reasonable time

Guy Stringham - 3000

Judicial Jeff gave written notice on their
desires for meet & confer negotiations. Because
it is the bargaining group that votes on
priority.

Suggest (d) be deleted

Might solidify positions by making united
details of bargaining.

Does not provide strong incentives for
bargaining desire of membership.

Carolyn Wolfarth - Amendment

Favors (d) since it will inform public as to
issues.

Suggests (c) may not be necessary since it may
be naturally negotiated.

Would like to see more reasonable position
being taken out by both sides since a
strike by teachers often public would cost

SB373

II

doubtful the good faith of party that had introduced the exotic pest.

Board stands on it with Rader no approval.

Would not feel instructed to give away the farm.

Referrer - Ad. Bd. Com.

Has no problem with keeping negotiations private but has problem with publicizing initial offers.

Could be written (2) - Should normally negotiations are limited to agency party in negotiations.

TO: COMMUNITY & REGIONAL AFFAIRS COMMITTEE

ATTENTION: Honorable Joseph Orsini,
Chairman, and Committee
Members

From: Gertrude B. Lyons
P. O. Box 1128
Petersburg, AK 99833

Date: February 8, 1978

I am on the Board of Directors of the Petersburg Indian Association and have been a resident of the City of Petersburg all my life and have been authorized by unanimous vote of the Board to appear and protest to the Legislature any extension of the boundaries of Petersburg. The members of the Petersburg Indian Association are strongly opposed to the recommendations of the Local Boundary Commission to the Legislature of the State of Alaska concerning the extension of the boundaries of the City of Petersburg.

The Petersburg Indian Association was formed because of the various Alaska native groups, including the Tlingit-Haida Central Council, the Alaska Native Brotherhood, the Alaska Native Sisterhood, and Sealaska Corporation, which had programs to be administered within the Petersburg area. The Petersburg Indian Association is a combination and serves and represents all Alaska native programs administered in the Petersburg area. There are approximately one hundred eighty-five (185) adult members in the Petersburg Indian Association, all of whom are residents residing in the existing City of Petersburg.

The Petersburg Indian Association has reviewed the petition submitted by the City of Petersburg to the Department of Community and Regional Affairs for the annexation or expansion of the existing city limits of Petersburg and the recommendations of the Local Boundary Commission to the Legislature. The Petersburg Indian Association is strongly opposed to any expansion of the existing city limits of Petersburg.

The existing tax base for the City of Petersburg, including real property taxes, sales taxes, and utility charges is extremely high and before any of the existing utilities are expanded to additional areas, and before any additional police and fire protection services are expanded to additional areas, it appears to the Petersburg Indian Association that steps should be made to improve and reduce the charges to the existing residents within the present city limits of the City of Petersburg. The cost of expanding utilities and services to any additional areas could only be met by additional taxes far and above those which would be generated through the annexation of the additional area.

I was employed for eight (8) years as a dispatcher for the City of Petersburg Police Department, having left that position approximately one (1) year ago. In reviewing the petition of the City of Petersburg for additional areas to be annexed I noted the number of emergency medical treatment calls that they attributed to

areas outside the existing city limits. Based upon my own observations and experience, by far the vast majority of these calls would have been to the Petersburg Municipal Airport or to the float plane charter services operated in and out of Petersburg, bringing injured or sick persons from other areas to receive treatment at the Petersburg hospital.

The existing fire equipment is inadequate to serve outlying areas without the addition of water lines and hydrants as the present tank trucks or pumper trucks would not be sufficient to fight any major fire without fire hydrants being located in the immediate vicinity.

If police protection is to be afforded in the additional annexed area it will require that at least one additional squad car be added to the existing police force and at least four (4) officers, one for each shift and one as a relief officer. The existing bonded indebtedness of the City of Petersburg is the highest per capita in the State of Alaska. It would seem apparent that if additional services and utilities are afforded to areas outside the existing city limits, that the only way this could be accomplished would be by incurring additional bonded indebtedness which would place an undue burden and hardhip on the taxpayers and residents of the City of Petersburg. This is particularly true of our native residents who for the most part are employed on a seasonal basis, which severely limits their income and ability to pay any additional taxes or utility charges.

Before any additional areas are added to the City of Petersburg, the Petersburg Indian Association and myself feel that definite steps and improvements should be made within the city limits to reduce the taxes and improve existing services and utilities, particularly the electric utility services which, in my opinion, are the highest in the State. Presently people outside of the existing city limits of Petersburg pay a surcharge on top of their electric service charges for being rendered that service by the city; however, if these areas are included in the city this surcharge would be lost, and the only way that this could be made up is by adding to the already high electric service charges being taxed on the residents of the City of Petersburg.

For these reasons, the Petersburg Indian Association respectfully requests that the Senate and the House of Representatives pass a concurrent resolution rejecting the recommendation of the Local Boundary Commission.

Respectfully,

Gertrude B. Lyons

Gertrude B. Lyons

SB223

March 7, 1977

The Honorable John L. Rader
President of the Senate
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. President:

Under the authority of art. III, sec. 18 of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting proposed legislation to amend Title 29 to allow areas to incorporate as first class, home rule boroughs. Currently, areas desiring to incorporate as home rule boroughs must first incorporate as a first class borough and then proceed to hold still another election on whether to frame a home rule charter and submit it for adoption to the borough residents. The proposed amendment to Title 29 would eliminate this two-step process, allowing residents of an area the opportunity to vote on the question of home rule status at the same time they vote on the question of incorporation. The option of being able to begin drafting a home rule charter immediately upon incorporation will encourage the development of borough government in Alaska.

Sincerely,

Jay S. Hammond
Governor

F Sen Willis

John E. Longworth
Petersburg, Alaska 99833
February 14, 1978

Senator Edward Willis, Vice Chairman
Community & Regional Affairs Committee
Room 614, Court Building
Juneau, Alaska 99811

Re: Local Boundary Commission's Recommendations
Re Area To Be Annexed To Petersburg

Dear Senator Willis:

I am most aware of the tremendous and perplexing problems facing this second session of the Tenth Legislature; therefore, it is somewhat embarrassing for me to have to write to you and request that you take the time to aid and assist us in settling what should be a very local problem in our island community of Petersburg. This is a problem that could have been settled, and should have been settled, without any fanfare, and I have no doubt that it would have been settled had it been presented to the people of the Petersburg area on a timely and reasonable basis.

I have been a resident of Alaska since December of 1940, and a resident residing within the existing boundaries of Petersburg since September of 1941. I served on the local city council at various times and I also served in the first, second, and third sessions of the Alaska Legislature, so I am not totally unfamiliar with government and governmental processes.

As is the case with the great majority of Alaskans, I am violently opposed to the treatment that our state is receiving on the D2 Land issue. Alaskans are being given no opportunity to have any say in determining the settlement of a problem which is purely one involving our own state.

A parallel situation, however in reverse, exists in reference to the petition presented by the city council to the Local Boundary Commission and the Local Boundary Commission's recommendation to the legislature regarding the annexation of land outside of the existing city limits of Petersburg. These things were all accomplished without giving the people of Mitkof Island, and particularly in Petersburg, a chance to express their concerns and views, not even in that most democratic manner--the ballot box.

The city administration and the city council have refused to respond to direct questions as to what the residents, either inside or outside the city, may expect in the way of increased costs of operation of municipal government, increased services, including utilities, and any other impact that this proposed annexation may have upon our community.

The petition prepared by the city administration and under the direction of the city council did have several points which they alleged were the basis for their requesting that all of Mitkof Island be annexed to the City of Petersburg. These were such things as, coastal zone management of the whole area; recreational areas, such as the Three Lakes Recreation Area and the Blind Slough Recreation Areas, the Crystal Lake Hydroelectric Watershed, and several other allegations which would supposedly be beneficial to the community. The recommendations of the Local Boundary Commission to the legislature, however, basically eliminated these things that the City of Petersburg was allegedly seeking by petitioning for this annextion.

I happened to be in Juneau on the 16th of January and stopped by the Department of Community and Regional Affairs office and made inquiry of what decisions the Local Boundary Commission had made. Mr. Pritchard of that office informed me that the Local Boundary Commission had not yet made a decision; however, they were going to have a telephonic conference that afternoon and they would make a decision at that time. He informed me that it would be on a speaker phone in their conference room and I was most welcome to listen in to the decisional meeting as all meetings of the Local Boundary Commission were open to the public. I informed him that I would be happy to listen in on that meeting. I arrived at the appointed time and heard the telephonic conference of the Local Boundary Commission's decisional meeting on the Petersburg matter. When the Local Boundary Commission had held their public meeting on January 9 in Petersburg, they had informed the public, both by the notices posted and at the meeting itself that all written statements or information pertaining to the annexation question had to be submitted by January 5 and that all testimony would be taken on January 9 and then based upon this information, they would arrive at a decision. As it developed in the telephone conference meeting, the city had submitted additional documentation contrary to the notices and public announcement in a lengthy letter from the city attorney. This letter was read in its entirety to the members of the Commission. Apparently this letter and other materials had been sent by Gold Streak by the Department of Community and Regional Affairs to the five commissioners; however, it came out during the conference that two

of the commissioners had not received the material and did not have any of the material in front of them at the time of the telephone conference. The credibility and insufficiency of the information supplied to them was discussed, then by a motion of one of the commissioners, they arbitrarily chopped off seventy-five percent of what the city had requested in their petition and then had a lengthy discussion upon the boundaries of this area, and moved for a vote on the annexation as amended by that motion. Commissioner Gallagher was not in on this conference call and did not partake in the deliberations. Commissioner Anderson from Wrangell and Commissioner Strandberg from Anchorage voted in favor of the annexation, Commissioner Hobson said he really did not know too much about it but would go along with Anderson and Strandberg, and Commissioner Dobson from Fairbanks stated that he thought they had rushed into this matter too quickly and that they had not been supplied adequate or sufficient information upon which they could make a rational decision regarding this petition and voted "No"; so the motion was carried by three of the five commissioners voting in favor of the motion Needless to say, I was shocked and appalled at the casualness of this meeting which basically was in utter disregard to whatever impact their decision might have upon the community of Petersburg.

The Constitution of the State of Alaska expresses great faith in the area of local government. The residents of the Petersburg area and Mitkof Island are not looking for any exceptions in either state law or regulations. We desire to have our local matters decided through the medium of majority voting, in so doing we are in no way infringing upon others. The city administration and city council of Petersburg suddenly decided that they were going to present an annexation petition to the Local Boundary Commission and to the legislature, and took the attitude that the people of the Petersburg area did not know what was good for them, and that "Big Brother" knows best and that they would ram their decision down our throats.

For the foregoing reasons, I and my fellow Petersburg residents respectfully request that the House and Senate take appropriate action and pass a concurrent resolution rejecting the recommendations of the Local Boundary Commission in reference to the Petersburg annexation. Let me take this opportunity to thank you for taking the time to review my letter, and I know that I express the concerns of the vast majority of the Petersburg residents in making this request to you. Your consideration of preserving the democratic method of conducting government would be appreciated. Thank you.

Yours very truly,

John E. Longworth

JOHN E. LONGWORTH

D1

Senator Wills

CRA SB 373

Alaska Public Employees –
Could lead to suppression & strikes

Hunt – Section C would prevent
Exploratory ideas. Suggests – Items
be exempt to public.

Guy Stringham – Mun. School District
(D) delete – Gag cannot be used against
union.

Carolyn Walforth –
Everyone has seen this for about 20 minutes.

Kodiak – Wide open
Union – Public interest bargaining
positions. Both sides. Can't
close in past.

Bob Van Horte – NEA
Teachers have no avenue to united
bargaining being ~~about~~ revoked. Small how
local limitations.

(D.) Negotiation should take place among people
in district

Old B sent of Bill.

23 – Schools not under Sec 23.

Marilyn Miller — Muni. League

Its effect would negate a negotiated Contract that may have already been negotiated.

SB 533

Rob Kacharis

SB 510 - 30% of gen fund for cap. improvements

CIP on 6 yr basis test of 510 - planning
is to provide status of various projects for funding, consideration

DOT "would" work closely w/ communities

CRA does not feel all of 701 funds can be used for CIP

feel use planning not considered in design of 510

does inventory include funds available to public ?

no 6 year program truly usable (subject to legis. + gen admin) ?

Dem Natural - IDOT - no comment

no fiscal note on 510 or 533

14(c)(3)

Terms defined in : as 1st or 2nd class cities

Villages would look after own interests - boroughs would probably assess these needs

no reference to IIRA or local assistance (only 1st + 2nd class cities)

interim committee --> petitions needs to be signed
use census as basis to method determination
a selection of land

PAUL'S
CORRESP.
FILE

Alaska State Legislature

Senate

JUNEAU, ALASKA

January 26, 1977

RE: SJR9

Thomas Taggart
P.O. Box 1195
Seward, Alaska 99664

Dear Mr. Taggart:

Senator Joe Orsini, Chairman of the Senate Community and Regional Affairs Committee has requested that I advise you that a joint committee hearing will be conducted on February 3, 1977 at 3:00 p.m., Room 106, Assembly Building, 211 4th Street, Juneau, to consider SJR9, enclosed herewith.

The above information is provided to permit you an opportunity to be present at the hearing to testify regarding the proposed annexation of territory to the City of Seward.

Whatsoever, the issues you presented in your letter dated January 13, 1977, will be considered in determining the course of action taken regarding SJR9. If you have any further comments, please write to the Senate Community Regional Affairs Committee, Pouch V, Juneau, Alaska 99811; or call 465-3712.

Very truly yours,

Paul Conger

Paul Conger
Administrative
Assistant
Community and Regional
Affairs Committee

JO/PC/js

Enclosure: As stated

Alaska State Legislature

Senate

JUNEAU, ALASKA

Memorandum

See attached for others notified

TO: Senator ~~Patrick~~ Rodey
Room ~~105~~ 106
Capitol Building

DATE: January 26, 1977

RE: SJR3 & SJR9

FROM: Paul Conger p.c.
Administrative Asst.
Senate Community &
Regional Affairs

Senator Joe Orsini, Chairman of the Senate Community and Regional Affairs Committee, has requested that I advise you that a joint committee hearing will be conducted on February 3, 1977 at 3:00 p.m. in Room 106, Assembly Building, to consider SJR8 and SJR9.

Senator Orsini invites you to attend this hearing if you wish to testify regarding these resolutions; or if you would like to discuss the resolutions with him personally, he would be happy to meet with you.

PC/js

CRA COMMITTEE

Alaska State Senate

POUCH V JUNEAU, ALASKA 99811

Rep. Al Ose
Room 611
Court Building

CRA COMMITTEE

Alaska State Senate

POUCH V JUNEAU, ALASKA 99811

Senator Jalmar Kerttula
Room 624
Court Building

CRA COMMITTEE

Alaska State Senate

POUCH V JUNEAU, ALASKA 99811

Senator Patrick Rodey
Room 105
Court Building

CRA COMMITTEE

Alaska State Senate

POUCH V JUNEAU, ALASKA 99811

Rep. Keith Specking
Room 622
Court Building

CRA COMMITTEE

Alaska State Senate

POUCH V JUNEAU, ALASKA 99811

Rep. Al Ose
Room 611
Court Building

CRA COMMITTEE

Alaska State Senate

POUCH V JUNEAU, ALASKA 99811

Senator Jalmar Kerttula
Room 624
Court Building

Chron. file

Letters by

C/RA

#A

January 17, 1977

Mayor George Sullivan
Municipality of Anchorage
Pouch 6-650
Anchorage, Alaska 99502

Dear Mayor Sullivan:

This letter is to inform you of my selection as Chairman of the Senate Community and Regional Affairs Committee. In this regard I would like to extend to you an invitation to submit to this office any suggestions you might have pertaining to issues concerning local goverment. This invitation is being extended because I wish to ascertain your sentiments regarding local government matters, and I hope that by receiving your comments we will arrive at solutions to municipal problems which are most beneficial to all concerned.

In addition, if I can render any assistance to you, please feel free to contact me by phone (465-3712) or by letter (Pouch V, Juneau, Ak., 99811).

Very truly yours,

Senator Joe Orsini
Chairman
Community and Regional
Affairs Committee

JO/PC/js

Copies sent to all municipalities & local towns

Alaska State Legislature

Senate

Committee on
Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

January 23, 1978

Mr. David A. Black, Mayor
Haines Borough
Box H
Haines, AK 99827

Dear Mr. Black:

On January 18, the Local Boundary Commission of the State of Alaska submitted recommendations to the Legislature concerning the annexation of land by your Borough.

The Senate Community and Regional Affairs Committee will shortly be reviewing these recommendations before they are taken up for possible action by the Legislature as a whole.

As you are aware, if the Legislature does not act to disapprove the regulations, they automatically take effect within forty-five days of their submittal. Accordingly, I would appreciate receiving as soon as possible your comments on the Boundary Commission's recommendation so that the Committee will have the benefit of your views when it considers these measures.

Sincerely,

Joe Orsini

Joe Orsini
Chairman
Community & Regional
Affairs Committee

JO/tb

Official Business

Alaska State Legislature

Senate

Committee on
Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

January 27, 1978

Mr. Sigvald Strandberg
Chairman
Local Boundary Commission
7235 Blackberry
Anchorage, AK 99502

Dear Mr. Strandberg Sig

Further to your telephone conversation this morning with my Administrative Assistant, I would like to invite you and any other members of the Local Boundary Commission to attend the hearings which the Senate Community and Regional Affairs Committee will be holding in regard to your recommendations on the proposed annexations by the Cities of Skagway and Petersburg and the Haines Borough.

The committee meeting is scheduled for 3:00 P.M. in Room 100 of the Assembly Building Tuesday, February 7, 1978.

I look forward to seeing you and any other Commission members who wish to attend at that time.

Sincerely,

Joe Orsini

Joe Orsini
Chairman
Community and Regional
Affairs Committee

JO/tb

Alaska State Legislature

Senate

Committee on
Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

February 7, 1978

Rep. Clark Gruening
Chairman
House Interim Committee
On The Permanent Fund
Pouch V
Juneau, Alaska 99811

Dear Rep. Gruening:

I have enclosed a copy of Senate Bill no. 375 ("An act relating to the investment of permanent fund money in community capital facilities") for your information and comment.

SB no. 375 has been referred to the Senate Community and Regional Affairs Committee for action, and I would appreciate your committee's assessment of the concept of using permanent fund monies to finance community capital facilities. I would also be interested in your views regarding the effect that the enactment of such legislation would have on the projected operations of the permanent fund, and whether this possibility was considered as a desirable use for fund monies during the extensive hearings which your committee held on the organization of the fund.

Sincerely,

Joe Orsini

Joe Orsini
Chairman
Community and Regional
Affairs Committee

JO/tb

Enclosure: SB 375

Official Business

Alaska State Legislature

Senate

Committee on
Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

February 7, 1978

Sterling Gallagher
Commissioner
Department of Revenue
Pouch S
Juneau, Alaska 99811

Dear Commissioner Gallagher:

Senate Bill 375 ("An Act relating to the investment of permanent fund money in community capital facilities") and Senate Bill 430 ("An Act extending the authority of the Alaska Municipal Bond Bank") have been referred to the Senate Community and Regional Affairs Committee for review.

I would appreciate your comments and assessment of these proposed bills, particularly in regard to any impact SB 375 might have on your Department's planning for permanent fund monies. The Committee would also be interested in any effect which, in your view, the enactment of these measures could have on other areas of your Department's operations.

Sincerely,

Joe Orsini

JOE ORSINI
Chairman, Senate
Community & Regional
Affairs Committee

JO:gd

Enclosure(s): SB 375, SB 430

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

Copy of this letter sent to all School Boards Pres.'s 2-16-78 JO

February 15, 1978

I have enclosed for your review a copy of Senate Bill no. 501 ("An Act relating to municipal labor relations"), which concerns procedures for binding arbitration in matters involving local public employees, both municipal and school district.

I would very much appreciate your comments and assessment of this proposed legislation so that the Senate Community and Regional Affairs Committee will be able to benefit from your views when it takes up the measure later during the session.

I would like to point out that SB 501 is designed to allow local government or the appropriate administrative body the option adopting either or neither of these means of settling local public collective bargaining disputes. It is not my intent for the legislation in any way to mandate these forms of arbitration to the local governing body, but to permit it to select the most flexible course of action possible and locally desirable.

In this respect, I would also appreciate any suggestions you may have on ways in which SB 501 might be refined or made more responsive to local requirements.

Sincerely,

Joe Orsini

Joe Orsini
Chairman
Community and Regional
Affairs Committee

JO/tb

Enclosure: SB 501

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

February 21, 1978

John Pugh, President
5017 Seton Circle
Anchorage, Alaska 99504

Dear Mr. Pugh:

I have enclosed for your review a copy of Senate Bill no. 501 ("An Act relating to municipal labor relations"), which concerns procedures for binding arbitration in matters involving local public employees, both municipal and school district.

I would very much appreciate your comments and assessment of this proposed legislation so that the Senate Community and Regional Affairs Committee will be able to benefit from your views when it takes up the measure later during the session.

I would like to point out that SB 501 is designed to allow local government or the appropriate administrative body the option adopting either or neither of these means of settling local public collective bargaining disputes. It is not my intent for the legislation in any way to mandate these forms of arbitration to the local governing body, but to permit it to select the most flexible course of action possible and locally desirable.

In this respect, I would also appreciate any suggestions you may have on ways in which SB 501 might be refined or made more responsive to local requirements.

Sincerely,

Joe Orsini

Joe Orsini
Chairman
Community and Regional
Affairs Committee

JO/tb

Enclosure: SB 501

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

February 23, 1978

Lee McAnerney
Commissioner
Department of Community
and Regional Affairs
Pouch B
Juneau, Alaska 99811

Lee

Dear Commissioner McAnerney:

Senate Bill 502 ("An Act providing for equalization of the tax resources of municipalities and continuing a portion of the program of state aid for municipal purposes") has been referred to this Committee for review and action.

Because of the scope and magnitude of the proposed legislation, I would appreciate receiving your comments and assessment of the measure. I would be particularly interested in your analysis of the formula devised to determine municipal equalization entitlements and how the application of this formula would specifically affect such different Alaskan communities as Anchorage, Bethel and Cordova.

The Committee would also appreciate your assessment of the fiscal impact of the bill on the State and in what ways it would significantly alter present State activities in the areas of revenue sharing, State aid to municipalities and tax equalization.

Sincerely,

Joe

JOE ORSINI
Chairman, Senate
Community & Regional
Affairs Committee

JO:gd

Enclosure: (1)

Alaska State Legislature

Senate

Committee on
Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

February 24, 1978

Ernst W. Mueller
Commissioner
Department of Environmental Conservation
Pouch O
Juneau, Alaska 99811

Dear Commissioner Mueller:

Mr. John Davis, the Chairman of the Cook Inlet Air Resource Management District (CIARMD), has presented to the Senate Community and Regional Affairs Committee a revision of CSHB 190 ("An Act relating to municipal air pollution control programs") for consideration by the Committee. A copy of this proposal is attached for your review.

This Committee has taken no position on the CIARMD's proposal at this time. It would, however, be highly useful for the Committee to receive your assessment of the CIARMD draft. I would also appreciate your assessment of the possible impact of recently enacted federal clean air regulations on state statutes incorporating these proposals as well as how the revision of existing state law in this area could affect your Department's air pollution programs.

Sincerely,

Joe Orsini

JOE ORSINI
Chairman, Senate
Community and Regional
Affairs Committee

JO:gd

Enclosure: (1)

Alaska State Legislature

Senate

JUNEAU, ALASKA

Memorandum

TO: John W. Katz
Counsel
Federal-State Land Use
Planning Commission for Alaska

DATE: February 25, 1978

RE: Telephone Conversation

FROM: Ben Harding
Administrative Assistant
Senator Joe Orsini
Pouch V
Juneau, Alaska 99811

I am enclosing a copy of a letter from Murray Walsh to the Office of Coastal Zone Management, NOAA/U.S. Department of Commerce.

Appreciated comments of telephone conversation and look forward to receiving information that you are working on.

BH:gd

Enclosure: (1)

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

Also sent to Matanuska-Susitna Borough
Municipality of Anchorage
Kenai Peninsula Borough
Fairbanks North Star Borough

February 25, 1978

Lynn Chrystal, Mayor
City of Valdez
P. O. Box 307
Valdez, Alaska 99686

Dear Mayor Chrystal:

Mr. John Davis, the Chairman of the Cook Inlet Air Resource Management District (CIARMD), has presented to the Senate Community and Regional Affairs Committee a revision of CSHB 190 ("An Act relating to municipal air pollution control programs") for consideration by the Committee. A copy of this proposal is attached for your review.

This Committee has taken no position on the CIARMD's proposal at this time. It would, however, be highly useful for the Committee to receive your assessment of the CIARMD draft. The potential impact which the enactment of legislation along these lines may have on your own air pollution control activities, either presently underway or being planned, could be significant.

Sincerely,

Joe Orsini

JOE ORSINI
Chairman, Senate
Community and Regional
Affairs Committee

JO:gd

Enclosure: (1)

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

March 7, 1978

see Alaska Coastal Management file for all addresses sent to

Jack Wick, President
Koniag, Incorporated
P. O. Box 746
Kodiak, Alaska 99615

Dear Mr. Wick:

The Senate Community and Regional Affairs Committee is planning an extensive review of the regulatory Guidelines and Standards being drafted to implement the Alaska Coastal Management Act of 1976.

As you are aware and have indicated by your participation in Coastal Managment Program hearings, the impact of coastal management will profoundly affect almost every aspect of life in Alaska. The Legislature will want to insure, when the Coastal Management Program is submitted for its approval, that all segments of Alaskan society have been able to participate in the preparation of the program and that, to the maximum extent possible, it incorporates their views. The Legislature will also wish to examine the program in order to insure that it adequately carries out the legislative intent of the Alaska Coastal Management Act and fully embodies the specific objectives set forth in the Act.

I would therefore appreciate receiving your assessment of the work accomplished to date on the Guidelines and Standards. It would also be useful for the Committee to have the benefit of your views of the adequacy of these regulations in achieving the goals you support. Additionally, I would hope that you will feel free to make any suggestions which, in your judgement, could result in a more effective coastal management program.

Sincerely,

Joe Orsini

JOE ORSINI
Chairman, Senate
Community and Regional
Affairs Committee

JO:gd

Alaska State Legislature

Senate

JUNEAU, ALASKA

Memorandum

TO: Representative Hugh Malone
Speaker of the House

DATE: March 8, 1978

RE: CSHB 190

FROM: Joe Orsini JO

Regarding your inquiry of March 7 on CSHB 190, committee letters were sent out February 24 to the Commissioner of Environmental Conservation and to the Kenai Peninsula Borough, the Municipality of Anchorage, the Matanuska-Susitna Borough and the Fairbanks North Star Borough for their assessment of the revision of CSHB 190 proposed by Mr. John Davis of the Cook Inlet Air Resource Management District. Since no comments have yet been received, no date has been scheduled for a committee hearing at this time.

Similarly, for HB 214 (SB 179), municipal officers from Fairbanks and Anchorage have commented verbally on the proposed legislation and have indicated that they would provide statements in writing. We have not yet received their statements, or statements from any other municipality on the issue.

I would appreciate, however, any background material you could supply me from your own files regarding HB 214 which could be used for the Committee's information.

Joe-

Letters enclosing the new CIARMD draft for CSHB 190 went to Kenai, Matsu, Fairbanks, Anchorage and DEC Feb. 24. To date (3-7-78) there have been no responses. I also talked to Ernie Mueller regarding DEC's position on the bill and he indicated they might have some differences of opinion.

Ben

re- HB 214 (foregiveness of municipal judicial debts, would you like a municipal letter to go out since neither Fairbanks nor Anchorage has comented in writing to us even though they've raised it verbally?

Alaska State Legislature

House of Representatives

Office of the Speaker

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

M E M O

TO: Senator Joseph Orsini, Chairman
Senate Community and Regional Affairs

FROM: Hugh Malone

DATE: March 7, 1978

I would appreciate any help you could give in scheduling the following bills.

HB 214 Forgiving Amounts Owed for Judicial Services
HB 190 Municipal Air Pollution Control Prgms

Please let me know if you have any problems with the legislation, also, when a convenient time would be.

Thanks

Also
Sent to.

Fran Ulmer and Council
Members.

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

March 8, 1978

Roger W. Allington
Co-Chairman
Alaska Coastal Policy Council
One Sealaska Plaza, Suite 400
Juneau, Alaska 99801

Dear Mr. Allington: Roger

The Senate Community and Regional Affairs Committee is continuing its review of the draft Guidelines and Standards prepared by the Alaska Coastal Policy Council. As a result of that review, I have attached a list of questions and concerns on which the Committee would appreciate your response before it resumes consideration of the draft regulations.

The Committee is also interested in receiving as early as possible copies of conveniently sized maps outlining boundaries of the interim local coastal management districts. In particular, Representative Phillip Guy has drawn our attention to the desire of the Association of Village Council Presidents in the lower Yukon region to create a coastal management district with boundaries co-terminous with those of the Calista Regional Corporation. Representative Guy's concern, which is shared by the Committee, is to insure that the boundaries of coastal management districts be determined, to the greatest extent possible, at the local level by the people most directly affected by the program.

In reading the draft regulations, Committee members have noticed 6AAC 80.010(d) which provides for adequate translation of coastal management hearings into the appropriate language of the locality. It is the Committee's view that the issue of language translation should not be addressed as one of the number of coastal management regulations. The Committee believes instead that it should be addressed and resolved by a standard, statewide policy covering all such governmental activities throughout Alaska. If standard procedures are not already provided by state statute, it is the Committee's belief that specific legislation should be drawn up separately.

I would like also to convey the Committee's strongly held view that the regulations of the Coastal Management Program should not serve as a vehicle to stifle the development of new economic activity along Alaska's coasts. It was the intent of the Legislature when it passed the Coastal Management Act last year that coastal resources not only be protected but used and developed as well to meet the present and future needs of Alaskans. Any proposed coastal program whose regulations did not clearly carry out this legislative policy would find its passage by the Legislature seriously jeopardized.

On behalf of the Committee, I would like to reiterate our deep interest in reviewing the final draft of the Guidelines and Standards before they are adopted by the Council. I would also like to express our appreciation for the Council's hard work to date on the Coastal Management Program and our best wishes for the task lying ahead.

Sincerely,

JOE ORSINI
Chairman, Senate
Community and Regional
Affairs Committee

JO:gd

cc: Senator Kay Poland
Representative Phillip Guy

Enclosure(s)

SENATE C&RA QUESTIONS ON
DRAFT GUIDELINE AND STANDARDS

6AAC 80.020(a)(1) - what are the staffing requirements?
(4) - this is unclear. Does the staff action become subject to the Coastal Policy Council only if requested by a Council member?

.020(c)(3) - should add "among coastal resource districts and..."

.030(a) - use of phrase "to greatest extent practicable" sounds like an open invitation to appeal to the courts for an interpretation; this section has conflicting subsections:
(a)(3) - in essence restricts waterfront development to only those activities that must be located on the shoreline, e.g. a dock.

.030(b) - this gives the Fish and Game a complete veto power over all coastal management, since it subordinates all other uses to Fish and Game priorities and review. It thus violates the whole concept of planning and the intent of the coastal management act.
(c) - how is "minimizes" defined and what is the determination of cost?

.040(b) - by use of language "shall be prohibited", this could give rise to the interpretation that no development in hazardous areas could take place if potential loss of life and property would be minimal, not necessarily minimized. This would rule out significant activity that, for example, has already occured in Valdez, without other factors being taken into account.

.050(a)(2) - what constitutes "significant use" or "major"?
(3) - are there any large or significant parts of Alaska that do not fall into this category? i.e., this definition could well encompass the whole state.
(6) - same as for (3). Also who make the determination?
(7) - what about locally important historic places?

The essence of this section seems to be that a number of entities could prevent use of development of coastal area by means of the language "shall have...". The section makes tourism and recreation the predominant use and value for coastal resources.

.050(b) - however this says that "natural and cultural values are more important than toursim and recreation.

.070(a) - Language "greatest extent practicable" is an invitation to a lawsuit. Paragraph (5) is particularly open-ended.

.070(b)(c)(d) - These are also open invitations to lawsuits ("no feasible...alternative" and "minimize")

.080(a) - "maintain and enhance...fishery" - this reserves for fishing the priority for water use--what happens to other uses such as energy development, recreation, scenic, etc?

(b)(4) - if proposed use is not compatible with "adjacent use", does that adjacent use always prohibit development?

.090 - This section was at one time specifically written in such a way as to prohibit virtually all timber harvesting from most of Alaska's coastal areas. Are you satisfied now that the revised language avoids such violations of the Coastal Management Act?)

.090(b) - "not adversely impact" could easily be interpreted as banning all timber harvest.

(b)(4)&(5) - what does "put to bed" mean? Prohibited? And/or dismantled?

.100 - This section on mining is essentially negative and prohibitory in concept. It puts mining into light of least desirable resource use.

.100(a)(1) - "avoid adverse impacts..." What if impacts are unavoidable, or there are valid needs elsewhere to be met?

(2) - are all these " compatibilities" required? Is it reasonable to expect that an activity will readily be compatible with all of these interests?

.100(c)(1) - what is the definition of "feasible"? Again this invites an appeal to courts.

(2) - "extraction takes place only...when...least harmful" - how is "least harmful" defined? Who determines the length of time when "least harmful"? What if the length of time is too short, say, one week or one day a year? Are other factors also considered?

(3) - How is "significant" defined? Who defines it?

.120 - "shall recognize and assure subsistence" - Does this assign priority of subsistence over any other uses? Does it in any way restrict local districts from setting their own priorities, either subsistence or other? Is is possible, for example, for Anchorage to assure subsistence in the upper Cook Inlet district?

.130 - In this section, no definition is given of coastal resources, although biological habitats are extensively described. Does this mean that coastal resources are defined only in terms of their use for biological resources?

.130(b) - this says that fish and game must be maintained at current levels. Would this (paragraph 8) have ever allowed the creation of Anchorage or Juneau if it had been in effect at the time?

.140(d) - by this definition, do "special attention" areas become single use areas?

£5.010(4) - how is "adjacent to" defined?

(5)(b) - this should be more fully defined, or it could be taken for an EIS. Or is it meant to be an EIS?

(8) - is this the official and formal definition of allowability of various uses?

.020(c) - can the Council review an amendment once the staff has allowed it and put it into effect?

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

March 9, 1978

James A. Poor, Mayor
City of Cordova
P. O. Box 1210
Cordova, Alaska 99574

Dear Mayor Poor:

Senate Bill 507 ("An Act authorizing state aid to municipalities for the construction and development of cultural facilities") and Senate Bill 508 ("An Act providing for the issuance of general obligation bonds...for the purpose of paying the cost of cultural facilities") have been referred to this Committee for review and action.

In order to provide the background needed by Committee members for their consideration of this legislation, I would appreciate it if you could make the following information available on the projects proposed for your community:

1) What specifically would be the use of the facility and what kinds of functions would be undertaken there which could not be accommodated by existing facilities?

2) What is the total cost of the facility? How much would be locally funded?

3) What do you anticipate the annual operation costs of the facility (maintenance, lights, heat, etc.) to be? How will funds be obtained to meet these costs?

4) Do you have a specific site located for this facility? What is the land value of this site? Who currently owns the site? If not municipally owned, how will the site be obtained?

5) Is this facility included in the community development plan adopted by your community? Is this facility included in your community's adopted capital improvements program?

6) What additional infrastructure support will be required (roads, sewers, power, etc.) for the site? How much will this additional infrastructure cost for construction be? How will funds be obtained for these costs?

I would also hope that you can inform me of any additional needs and projections which you believe may develop in your community for cultural facilities over the next decade.

Sincerely,

JOE ORSINI
Chairman, Senate
Community and Regional
Affairs Committee

JO:gd

Enclosure(s): (2)

Peter Jack Sr., Mayor
City of Cuspor
P.O. Box 189
99890

George M Sullivan, Mayor
Municipality of Anchorage
Pouch 6-650
99502

James A. Poor, Mayor
City of Cordova
P.O. Box 1210
99574

Freeman A. Roberts, Mayor
City of Dillingham
P.O. Box 191
99576

Clair Wallace
City of Skinner
P.O. Box 576
99667

William Moran
City of Kotzebue
PO Box 1160
99761

[illegible]
133 S. Franklin Street
Juneau, Ak 99801

[illegible]
City of Nulato
Po Box [illegible]

Gary Bradford, Mayor
Bristol Bay Borough
Box 189
Naknek 99633

Theodore M Smith
City of Petersburg
P.O. Box 329
99833

Ben F. Grussendorf
City & Borough of Sitka
P.O. Box 79
99835

Robert Mesiage
City of Skagway
P.O. Box 415
99840

Official Business

Alaska State Legislature

Senate

Committee on
Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

March 10, 1978

The Honorable Billy Akers
State House of Representatives
Pouch V
Juneau, Alaska 99311

Dear Billy:

The Senate Community and Regional Affairs Committee will be holding hearings on Senate Bill 501 ("An Act relating to municipal labor relations") which explores new concepts and approaches in the field of collective bargaining at the municipal level. These hearings will be video-broadcast from Juneau to the communities of Ketchikan, Anchorage, Bethel, Fairbanks and Nome on March 30th.

For your background information, I have enclosed a copy of the letter sent by the Committee to mayors and interested parties in those communities notifying them of the video-hearings and providing details of the arrangements.

If you are interested in following the public testimony on new directions in resolving public collective bargaining impasse disputes, I would like to invite you or members of your staff to attend these hearings.

Sincerely,

Joe

JOE ORSINI
Chairman, Senate
Community and Regional
Affairs Committee

JO:gd

Enclosure(s): 2

Alaska State Legislature

Senate

Committee on
Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

March 10, 1978

Leo Rasmussen, Mayor
City of Nome
P. O. Box 281
Nome, Alaska 99762

Dear Mayor Rasmussen:

The Senate Community and Regional Affairs Committee has scheduled a video-conference hearing on March 30th for Senate Bill 501 ("An Act relating to municipal labor relations") which is intended to explore new concepts and approaches in the field of collective bargaining at the municipal level.

SB 501 was drawn up to allow local government or the appropriate administrative body the option of adopting either, or neither, of the procedures outlined in the attached legislation as a means of resolving local public collective bargaining impasses. It was not my intent to mandate any of these forms of arbitration to local government bodies, but to permit them to select the most flexible and most responsive approach to the needs of the local situation.

Because of the increasing public interest in collective bargaining in the public sector, I would like to invite representatives from your organization to present your views on the proposed legislation at the hearing. The video-conference will be broadcast from Juneau to the communities of Ketchikan, Anchorage, Fairbanks, Bethel and Nome at 12:30 p.m. (Juneau time) on March 30th. Persons are welcome to attend the meeting in Juneau, but I would ask that only participants in the other communities testify. If time permits and all the participants outside Juneau who wish have testified, Juneau participants may present testimony. If there is inadequate time to hear all those desiring to testify, further hearings may be scheduled.

Mr. Peter Fromuth of the Legislative Affairs Agency in Juneau will be handling the technical and organizational arrangements for the video-conference. Either he or video-conference moderators in communities outside Juneau may be contacted for details involving these matters. (names attached)

In order to provide the Committee with a better idea of the extent of possible testimony, I would appreciate your informing me if you or your representatives wish to speak at the March 30th hearing.

Sincerely,

Joe Orsini

JOE ORSINI
Chairman, Senate
Community and Regional
Affairs Committee

JO:gd

Enclosure(s): SB 501

LETTERS SENT TO THE EXECUTIVE DIRECTORS OF: APEA, NEA-Alaska, Alaska Association of School Boards, League of Women Voters, Alaska Chamber of Commerce

AND TO THE MAYORS OF: Ketchikan (city and borough), Anchorage Bethel, Fairbanks (city and borough) and Nome.

VIDEO-CONFERENCE MODERATORS

Anchorage - Charity Kadow	278-3668
Bethel - Peter Twitchill	543-3131
Fairbanks - April Moore	452-4449
Ketchikan - Sandy Wendte	225-9675
Nome - Myrtle Johnson	443-2770

Official Business

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

March 10, 1978

Leo Rasmussen, Mayor
City of Nome
P. O. Box 281
Nome, Alaska 99762

Dear Mayor Rasmussen:

The Senate Community and Regional Affairs Committee has scheduled a video-conference hearing on March 30th for Senate Bill 501 ("An Act relating to municipal labor relations") which is intended to explore new concepts and approaches in the field of collective bargaining at the municipal level.

SB 501 was drawn up to allow local government or the appropriate administrative body the option of adopting either, or neither, of the procedures outlined in the attached legislation as a means of resolving local public collective bargaining impasses. It was not my intent to mandate any of these forms of arbitration to local government bodies, but to permit them to select the most flexible and most responsive approach to the needs of the local situation.

Because of the increasing public interest in collective bargaining in the public sector, I would like to invite representatives from your organization to present your views on the proposed legislation at the hearing. The video-conference will be broadcast from Juneau to the communities of Ketchikan, Anchorage, Fairbanks, Bethel and Nome at 12:30 p.m. (Juneau time) on March 30th. Persons are welcome to attend the meeting in Juneau, but I would ask that only participants in the other communities testify. If time permits and all the participants outside Juneau who wish have testified, Juneau participants may present testimony. If there is inadequate time to hear all those desiring to testify, further hearings may be scheduled.

Mr. Peter Fromuth of the Legislative Affairs Agency in Juneau will be handling the technical and organizational arrangements for the video-conference. Either he or video-conference moderators in communities outside Juneau may be contacted for details involving these matters. (names attached)

In order to provide the Committee with a better idea of the extent of possible testimony, I would appreciate your informing me if you or your representatives wish to speak at the March 30th hearing.

Sincerely,

Joe Orsini

JOE ORSINI
Chairman, Senate
Community and Regional
Affairs Committee

JO:gd

Enclosure(s): SB 501

LETTERS SENT TO THE EXECUTIVE DIRECTORS OF: APEA, NEA-Alaska, Alaska Association of School Boards, League of Women Voters, Alaska Chamber of Commerce

AND TO THE MAYORS OF: Ketchikan (city and borough), Anchorage Bethel, Fairbanks (city and borough) and Nome.

VIDEC-CONFERENCE MODERATORS

Anchorage - Charity Kadow	278-3668
Bethel - Peter Twitchill	543-3131
Fairbanks - April Moore	452-4449
Ketchikan - Sandy Wendte	225-9675
Nome - Myrtle Johnson	443-2770

Alaska State Legislature

Senate

Committee on
Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

March 14, 1978

Jonathan Solomon, Mayor
City of Fort Yukon
P. O. Box 269
Fort Yukon, Alaska 99740

Dear Mayor Solomon:

Senate Bills 507 and 508 authorizing state aid to municipalities for the construction and development of cultural facilities have been referred to this Committee for review and consideration. (Copies of the bills are attached for your information).

At this time, the Committee is aware of twelve Alaskan communities which have proposed slightly over $72 million in cultural projects under the provisions of this legislation introduced by Senator Pat Rodey. They include Dillingham ($9 million), Cordova ($3.4 million), and Petersburg ($3.5 million). Since your community was not one of those listing plans for cultural facilities, I would appreciate your reviewing the attached bills and notifying the Committee if your community would wish to participate in the cultural facilities program, assuming it is approved by the Legislature.

I would also appreciate any other comments or suggestions you might have on the proposed legislation.

Sincerely,

Joe Orsini

JOE ORSINI
Chairman, Senate
Community and Regional
Affairs Committee

JO:gd

Enclosure(s): SB 507 and 508

LETTERS SENT TO THE MAYORS OF: Fairbanks, Fairbanks North Star Borough, North Slope Borough, Bethel, Nome, Seward, Kenai, Yakutat, Kotzebue, Delta Junction, Nenana, Palmer, Mat-Su Borough, Kenai Peninsula Borough, Fort Yukon, Unalaska, North Pole, Galena, Wrangell, Soldotna, Wasilla and Homer.

Sent to:

All Home Rule Cities.
All Boroughs
All First Class Cities
Bethel & Kotzebue

Official Business

Alaska State Legislature

Senate

Committee on
Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

March 16, 1978

Frank Benson, Mayor
City of Galena
Box 149
Galena, Alaska 99741

Dear Mayor Benson:

I am writing further to my letter of February 15, 1978, in which I asked your assessment of Senate Bill 501 regarding collective bargaining for municipal employees.

A number of local government bodies have expressed their concern to me that SB 501 could force binding arbitration on municipal governments and school districts. As such, they stated that they opposed this kind of legislation which, in a case of school boards in particular, would remove a significant portion of the authority of legally constituted governing bodies to carry out their responsibilities.

It was not my intent or that of the legislation to create such a situation. I am concerned, however, that local governments may find themselves compelled in the future to accept binding arbitration from an outside arbitrator. The purpose of SB 501 was to allow local governments the option of selecting other forms of collective bargaining. Such options included taking the last best offer from both sides of a deadlocked negotiation process to a vote of the people, the election of local arbitrators who would be part of the community and, at election time, answerable to it, as well as a suggestion made recently from Anchorage that the municipal assembly sit as final arbitrator.

I believe conditions in the Legislature and elsewhere are such that major efforts will soon be made to extend binding arbitration throughout local government in Alaska. I would hope that SB 501 could serve as a conceptual framework to develop new approaches and new ideas so that the initiative, direction and accountability in collective bargaining can be maintained and enhanced at the local level.

In this respect, it is my hope that you will be able to use SB 501 as a vehicle to work out new concepts, and that you will feel free to provide me with your thinking on how it can be shaped to meet local needs.

Sincerely,

Joe Orsini

JOE ORSINI
Chairman, Senate
Community and Regional
Affairs Committee

JO:gd

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

March 27, 1978

Bill Berrier, Director
Division of Legal Services
Pouch Y
Juneau, Alaska 99811

Dear Mr. Berrier, Bill

In early April the Alaska Coastal Policy Council plans to submit for legislative approval the Council's proposed Guidelines and Standards to implement the Alaska Coastal Management Act of 1976.

I would appreciate your assessment of the extent of the Legislature's legal authority to approve these regulations. For example, it has been my understanding that the Legislature would be required either to accept or reject the proposed Guidelines and Standards as a package. The questions has been raised, however, if the Legislature could not in fact approve or reject the Council's submission section by section.

In your review of this issue, it would also be useful to have your comments on the authority of the Legislature to amend or rewrite portions of the proposed Guidelines and Standards during the legislative review process. Additionally, I would like your opinion if legislative approval of the Council's submission would preclude later administrative review by the Legislature of the promulgated regulations.

The Coastal Policy Council will meet in Juneau on March 30 to begin its final drafting of the Guidelines and Standards before their transmittal to the Legislature. I would appreciate your replies to the questions I have raised before that date so that the issue may be discussed in Committee before the Council adjourns.

Sincerely,

Joe

JOE ORSINI
Chairman, Senate
Community and Regional
Affairs Committee

JO:gd

cc: Senator Rader
Senator Poland

All borough mayors, all first class city mayors, plus the mayors of Bethel, Kotzebue, Fort Yukon, Delta Junction, and info copy to AK Municipal League.

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

March 29, 1978

Dear Mayor:

The Senate Community and Regional Affairs Committee has so far this session attempted to keep you informed of all pending legislation that would affect your municipality and to solicit your views on the adequacy of legislative proposals before this Committee.

The Legislature has now reached, presumably, the latter part of the session, and the growing press of legislation will make it increasingly difficult for this Committee to request your comments on legislation before scheduling and holding hearings on bills. I would urge that you use the time remaining before the legislative pace intensifies to review your legislative priorities and to contact this and other committees regarding your requirements.

I will take all possible steps to notify you of pending legislation, but personnel of your municipality should follow legislative activity in Juneau as closely as possible. Larger municipalities with more extensive staffs and access to legislative information offices will find this considerably easier to do than smaller, more isolated communities, but I hope that all municipalities will make every effort to keep themselves abreast of legislation having potential impact in their areas.

Sincerely,

Joe Orsini

JOE ORSINI
Chairman, Senate
Community and Regional
Affairs Committee

JO:gd

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

April 3, 1978

John C. Davis
Chairman
Cook Inlet Air Resources
Management District
821 L Street
Anchorage, Alaska 99501

Dear Mr. Davis:

The Senate Community and Regional Affairs Committee has discussed at some length with Commissioner of Environmental Conservation Ernst Mueller and his Deputy Jerry Reinwand the provisions of the proposed committee substitute you have submitted for House Bill 190.

The Department of Environmental Conservation has informed us that it supports in principle the concept of delegating state air pollution control responsibilities to local bodies. It has noted, however, that the State itself is legally responsible to the federal government for meeting many of the provisions of the Federal Clean Air Act and numerous EPA regulations. An inadvertent action by a local air control body could jeopardize a number of federally funded programs throughout the State of Alaska.

Mr. Reinwand did point out that under current state statutes the Department of Environmental Conservation may delegate most, if not all, the responsibilities which the Cook Inlet Air Management District is seeking under CSHB 190. We would encourage you to pursue this possibility with the Department.

In the meantime, the Committee has asked the Department to submit in writing its proposed amendments to CSHB 190. We expect to receive them this week and will contact you regarding your comments to them.

Sincerely,

Joe Orsini

JOE ORSINI
Chairman, Senate
Community and Regional
Affairs Committee

JO:gd

cc: Tom Hanna, Department of Environmental Conservation

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM: April 3, 1978

TO: Jack Chenoweth
Legal Services
Legislative Affairs Agency

FROM: Joe Orsini
Chairman,
Senate Community and Regional Affairs Committee

RE: Municipal Jurisdiction Over Tide Lands

In regard to Senate Bill 374 relating to the transfer of tide lands to the City of Skagway, I would appreciate your opinion of the legal jurisdication which a municipality would exercise, through its planning and zoning or other authority, in the following circumstances:

1) For a private individual operating on privately-owned tide land.

2) For a state agency operating on state tide land

3) For a private individual operating on state tide land with a state permit or a state lease.

JO:tb

Alaska State Legislature

Senate

Committee on
Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

April 4, 1978

Theodore G. Smith
Director
Division of Land and Water
Management, DNR
323 East 4th Avenue
Anchorage, Alaska 99501

Dear Ted:

As we discussed today by telephone, I would appreciate your comments regarding some additional aspects of Senate Bill 374 relating to the transfer of tide lands to the City of Skagway.

Since this bill was introduced, a number of other municipalities have also expressed an interest in obtaining title to tide lands in their area if the Legislature approves the transfer of the lands designated in SB 374 to Skagway.

In this regard, it would be useful for the Committee to know whether the Department of Natural Resources would object to: (1) legislation allowing other municipalities in Alaska to select tide land adjacent to recreational and park areas at the Federal, state and local level; and (2) if you would object to legislation conveying to interested municipalities all tide lands lying within municipal boundaries.

Your response to these points will be helpful to the Committee in clarifying some of the constitutional and technical questions raised by the bill.

Sincerely,

Joe Orsini

JOE ORSINI
Chairman
Community and Regional
Affairs Committee

JO:tb

LETTER TO: CITY OF KETCHIKAN, KETCHIKAN GATEWAY BOROUGH, CITY AND BOROUGH OF SITKA, MUNICIPALITY OF ANCHORAGE, NORTH SLOPE BOROUGH, CITY OF KOTZEBUE, BRISTOL BAY BOROUGH, CITY OF DILLINGHAM, KENAI PENINSULA BOROUGH, CITY OF KENAI, MATANUSKA-SUSITNA BOROUGH, CITY OF PALMER, CITY OF NOME, CITY OF BETHEL, FAIRBANKS NORTH STAR BOROUGH, CITY OF FAIRBANKS, KODIAK ISLAND BOROUGH, CITY OF VALDEZ

Alaska State Legislature

Senate

Committee on
Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

May 3, 1978

Mayor George M. Sullivan
Municipality of Anchorage
Pouch 6-650
Anchorage, Alaska 99502

Dear Mayor Sullivan:

The Senate Community and Regional Affairs Committee passed out of Committee CSSB 599 ("An Act relating to regulation of the sale of alcoholic beverages by municipalities") on May 2. This bill would allow a municipality, if it chose to exercise the option, to disapprove liquor license applications before the applications could be considered by the Alcoholic Beverage Control Board.

If a municipality did not wish to become involved in the regulation of liquor licensing, the present situation of direct licensing by the Alcoholic Beverage Control Board would continue.

A second section of CSSB 599 provides for communities, if they desire, to exercise a third option regarding the sale of alcohol in their areas. CSSB 599's provision would allow residents of a community to vote on an intermediate option of prohibiting the sale of distilled (i.e. "hard") liquor but allowing the sale of low alcoholic, non-distilled beverages (i.e. beer and wine).

CSSB 599 has no further committees of referral, except for review by the Rules Committee, before it goes to the Senate floor for a full vote.

Members of the Senate welcome at all times your comments on this legislation and your views on how these options could strengthen the effectiveness of local government. I would like to draw your attention to the fact, however, that CSSB 599 is likely to be scheduled for Senate floor action shortly and that your comments will be most useful if they can be submitted as soon as possible to the Legislature.

Sincerely,

Joe Orsini

JOE ORSINI
Chairman, Senate
Community and Regional
Affairs Committee

JO:gd

Enclosure: CSSB 599

Alaska State Legislature

SENATOR
JOE ORSINI
2912 ALDER DRIVE
ANCHORAGE, ALASKA 99504

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA
99811

Senate

May 3, 1978

MEMORANDUM

To: Mr. Larry Vavra

From: JOE ORSINI, Chairman, Senate Community and Regional Affairs Committee

RE: COASTAL MANAGEMENT REGULATIONS

On April 7, 1978, the Alaska Coastal Policy Council submitted to the Legislature the final draft of the Guidelines and Standards for the state's Coastal Management Program. These regulations had been revised by the Council during its meeting in Juneau at the end of March.

The Senate Community and Regional Affairs Committee will be reviewing these regulations, as adopted by the Council, in the near future. Unless persons and organizations affected by the regulations indicate specific problem areas in the Guidelines and Standards, the general feeling within the Legislature will be to approve them, thereby giving them the effect of law.

I would urge you to review the attached regulations, if you have not already done so, and present any comments or suggestions you may have directly to this Committee. The Community and Regional Affairs Committees in the House and Senate are the only committees to which the Guidelines and Standards have been referred for hearings, and the press of legislative business requires that action be taken on them as soon as possible.

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

May 4, 1978

Avrum M. Gross
Attorney General
Pouch K
Juneau, Alaska 99811

Dear Mr. Gross:

Since the introduction by this Committee of Senate Concurrent Resolution 103 approving the regulations adopted by the Alaska Coastal Policy Council, a number of questions have been raised regarding the Legislature's approval of the Coastal Management Program's Guidelines and Standards.

Recently, legal testimony was given to the Committee that there was no need for the Legislature to approve the Coastal Management Program regulations. The argument was made that these regulations were, in fact, no different from other administrative regulations and need no action by the Legislature to put them into effect.

A second question was also raised. It has been the Committee's understanding that legislative approval of the Guidelines and Standards, by means of SCR 103 or its House counterpart, would not preclude later review of the regulations by the Legislature if the need arose. This procedural flexibility, as well as the responsiveness shown by the Coastal Policy Council, has done much to dispel concern in the Legislature that the regulations of the Coastal Management Program could impose unchangeable and authoritarian zoning restrictions on Alaska's coastline.

In this regard, a legal view was presented to the Committee that the Legislature's approval, through these concurrent resolutions, could possibly preclude the Legislature from repealing the regulations through the regulation review process at a later date. The opinion reasoned that, once the Legislature gave approval by resolution, it could not later repeal the coastal management regulations unless the statutes on which they were based had themselves been changed.

In view of the importance of the Coastal Management Program, I would approciate your assessment of these legal views and your comments regarding the Legislature's legal authority to act.

Sincerely,

Joe Orsini

JOE ORSINI
Chairman, Senate
Community and Regional
Affairs Committee

JO:gd

Enclosure: (1)

STATE OF ALASKA
THE LEGISLATURE

POUCH V, STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3820

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 28, 1978

SUBJECT: Opinion request: Review and approval of coastal management regulations

TO: Senator Joseph L. Orsini

FROM: John B. Chenoweth
Legislative Counsel

Your March 27th request of Bill Berrier with respect to the scope of legislative review of pending coastal management regulations has been referred to me for reply.

The scope of legislative review of regulations embodying guidelines and standards applicable to the adoption and implementation of coastal management programs by municipalities and service areas does not appear to me to differ from the scope of review authorized for other agency regulations under AS 44.62.320: the Legislature may, by concurrent resolution, annul an agency-adopted regulation. Nothing requires the Legislature to act on this body of regulations as a single unit, though that is, of course, one means by which the Legislature may proceed.

I am aware of the contention that the regulations required to be adopted by the Coastal Policy Council are ineffective until approved by adoption of a concurrent resolution or by vote of the members at a joint session of the Legislature. The argument presumably rests on AS 46.40.080.

> The Alaska coastal management program adopted by the council, and any additions, revisions, or amendments of the program, take effect upon adoption of a concurrent resolution by a majority of the members of each house of the legislature or by a vote of the majority of the members of each house at the time the houses are convened in joint session to confirm executive appointments submitted by the governor.

I cannot say that the section cited requires prior affirmative action of the council's regulations. Prior approval is mandated for "the coastal management program" and for "additions, revisions, and amendments of the [coastal management] program," which, in the context of the legislation (absent a definition of the term "program"), appears to include only the individual planning elements prepared by the municipalities and service areas. As AS 46.40 now reads, it is not certain that approval by the Legislature is a requisite to having the regulations take effect.

The Legislature may not directly rewrite or repromulgate administrative regulations. It may amend or repeal the underlying statutory authority, thereby necessitating review and repeal or revision of affected regulations.

Because prior legislative approval of the council submission is not required under the interpretation offered herein, your question regarding the propriety of approval followed by later legislative review (presumably for purposes of annulment of the regulation) is moot.

JBC:jpd

Alaska State Legislature

Senate

Committee on
Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

May 8, 1978

Robert E. LeResche
Commissioner
Department of Natural Resources
Pouch M
Juneau, Alaska 99811

Dear Commissioner LeResche:

I am writing further in regard to SB 374 which would transfer tide lands currently owned by the State into the ownership of the City of Skagway.

Representative Mike Miller has recently suggested that SB 374/HB 657 might be redrafted to avoid raising the constitutional questions which the Attorney General believes are contained in the legislation.

I have enclosed a copy of his suggested committee substitute and I would appreciate your comments regarding the effects of this legislation on your Department.

Sincerely,

Joe Orsini

JOE ORSINI
Chairman, Senate
Community and Regional
Affairs Committee

JO:gd

Enclosure(s): (2)

Alaska State Legislature

House of Representatives

Office of the Majority Leader

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

May 5, 1978

M E M O R A N D U M

TO: Senator Joe Orsini
FROM: Mike Milden

Joe--

You will recall that you've been hesitant to bring up House Bill 657--relating to tidelands near Skagway--because of adverse ruling from the Attorney General. I've taken the liberty of having the bill redrafted as a suggested committee substitute. The Attorney General himself assures me that the redrafted legislation no longer has Constitutional problems. Your consideration of this legislation would be greatly appreciated.

CC: Senator Bill Ray
Representative Jim Duncan
Attorney General Avrum Gross

Original sponsors: Miller and Duncan

IN THE HOUSE

SENATE CS FOR HOUSE BILL NO. 657

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to transferral of tide and submerged lands; and providing for an effective date."

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

* Section 1. A home rule city or city of the first class may apply for a conveyance of all tide and submerged land contiguous to land owned by the city if the land owned by the city is used as a public park and it was granted to the city by the United States for the purpose of use as a public park. Applications made within one year after the effective date of this Act shall be processed by the director of the division of lands of the Department of Natural Resources or his designee. The director shall convey the tide and submerged land to the city. The city shall use the land in a manner which is compatible with the use of the contiguous land as a public park. The director shall prescribe the manner for filing applications and may promulgate regulations to implement this Act.

* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-070(c).

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

May 10, 1978

The Honorable Ted Stevens
United States Senate
260 Russell Building
Washington, D. C. 20510

Dear Senator Stevens: Ted

I have enclosed for your information and background use a copy of a letter recently submitted to this Committee by the U.S. Coast Guard regarding the implementation of the Alaska Coastal Management Act.

My reason for bringing this letter to your attention involves its implicit questioning of the concept underlining the Coastal Management Act passed by the Alaska Legislature in 1976. Specifically, Rear Admiral J.B. Hayes believes that when the Alaska Legislature authorized the creation of local management districts it violated the intent of the federal Coastal Zone Management Act:

> "b. Section 923.12(a) requires the State to 'develop policies and procedures by which uses determine to be subject to the management program will be permitted conditioned, modified and/or prohibited. These policies and procedures regarding management of uses and/or their impacts must be capable of effective implementation at the time of program approval'. Alaska's section 6 AAC 85.070 and 6 AAC 85.080 delegates these functions to the districts. This creates a situation where each district's uses and policies may differ and is therefore not authorized under the federal regulations."

I believe that Admiral Hayes' concerns overlook two underlying elements. First, local district programs must be consistent with the statewide Guidelines and Standards adopted by the Alaska Coastal Policy Council and these regulations, in turn, guarantee priority of action to matters of national concern. Secondly, regulations to be effective and equitable, must accurately reflect local circumstances. The differences in topography, climate, biota and human activity between such areas as southeast Alaska, upper Cook Inlet or the Bering Sea coast are more fundamental than those separating Washington State from Oregon, or New Jersey from North Carolina. Yet these states all have individual, essentially uncoordinated coastal programs for the Coast Guard to deal with.

These regional disparities were the basis for the Alaska Legislature's decision to authorize local management districts. I seriously doubt that a monolithic set of regulations would well serve coastal management in this state or treat equitably the diversity of Alaska's peoples and regions.

I hope that the concerns expressed by Admiral Hayes can be satisfactorily settled here in Alaska. While I can sympathize with the Coast Guard's irritation at being asked to comment on six separate drafts of the proposed regualtions within a six month period, these requests should also be seen as evidence of the State's good faith efforts to involve federal agencies in each step of the preparation of the regulations.

If, however, the differences with the Coast Guard escalate beyond the state level and the legality of Alaska's Coastal Management Act is challenged or jeopardized in Washington, D.C., I would hope that you would be able to explain to the federal government the compelling reasons for the structure of Alaska's Coastal Management Act, and to work towards preventing its dilution at the federal level. I have a great deal of personal apprehension that failure to have Alaska's Act adopted by the federal government would lead to an increase in Federal control in Alaska's coastal area. I hope this apprehension is not justified.

Sincerely,

Joe Orsini

JOE ORSINI
Chairman, Senate
Community and Regional
Affairs Committee

JO:gd

cc: Senator Poland
Senator Rader, President
Rep. Rudd
Rep. Cowper

DEPARTMENT OF TRANSPORTATION
UNITED STATES COAST GUARD

MAILING ADDRESS
Commander (dpl)
17th Coast Guard District
P. O. Box 3-5000
Juneau, Ak 99802
(907) 586-7355

16000

1 MAY 1978

Honorable Joseph L. Orsini
State of Alaska Senate
Pouch V
Juneau, AK 99811

Dear Mr. Orsini:

The Coast Guard appreciates the opportunity to correspond with your committee concerning the 13 April 1978 Standards and Guidelines for Alaska's Coastal Management Program (ACMP). These Standards and Guidelines represent a considerable departure from the previous drafts on which the Coast Guard was allowed to comment. The Coast Guard feels that this version of the Standards and Guidelines is severely deficient in the areas of participation, specificity, and priority of uses.

Participation. The Office of Coastal Zone Management in Alaska has attempted to provide federal agencies with the opportunity to participate in the development of Alaska's program. Section 923.51 of the federal regulations requires, however, that the State "provide for federal agency input on a timely basis." The Coast Guard feels that the State has been deficient in this regard due to the shortness of time allowed for agency comments between successive drafts of the Standards and Guidelines. This is the sixth occasion in the last six months that the Coast Guard has commented on a different draft of this document. This rapidity of drafts has not allowed sufficient time for coordination between the various agencies of the Department of Transportation, nor the opportunity to carefully evaluate the content of the Program. Furthermore, this "final" version of the Standards and Guidelines was approved by the Council and submitted to the legislature without an opportunity for federal review, even though it differed substantially from previous drafts. Written comments have yet to be received by the Coast Guard addressing our stated concerns. The Coast Guard feels therefore that this past history of short lead times for response combined with the lack of formal feedback from the State does not meet the federal requirements for participation.

Section 306(c)(1) of the Coastal Zone Management Act requires federal agency participation in the development of the Program at an early stage in the process. The Coast Guard recommends that a provision for this participation be included in section 6 AAC 80.020 of the Standards.

The Coast Guard has commented on several occasions that a mechanism is needed for government participation at the district level in the development of the local plans. The Coast Guard is concerned that each district may develop its own mechanism for government participation and then cite compliance or non-compliance with this mechanism as evidence of government participation. Because the actual decision concerning adequacy of participation will be made at the State level by the Council, the Coast Guard feels that it is very important that a well developed State mechanism for participation be defined as part of the ACMP. If this accomplished, the process will not vary from district to district and all parties will have a clear understanding of their responsibilities and opportunities. It is therefore recommended that Section 85.100 be expanded to detail exactly when, where, and how government agencies will be allowed to participate in the development process.

Priority of Uses.

Section 923.13 of the federal regulations requires that the State must: "(1) Identify what constitute uses of regional benefit; and (2) identify those methods that shall be used to assure that unreasonable restrictions or exclusions of such uses by local land and water use regulations shall not occur." The Coast Guard finds no mention of regional benefit, national interest, or defense considerations in the Guidelines and Standards. National Defense, including Coast Guard functions and responsibilities such as search and rescue and fisheries enforcement, should be identified in Chapter 80, Article 2 of the Standards as an important priority use of the Coastal Zone. This priority provides the basis for regulating future land and water use, provides a common reference point for resolving potential conflicts, and is important for future acquisition of areas not presently controlled by the Coast Guard.

Section 6 AAC 80.080 of the Standards addresses water based transportation routes. Under the Ports and Waterways Safety Act of 1972, the Coast Guard is authorized to establish vessel traffic services in ports, harbors, and other waters subject to congested vessel traffic. Any district plans dealing with the management and control of vessel traffic should be coordinated with the Coast Guard to insure such plans are compatible with Coast Guard traffic control responsibilities. There is also considerable regional and national interest connected with transportation and these considerations should be mentioned in this section.

Specificity. The present Standards and Guidelines are lacking in specificity and substance and, as a result, the plans developed and implemented by the Alaska Coastal Resource Districts may vary so widely that the Coast Guard may be compelled to operate under as many as 50 different

plans within Alaska rather than under one plan which is implemented by various local government units. This situation would present an unacceptable burden on the Coast Guard and other federal agencies and is therefore considered a serious defect which must be remedied.

The Coast Guard feels that the Standards and Guidelines are deficient in the following areas concerning specificity:

a. The standards and criteria upon which decisions pursuant to the program will be based are not sufficiently specific to provide "(i) a clear understanding of the content of the program, especially in identifying who will be affected by the program and how, and (ii) a clear sense of direction and predictability for decision makers who must take actions pursuant to or consistent with the management program." These provisions are required by section 923.3(a)(2) of the Federal Coastal Zone Management Approval Regulations.

b. Section 923.12(a) requires the States to "develop policies and procedures by which uses determined to be subject to the management program will be permitted, conditioned, modified, and/or prohibited. These policies and procedures regarding management of uses and/or their impacts must be capable of effective implementation at the time of program approval." Alaska's section 6 AAC 85.070 and 6 AAC 85.080 delegates these functions to the districts. This creates a situation where each district's uses and policies may differ and is therefore not authorized under the federal regulations.

The effective implementation required under this section can not occur under Alaska's present Standards and Guidelines. If the State delegates the responsibilities of establishing uses and policies to the individual districts (85.070 and 85.080), and the district policies and uses are not submitted to NOAA with the ACMP (district plans will be developed later), it is impossible to implement meaningful management procedures regarding unknown uses and policies. It is therefore not clear what status the Program will have before the district plans are in place.

c. Section 923.12(e) of the Federal regulations states that "to the extent a state's government program policies are generalized, performance standards that will be used to enforce these policies will need to be sufficiently explicit and specific that persons affected by the management program will have a reasonable understanding of what uses would be permitted in which locations of the Coastal Zone and under what condition." The Coast Guard feels that the Standards are neither explicit nor specific and do not provide the required clear understanding as to what uses are permitted in any location.

The Coast Guard is very interested in coastal zone management and desires to work closely with the State of Alaska in implementing the ACMP. However, the mere opportunity to comment on the various stages of combined plan development when with the lack of response received concerning these comments, can not be considered real participation. The continued failure of the State to react to the concerns expressed herein is viewed as a matter of concern and is considered a serious continuing deficiency under the federal regulations. I am hopeful that these defects can be corrected before the ACMP is sent to NOAA, and am looking forward to continuing interaction with the State in coastal zone matters.

ncerely,

J. B. HAYES
Rear Admiral, U. S. Coast Guard
Commander Seventeenth Coast Guard District

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

M E M O R A N D U M

TO: BILL BERRIER
Legal Services

DATE: May 10, 1978

FROM: JOE ORSINI
Chairman

RE: SCS CSHB 133

I would appreciate your opinion of the Legislature's authority to mandate the transfer of school, university and mental health trust lands from their present ownership to municipalities, provided the trusts are reimbursed with state lands of equal assessed value.

Currently under SCS CSHB 133, the concurrence of the trust boards would first have to be obtained before a municipality could select trust land. Some concern has been expressed that trustees would be reluctant to approve the transfer of land whose value is known and steadily appreciating for land more remotely situated in the state. Since the provision for the transfer of centrally-located trust lands is a key element in enabling land-short municipalities to obtain their land entitlement under SCS CSHB 133, any indication that these transfers might be blocked or held up for extensive periods of time would have serious consequences for the legislation.

In that regard, we have noted with interest a March 28, 1978, memorandum by Mr. Kenneth Rosenstein, Legislative Affairs Agency, which concludes that as long as the State maintains the purpose for which the trust lands were created in may authorize the sale of these lands. Given Mr. Rosenstein's conclusion, it would be useful for the Committee's consideration of SCS CSHB 133 whether you believe the Legislature could authorize the transfer of these lands on the basis of compensation of land of equal value elsewhere in the state.

JO:gd

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

June 5, 1978

James A. Poor, Mayor
City of Cordova
P. O. Box 1210
Cordova, Alaska 99574

Dear Mayor Poor:

House Bill 781 ("An Act authorizing state aid to municipalities for the construction and development of cultural facilities") has been referred to this Committee for review and action. A copy of the bill is attached for your information and review.

House Bill 781 is the House version of Senate Bill 507, in which we have had previous correspondence with your office. HB 781 has been amended by the House Finance Committee, with additions not previously included in the other proposed legislation.

In the Committee Substitute version, two additions have drawn our attention:

(1) Page 6, lines 10 and 11: "for purposes of this section, a cultural facility may be considered an educational facility"
This inclusion of educational facilities appears to greatly broaden the scope of the legislation. Your input and proposals concerning educational facilities to be included would be appreciated.

(2) Page 6, lines 22 through 29; and page 7, lines 1 through 20: establishing an Advisory Commission on Cultural Facilities, membership as recommended by the State Council on the Arts.
This new commission would assume design and financing responsibility and authority. Because of the range of responsibilities of the proposed commission, this Committee would very much appreciate your comments.

Due to this late date in which the legislation has been referred to this Committee, it is very necessary that we receive your input and comments quickly. There is great interest in passing the legislation out of Committee, but we are also concerned that your community's needs are met.

We would also appreciate any other comments or suggestions you might have on the proposed legislation.

Sincerely,

Joe Orsini

JOE ORSINI
Chairman, Senate
Community and Regional
Affairs Committee

JO:gd

Enclosure: HB 781

Leo B. Rasmussen
Mayor, Box 2
Nome, Ak. 99762

Harold Gillam
City of Fairbanks
410 Cushman
Fairbanks. 99701

Eben Hopson
North Slope Borough
Box 69
Barrow, Ak. 99723

Donald E. Gilman
Kenai Peninsula Borough
PO Box 850
Soldotna, Ak. 99669

John A. Carlson
Fairbanks North Star Borough
PO Box 1267
Fairbanks, Ak 99701

John Jackson
Bethel
P.O Box 388
99559

Raymond Kashevaroff
Seward
P.O. Box 337
99664

Vincent C. Beasley
Kenai
PO Box 580
99611

Royal Johnson
Kotzebue
P.O. Box 46
99752

Carleta Lewis
North Pole 99705
P.O. Box 5109

Larry E. Powell
Yakutat 99689
P.O Box 6

Samuel R. Privett
Kwanjell 99929
P.O. Box 531

Pat Hellen
Wasilla 99687
Box 430

Royal DeVaney
Unalaska 99685
P.O. Box 89

Jack E Hoff
Palmer
P.O Box B68
99645

John B. Cashill
Nenana 99760
Box 177

Lorraine Knight
Soldotna 99669
P.O Box 409

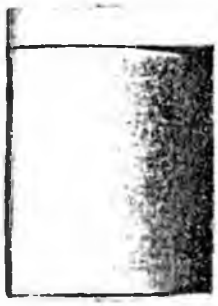
Gary Williams
Homer
P.O. Box 335
99603

Stanford Arnett
Delta Junction
P.O. Box 229
99737

Jonathan Solomon
Fort Yukon 99740
PO Box 369

Frank Lawson
Galena 99741
Box 149

Ronald J. Larson
Mat-Su Borough
Box B, Palmer 99645



Peter Jack Sr, Mayor
City of Cuyler
P.O. Box 194
99894

George M. Sullivan, Mayor
Municipality of Anchorage
P.O. Box 196650
99519

James K. Poor, Mayor
City of Cordova
P.O. Box 1210
99574

Freeman C. Roberts, Mayor
City of Delta Junction
P.O. Box 191
99576

Gail Wallace
City of Haines
P.O. Box 576
99827

Sheila [illegible]
City of Kake
P.O. Box [illegible]
[illegible]

[illegible]
[illegible]
[illegible]
[illegible]

[illegible]
[illegible]
[illegible]

Glenn Bradford, Mayor
Kenai Peninsula Borough
Box 850
Soldotna 99669

[illegible]
City of Petersburg
P.O. Box 329
99833

Earl F. Krussendorf
City and Borough of Sitka
P.O. Box 79
99835

Robert Mussetto
City of Skagway
P.O. Box 415
99840

Alaska State Legislature

Senate

Committee on
Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

June 6, 1978

Edward J. Hoffman, Manager
U. S. Department of the Interior
Alaska Outer Continental Shelf Office
P. O. Box 1159
Anchorage, Alaska 99510

Dear Mr. Hoffman:

I appreciate your response to my letter of April 27, 1978, requesting your comments on the Guidelines and Standards as adopted by the Alaska Coastal Policy Council on April 7, 1978.

I can understand the concerns which you and other federal agency representatives have expressed. These concerns appear chiefly to be that the Guidelines and Standards are too vague and general, that they provide for a non-uniform development of local district programs, and that they provide little or no formal mechanism for federal participation or consideration of national interests, at the state or local level.

Please bear in mind that the Guidelines and Standards were drawn up to implement the provisions of the Alaska Coastal Management Act of 1977, and that the regulations must be read in the context of that Act. Members of the State Legislature were very conscious, at the time of the passage of the Act, that Alaska's coastline is longer than the rest of the nation's coast combined and that the geographic, cultural, and climatic diversity of Alaska's coastal areas equalled or surpassed divergences in the US as a whole. These realities required that as flexible an approach as possible be taken and that rigid or simplistic classifications be avoided.

Since the lives and livelihood of the eighty percent of Alaska's population living in coastal areas would be significantly affected by the coastal management program, the legislators also wished to insure that the problems which Alaskans have previously experienced from inflexible attempts to apply uniform regulations, throughout the state regardless of local conditions or circumstances, would not be repeated.

In regard to federal participation in the Alaska Coastal Management Program, it was never the intention of either the Legislature or, to the best of my knowledge the Office of Coastal Management, to exclude

federal agencies from areas of national concern. The reason why the state Act and the Guidelines and Standards did not address in detail issues of national defense, navigable waters, and other issues of national concern is the fact that they are areas of national interest over which neither the state nor local districts can claim jurisdiction.

The state Act does in fact recognize the overriding importance of national concerns by providing in Section 46.35.210(6) of the Act for "uses of state concern" which supercede local programs. These "uses of state concern" include "uses of national interest" which are further defined as national energy needs, resource development of federal land, navigation, and national defense. By including this provision in the Act, the Legislature wished to make clear that the State did not intend to become involved in areas of national concern nor attempt to place legal or procedural restrictions in the path of federal agencies carrying out their regular functions.

I also appreciate the concerns you have expressed regarding a number of technical points in the drafting of the Guidelines and Standards. Frankly, it had been our hope that such questions could have been resolved before the regulations reached the Legislature for approval. The Tenth Legislature is now in its last days of session before adjournment and new elections. If we do not act on the regulations now, and state law allows us only to approve or delete regulations but not amend them, we will have made it impossible for NOAA to approve the Alaska program this year. The Legislature will be reluctant to create this situation unless major structural problems are found in the Guidelines and Standards or unless NOAA is willing to extend its support program to Alaska for another year.

Since we have no indication that either of these situations are likely, we feel constrained to take action this year on the state regulations. I would hope that the questions you have raised with this Committee could be taken before the Alaska Coastal Policy Council when it meets later this year to begin the implementation of the coastal management program. We believe that, as the Council and the local districts gain experience, numerous changes will be required at the working level of the program to reflect accurately the vast disparities of conditions in Alaska. It may also be that a number of the technical or procedural questions you have raised will turn out not to be significant but that the implementation of the program will reveal more serious problems in other areas where no difficulties had been foreseen.

It has been the State's intention to cooperate fully at all levels with federal agencies in carrying out the Alaska Coastal Management Program. We hope, in turn, that you will continue the same coopera-

tion with us at the state and local areas. I firmly believe that without this kind of cooperation between federal agencies and the State it will not be possible to implement successfully a program for the unprecedentedly complex conditions of Alaska's coastal areas.

Sincerely,

Joe Orsini

JOE ORSINI
Chairman, Senate
Community and Regional
Affairs Committee

JO:gd

cc: Sen. Rader
Sen. Poland
Rep. Rudd
Fran Ulmer
Roger Allington

Salvatore DeLeonardis, Chief
Planning & Program Coordinator
U.S. Department of the Interior

Edward J. Hoffman, Manager
Alaska Outer Continental Shelf Office
U.S. Department of the Interior

Gary L. Hickman
Assistant-Area Director - Environment
Fish & Wildlife Service

Roger A. Riddell, Director
Department of Housing & Urban Development

Alfred L. Service, Liaison Officer
Bureau of Mines
U.S. Department of the Interior

Gordon W. Watson, Area Director
Fish & Wildlife Service
U.S. Department of the Interior

J.B. Hayes
Rear Admiral, U.S. Coast Guard
Commander 17th Coast Guard District

Gene Hanna, Chairman
Federal Highway Administration
U.S. Department of Transportation

Joan A. Hagans
Acting Manager
Alaska Outer Continental Shelf Office
U.S. Department of the Interior

INTER-
OFFICE
CORRESP.

BANK OFFICIALS LOSE BETS, WIN PIES IN THE FACE

Alaska National Bank of the North's senior loan administrator Harold Olson, left, and commercial loan officer Scott Santee bet two of their fellow employes the Denver Broncos would win the Super Bowl. The stakes: a pie in the face. Dallas won. So Monday night, the two lined up while the winners of the bet, assistant vice president-manager Marianne Holiday a[nd] operations Ed Leon, pushed the mushy goo into Olson selected lemon meringue; Santee cho[se] The woman in the picture at right is Ms. Holli

Sen. Orsini Hires Californians For His Staff

JUNEAU (AP) — State Sen. Joe Orsini of Anchorage has hired two non-residents to work for the 1978 Legislature.

A check of Legislative Affairs Agency records shows that the two are apparently the only out-of-state residents among the 153 staffers hired by lawmakers this year.

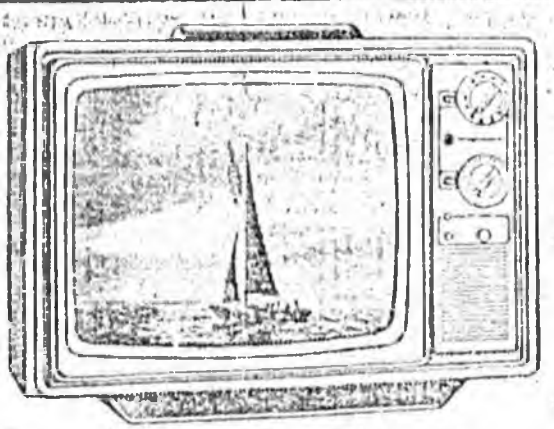
The two are Steve Mizeria, a former monthly newspaper publisher and Amtrak train conductor from Pollock Pines, Calif., and Terri Ann Brest, a secretary from North Highlands, Calif.

Mizeria was hired by Orsini, a Republican, to serve as administrative assistant to the Senate GOP caucus. Ms. Brest was hired as a secretary to the Senate Community and Regional Affairs Committee, which Orsini chairs.

Orsini, a former Californian, said he hired Mizera because he was a long-time friend and asked him to bring along a good secretary if he knew of one.

Mizera will be paid $68 a day while Ms. Brest will earn $52 a day. Legislative staffers are paid for seven days a week even if they only work five.

MAGNAVOX
deluxe personal
COLOR portable
100% SOLID-STATE



VIDEOMATIC 15" diagonal

To the voters of South Anchorage —

Once again I am privileged to represent you during the legislative session which begins on January 9 in Juneau. Please write to me at Pouch V, Juneau 99811, if you have questions or concerns about what is going on, or if there are things you think I should know in order to cost a more informed vote. I look forward to hearing from you.

Lisa Rudd

Representative, District 11

(Election District 11 — South Anchorage — is generally south of Tudor Rd., east of Campbell Lake, and includes Indian and Girdwood.)

Paid for by Lisa Rudd, 2827 Lore Rd, Anchorage, Ak. 99507

Paid for By
Bob Bradley for Lt. Governor (Committee)
Roger Lang-Treasurer
2240 Paxson Dr., Anchorage, AK. 99504

THE BOTTOMLINE

By Representative Bob Bradley

Thomas Jefferson, father of the democratic party, who places his trust in the yoeman farmer, would like the idea. Alexander Hamilton, who called the people "that great beast" and labled democracy "our real disease" would oppose it - right along with Jay Hammond, our Governor.

The idea is contained in House Bill 188, a bill passed last session by the legislature and arrogantly vetoed in June by Governor Hammond. Among other things, HB 188 would allow voters to register and vote on election day. Currently, if you fail to register at least 31 days before an election, you summarily lose your right to vote in that contest.

The amendment was introduced to eliminate an unworthy administration impediment to suffrage which constitutes one of the last patent interferences with the peoples sacred right to participate in a democracy. It succeeds women's suffrage and the abolition of literacy tests and poll taxes, as the next logical step in a 200 year struggle to maximize the franchise.

Why would anyone want to tamper with an American citizen's birthright? Jay Hammond offered two reasons in his June 9, 1978 veto message which merit discussion.

First, he advanced a curious version of the so-called Informed Voter Argument which holds that arbitrary registration requirements are legitimate because people who fail to meet registration deadlines are automatically irresponsible and uninformed. Excluding these voters from the polls is practically a public service. They don't deserve to vote. Hamilton would live this one.

Hammond goes one more and gives it an Alaska twist by concentrating on the infamous "new resident". These folks he assumes, do not understand Alaska and probably won't stay here anyway. It is therefore, "questionable public policy" to allow them to vote at all; especially if they "consider it too burdensome to register 30 days in advance of an election."

Of course, other residents will be excluded as well. But so what, he might respond. Everyone should be punished for tardiness. It's a sign of ignorance and bad faith. After all, you can almost hear him say, voting is a privilage and not a right.

Shame on you, Governor. Registration defaults can be inadvertent or unavoidable. More importantly, literacy test are out. The Supreme Court has declared that in our system you don't have to be informed or sincere to vote. You need only be 18 years old and a resident - even new residency is protected. Voting is a right and not a privilege. It should take more than a missed deadline to lose it.

So much for the informed voter argument.

Let's try the other one. Hammond also suggests that election registration would "result in voter confusion and increase the opportunity and probability of fraud." Why? He doesn't tell us, but let me guess.

Under existing law, it could be argued, the Lieutenant Governor has at least 30 days before an election to verify voter qualifications. If voters are allowed to register on the day of the election, this safeguard would be jeopardized.

On the contrary. The anti-fraud procedures outlined in HB 188 are just as effective, if not more so. For example, they provide that those who register at the time of voting must execute an affidavit of voter qualification and submit a driver's license "or other document which proves identification and residence." Right now, all you have to do is walk in and sign up. No affidavit or proof of identification is required.

HB 188 also mandates that the ballots of those registering on election day be treated as "questioned ballots." They cannot be counted until all qualifying information has been verified by the Lieutenant Governor. This issue is merely when and not whether the information is authenticated. No vote is deemed valid without the Lieutenant Governor's seal of approval.

If you do break the law, and it's possible under either version, you must pay the price; a price which is significantly inflated under HB 188. Current law gets you up to one year and/or $1,000. HB 188 threatens up to 5 years and/or $3,000 for first convictions; up to 10 years and $15,000 the second time around. If punishment and deterrance are your concerns, HB 188 is a better mousetrap.

So much for voter fraud.

There may be another possible reason for his surprising veto of HB 188 - an ulterior one. Republicans are afraid of election day registration. They think it will benefit Democrats who are more in tune with the apathetic masses. Maybe. As far as I'm concerned, it could go either way. Besides, that's not the point.

In any case, Hammond, a maverick republican who makes a lot of other republicans mad, could have vetoed HB 188 in the spirit of Republican friendship and cooperation; a cynical giveaway, tendered by a transparent "leader" who talks like a populist and acts like Alexander Hamilton.

So much for HB 188? Not quite. We have one more shot. If 40 Legislators vote to override the Governor's veto by Friday, January 13, 1978, HB 188 becomes law.

This is a serious matter unfairly confused by the Hammond Administration. The vote, the very essence of democracy, is sacrosanct - not voter registration as vote, the very essence of democracy, is sacrosanct - not voter registration as Jay Hammond would like you to believe. The right to vote necessarily includes the right to unfettered access to the polls; potential costs, delays, and confusion not withstanding.

The people, all the people, must come first. Obstacles which unjustifiably limit voter participation inexcusably deny our democratic idea. We have a solemn duty to remove them.

I will vote to override the Governor's misplaced veto. And that vote is the bottom line.

Bob Bradley is a rural business developer and state representative from East Anchorage (Mountain View, Muldoon, Eagle River and Chugiak). He is presently chairman of the House State Affairs Committee.

kwan.
kwan, Johnson said, the threats to the
were voiced. Someone, she testified,
e'd let them rot first, before we'd let
e them." Johnson also said "there
reats of burning the artifacts."
's testimony was corroborated by
band, Woodrow, who said some of the
were chanting "burn 'em, burn 'em."
the villagers, Woodrow Johnson
d, said "they'd rather they died with
people there in Klukwan.
y said they'd rather burn them than see
me the village."
e testimony, which was to come this
n, is expected to center on the
that no threats would have been made
anger to the artifacts would have been
if the Johnsons had not tried to sneak
s out of the village.

lanche Warning

National Weather Service warns that
e danger will be high in Juneau
nd Tuesday. The weather service said
n temperatures and heavy rain will
now cover above the 1,000 foot level.

WORKING HARD—Juneau-Douglas High School wrestler John Hillman (bottom) worked hard in an attempt to overcome Sitka's Brian Weddel. Hillman, wrestling for the J-D junior varsity, lost the match, but the varsity Crimson Bears earned a split against Sitka. (Staff Photo by John Lindback)

Connors in a big tournament that's lacking tradition. The victory has earned Borg the temporary title of best male tennis player in the world.

See Pages 4 & 5

Constituent Criticizes Sen. Orsini

By DANA JONES

A resident of Anchorage Sen. Joe Orsini's district has charged the lawmaker overlooked him in favor of non-Alaskans when hiring his staff.

Brent Kalou Garber, a 22-year-old lifetime resident of Alaska, applied to work with Orsini in December, he said.

"I sent him my resume and talked with him (Orsini) on the phone in late December," Garber said. "He said he wasn't ready to make a decision on the job and that he was going out of town and I wouldn't see him again until the session started."

Orsini considered hiring Garber but decided on an individual with more experience, he said. Orsini denied Garber had applied for the position filled by Californian Steve Mizera.

"The position for which Garber applied (aide to the Senate Community and Regional Affairs Committee) I filled with a better qualified Alaskan," Orsini said. Mizera is administrative assistant to the Senate GOP caucus.

Ben Harding [illegible]ks was hired for the post for whi[illegible]plied, Orsini said.

"He (Har[illegible] wealth of experience as a reporter," Orsini said. "He covered the local government in Fairbanks."

Garber is a 1977 graduate of the University of Oregon with a bachelor's degree in economics. He is unemployed.

Orsini did not consider Garber for the administrative assistant post, the senator said.

"I didn't think it would be very practical for a Democrat to be involved in the Republican caucus," Orsini said of Garber who has been active in the Democratic party, serving as a delegate to the Southcentral Democratic Convention last year.

Garber understands Orsini's reluctance to hire him for the GOP caucus position but believes an Alaskan should have been hired for the slot, he said.

"By hiring out-of-state people he kind of showed us where his loyalties lie," Garber said. "They're not with his district and you'd question if they're with the state at all. If his input is from California his legislation is going to reflect California and not what his district wants."

Orsini agreed Mizera is not yet familiar with Alaska.

"Initially he is doing directed research only because obviously he doesn't have a feel for Alaskans yet," Orsini said. "He's not going to develop policy positions; that's my job."

Orsini has no idea of Harding's political affiliation and did not consider them in hiring the Fairbanks man, he added.

Harding most recently worked for the Organization for the Management of Alaska's Resources (OMAR) for one year in Anchorage.

In searching for assistants Orsini contacted the University of Alaska to see if any students were interested in the positions, he said. However, he chose to hire the Californian because he knew him and had confidence in his ability, the senator said.

"There are probably Alaskans equally qualified but I didn't know of any," Orsini said. "I asked around in Anchorage but didn't find anyone. I wanted someone I had confidence in or one of the staff members had confidence in."

In addition to Mizera, Orsini hired Terri Ann Brest, a secretary from North Highlands, Calif., to work with the Senate Community and Regional Affairs Committee, which Orsini chairs.

He attempted to find an Alaskan for that post but was unable, he said.

"There's a real dearth of people in Anchorage who want to come down to Juneau just for the session," he said. "They have to give up full-time jobs."

Since arriving in Juneau, Orsini has been contacted by several secretaries looking for work, he said.

"I could give him a qualified secretary on a flash of notice," Garber said noting in his search for a legislative position he has met several attorneys who have taken secretarial posts just to get work with the Legislature.

Mizera is paid $68 a day and Brest $52; legislative staffers are paid for seven days a week.

Orsini has been an Alaskan resident for 14 years, he said.

ew Judges Named

By The Associated Press

Hammond today picked a trial
rom Kodiak and a public defender
chikan to fill two vacant judgeships
rage and Fairbanks.
Stouter, 35, of Kodiak was named to
court bench in Anchorage to fill a
created by the retirement of Judge
C.J. Occhipinti.

Stephen Cline, 35, of Ketchikan was appointed to a Fairbanks district court judgeship which had been authorized but never filled before.

Stouter has been in private practice in Kodiak since 1976, specializing in general trial, administrative, appellate and business law.

Recluse Dead After 24 Years

the city was a row boat, which he
oving hand made oars.
from Washington state he built his
the Three Bays area of the Back Chan-
h he left "once, and occasionally
ear, the Sentinel said. Except for an
package from a mail-order house,
d no mail.
trappers Ralph and Mary Fenner
ted that Chisholm was in trou-
fore Christmas, when the old

Reasoning that possibly Chisholm had left the area for the Christmas holidays, the Fenners continued tending their trap lines in the area. After a week, they notified authorities, who on Jan. 17 found Chisholm's body in his sparsely furnished cabin.

"Laterally all evidence indicates suicide," said District Court Judge Robin Taylor of Ketchikan, who was among the group to investigate the death. "From what we could tell

"it appears his entire activity was chopping wood," Taylor said.

Chisholm's life apparently was as simple as a man's could be. He kept his tiny 10-by10-foot cabin neat, with the floor kept swept and the clothes washed and neatly folded. He slept on a handmade bunk. His heat was provided by a 50-gallon drum he had converted to a wood stove. Even the ax and saw he used to split wood were handmade, as were his two fishing

He returned to Washington state, where he worked for Weyerhauser for 12 years.

Then, suddenly, he left for Alaska without saying a word to any o[illegible]s friends or relatives. He apparently settle[illegible] in his Back Channel spot, where he built the small cabin on Forest Service land.

Though the legend was that visitors more often were welcomed with a view of the business end of a .22 rifle, many Wrangell resi-

Schaeffer Collapses

By The Associated Press

State Rep. Leo Schaeffer of Kotzebue was rushed to a hospital emergency room today after collapsing in a restaurant, a friend said.

Anchorage Daily Ex - 1/19/72

ALASKA digest

Compiled from Associated Press wires and staff reports

Orsini hires Californians

JUNEAU — Of 153 staff members hired by the state legislature this year, all but two apparently are state residents, the legislative affairs agency reports.

The two non-residents were Californians hired by Sen. Joe Orsini, R-Anchorage. Steve Mizeria, a former monthly newspaper publisher and Amtrak train conductor from Pollock Pines, Calif., is to serve as administrative assistant to the senate Republican caucus, and Terri Ann Brest, of North Highlands, Calif., was hired as a secretary for the senate Community and Regional Affairs Committee, which Orsini chairs.

Orsini, a former Californian, said he hired Mizeria because he was a long-time friend and asked Mizeria to bring along a good secretary if he knew of one. Mizeria will be paid $68 a day, seven days a week, and Brest will collect $52 a day.

Anchorage Daily News 1/17/78

ALASKA digest

Compiled from Associated Press wires and staff reports

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The two non-residents were Californians hired by Sen. Joe Orsini, R-Anchorage. Steve Mizeria, a former monthly newspaper publisher and Amtrak train conductor from Pollock Pines, Calif., is to serve as administrative assistant to the senate Republican caucus, and Terri Ann Brest, of North Highlands, Calif., was hired as a secretary for the senate Community and Regional Affairs Committee, which Orsini chairs.

Orsini, a former Californian, said he hired Mizeria because he was a long-time friend and asked Mizeria to bring along a good secretary if he knew of one. Mizeria will be paid $68 a day, seven days a week, and Brest will collect $52 a day.

1-17-76

STATE OF ALASKA

DEPARTMENT OF EDUCATION

DIVISION OF STATE LIBRARIES AND MUSEUMS

JAY S. HAMMOND, GOVERNOR

Jan. 7, 1977

Alaska Legislators
Juneau

Dear Legislator:

The 1977 edition of the Alaska State Blue Book will be published this spring and your biography is needed for it.

Attached is a copy of your biography as it appeared in the 1975 edition. Please review it, make any changes or corrections needed and return it by Jan. 20, 1977 to

Robert M. Burnett
Editor
Alaska State Blue Book
State Library
Pouch G
Juneau

Thank you.

Joseph L. Orsini, Republican, Anchorage

Born May 18, 1939 in Staten Island, New York; established residence in Alaska in 1964; holds a BS degree from Princeton, BA degree in government from Sacramento State; MS degree in engineering management, University of Alaska; MBA in Quantitative Systems, U. of A., 1972; served with the U.S. Army 1961-64; currently employed as a planner with an Anchorage consulting firm; elected to the Alaska House of Representatives in 1972; to the Alaska Senate in 1974; is married, wife's name is Janice.

has one child.

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907 465-3800

MEMORANDUM January 20, 1977

SUBJECT: Handling of Committee Mail

TO: All Committee Staff Assistants

FROM: M. R. Charney, Director
Administrative Services M.R.C.

A question has come up with regard to the handling of Committee mail. The following is an excerpt from Legislator's Handbook - January 1977:

> "Outgoing Mail. Mail originating from committees should be placed in pickup baskets which are provided at designated places on each floor in each building occupied by the legislature. Postage for this mail is a responsibility of the State. This mail will be picked up twice a day by a mail clerk and taken to the mail room for processing. Only envelopes indicating a return address of a committee may be processed this way."

Please note that the State pays the postage for committee mail but unless all envelopes are clearly marked as committee mail, they will not be processed in this manner, and may be returned to sender.

MRC:mm

C & R A

Alaska State Legislature

Senate

JUNEAU, ALASKA

March 22, 1977

MEMORANDUM TO: All Committee Chairmen

SUBJECT: Committee and Hearing Announcements

Due to misinformation on the bulletin board and committee announcement sheets, the Secretary and Sgt. of Arms have instituted a new system for distributing information on hearings and meetings.

Hereafter, Kris in the Secretary's office at 3785, and Pam Senate Page at 4987 will be responsible for the "Senate Committee Daily Meetings" sheet and the blackboard, respectively.

In the Senate journal will appear announcements from the floor incorporated with weekly announcements received from committees.

Your cooperation by informing us of any changes in bills, time, cancellations, or errors will be greatly appreciated.

Your suggestions and recommendations will be welcomed.

Peggy Mulligan
Senate Secretary

Ed Foster
Sgt. of Arms

S 10

Alaska State Legislature

Senate

JUNEAU, ALASKA

April 4, 1977

Memorandum to: Chairman, Community & Regional Affairs Committee

Subject: Governor's appointments

The following appointees are being referred to your committee for investigations or hearings:

ALASKA STATE ASSESSMENT REVIEW BOARD

John Cerutti, Anchorage no term

LOCAL BOUNDARY COMMISSION

** Edward Hopson, Barrow, term expires 1/31/79

John L. Rader
President of the Senate

** Submitted for information only

Alaska State Legislature

Senate

JUNEAU, ALASKA

Senator Orsini

February 10, 1977

To: Chairman, Community & Regional Affairs Committee

Subject: Governor's Appointments

The following appointees have been referred to your committee for your information:

LOCAL BOUNDARY COMMISSION

*Sheila Gallagher Jones, Anchorage, term expiring January 1, 1982

MUNICIPAL BOND BANK BOARD

Jim Eide, Wrangell, term expiring July 15, 1978

John R. Rader
Senate President

*Reappointment

S 10

Alaska State Legislature

SENATOR
JOE ORSINI
2912 ALDER DRIVE
ANCHORAGE, ALASKA 99504

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA
99811

COMMITTEES

RESOURCES
COMMERCE
COMMUNITY & REGIONAL AFFAIRS

Senate

COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE

April 14, 1977

Re: Governor's
Appointments

The members of the Senate Community and Regional Affairs Committee have reviewed the following proposed gubernatorial appointments and find no objection to their confirmation.

John Cerutti, Alaska State Assessment Review Board

Edward Hopson, Local Boundary Commission

Sheila Gallagher Jones, Local Boundary Commission

Jim Eide, Municipal Bond Bank Board

Joe Orsini
Senator Orsini, Chairman

Senator Ferguson

Glenn Hackney
Senator Hackney

Bill Sumner
Senator Sumner

Ed Willis
Senator Willis

NON-CIRA

BILL

COMMENTS

CITY OF KETCHIKAN

334 FRONT STREET P. O. BOX 7300 TELEPHONE 907 225-3111

March 24, 1978

Mr. Joseph Orsini
Senate
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Subject: Hydroelectric Project Funding

Dear Senator Orsini:

The City of Ketchikan dba Ketchikan Public Utilities (KPU) and other Utilities and communities are vitally concerned with the future well being of Alaskan citizens and the State's economic growth. We, and others, have addressed and stressed our views regarding the Permanent Fund revenues, and the other revenues which will accrue to the State through mineral lease rentals, royalty sale proceeds, Federal mineral revenue sharing payments, and bonuses, all of which will be derived from non-renewable resources.

We strongly feel that the investment of certain of the aforementioned revenues in hydroelectric generating projects which are captive enterprises to the State, and which use a renewable resource, is most environmentally sound, can forestall the energy crisis, and will yet provide the lowest possible electric rates to the citizens of the State, and is the one most wise investment.

We, and those communities, Utilities and citizens represented by the enclosed resolutions and letters respectfully urge the legislature and administration to make the No. 1 priority of their deliberations and actions the funding of hydroelectric and potable water projects currently in progress, and providing for long term adequate funding for these and such future projects to the advantage of the people of our State.

We most specifically solicit your support for House Bill No. 906 introduced by the House Finance Committee on March 22, 1978, copy enclosed.

Very truly yours,

Donald D Bowey

Donald D. Bowey
Assistant Utilities Manager
Chairman, CAEPUC

Enclosures

THE
LAKE AND PENINSULA
SCHOOL DISTRICT
P. O. Box 119
Naknek, Alaska 99633

CHARLES R. WHITE, Supt.

March 27, 1978

The Honorable Joseph Orsini
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

The Lake and Peninusla School Board recently considered several items of legislation. At the last official Board meeting they acted to endorse or discourage passage of the following bills, which affect public schools of the state. As elected school officials, representing the parents of this district, they ask your careful consideration of this collective judgement.

Strongly Favor Passage

Senate Bill #447 (We are for)
Passage of this $72,000,000 BOND ISSUE bill is essential for operation of mandated high schools next year. It is really a minimal amount.

Senate Bill #469 (We are for)
This bill makes RECALL of school board members more objective, and prevents arbitrary acts of recall.

Senate Bill #485 (We are for)
Let's finally get the bottleneck out of SCHOOL CONSTRUCTION. Let REAA School Boards assume responsibility for their own building, as in other districts. We're grown up now!

Senate Bill #464 a m (We are for)
This straightens up some needed housekeeping for SCHOOL BOARD ELECTIONS.

Senate Bill #468 (We are for)
JUDICIAL REVIEW regarding due process is desirable in in cases where Boards have ruled unfavorably toward teachers.

WE STRONGLY DISCOURAGE PASSAGE OF THE FOLLOWING:

Senate Bill #482 (We are AGAINST)
This is a rediculous bill, full of regulations, which should not be in bill form. Mandating this SPECIAL EDUCATION LEGISLATION would cost over $40 million, and create another educational hierarchy outside of the Department of Education. PLEASE defeat this bill!

Senate Bill #526 (We are AGAINST)
We firmly believe that the functions of PTPC have changed, and that present grievance procedures and due process provisions have made that organization obsolete. We oppose spending tax dollars on something whose time has passed.

Be it known that we are adamantly against any bill that provides for collective bargaining in the school sector. It is not in the public interest.

We are grateful for your action on our behalf.

THE LAKE AND PENINSULA SCHOOL BOARD

Sara Hornberger, President
John Lind, Member
Linda Johnson, Clerk
Randy Briggs, Member

Charles R. White

by Charles R. White, Superintendent

CRW:blt

Box 834
Wrangell, Alaska 99929
March 27, 1978

The Honorable Joseph Orsini
Alaska State Senate
Pouch V - State Capitol Bldg.
Juneau, Alaska 99811

The Honorable Joseph Orsini:

Wrangell is a small community in dire need of new school facilities. We urge you to act favorably to H. B. 853 which includes the concept of "Front End Monies."

Any bill which does not so provide will further hinder the little districts from providing an equal educational opportunity.

Thank you for your kind attention.

Sincerely,

John Hall

cw

F: Non SCRA Comments

Copper River School District

Superintendent's Office
Box 108
Glennallen, Alaska 99588
(907) 822-3234

Mar 29, 1978

The Honorable Joseph Orsini
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Sir:

The Copper River School District Board, by unanimous vote, has directed me to write the entire Alaska legislature of our total opposition to SB 482 and HB 848. An act relating to special education by Sumner, Croft, Ferguson, Huber and Rodey in the Senate and Meekins in the House. This is a 37 page blue print for the destruction of all education in Alaska. If you intend to, or if it is possible you may vote for this legislation, please read it. If you cannot take the time to wade through all 37 pages, at the very least you should read paragraph B under non-discrimination on page 28 starting on line 25 which contains the words "If a report made under sec. 233(c) of this chapter shows a substantial discrepancy in the occurrence of the characteristics of sex, national origin, race, and religion between children in special education classes in contrast to the remainder of the children in a city or borough school district or rural educational attendance area, the department shall file a complaint with the State Commission for Human Rights alleging discriminatory conduct prohibited by AS 18.80.255."

If you need more information, I have prepared a critical assessment of the entire bill which will be sent to you if you desire.

Sincerely,

Joseph A. Roche, Legislative Chairman
Copper River School District Board
c/o Tonsina Lodge
Copper Center, Alaska 99573

JAR:pm

RESOLUTION

WHEREAS, the State of Alaska has growing energy problems and energy shortages which are of deep concern to Alaskan Electric Power utilities, and the Citizens of Alaska; and

WHEREAS, the State of Alaska has abundant undeveloped hydroelectric resources that may be developed to satisfy many of these energy problems and energy shortages; and

WHEREAS, the State of Alaska has the financial resources in the form of the Permanent Fund and its earnings, the Renewable Resources Development Fund, and the General Fund; and

WHEREAS, financial assistance is needed by Alaskan utilities to build hydroelectric projects.

NOW, THEREFORE, BE IT RESOLVED that we, the undersigned, urge the Alaska State Legislature and the Executive branch to provide the financial means and support from the Permanent Fund through the Alaska Power Authority, Water Resources Revolving Loan Fund or other existing government agencies to develop the hydroelectric resources of the State of Alaska.

BE IT FURTHER RESOLVED that the agency designated shall evaluate every means to provide long-term capital on sufficient terms to permit the Citizens of Alaska the advantages of hydroelectric power development.

DATED this 13th day of January, 1978 in Juneau, Alaska.

Respectfully submitted by: Concerned Alaska Electric Power Utilities Committee (CAEPUC).

UTILITY	MEMBER
Cordova Public Utilities	Perry Lovett, City Manager
City of Wrangell, Light Dept.	James Eide, City Manager
Kodiak Electric Assn., Inc.	David S. Nease, Ass't Manager
Tlinget-Haida REA	Robert Martin Jr., Chief Engineer
City of Petersburg	W. K. Mearig, Electric Supt.
Ketchikan Public Utilities	Donald D. Bowey, Ass't Manager

Donald D. Bowey

Donald D. Bowey, Chairman
CAEPUC

CITY OF PETERSBURG

P. O. Box 329 • Petersburg, Alaska 99833 • Phone 772-4621

Municipal Power
and Light Dept.

RESOLUTION

WHEREAS, the State of Alaska has growing energy problem and energy shortages which are of deep concern to Alaskan Electric Power utilities, and the Citizens of Alaska; and

WHEREAS, the State of Alaska has abundant undeveloped hydroelectric resources that may be developed to satisfy many of these energy problems and energy shortages; and

WHEREAS, the State of Alaska has the financial resources in the form of the Permanent Fund and its earnings, the Renewable Resources Development Fund, and the General Fund; and

WHEREAS, financial assistance is needed by Alaskan utilities to build hydroelectric projects.

NOW, THEREFORE, BE IT RESOLVED that we, the undersigned, urge the Alaska State Legislature and the Executive branch to provide the financial means and support from the Permanent Fund through the Alaska Power Authority, Water Resources Revolving Loan Fund or other existing government agencies to develop the hydroelectric resources of the State of Alaska.

BE IT FURTHER RESOLVED that the agency designated shall evaluate every means to provide long-term capital on sufficient terms to permit the Citizens of Alaska the advantages of hydroelectric power development.

DATED this 13th day of January, 1978 in Juneau, Alaska.

Respectfully submitted by: Concerned Alaska Electric Power Utilities Committee (CAEPUC).

UTILITY	MEMBER
Cordova Public Utilities	Perry Lovett, City Manager
City of Wrangell, Light Dept.	James Eide, City Manager
Kodiak Electric Assn., Inc.	David S. Nease, Ass't Manager
Tlinget-Haida REA	Robert Martin Jr., Chief Engineer
City of Petersburg	W. K. Mearig, Electric Supt.
Ketchikan Public Utilities	Donald D. Bowey, Ass't Manager

W. K. Mearig

William K. Mearig, Superintendent
Petersburg Municipal Power and Light

Resolution 686-R
City Council
City of Petersburg, Alaska

WHEREAS, the State of Alaska has growing energy problems and energy shortages which are of deep concern to Alaska Electric Power utilities, and the Citizens of Alaska; and

WHEREAS, the State of Alaska has abundant undeveloped hydroelectric resources that may be developed to satisfy many of these energy problems and energy shortages; and

WHEREAS, the State of Alaska has the financial resources in the form of the Permanent Fund and its earnings, the Renewable Resources Development Fund, and the General Fund; and

WHEREAS, financial assistance is needed by Alaskan utilities to build hydroelectric projects.

THEREFORE BE IT RESOLVED that the City Council of the City of Petersburg, Alaska urge the Alaska State Legislature and the Executive branch to provide the financial means and support from the Permanent Fund through the Alaska Power Authority, Water Resources Revolving Loan Fund or other existing government agencies to develop the hydroelectric resources of the State of Alaska.

BE IT FURTHER RESOLVED that the agency designated shall evaluate every means to provide long-term capital on sufficient terms to permit the citizens of Alaska the advantages of hydroelectric power development.

Passed and Approved by the City Council of the City of Petersburg, Alaska

this _____ day of _____, 1978.

_____
Mayor

ATTEST:

_____
City Clerk

Resolution 688-R
City Council
City of Petersburg, Alaska

WHEREAS the communities of Wrangell and Petersburg are heavily dependent on fossil fuel electric generation, and

WHEREAS the availability and increasing price of this fuel is becoming a major concern, and

WHEREAS the two communities are cooperating in developing renewable resource hydro electric generation facilities at Thomas Bay, Virginia Lake, and other sites, and

WHEREAS these site developments require transmission lines to transport the energy to the load centers.

NOW THEREFORE BE IT RESOLVED that the City of Petersburg requests transmission line corridors be established in any Wilderness or Wild and Scenic Rivers set asides in the LeConte Bay and Stikine River areas.

PASSES AND APPROVED BY THE CITY COUNCIL OF THE CITY OF PETERSBURG, ALASKA

this 6 day of February, 1978.

Mayor

ATTEST:

City Clerk

CITY of WRANGELL, ALASKA

INCORPORATED JUNE 15 1903

BOX 531, 99929 (907) 874-2381

January 25, 1978

Donald D. Bowey
Assistant Utilities Manager
Ketchikan Public Utilities
P. O. Box 7300
Ketchikan, Alaska 99901

Re: CAEPUC Resolution dated January 13, 1978

Dear Mr. Bowey:

The Wrangell City Council reviewed the final draft of the referenced resolution at their meeting held January 24, 1978. They unanimously endorsed the resolution as presented.

Very truly yours,

Joyce Rasler
City Clerk

jr

RESOLUTION

WHEREAS, the State of Alaska has growing energy problems and energy shortages which are of deep concern to Alaskan Electric Power utilities, and the Citizens of Alaska; and

WHEREAS, the State of Alaska has abundant undeveloped hydroelectric resources that may be developed to satisfy many of these energy problems and energy shortages; and

WHEREAS, The State of Alaska has the financial resources in the form of the Permanent Fund and its earnings, the Renewable Resources Development Fund, and the General Fund; and

WHEREAS, financial assistance is needed by Alaskan utilities to build hydroelectric projects.

NOW, THEREFORE, BE IT RESOLVED that we, the undersigned, urge the Alaska State Legislature and the Executive branch to provide the financial means and support from the Permanent Fund through the Alaska Power Authority, Water Resources Revolving Loan Fund or other existing government agencies to develop the hydroelectric resources of the State of Alaska.

BE IT FURTHER RESOLVED that the agency designated shall evaluate every means to provide long-term capital on sufficient terms to permit the Citizens of Alaska the advantages of hydroelectric power development.

DATED this 25th day of January , 1978 in Juneau, Alaska.

Respectfully submitted by: Concerned Alaska Electric Power Utilities Committee (CAEPUC).

UTILITY	MEMBER
Cordova Pulic Utilities	Perry Lovett, City Manager
City of Wrangell, Light Dept.	James Eide, City Manager
Kodiak Electric Assn., Inc.	David S. Nease, Ass't Manager
Tlingit-Haida REA	Robert Martin Jr. Chief Engineer
City of Petersburg	W. K. Mearig, Electric Supt.
Ketchikan Public Utilities	Donald D. Bowey, Ass't Manager

Robert Martin Jr. P. E. Member
Chief Engineer, Tlingit-Haida REA

RESOLUTION 78-5

A RESOLUTION URGING THE SUPPORT OF THE STATE LEGISLATURE AND EXECUTIVE BRANCH OF GOVERNMENT OF THE STATE OF ALASKA TO USE THE STATE FINANCIAL RESOURCES TO DEVELOP HYDRO-ELECTRIC POWER

WHEREAS, the City of Cordova's electrical energy is supplied by diesel driven generators and

WHEREAS, said generaters are expensive to operate and are subject to mechanical failure such as occurred on December 17-20, 1977 when Cordova was on emergency power, and

WHEREAS, there is abundant hydro-electric resource potential within the State of Alaska,

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Cordova, Alaska that the following Resolution be recommended for adoption by the Legislature of the State of Alaska and be supported by the Executive Branch of Government.

RESOLUTION

WHEREAS, the State of Alaska has growing energy problems and energy shortages which are of deep concern to Alaskan electric power utilities, and the Citizens of Alaska; and

WHEREAS, the State of Alaska has abundant undeveloped hydroelectric resources that may be developed to satisfy many of these energy problems and energy shortages; and

WHEREAS, the State of Alaska has the financial resources in the form of the Permanent Fund and its earnings, the Renewable Resources Development Fund, and the General Fund; and

WHEREAS, financial assistance is needed by Alaskan utilities to build hydroelectric projects;

NOW, THEREFORE, BE IT RESOLVED that we, the undersigned, urge the Alaska State Legislature and the Executive Branch to provide the financial means and support from the Permanent Fund through the Alaska Power Authority, Water Resources Revolving Loan Fund or other existing government agencies to develop the hydroelectric resources of the State of Alaska.

BE IT FURTHER RESOLVED that the agency designated shall evaluate every means to provide long-term capital on sufficient terms to permit the Citizens of Alaska the advantages of hydroelectric power development.

PASSED AND APPROVED THIS 16-th DAY OF January, 1978.

Attest:

RESOLUTION No. 1089

WHEREAS, the City of Ketchikan and other communities in Alaska have growing energy problems and future energy shortages; and

WHEREAS, to meet future electrical energy demands the City of Ketchikan (City) dba Ketchikan Public Utilities (KPU) must presently rely on high cost, fossil fired generating means, using a non-renewable resource; and

WHEREAS, the City/KPU, in company with other communities and Utilities, are unable to carry the burden of financing new hydroelectric projects while also carrying the burden of alternate high cost generation, or the time period from inception of a hydroelectric project to the project being placed in service; and

WHEREAS, the State of Alaska has abundant undeveloped hydroelectric, renewable resources, as for example, the City/KPU Swan Lake hydroelectric project; and

WHEREAS, financial assistance is needed by the City/KPU to build its Swan Lake hydroelectric project; and

WHEREAS, other communities and Utilities are in the same financial plight as evidenced by the Resolution of the Concerned Alaska Electric Power Utilities Committee (CAEPUC).

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Ketchikan, Alaska hereby endorses by reference the attached Resolution of the Concerned Alaska Electric Power Utilities Committee (CAEPUC).

Be it further resolved, that the Legislative and Administrative branches of the Alaska State Government assure continuity of loan funding to those municipalities and Utilities presently embarked on hydroelectric projects and whose present source of loan funding is the Water Resources Revolving Loan Fund.

PASSED AND APPROVED this 2nd day of February, 1978.

William G. Moran, Mayor

ATTEST:

Mary McKinley, City Clerk

GOLDEN VALLEY ELECTRIC ASSOCIATION, INC.

Fairbanks, Alaska

RESOLUTION

WHEREAS, the State of Alaska has growing energy problems and energy shortages which are of deep concern to Alaskan Electric Power utilities, and the Citizens of Alaska; and

WHEREAS, the State of Alaska has abundant undeveloped hydroelectric resources that may be developed to satisfy many of these energy problems and energy shortages; and

WHEREAS, the State of Alaska has the financial resources in the form of the Permanent Fund and its earnings, the Renewable Resources Development Fund, and the General Fund; and

WHEREAS, financial assistance is needed by Alaskan utilities to build hydroelectric projects.

NOW, THEREFORE, BE IT RESOLVED that Golden Valley Electric Association, Inc. urges the Alaska State Legislature and the Executive Branch to provide the financial means and support from the Permanent Fund through the Alaska Power Authority, Water Resources Revolving Loan Fund or other existing government agencies to develop the hydroelectric resources of the State of Alaska.

BE IT FURTHER RESOLVED that the agency designated shall evaluate every means to provide long-term capital on sufficient terms to permit the Citizens of Alaska the advantages of hydroelectric power development.

CERTIFICATION

I, Sandra Rosenberg, do hereby certify that I am the Secretary of Golden Valley Electric Association, Inc., an electric non-profit cooperative membership corporation organized and existing under the laws of the State of Alaska; that the foregoing is a complete and correct copy of a resolution adopted at a meeting of the Board of Directors of this corporation, duly and properly called and held on the 27th day of February, 1978, that a quorum was present at the meeting; that the resolution is set forth in the minutes of the meeting and has not been rescinded or modified.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of this corporation this 27th day of February, 1978.

(Seal)

Sandra Rosenberg
Secretary

Nushagak Electric Co-operative, Inc.

P. O. BOX 197

DILLINGHAM, ALASKA 99576

(907) 842-5251

RESOLUTION # 163

WHEREAS: Nushagak Electric Cooperative, Inc. has promoted the concept of developing local hydro facilities since 1961 and

WHEREAS: utilization of a renewable resource such as water power would help to lessen dependence on rapidly depleting high cost middle distillate fuels and

WHEREAS: costs of funding potential hydro projects exceed financial capabilities of most Alaskan electric utilities including Nushagak Electric Cooperative, Inc. and

WHEREAS: Federal and State assistance to date in the development of renewable resource utilization has had only limited effectiveness

BE IT THEREFORE RESOLVED: that the Board of Directors of Nushagak Electric Cooperative, Inc. hereby endorses by reference the attached Resolution of the Concerned Alaska Electric Power Utilities Committee (CAEPUC).

BE IT FURTHER RESOLVED: that the Legislative and Administrative branches of the Alaska State Government assure continuation of loan funding to those municipalities and Utilities presently embarked on hydroelectric projects and whose present source of loan funding is the Water Resource Revolving Loan Fund.

CERTIFICATION

I, Ward I. Jones, Secretary of Nushagak Electric Cooperative, Inc., do hereby certify that this resolution is a true and correct copy of the resolution adopted at the regular meeting of the Board of Directors of Nushagak Electric Cooperative, Inc. of Dillingham, Alaska, held this 13th day of February, 1978, as the resolution appears in the minutes book of the corporation, and that it has not been rescinded or modified.

NUSHAGAK ELECTRIC COOPERATIVE, INC.

Ward I. Jones, Secretary

SPEECH

File

1-23-78

E:1) Speech
2) UofA

MR. PRESIDENT, I WOULD LIKE TO SPEAK THIS MORNING CONCERNING THE UNIVERSITY OF ALASKA. THERE...SERIOUS BUDGETARY AND ADMINISTRATIVE PROBLEMS HAVE RESULTED IN THE UNIVERSITY'S BOARD OF REGENTS DISMISSING A NUMBER OF SCHOOL OFFICIALS.

NO ONE IN ALASKA...MUCH LESS MEMBERS OF THE LEGISLATORS...CAN VIEW THE UNIVERSITY'S DEEPLY DISTURBED SITUATION WITHOUT GREAT CONCERN. OBVIOUSLY SERIOUS MISTAKES HAVE BEEN MADE. THE UNIVERSITY'S REPUTATION HAS BEEN IMPAIRED. ITS FINANCIAL STANDING HAS BEEN PUT INTO QUESTION, AND THE CAREERS OF MANY OF ITS ADMINISTRATIVE PERSONNEL DAMAGED.

INSTITUTIONS ARE BASICALLY FRAGILE CREATIONS THAT REQUIRE TIME AND PATIENT WORK TO GROW INTO VIGOROUS AND SELF-SUSTAINING BODIES. IN TIMES OF STRESS AND CRISIS, THEY CAN EASILY BE SHATTERED BY WELL-MEANING...IF INAPPROPRIATE...EFFORTS BY OUTSIDE ORGANIZATIONS TO SET THINGS STRAIGHT.

IN THIS CASE I AM REFERRING TO THE RECOMMENDATION MADE BY A MEMBER OF THIS BODY THAT THE LEGISLATIVE BUDGET AND AUDIT COMMITTEE STAFF BE INSTRUCTED TO INVESTIGATE THE CONDITIONS SURROUNDING THE DISMISSAL OF THE CHANCELLOR OF THE UNIVERSITY'S JUNEAU CAMPUS BY THE BOARD OF REGENTS.

I UNDERSTAND AND SYMPATHIZE WITH THE CONCERN WHICH HAS MOTIVATED THIS RECOMMENDATION. RECENT EVENTS AT THE ANCHORAGE AND FAIRBANKS CAMPUSES.. AS WELL AS AT JUNEAU...HAVE BEEN PAINFUL TO ALL OF US.

HOWEVER...THE BOARD OF REGENTS IS ESTABLISHED BY THE CONSTITUTION OF THE STATE OF ALASKA... AND FULLY EMPOWERED BY STATE STATUTE...TO EXERCISE THE POWER TO DISMISS UNIVERSITY OFFICIALS.

THIS AUTHORITY IS SPECIFICALLY GRANTED IN ALASKA STATUTE SECTION 14.40.230 WHICH STATES: "THE BOARD OF REGENTS MAY REMOVE FROM OFFICE ANY OFFICER OF THE INSTITUTION BY A MAJORITY VOTE OF THE WHOLE BOARD WHEN IN ITS JUDGEMENT THE GOOD OF THE UNIVERSITY REQUIRES IT."

THE UNIVERSITY OF ALASKA IS CLEARLY UNDERGOING THE MOST SERIOUS CRISIS IN ITS HISTORY AND IS BEING SHAKEN TO ITS ROOTS. BUT WE MUST RECOGNIZE THAT IF THESE ROOTS ARE RIPPED OUT...THE INSTITUTION WILL DIE.

THE LEGISLATIVE BUDGET AND AUDIT COMMITTEE HAS WORKED DILIGENTLY IN REVIEWING AND AUDITING THE UNIVERSITY'S FINANCIAL AND OPERATIONAL STRUCTURE. IT IS NOT...HOWEVER...THE APPROPRIATE AGENCY TO UNDERTAKE AN INVESTIGATION OF THE DISMISSAL OF ONE OF THE UNIVERSITY'S CHANCELLORS.

NOR...FOR THAT MATTER...IS THE LEGISLATURE ITSELF THE APPROPRIATE BODY TO ADMINISTER AND MANAGE THE UNIVERSITY. WE ARE A POLICY-MAKING AND BUDGET-SETTING GROUP. WE CANNOT ATTEMPT TO APPOINT OR FIRE THE UNIVERSITY'S OFFICERS... OR RUN ITS ADMINISTRATIVE AFFAIRS.

I FEAR THAT IF WE IN THE LEGISLATURE INTERVENE.. OR CALL ON NON-UNIVERSITY ORGANIZATIONS TO INTERVENE IN THE MANAGEMENT OF THE UNIVERSITY... WE RUN THE RISK OF CRIPPLING AN ALREADY BELEAGUERED INSTITUTION.

THE BOARD OF REGENTS IS ACTING VIGOROUSLY TO CORRECT THE PROBLEMS AT THE UNIVERSITY...AS IN LAW THE BOARD IS REQUIRED TO DO. AS BAD AS THE SITUATION MAY BE, I BELIEVE WE CAN ONLY MAKE IT WORSE IF WE ATTEMPT TO CIRCUMVENT THE BODIES WHICH ARE LEGALLY DESIGNATED TO CARRY OUT THE ADMINISTRATION OF THE UNIVERSITY.

ACCORDINGLY, I AM FORMALLY AND OFFICIALLY REQUESTING THAT THE LEGISLATIVE BUDGET AND AUDIT COMMITTEE NOT INVESTIGATE THE DISMISSAL OF THE CHANCELLOR OF THE JUNEAU CAMPUS AS REQUESTED EARLIER BY A MEMBER OF THIS BODY.

# # # #

C/RA
CONFIRMATION
File

Sen. Ferguson

F. 53450

Alaska State Legislature

Senate

Office of the Secretary

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM TO: Community and Regional Affairs Committee

Subject: Governor's appointments

The President referred the following appointees to your committee for hearings, report and recommendation in accordance with AS 39.05.080:

MUNICIPAL BOND BANK BOARD

Lance Anderson, Kotzebue, term expiring July 15, 1981

Lance now lives in Anchorage and works For IBEW. He Formerly worked For the accounting Firm of Pete Marwick & Mitchell As a CPA then worked For NANA Regional Corp As Vice President of Finance.

Secretary of the Senate

He did a good job for PM&M And For NANA. Has a good education and knowledgeable about High finance and served on the municipal Bond Bank for approx 2-3 years. This is a reappointment. Je

Do you know

SB-433

LANCE W. ANDERSON,C.P.A.
1600 Oxford Drive
Anchorage, Alaska 99501

Phone: (907) 274-9409

SUMMARY OF QUALIFICATIONS

Nature of Background: Over 12 years of progressive assignments in private and public accounting sectors.

Capabilities: Highlights of experience and qualifications:

...Budgets and forecasts...Accounting & Business Systems Development...Accounting Control...Management Reports & Advisory Services...Consolidations...Tax Preparation... Credit & Collection Management...Personnel Supervision... Data Processing Applications...Cost Accounting...Cash Flow Control...Financial Statements...Financial Planning... Commercial Real Estate Management and Development...

Personal Characteristics: Ability to effectively plan and direct the work of support personnel, communicate effectively with management at all levels and establish well-structured financial and business controls to assure profit return.

Employment Experience: Property Manager and Trust C.P.A. for Alaska Electrical Trust Funds 1977-1978. Presently employed with Alaska Electrical Trust Funds, the Taft Hartley multiemployer pension, health and welfare, legal aid and apprenticeship programs jointly sponsored and managed by IBEW Local 1547 and National Electrical Contractors Association.
Responsible for management of Real Estate ventures of Pension Trust including 40,000 square foot office building and proposed 125,000 square foot office building. Also responsible for supervision of accounting and financial activities.

Vice-President-Finance for NANA Corporation 1974-1977. Recently resigned as Vice-President, Finance of Corporation with over $30,000,000 in assets and revenues of approximately $30,000,000. Corporation was profitable during all three years of employment.

Responsible for total supervision of all accounting activities and procedures. During period of employment centralized all accounting functions and substantially converted them to a real-time computerized system. Company revenues during this period of time grew from approximately $700,000 to the current

$30,000,000 plus and accounting staff which grew from four to twenty-five.

Collateral activities included establishment of financial policies, determination of investment objectives, development of banking and auditing relationships and providing counseling to key executives regarding new commercial ventures.

Manager-Tax Department- Peat, Marwick, Mitchell & Co.
1971-1974

Employed three years in the tax department of Peat, Marwick, Mitchell & Co. in Anchorage. Entered tax department under PMM accelerated tax training program. Responsibilities included account tax supervision for many accounts including:

Alaska International Industries, Inc.
Reeve Aleutian Airways, Inc.
Alaska Mutual Savings Bank
Yukon Office Supply, Inc.

Other activities included responsibility for Kodiak practice of PM&M, estate tax returns, and in-house tax training program.

Supervisor-Audit Department- Peat, Marwick, Mitchell & Co.
1965-1971

Joined PM&M in August of 1965 and was promoted to supervisor in July, 1968. Responsibilities included management supervision of audit clients including direct responsibility for field work. Audit client responsibilities included the following clients:

Alaska Mutual Savings Bank
Alaska State Bank
First National Bank of Fairbanks
B&B Fisheries, Inc.
Automotive Parts and Equipment, Inc.
Alaska Federation of Natives

Also participated in management group activities including business development, staff evaluation and long-range planning.

Education: Graduate of West Anchorage High School in 1962 and the University of Washington in 1965 with a major in accounting and a minor in finance. Attended numerous PM&M training courses as well as courses offered by the Alaska Society of CPA's several of which I also taught. Awarded a CPA certificate in 1967 and am a member of the Alaska Society of CPA's and the American Institute of CPA's.

Personal Data: Age: 34; Married, three children - ages 6, 10 and 13. Lifelong resident of Anchorage.

C/RA

GEN.

MANAGE-

MENT

Jenks Named Lands Trustee

The former president of the Interior Village Association, Robert L. Jenks of Fairbanks, has been appointed to the position of Municipal Lands Trustee in the Alaska Department of Community and Regional Affairs.

Under the terms of the Alaska Native Claims Settlement Act, the municipal lands trustee is in charge of village corporation conveyance to the state or local municipality of land for future community expansion and public uses.

Presently, there are about 90 unincorporated villages which must convey lands to the state. Approximately 100,000 acres of municipal trust lands are involved, according to the Department of Community and Regional Affairs.

Jenks is a former Land Office Manager and Chief Land Adjudicator for the U.S. Bureau of Land Management's Fairbanks District Office, a former land director for the Tanana Chiefs Conference and a former vice-president for lands with Doyon, Ltd., a native corporation.

"His years of experience in all aspects of land management in Alaska, his close working knowledge of the (Alaska Native Claims) Settlement Act and, most important, his personal familiarity with rural communities ideally equip him to manage the trust program," according to Community and Regional Affairs Commissioner Lee McAnerney.

April Mild And Wet

At Juneau International Airport two new daily maximum temperatures were set in April, according to the National Weather Service Forecast Office here. On the 22nd the high temperature was 62 degrees. The previous high for that date was 56, set in 1956. The highest temperature for the month was 64 degrees on the 25th. This was also a new high for that date.

The lowest temperature was 31 degrees on the 21st.

The extreme temperatures for April vary from 6 above, set in 1963, to 71, set in 1958.

Raintall for the month was 4.02 inches. This is 1.03 inches above normal.

Only a trace of snow was recorded at the airport during April. Normal snowfall for the month is 5.2 inches.

Alaska State Legislature

SENATOR
JOE ORSINI
2912 ALDER DRIVE
ANCHORAGE, ALASKA 99504

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA
99811

Tuesday - 2:00 written note (I can help)

Senate

COMMITTEES

RESOURCES
COMMERCE
COMMUNITY & REGIONAL AFFAIRS

TO: Rep. Mike Miller
Chairman, Legislative Council

DATE: March 28, 1977

FROM: Sen. Joe Orsini
Chairman, Senate CRA Committee

RE: Interim Extension of the Senate CRA Committee, Subcommittee on Section 14(c)(3) of the ANCSA (AS 44.47.150)

One of the less active sections of the Alaska Native Claims Settlement ACT (ANCSA) has been those provisions of Section 14(c)(3) and (4), relating to the reconveyance of Village land to governmental agencies (see enclosed copy of this Section). However, as the land conveyance process approaches completion, this reconveyance portion of the ANCSA will undoubtedly become more of an issue.

The language of Section 14(c)(3) was notably vague in two respects: defining specifically who should do the selection; and defining criteria for the type of land selected. The provisions of state law pertaining to the subject, contained in AS 44.47.150 (enclosed), are similarly vague in these two respects.

The Department of Community and Regional Affairs, (DCRA), in their FY '78 budget, has an administrative position designated to supervise the reconveyance program; they are also in the process of drafting policies on the subject and beginning their municipal/village contact program. A rather thoughtful but brief analysis of the situation, prepared by Mr. Robert Dupere (enclosed), indicates some of the problems that may be encountered by improper selection and some possible recommendations regarding the selection process.

In an effort to develop a Legislative policy position on the issue, the Senate Community and Regional Affairs Committee requests to be allowed to have an interim three man subcommittee, composed of Senators Orsini, Hackney, Ferguson/Sumner (depending on their respective availabilities).

The approach would be to rely heavily on correspondence to serve as a means of assuring awareness and understanding of the issue at hand on the part of the 221 Village Corporations and 111 municipalities involved.

After assurance is received of a general awareness of the issue, the subcommittee would conduct public hearings in the Southeast, Southwest and Interior/Northwest portions of the state. Particular locations would be chosen based on Village Corporations' size and location, and municipal size and location. Villages both within municipal boundaries and outside of municipal boundaries would be included. Liaison would be maintained with the DCRA, and hearings would be coordinated where appropriate.

It should be noted that this issue concerns approximately a quarter of a million acres of the potentially most valuable land in the state, land where future generations of Alaskans will have their homes, schools and businesses. The economic and social viability of a great many of our present and future municipalities will be heavily dependent on the 14(c)(3) reconveyances, and the state will be spending sizable sums of money on this issue in the future, one way or another. It is important that both the selection process and selection criteria be defined as soon as possible, before adamant and possibly antagonistic decisions are made by those concerned.

Upon discussion with Mr. Myrt Charney, the following interim subcommittee budget figures are proposed:

Per diem - 60 man-days	$ 3,870
Travel	$ 6,230
Secretarial, mailing, phone	$ 1,500
	$11,600

The budget total is an outside figure and hopefully, by using on-going LAA staff and coordinating travel schedules, a portion of this total will not be expended.

JO/js

Attachments: As stated

DUPERE & ASSOCIATES, INC.
510 6TH STREET
JUNEAU, ALASKA 99801

TELEPHONE 586-3553

February 25, 1977

MEMORANDUM

To: Senator Joe Orsini, Chairman
Community and Regional Affairs Committee

From: Robert J. Dupere

Subject: Statutory Guidelines Concerning Conveyance of Lands Under Public Law 92-203 (Alaska Native Claims Settlement Act, December 18, 1971)

Background

Under Section 14(c) of the Act, two sections pertain to conveyance of lands to the public sector in order that the normal governmental infrastructure and services may be provided on an orderly, planned, and, I assume, cost effective basis. Thus the Federal government in the Act was making an in-kind contribution to provide public services in the areas outlined in the Act. These are quoted:

14. (c) "Each patent issued pursuant to subsections (a) and (b) shall be subject to the requirements of this subsection. Upon receipt of a patent or patents:

. . .

(3) "the Village Corporation shall then convey to any Municipal Corporation in the Native village or to the State in trust for any Municipal Corporation established in the Native village in the future, title to the remaining surface estate of the improved land on which the Native village is located and as much additional land as is necessary for community expansion, and appropriate rights-of-way for public use, and other foreseeable community needs: Provided, That the amount of lands to be transferred to the Municipal Corporation or in trust shall be no less than 1,280 acres;

(4) "the Village Corporation shall convey to the Federal Government, State or to the appropriate Municipal Corporation, title to the surface estate for existing airport sites, airway beacons, and other navigation aids, together with such additional acreage and/or easements as are necessary to provide related services and to insure safe approaches to airport runways; and"

Section 17 of the Act established a Joint Federal-State Land Use Planning Commission for Alaska which was to cease to exist according to the Act as of December 31, 1976. It is assumed that its near final report due January 31 as of each year is now available to the Legislature.

Community Plans Required

It would appear to comply with the intent generally outlined in the Federal statutes that the first item of planning for each community would be a "Comprehensive Community Plan." The various elements of a Comprehensive Community Plan, if performed correctly, would be a guide as to the location and amount of acreage required for the various functions of local government [identified as powers in AS 29.48.030 (1) - (22)] and those functions and services provided directly by the State; i.e., Court facilities, airports, general services and those by the Federal government; i.e., hospitals, fish and wildlife, regulatory and research.

Of course, a competent plan allocates areas and acreage for the private sector to include commercial enterprise, heavy and light industry after considering the present and future economic base.

However, in both the Federal Statute and the State law, Chapter 119 LA 1975, (AS 44.47.150) there are no guidelines provided for:

1. A requirement that the acreage outlined in the Comprehensive Plan be transferred in either location or amount of needs.

2. In the absence of a competent Comprehensive Community Plan, no guidelines allocating the acreage for the functions of government outlined in AS 29.48.030 (1) - (22) which, in turn, would allocate between the municipality responsible for providing the service; i.e. ---

   ...Boroughs -- education and other areawide powers
   ...Cities within the Borough -- the nonareawide powers

Unguided and poor allocations can lead to costly corrective actions when the construction of public facilities becomes necessary and can lead to poorly located facilities in regards to serving the community.

Example: Assume an elementary school according to the State guideline should have for this purpose 10 acres. While originally there was 10 acres available and the initially available site was centrally located, it could lose 8 acres due to poor planning guidelines to a "commercial site." Three years later when either the State agency or the Borough is ready for construction of this school, it must either: (a) Buy the 8 acres which could now be in private hands through sale or long-term lease; or (b) Locate in an area not centrally located involving costly busing for the remaining life of the school.

This State has a warehouse of examples of blind land disposal which then resulted in nonconforming use and encroachments on public areas. An example: the many airports which due to the lack of advance land acquisition or early erroneous disposal required reacquisition of the land at inflated prices.

Recommendations

1. The Department of Community and Regional Affairs be given, by statute, planning review of all village transfers required by Section 14 (c) (3) and (4).

2. That Community and Regional Affairs either approve or disapprove the subsequent community plats and/or land allocations which will be presented the Bureau of Land Management for allocation or transfer of the 1,280 acres.

3. That in the absence of an approved plan, guidelines be provided which allocates the 1,280 acres to various functions possible on a percentage basis. (Input here should be from the Community Planning Division of Community and Regional Affairs and other agencies involved.)

4. That in the event a plan is disapproved the municipalities involved, be it cities or borough, are prohibited from investing public funds in potentially inefficient and ineffective facilities without a specific objective review by Community and Regional Affairs which shall base its approval upon a suggestion of revisions to the Community Plan.

5. That where there is a substantial disagreement as to what is a competent Community Comprehensive Plan by the Village Corporation, a three-man mediation committee resolve the differences. The committee appointed be one person selected by the Village Corporation, one by Community and Regional Affairs and the third by the two so appointed.

6. When borough and city planning staffs exist, then services should be available to the Village Corporation in providing the resources for a competent Comprehensive Plan.

7. Where no local planning staff exists, Community and Regional Affairs should be responsible to provide the "local" staff planning by in-house or contract in order to competently administer its trust responsibilities per AS 44.47.

8. That the transfer of the 1,280 acres be to the cities and boroughs according to the Plan or a percentage guideline according to the powers exercised per AS 29.48.030 (1) - (22).

Conclusion

While the above does appear to be a broad-brush approach, it is hoped that it is enough to stimulate a more aggressive approach in recognizing that poor planning and delivery of public facilities and services in rural Alaska will result in hindering private investment therein. Indeed, private investment by the Village Corporation will be more costly and less profitable. The inefficiencies built into the government sector will thereafter have to be paid -- from property taxes on the huge acreage received from the Settlement Act.

RJD

finds is qualified for land benefits under this Act, the Secretary shall issue to the Village Corporation a patent to the surface estate in the number of acres shown in the following table:

If the village had on the 1970 census enumeration date a Native population between—	It shall be entitled to a patent to an area of public lands equal to—
25 and 99	69,120 acres.
100 and 199	92,160 acres.
200 and 399	115,200 acres.
400 and 599	138,240 acres.
600 or more	161,280 acres.

The lands patented shall be those selected by the Village Corporation pursuant to subsection 12(a). In addition, the Secretary shall issue to the Village Corporation a patent to the surface estate in the lands selected pursuant to subsection 12(b).

(b) Immediately after selection by any Village Corporation for a Native village listed in section 16 which the Secretary finds is qualified for land benefits under this Act, the Secretary shall issue to the Village Corporation a patent to the surface estate to 23,040 acres. The lands patented shall be the lands within the township or townships that enclose the Native village, and any additional lands selected by the Village Corporation from the surrounding townships withdrawn for the Native village by subsection 16(a).

Patent requirements.

(c) Each patent issued pursuant to subsections (a) and (b) shall be subject to the requirements of this subsection. Upon receipt of a patent or patents:

(1) the Village Corporation shall first convey to any Native or non-Native occupant, without consideration, title to the surface estate in the tract occupied as a primary place of residence, or as a primary place of business, or as a subsistence campsite, or as headquarters for reindeer husbandry;

(2) the Village Corporation shall then convey to the occupant, either without consideration or upon payment of an amount not in excess of fair market value, determined as of the date of initial occupancy and without regard to any improvements thereon, title to the surface estate in any tract occupied by a nonprofit organization;

(3) the Village Corporation shall then convey to any Municipal Corporation in the Native village or to the State in trust for any Municipal Corporation established in the Native village in the future, title to the remaining surface estate of the improved land on which the Native village is located and as much additional land as is necessary for community expansion, and appropriate rights-of-way for public use, and other foreseeable community needs: *Provided*, That the amount of lands to be transferred to the Municipal Corporation or in trust shall be no less than 1,280 acres;

(4) the Village Corporation shall convey to the Federal Government, State or to the appropriate Municipal Corporation, title to the surface estate for existing airport sites, airway beacons, and other navigation aids, together with such additional acreage and/or easements as are necessary to provide related services and to insure safe approaches to airport runways; and

(5) for a period of ten years after the date of enactment of this Act, the Regional Corporation shall be afforded the opportunity to review and render advice to the Village Corporations on all land sales, leases or other transactions prior to any final commitment.

Sec. 44.47.150. Village land conveyed in trust. (a) The commissioner of the Department of Community and Regional Affairs is designated to accept, administer, and dispose of land conveyed to the state in trust by village corporations under § 14(c)(3) of the Alaska Native Claims Settlement Act (P.L. 92-203, 85 Stat. 703) for the purposes specified in that section.

(b) Transfer of land by sale, lease, right-of-way, easement, or permit, including transfer of surface resources, may be made by the commissioner only after approval of an appropriate village entity such as the traditional council, a village meeting, or a village referendum. Such approval shall be by resolution filed with the department.

(c) Within one complete state fiscal year after the incorporation of a municipality in the village or of a municipality which includes all or part of the village, land acquired under this section shall be conveyed without cost to the municipality, and the municipality shall succeed to all the entrusted interest in the land.

(d) Separate accounts shall be maintained in the name of each village for the land, including the revenues from the land, acquired from each village corporation under this section, and within 90 days of the close of each state fiscal year a statement of the account for each municipality shall be prepared by the commissioner and be made available to the village and to the public upon request.

(e) Upon the conveyance of land to a municipality under this section, the commissioner shall account to the municipality for all profits including interest from the land, and the municipality may then request that the governor submit a request to the legislature for an appropriation for the amount due it.

(f) No title or interest to lands acquired by the department under this section may be acquired by adverse possession or prescription.

(g) For the purposes of this chapter, the term municipality includes only first and second class cities incorporated under the laws of the state. (§ 1 ch 119 SLA 1975)

Minimum and Optional Local Government Services

Services	Boroughs				Cities	
	1st Class	2nd Class	3rd Class	Unorganized	1st Class	2nd Class
Minimum						
1. Assessment & Collection of Taxes						
-Authority	AS 29.33.030	AS 29.33.030	AS 29.41.010			
-Mechanism	AS 29.53	AS 29.53	AS 29.53			
2. Education						
-Authority	AS 29.33.050	AS 29.33.050	AS 29.41.010	AS 14.08	AS 29.43.030[1]	
-Mechanism	AS 14.14.060	AS 14.14.060	AS 14.14.060	AS 14.08	AS 14.14.065	
3. Planning, Platting & Zoning						
-Authority	AS 29.33.070	AS 29.33.070	AS 29.41.010(b)[2]	AS 38.05.037 AS 40.15.075	AS 29.43.040[1]	AS 29.43.040[3]
-Mechanism	AS 29.33.070-245	AS 29.33.070-245	AS 29.41.010(b) AS 29.33.070-245	AS 38.05.037 AS 29.33.210-240	AS 29.33.070-245	AS 29.33.070-245
Optional						
1. General	AS 29.48	AS 29.48	AS 29.48		AS 29.48	AS 29.48
2. Areawide						
-Authority	AS 29.33.250	AS 29.33.250				
-Mechanism	AS 29.33.270-290 local election	AS 29.33.270-290 local election				
3. Nonareawide						
-Authority	AS 29.38.010	AS 29.38.020 AS 29.48.020				
-Mechanism	AS 29.38.010[4] ordinance	AS 29.38.020-050 local election				
4. Service area						
-Authority	AS 29.63.090	AS 29.63.090	AS 29.41.010(b)	AS 29.03.020		
-Mechanism	AS 29.63.090 ordinance	AS 29.63.090 local election	AS 29.41.010(b) AS 29.63.090 local elections			

1. In the unorganized borough only.
2. This service is optional. If planning, platting and zoning functions are not assumed by the borough, the State Division of Lands shall act on platting requests.
3. This service is optional for second class cities in the unorganized borough and in third class boroughs not exercising this service.
4. Some statutory ambiguity.

revised August 10, 1977

	Definition	Involves	Initiated By	Voter Approval	Sales Tax Limitation	Home Rule
Unification	"An organized borough and all cities within the borough may unite to form a single unit of home rule local government" (AS 29.68.240).	A borough and all cities within that borough.	Assembly resolution or by petition (AS 29.68.250).	Majority of all voters residing in first class and home rule cities, and a majority of voters in the remaining area of the borough must approve the creation of a charter commission and at a later date the charter (AS 29.68.330 and AS 29.68.390).	No statutory limitation, but the charter may limit the sales tax rate (AS 29.13.100).	Yes
Consolidation	"Consolidation means dissolution of two or more municipalities and their incorporation as a new municipality" (AS 29.78.010(4)).*	Two or more municipalities.*	Petition only (AS 29.68.030).	Majority of voters residing in the municipalities (AS 29.68.090).	Three percent (AS 29.53.415 and AS 29.53.440).	No**
Merger	"Merger means dissolution of a municipality and its absorption by another municipality" (AS 29.78.010(6)).*	Two or more municipalities.*	Petition only (AS 29.68.030).	Majority of voters residing in the municipalities (AS 29.68.090).	Three percent (AS 29.53.415 and AS 29.53.440).	No***

*"Municipality means a general law municipal corporation and political subdivision, which is a first or second class borough or city, or a third class borough, incorporated under the laws of the state" (AS 29.78.010(8)).

**A municipality incorporates first as a general law municipality and if it is a first class municipality it may adopt a home rule charter (see AS 29.13.010).

***Unless the absorbing municipality is a home rule municipality.

December, 1977

shall prepare another proposed charter to be submitted to the voters at a regular or special election to be held within one year after the date of the first charter election. If the second proposed charter is also rejected, the charter commission shall be dissolved and the question of adoption of a charter shall be treated as if it had never been proposed or approved. (§ 2 ch 118 SLA 1972; am § 9 ch 200 SLA 1972)

Effect of amendment. — The 1972 amendment, effective July 1, 1972, substituted "Department of Community and Regional Affairs" for "Local Affairs Agency" in paragraph (2) of subsection (a).

Sec. 29.13.080. Charter amendment. A municipal charter may be amended as provided in the charter or by initiative referendum as provided in AS 29.28.060—29.28.110, except that no amendment shall be effective unless ratified by the voters. (§ 2 ch 118 SLA 1972)

Article 2. Home Rule Limitations.

Section
100. Limitation of home rule powers

Sec. 29.13.100. Limitation of home rule powers. Only the following provisions of this title apply to home rule municipalities as prohibitions on acting otherwise than as provided. They supersede existing and prohibit future home rule enactments which provide otherwise:

(1) AS 29.13.080 (charter amendment)
(2) AS 29.18.140 (borough transition)
(3) AS 29.23.020—29.23.050 (city representation and vote on borough assembly)
(4) AS 29.23.250(a) (election and term of mayor)
(5) As 29.23.540 (prohibitions respecting appointment and removal of personnel)
(6) AS 29.23.560 (municipal reports)
(7) AS 29.23.580 (meetings public)
(8) AS 29.28.010, 29.28.020(b) — 29.28.030 (municipal elections)
(9) AS 29.28.130—29.28.250 (recall)
(10) AS 29.33.010(b) (areawide borough powers)
(11) AS 29.33.290(c) (acquisition of additional areawide powers)
(12) AS 29.43.020—29.43.040 (powers of cities outside boroughs)
(13) AS 29.48.033 (garbage and solid waste services)
(14) AS 29.48.035(b) (effect of areawide exercise of borough power)

(15) AS 29.48.035(c) (borough taxing power jurisdiction within cities)
(16) AS 29.48.037 (extraterritorial jurisdiction)
(17) AS 29.48.040—29.48.100 (utilities)
(18) AS 29.48.180 (codification)
(19) Repealed by § 8 ch 147 SLA 1972, effective September 10, 1972.
(20) AS 29.48.210 (expenditure of borough revenue)
(21) AS 29.48.220 (post audit)
(22) AS 29.53.010—29.53.350, 29.53.400 (borough and city property tax)
(23) AS 29.53.415(d) (interest on sales tax)
(24) AS 29.58.180(b) (security for bonds)
(25) AS 29.58.315 (bond attorneys, bond and financial consultants)
(26) AS 29.68.010 (annexation and exclusion)
(27) AS 29.68.030—29.68.110 (merger and consolidation)
(28) AS 29.68.500—29.68.580 (dissolution)
(29) AS 29.73.020 (eminent domain)
(30) AS 29.73.030 (adverse possession)
(31) AS 29.73.040 (taxation of municipalities)
(32) AS 29.73.050 (municipal name changes)
(33) AS 29.23.555 (conflict of interest). (§ 2 ch 1[illegible] SLA 1972; am §§ 2, 8 ch 147 SLA 1972)

Revisor's note (1972).—In ch. 118, SLA 1972, AS 29.48.035(b) was omitted from the list in AS 29.13.100. Since, by its own terms, it applies to home rule municipalities, it has been included here as AS 29.13.100(14); succeeding paragraphs (including the one added by § 2, ch. 147 SLA 1972) have been renumbered. For specific discussion of AS 29.13.100, see 1972 House Journal, p. 1720 or 1972 Senate Journal Supplement No. 3, p. 3.

Effect of amendment. — The 1972 amendment, effective September 10, 1972, added paragraph (33) and repealed paragraph (19).

Chapter 18. Incorporation.

Article
1. Requirements (§§ 29.18.010—29.18.030)
2. Procedures (§§ 29.18.050—29.18.150)
3. Transitional Assistance (§§ 29.18.180—29.18.200)
4. Development Cities (§§ 29.18.220—29.18.460)

Article 1. Requirements.

Section
10. First class cities
20. Second class cities
30. Organized boroughs

Sec. 29.18.010. First class cities. A community having 400 or more permanent residents may incorporate as a first class city. (§ 2 ch 118 SLA 1972)

S C/RA

Call -

Committee Meeting

Thursday 3:00 PM
Feb 23

COASTAL MANAGEMENT
Guidelines & Standards
review

NO MEETING
TODAY!

Article 2. Home Rule Limitations.

Section
100. Limitation of home rule powers

Sec. 29.13.100. Limitation of home rule powers. Only the following provisions of this title apply to home rule municipalities as prohibitions on acting otherwise than as provided. They supersede existing and prohibit future home rule enactments which provide otherwise:

(3) AS 29.23.020 — 29.23.050 (borough assembly representation)

(34) AS 29.33.050, AS 29.41.010(a), AS 14.12.020(a) (responsibility for education on military reservations)

(35) AS 29.58.345 — 29.58.350 (bonded debt for school construction)

(36) AS 29.63.065 (exemption from special assessment)

(37) AS 29.33.090(c) (zoning of state land for homesite entry)

(am § 2 ch 32 SLA 1973; am § 43 ch 53 SLA 1973; am § 2 ch 137 SLA 1975; am § 2 ch 114 SLA 1975; am § 3 ch 218 SLA 1976; am § 4 ch 142 SLA 1977)

Effect of amendments.

The first 1973 amendment added paragraph (34).

The second 1973 amendment deleted "city representation and vote on" preceding "borough assembly" and added "representation" to the end of paragraph (3).

The 1974 amendment added paragraph (35).

The 1975 amendment added paragraph (36).

The 1976 amendment substituted "AS 29.58.345" for "AS 29.58.340" at the beginning of paragraph (35).

The 1977 amendment added paragraph (37).

As the rest of the section was not affected by the amendments, it is not set out.

Editor's note. — Section 1, ch. 142, SLA 1977, provides: "PURPOSE OF ACT. The longstanding policy of the state, declared in the Constitution of the State of Alaska (art. VIII, sec. 1) and the Alaska Land Act (AS 38.05.350), has been to encourage the settlement of the state's land and the development of its resources by making them available for maximum use consistent with the public interest. In authorizing the classification of land for settlement as homesites, this Act is intended to further that policy explicitly, by recognizing that the immediate production of revenues to the state through the auction of land to the highest bidder, virtually the only method by which state land has been made available to the public for residential use, is secondary in importance to the primary, and ultimately more beneficial and productive, goal of providing land for Alaskans to settle at a cost reasonably within their means, and that the highest and best use of some land may clearly be for habitation."

Legislative committee report. — For report on ch. 53, SLA 1973 (CSHB 382), see 1973 House Journal, pp. 793, 885.

For discussion of constitutional limitation on home-rule powers, see Jefferson v. State, Sup. Ct. Op. No. 1084 (File No. 2000), 527 P.2d 37 (1974).

Applied in Roderick v. Sullivan, Sup. Ct. Op. No. 1099 (File No. 2243), 528 P.2d 450 (1974).

Chapter 18. Incorporation.

Article 1. Requirements.

Section
10. [Repealed]
11. Incorporation of cities
20. [Repealed]
21. Limitations on incorporation of cities

P R E L I M I N A R Y
A N N U A L R E P O R T

FISCAL YEAR 1978

STATE AID TO LOCAL GOVERNMENTS

MUNICIPAL SERVICES REVENUE SHARING PROGRAM

(AS 43.18.010 - 045)

STATE OF ALASKA
DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS
DIVISION OF LOCAL GOVERNMENT ASSISTANCE
POUCH B
JUNEAU, ALASKA 99811
MAY 1978

Expenditures for the State Aid to Local Governments Municipal Services Revenue Sharing Program during the period July 1, 1977 to June 30, 1978 are as follows:

GRANT ENTITLEMENTS BY CLASSIFICATION OF MUNICIPAL SERVICES

	Applicants Participating	Approved Entitlements
Police Protection	86	$ 3,012,546
Fire Protection	127	2,659,798
Air/Water Pollution	49	745,616
Land Use Planning	29	737,622
Parks and Recreation	104	1,883,097
Transportation Facilities	39	2,179,793
Road Maintenance		
Public Roads	77	1,856,273
Ice Roads	6	106,389
Health Services	11	545,622
Hospitals	13	1,522,000
Health Facilities	62	1,009,000
Construction Aid Matching Funds	3	947,500
Entitlements		$17,205,256
Cost-of-Living Allowance (COLA)		1,178,573
Total Entitlements		$18,383,829

GRANT ENTITLEMENTS BY CLASSIFICATION OF RECIPIENT

	Applicants Participating	Approved Entitlements
Organized Boroughs	7	$ 2,300,982
Unified Governments	3	9,499,734
Home Rule Cities	11	3,000,872
First Class Cities	20	940,869
Second Class Cities	85	1,414,698
Unorganized Borough Fire Protection Groups	19	48,101
Entitlements	145	$17,205,256
Cost-of-Living Allowance (COLA)		1,178,573
Total Entitlements		$18,383,829

RATES USED TO COMPUTE GRANT ENTITLEMENTS
UNDER THE STATE AID TO LOCAL GOVERNMENTS
MUNICIPAL SERVICES REVENUE SHARING PROGRAM

Municipal Services	Rates
Police Protection	$12 per capita
Military	6 per capita
Fire Protection	$7.50 per capita
Air/Water Pollution	$2 per capita
Land Use Planning	$2 per capita
Parks and Recreation	$5 per capita
Military	1.25 per capita
Transportation Facilities	$5 per capita
Military	2.50 per capita
Road Maintenance	
Public Roads	$1,500 per mile*
Ice Roads	900 per mile**
Health Services	$2 per capita
Hospitals	$75,000 per hospital*
	25,000 per hospital**
	1,000 per bed***
Health Facilities	$4,000 per facility*
	1,000 per bed**
Construction Aid	$2,500 per bed

DEFINITIONS

COLA - means cost-of-living allowance used in computing total grant entitlements.

FY 78 - means the fiscal year ending June 30, 1978.

FY 77 - means the fiscal year ending June 30, 1977.

	Total for Boroughs & Unified Govt's	Total for Cities	Total for Fire Protect-ion Groups	Total FY 1978 Entitlements
Police	$ 1,693,878	$ 1,318,668		$ 3,012,546
Fire	1,774,434	837,263	$ 48,101	2,659,798
Air/Water	576,848	168,768		745,616
Land Use Planning	680,342	57,280		737,622
Parks & Recreation	1,472,743	410,354		1,883,097
Transportation	1,889,378	290,415		2,179,793
Roads	837,255	1,125,407		1,962,662
Health Services	433,338	112,284		545,622
Hospitals	929,000	593,000		1,522,000
Health Facilities	691,000	318,000		1,009,000
Construction Aid	822,500	125,000		947,500
Entitlements	11,800,716	5,356,439	48,101	17,205,256
COLA	313,010	857,144	8,419	1,178,573
Total Entitlements	$12,113,726	$ 6,213,583	$56,520	$18,383,829
TOTAL APPROPRIATED TO THE REVENUE SHARING ACCOUNT				$18,656,800
TOTAL DISBURSEMENT ANTICIPATED 1.				18,383,829
EXPECTED BALANCE REMAINING ANTICIPATED 1.				$ 272,971

1. Contingent upon municipalities submitting an audit or certified financial statement by June 30, 1978.

Municipality	Pop.	Police	Fire	Air/Water Pollution	Land Use Planning	Parks and Recreation	Transportation	Roads	Health Services	Hospital Facilities	Health Facilities	Constr. Aid	Entitlement	COLA	Total Entitlement	Prepayments and FY 77 Adjustments	Final Payments
BOROUGHS & UNIFIED GOV'TS																	
Anchorage, Municipality of	180,653	(1,386,030)	(1,351,620)	(361,306)	(361,306)	(922,499)	(1,329,535)	362,455*	(361,306)	404,000***	40,000* 476,000**	822,500	8,378,557	-0-	8,378,557		
Chugiak	5,376		44,070	11,752	11,752	29,380	29,380		11,752								
City Service Area	69,119	817,428	510,893	136,238	136,238	340,595	681,190		136,238								
Girdwood	600		4,500	1,200	1,200	3,000	3,000		1,200								
Glenn Alps	65			130	130		325		130								
Eagle River	7,1??		53,865	14,364	14,364	35,910	35,910		14,364								
Muldoon	23,345		175,087	46,690	46,690	116,725	116,725		46,690								
Rabbit Creek	6,532		48,990	13,064	13,064	32,660	32,660		13,064								
Sand Lake	18,915		141,863	37,830	37,830	94,575	94,575		37,830								
Hillside	8,937		67,027	17,874	17,874	44,685	44,685		17,874								
Spenard	38,816	465,792	291,120	77,632	77,632	194,080	194,080		77,632								
Outside All Serv. Areas	372			744	744		1,860		744								
Oceanview	1,894		14,205	3,788	3,788	9,470	9,470		3,788								
Military	17,135	102,810				21,419	85,675										
Juneau, City and Borough of	20,465	(106,380)	(152,010)	(38,062)	(40,930)	(102,325)	(102,325)	74,100*	(40,930)	75,000*	4,000* 15,000**		751,062	-0-	751,062		
Service Area #1	7,259	87,108	54,443	14,518	14,518	36,295	36,295		14,518								
Service Area #2	1,606	19,272	12,045	3,212	3,212	8,030	8,030		3,212								
Service Area #3	197				394	985	985		394								
Service Area #4	1,370		10,275	2,740	2,740	6,850	6,850		2,740								
Service Area #5	8,369		62,767	16,738	16,738	41,845	41,845		16,738								
Service Area #6	719		5,393		1,438	3,595	3,595		1,438								
Service Area #7	427		3,202	854	854	2,135	2,135		854								
Service Area #8	518		3,885		1,036	2,590	2,590		1,036								
Sitka, City and Borough of	7,650	91,800	57,375		15,300	38,250	38,250	21,840*	15,300	75,000*	4,000* 13,000**		370,115	13,879	383,994		
Bristol Bay Borough	1,311		9,833		2,622	6,555		6,630*					25,640	6,731	32,371		
Fairbanks North Star Borough	60,227		(102,578)	120,454	120,454	301,135	301,135	75,795*					1,044,033	156,605	1,200,638		
Military Annex	5,995					7,494	14,988										
North Star Fire Area	6,500		48,750														
University Fire Area	7,177		53,828														
Kenai Peninsula Borough	24,611			49,222	49,222					225,000*	4,000* 64,000**		437,759	32,832	470,591		
Nikiski Fire Area	3,512		26,340														
North Kenai Rec. Area	3,995					19,975											
Ketchikan Gateway Borough	11,490				22,980		57,450						84,555	-0-	84,555		
Shoreline Fire Area	550		4,125														
Kodiak Island Borough	7,901		(12,300)		15,802	9,890		13,500*	15,802	75,000*	20,000* 31,000**		193,294	14,497	207,791		
Fire District #1	1,546		11,595														
Karluk Fire Area	94		705														
Matanuska-Susitna Borough	16,724		(58,253)		33,448	64,620		53,955*		75,000*			285,276	10,698	295,974		
Butte Fire Area	1,742		13,065														
Palmer Fire Area	2,485		18,638														
Sutton Fire Area	569		4,267														
Wasilla Fire Area	2,971		22,283														
North Slope Borough	9,139	109,668		(7,804)	18,278		45,695	28,980*			20,000*		230,425	77,768	308,193		
Wainwright Sewer Area	398			796													
Deadhorse Sewer Area	3,504			7,008													
TOTALS		1,693,878	1,774,434	576,848	680,342	1,472,743	1,889,378	837,255	433,338	929,000	691,000	822,500	11,800,716	313,010	12,113,726		

See Page 3 for an explanation of the asterisked amounts under the categories of Roads, Health Facilities, and Hospitals.

Municipality	Pop.	Police	Fire	Air/Water Pollution	Land Use Planning	Parks and Recreation	Transportation	Roads	Health Services	Hospital Facilities	Health Facilities	Constr. Aid	Entitlement	COLA	Total Entitlement	Prepayments and FY 77 Adjustments	Final Payments
CITIES																	
Akhiok	102	DID NOT SUBMIT AN APPLICATION															
Akiachak[1]	354	4,248	2,655			1,770		3,000* 8,100**			4,000*		23,773	7,132	30,905		
Akiak[1]	165					825							825	248	1,073		
Akolmiut	608	7,296	4,560			3,040		40,275**			8,000*		63,171	18,951	82,122		
Alakanuk	527	6,324	3,953			2,635		6,000* 3,600**					22,512	6,754	29,266		
Aleknagik	227	DID NOT SUBMIT AN APPLICATION															
Allakaket	164		1,230			820							2,050	692	2,742		
Ambler	217	2,604	1,628	434		1,085		7,095*			4,000*		16,846	5,686	22,532		
Anaktuvuk Pass	150	DID NOT SUBMIT AN APPLICATION															
Anderson Military	470 228	5,640 1,368	3,525			2,350 285	2,350 570	7,500*					23,588	7,961	31,549		
Angoon	287	3,444	2,153	574	574	1,435	1,435	7,770*					17,385	652	18,037		
Aniak	323	3,876	2,423			1,615		6,150*			4,000*		18,064	6,097	24,161		
Anvik	87	DID NOT SUBMIT AN APPLICATION															
Atmautluak	169	2,028	1,268			845					4,000*		8,141	2,442	10,583		
Barrow[1]	2,306		17,295			11,530							28,825	9,728	38,553		
Bethel	3,409	40,908	25,568	6,818	6,818	17,045	17,045	10,050* 43,200**			36,000**		203,452	61,036	264,488		
Brevig Mission[1]	120	1,440	900					420*			4,000*		6,760	1,775	8,535		
Buckland	172	DID NOT SUBMIT AN APPLICATION															
Chefornak	192		1,440										1,440	432	1,872		
Chevak	447	5,364				2,235							7,599	2,280	9,879		
Chuathbaluk[1]	118	1,416	885			590					4,000*		6,891	2,326	9,217		
SUBTOTALS		85,956	69,483	7,826	7,392	48,105	21,400	143,160	-0-	-0-	68,000	-0-	451,322	134,192	585,514		

1. Payment of grant entitlement contingent upon an audit or certified statement of income and expenditures being submitted before June 30, 1978.

See Page 3 for an explanation of the asterisked amounts under the categories of Roads, Hospitals, and Health Facilities.

Municipality	Pop.	Police	Fire	Air/Water Pollution	Land Use Planning	Parks and Recreation	Transportation	Roads	Health Services	Hospital Facilities	Health Facilities	Constr. Aid	Entitlement	COLA	Total Entitlement	Prepayments and FY 77 Adjustments	Final Payments
Clark's Point	98	DID NOT SUBMIT AN APPLICATION															
Cordova	2,406	28,872	18,045	4,812	4,812	12,030	12,030	11,700*	4,812	75,000*	12,000*		184,113	27,617	211,730		
Craig	467	5,604	3,503	934	934	2,335	2,335	6,405*			4,000*		26,050	-0-	26,050		
Deering	100	1,200	750			500					4,000*		6,450	2,177	8,627		
Delta Junction	892		6,690			4,460		12,330*			4,000*		27,480	4,122	31,602		
Dillingham	1,269	15,228	9,518	2,538	2,538	6,345	6,345	5,610*					48,122	12,632	60,754		
Diomede	135		1,013								4,000*		5,013	1,316	6,329		
Eagle	145					725		3,540*					4,265	640	4,905		
Eek[1]	195	2,340	1,463			975							4,778	1,433	6,211		
Ekwok	109	DID NOT SUBMIT AN APPLICATION															
Elim[1]	205	2,460	1,538	410		1,025					4,000*		9,433	2,476	11,909		
Emmonak	545	6,540				2,725		3,615*					12,880	3,864	16,744		
Fairbanks	30,462	365,544	228,465	60,924				127,875*	60,924	126,000***	25,000**	70,000	1,100,702	165,105	1,265,807		
Military Annex	5,995	35,970															
Fort Yukon[1]	637	7,644	4,778		1,274	3,185		23,070*					39,951	13,483	53,434		
Fortuna Ledge[1]	200	2,400	1,500								4,000*		7,900	2,370	10,270		
Galena	631	7,572	4,733	1,262		3,155		8,370*			4,000*		31,028	10,472	41,500		
Military	267	1,602				334											
Gambell	412	4,944											4,944	1,298	6,242		
Golovin	118	DID NOT SUBMIT AN APPLICATION															
Goodnews Bay	248		1,860	496		1,240							3,596	1,079	4,675		
Grayling[1]	189		1,418	378									1,796	606	2,402		
Haines	1,366	16,392	10,245	2,732	2,732	6,830	6,830	15,375*					61,136	4,585	65,721		
SUBTOTALS		504,312	295,519	74,486	12,290	45,864	27,540	217,890	65,736	201,000	65,000	70,000	1,579,637	255,275	1,834,912		

1. Payment of grant entitlement contingent upon an audit or certified statement of income and expenditures being submitted before June 30, 1978.

See Page 3 for an explanation of the asterisked amounts under the categories of Roads, Hospitals, and Health Facilities.

Municipality	Pop.	Police	Fire	Air/Water Pollution	Land Use Planning	Parks and Recreation	Transportation	Roads	Health Services	Hospital Facilities	Health Facilities	Constr. Aid	Entitlement	COLA	Total Entitlement	and FY 77 Adjustments	Final Payments
Holy Cross	212		1,590	424		1,060		6,000*			4,000*		13,074	4,412	17,486		
Homer	1,802	21,624	13,515	3,604		9,010	9,010	12,795*					69,558	5,217	74,775		
Hoonah[1]	848	10,176	6,360	1,696		4,240	4,240						26,712	2,003	28,715		
Hooper Bay	590	DID NOT SUBMIT AN APPLICATION															
Houston	375		2,813			1,875		35,175*					39,863	1,495	41,358		
Hughes	98		735			490							1,225	413	1,638		
Huslia	216		1,620	432		1,080		23,355*			4,000*		30,487	10,289	40,776		
Hydaburg[1]	380		2,850	760		1,900	1,900	3,240*			4,000*		14,650	-0-	14,650		
Kachemak	151	DID NOT SUBMIT AN APPLICATION															
Kake	679	8,148	5,093	1,358		3,395		1,530*					19,524	732	20,256		
Kaktovik	123		923			615							1,538	519	2,057		
Kaltag	240		1,800	480		1,200		1,665*					5,145	1,736	6,881		
Kasaan	38		285			190					4,000*		4,475	-0-	4,475		
Kenai	5,364	64,368	40,230	10,728		26,820	26,820	59,955*					228,921	17,169	246,090		
Ketchikan	7,928	95,136	59,460			39,640	39,640	24,900*	15,856	92,000***	8,000* 19,000**		393,632	-0-	393,632		
Kiana	314	3,768				1,570		3,780*			4,000*		13,118	4,427	17,545		
King Cove	408	4,896	3,060	816		2,040	2,040				4,000*		16,852	4,424	21,276		
Kivalina	208	2,496	1,560			1,040		1,500*			4,000*		10,596	3,576	14,172		
Klawock	323	3,876	2,423			1,615		2,535*			4,000*		14,449	-0-	14,449		
Kobuk[1]	60		450								4,000*		4,450	1,502	5,952		
Kodiak	4,960	59,520	37,200	9,920		24,800	24,800	21,420*					177,660	13,325	190,985		
Kotlik	284	3,408				1,420					4,000*		8,828	2,648	11,476		
SUBTOTALS		277,416	181,967	30,218	-0-	124,000	108,450	197,850	15,856	92,000	67,000	-0-	1,094,757	73,887	1,168,644		

1. Payment of grant entitlement contingent upon an audit or certified statement of income and expenditures being submitted before June 30, 1978.

See Page 3 for an explanation of the asterisked amounts under the categories of Roads, Hospitals, and Health Facilities.

Municipality	Pop.	Police	Fire	Air/Water Pollution	Land Use Planning	Parks and Recreation	Transportation	Roads	Health Services	Hospital Facilities	Health Facilities	Constr. Aid	Entitlement	COLA	Total Entitlement	Prepayments and FY 77 Adjustments	Final Payments
Kotzebue	2,526	30,312	18,945	5,052	5,052	12,630	12,630	23,280*					107,901	36,417	144,318		
Koyuk	160	1,920	1,200			800					4,000*		7,920	2,079	9,999		
Koyukuk[1]	124					620					4,000*		4,620	1,559	6,179		
Kupreanof	42	DID NOT SUBMIT AN APPLICATION															
Kwethluk	444	5,328	3,330								4,000*		12,658	3,797	16,455		
Larsen Bay[1]	137		1,028			685							1,713	128	1,841		
Lower Kalskag	195	2,340	1,463	390		975					4,000*		9,168	3,094	12,262		
McGrath	296	3,552	2,220			1,480		8,835*					16,087	5,429	21,516		
Manokotak	225	2,700	1,688										4,388	1,152	5,540		
Mekoryuk	184	2,208	1,380	368		920					4,000*		8,876	2,663	11,539		
Mountain Village[1]	513	6,156	3,848	1,026		2,565					4,000*		17,595	5,279	22,874		
Napakiak	276	3,312	2,070			1,380		3,720*			4,000*		14,482	4,345	18,827		
Napaskiak	210	2,520	1,575										4,095	1,229	5,324		
Nenana	521	6,252	3,908			2,605	2,605	16,140*					31,510	9,453	40,963		
New Stuyahok	230	DID NOT SUBMIT AN APPLICATION															
Newhalen	89	DID NOT SUBMIT AN APPLICATION															
Newtok	124	DID NOT SUBMIT AN APPLICATION															
Nightmute	123	1,476				615							2,091	627	2,718		
Nikolai	85					425		1,380*			4,000*		5,805	1,959	7,764		
Nome	2,585	31,020	19,388	5,170	5,170	12,925		15,420*	5,170	75,000*		55,000	224,263	58,869	283,132		
Nondalton	226	DID NOT SUBMIT AN APPLICATION															
SUBTOTALS		99,096	62,043	12,006	10,222	38,625	15,235	68,775	5,170	75,000	32,000	55,000	473,172	138,079	611,251		

1. Payment of grant entitlement contingent upon an audit or certified statement of income and expenditures being submitted before June 30, 1978

See Page 3 for an explanation of the asterisked amounts under the categories of Roads, Hospitals, and Health Facilities.

Municipality	Pop.	Police	Fire	Air/Water Pollution	Land Use Planning	Parks and Recreation	Transportation	Roads	Health Services	Hospital Facilities	Health Facilities	Constr. Aid	Entitlement	COLA	Total Entitlement	and FY 77 Adjustments	Final Payments
Noorvik	527	6,324	3,953	1,054		2,635		3,300*			4,000*		21,266	7,177	28,443		
North Pole	461	5,532	3,458	922				16,080*					25,992	3,899	29,891		
Nuiqsut	152	DID NOT SUBMIT AN APPLICATION															
Nulato	331					1,655		6,150*					7,805	2,634	10,439		
Old Harbor[1]	327	3,924	2,453	654		1,635	1,635	5,775*					14,076	1,206	17,282		
Ouzinkie	170		1,275			850							2,125	159	2,284		
Palmer	1,859	22,308	13,943	3,718		9,295	9,295	25,275*					83,834	3,144	86,978		
Pelican[1]	169		1,268		338	845	845	1,650*			4,000*		8,946	671	9,617		
Petersburg	2,126	25,512	15,945	4,252		10,630	10,630	13,245*	4,252	75,000*	4,000*		163,466	6,130	169,596		
Pilot Station	301	3,612	2,258	602		1,505		1,500*					9,477	2,843	12,320		
Platinum	59	708	443			295							1,446	434	1,880		
Point Hope	384	DID NOT SUBMIT AN APPLICATION															
Port Alexander	51		383				255						638	24	662		
Port Heiden	89		668			445		39,900*					41,013	10,766	51,779		
Port Lions	227	2,724	1,703			1,135	1,135	3,660*					10,357	777	11,134		
Quinhagak	395	4,740	2,963					240*			4,000*		11,943	3,583	15,526		
Ruby	219		1,643			1,095							2,738	924	3,662		
Russian Mission	158			316				1,320*					1,636	491	2,127		
Saint Mary's	415	4,980	3,113	830		2,075	2,075	8,145* 9,189**			4,000*		34,407	10,322	44,729		
Saint Michael	206	2,472	1,545			1,030					4,000*		9,047	2,375	11,422		
Saint Paul	522	6,264	4,125			2,610		54,450*					67,652	17,759	85,411		
Military	28	168				35											
SUBTOTALS		89,268	61,139	12,348	338	37,770	25,870	189,879	4,252	75,000	24,000	-0-	519,864	75,318	595,182		

1. Payment of grant entitlement contingent upon an audit or certified statement of income and expenditures being submitted before June 30, 1978

See Page 3 for an explanation of the asterisked amounts under the categories of Roads, Hospitals, and Health Facilities.

Municipality	Pop.	Police	Fire	Air/Water Pollution	Land Use Planning	Parks and Recreation	Transportation	Roads	Health Services	Hospital Facilities	Health Facilities	Constr. Aid	Entitlement	COLA	Total Entitlement	Prepayments and FY 77 Adjustments	Final Payments
Sand Point	544		4,080	1,088	1,088	2,720	2,720	16,350*			4,000*		32,046	8,412	40,458		
Savoonga	409	4,908	3,068			2,045					4,000*		14,021	3,681	17,702		
Saxman	272		2,040	544		1,360		4,350*					8,294	-0-	8,294		
Scammon Bay	193	2,316	1,448			965							4,729	1,419	6,148		
Selawik	521	6,252	3,908			2,605							12,765	4,308	17,073		
Seldovia	612	7,344	4,590				3,060	9,315*					24,309	1,823	26,132		
Seward	2,279	27,348	17,093			11,395	11,395	22,558*					89,799	6,735	96,534		
Shageluk[1]	169		1,268			845		3,000* 2,025**			4,000*		11,138	3,759	14,897		
Shaktoolik	160	DID NOT SUBMIT AN APPLICATION															
Sheldon Point	136	DID NOT SUBMIT AN APPLICATION															
Shishmaref	326	3,912	2,445		652	1,630		2,760*			4,000*		15,399	4,042	19,441		
Shungnak[1]	182	2,184				910					4,000*		7,094	2,394	9,488		
Skagway	854	10,248	6,405	1,708		4,270	4,270	14,250*			4,000*		45,151	3,386	48,537		
Soldotna	2,586	31,032	19,395	5,172		12,930	12,930	36,405*					117,864	8,840	126,704		
Stebbins	298	3,576	2,235			1,490							7,301	1,917	9,218		
Tanana	499					2,495		16,575*					19,070	6,436	25,506		
Teller	219	2,628						4,035*			4,000*		10,663	2,799	13,462		
Tenakee Springs	140	1,680	1,050		280	700	700	1,500*					5,910	222	6,132		
Togiak[1]	419	5,028	3,143										8,171	2,145	10,316		
Toksook Bay	317	3,804	2,378	634		1,585					4,000*		12,401	3,720	16,121		
Tuluksak	202	DID NOT SUBMIT AN APPLICATION															
Tununak	299	3,588	2,243								4,000*		9,831	2,949	12,780		
SUBTOTALS		115,848	76,789	9,146	2,020	47,945	35,075	133,133	-0-	-0-	36,000	-0-	455,956	68,987	524,943		

1. Payment of grant entitlement contingent upon an audit or certified statement of income and expenditures being submitted before June 30, 1978

See Page 3 for an explanation of the asterisked amounts under the categories of Roads, Hospitals, and Health Facilities.

Municipality	Pop.	Police	Fire	Air/Water Pollution	Land Use Planning	Parks and Recreation	Transportation	Roads	Health Services	Hospital Facilities	Health Facilities	Constr. Aid	Entitlement	COLA	Total Entitlement	Prepayments and FY 77 Adjustments	Final Payments
Unalakleet	630	7,560			1,260			13,830*			4,000*		26,650	6,996	33,646		
Unalaska	510	6,120	3,825		1,020	2,550		57,630*			4,000* 6,000**		81,145	21,301	102,446		
Upper Kalskag	164	1,968	1,230			820							4,018	1,356	5,374		
Valdez	7,483	89,796	56,123	14,966	14,966	37,415	37,415	10,650*	14,966	75,000*			351,297	65,868	417,165		
Wainwright	341	DID NOT SUBMIT AN APPLICATION															
Wales	109	DID NOT SUBMIT AN APPLICATION															
Wasilla	1,566					7,830		63,435*					71,265	2,672	73,937		
White Mountain [1]	98	NOT ELIGIBLE FOR CATEGORIES															
Whittier	292	3,504	2,190	584	584	1,460	1,460	15,750*			4,000*		29,532	4,430	33,962		
Wrangell	3,152	37,824	23,640	6,304	6,304	15,760	15,760	10,560*	6,304	75,000*	4,000*		201,456	7,555	209,011		
Yakutat	442		3,315	884	884	2,210	2,210	2,865*			4,000*		16,368	1,228	17,596		
SUBTOTALS		146,772	90,323	22,738	25,018	68,045	56,845	174,720	21,270	150,000	26,000	-0-	781,731	111,406	893,137		
TOTAL CITIES		1,318,668	837,263	168,768	57,280	410,354	290,415	1,125,407	112,284	593,000	318,000	125,000	5,356,439	857,144	6,213,583		

1. Payment of grant entitlement contingent upon an audit or certified statement of income and expenditures being submitted before June 30, 1978.

See Page 3 for an explanation of the asterisked amounts under the categories of Roads, Hospitals, and Health Facilities.

Volunteer Fire Departments	Pop.	Fire Protection	Entitlement	COLA	Total Entitlement	Prepayments	Final Entitlement
Akutan	65	488	488	128	616		
Angoon (prorated @ .45205%)	150	509	509	19	528		
Arctic Village	118	885	885	299	1,184		
Atka	88	NO APPLICATION RECEIVED					
Beaver	82	NO APPLICATION RECEIVED					
Belkofski	58	NO APPLICATION RECEIVED					
Birch Creek	40	300	300	45	345		
Chalkyitsik	92	NO APPLICATION RECEIVED					
Chignik	52	NO APPLICATION RECEIVED					
Chignik Lake	134	1,005	1,005	264	1,269		
Circle	45	NO APPLICATION RECEIVED					
Copper Center	433	3,248	3,248	487	3,735		
Cordova	340	2,550	2,550	383	2,933		
Crooked Creek	107	NO APPLICATION RECEIVED					
Delta Junction	725	5,438	5,438	816	6,254		
Dot Lake	83	NO APPLICATION RECEIVED					
Glennallen	1,152	8,640	8,640	1,296	9,936		
Gulkana	75	NO APPLICATION RECEIVED					
Haines	558	4,185	4,185	314	4,499		
Kipnuk	351	2,633	2,633	790	3,423		
Klukwan	145	NO APPLICATION RECEIVED					
Kongiganak	200	NO APPLICATION RECEIVED					
SUBTOTAL		29,881	29,881	4,841	34,722		

Volunteer Fire Departments	Pop.	Fire Protection Entitlement		COLA	Total Entitlement	Prepayments	Final Entitlement
Levelock	95	NO APPLICATION RECEIVED					
Mentasta Lake	80	NO APPLICATION RECEIVED					
Metlakatla	1,051	NO APPLICATION RECEIVED					
Minto	211	WRONG APPLICATION RECEIVED					
Myers Chuck	46	345	345	-0-	345		
Nelson Lagoon	43	NO APPLICATION RECEIVED					
Nenana	267	2,903	2,003	676	2,679		
Noatak	261	NO APPLICATION RECEIVED					
Nome		NO APPLICATION RECEIVED					
Northway Village	198	NO APPLICATION RECEIVED					
Pelican	31	233	233	17	250		
Perryville	101	NO APPLICATION RECEIVED					
Petersburg	488	3,660	3,660	137	3,797		
Pitka's Point	84	NO APPLICATION RECEIVED					
Rampart	64	NO APPLICATION RECEIVED					
Saint George Island	144	NO APPLICATION RECEIVED					
Skagway	15	113	113	8	121		
Sleetmute	121	NO APPLICATION RECEIVED					
Stevens Village	80	NO APPLICATION RECEIVED					
Tok	854	6,405	6,405	961	7,366		
Tri-Valley (Healy)	503	3,773	3,773	1,273	5,046		
Tuntutuliak	225	1,688	1,688	506	2,194		
Yakutat		NO APPLICATION RECEIVED					
SUBTOTAL		18,220	18,220	3,578	21,798		
TOTAL VOLUNTEER FIRE DEPTS.		48,101	48,101	8,419	56,520		

F: CRA
Gruening

Anchorage CENTRAL LABOR COUNCIL

AFL-CIO

P. O. BOX 3187 • ANCHORAGE, ALASKA 99501

January 25, 1978

The Honorable Joseph Orsini
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

At the election held last Thursday by the Anchorage Central Labor Council, AFL-CIO, the following officers were elected for the coming year:

President	Guy Stringham	Laborers Local 71
Vice-President	John Aexander	IBEW 1547
Secretary	Dee Fincher	Retail Clerks 1496
Treasurer	Richard Kleoep	IUOE 302
Trustees	Darryl Berkley	Machinist
	Darrel Smith	Plumbers
	Lamar Wells	Ironworkers
Sgt. At Arms	Bill Steward	Laborers 341

The Anchorage Central Labor Council meets the first and third Thursda, of the month at 8:00 P.M. at the Hotel & Restaurant Workers Hall, 610 W. 6th Avenue, Anchorage, Alaska. We hope you will join us at any meeting. We will also be happy to arrange schedules for you to report to any of our Local Affiliate's Union meetings as well.

Sincerely yours,

Guy Stringham

Guy Stringham
President

GS/DF/cg

P: CRS Yemet

12/77

ASSOCIATION OF ALASKA SCHOOL BOARDS

SUITE 3, 204 NORTH FRANKLIN STREET • JUNEAU, ALASKA 99801 • PHONE 586-1083

A A S B E X E C U T I V E B O A R D

Fremont Hotchkiss, President (Monty)
P.O. Box S-950 (h)745-3363
Palmer, Alaska 99645 (w)278-9537
(November, 1978)

Mary Kay Barsdate, Vice-President
P.O. Box 80174
College, Alaska 99701 (h)456-7226
(November, 1978)

Carolyn Cannava, Secretary-Treasurer
P.O. Box 502
Soldotna, Alaska 99669 (h)262-4340
(November, 1978)

Dick Anderson
P.O. Box 806
Delta Junction, Alaska 99737
(November, 1980)

Darlene Chapman
Box 165 (h)694-2605
Eagle River, Alaska 99577
(November, 1980)

Carl Glick
P.O. Box 528 (w)776-8161
Kenai, Alaska 99611 (h)283-7644
(November, 1980)

Sol Atkinson
Box 441 886-4044
Metlakatla, Alaska 99926
(November, 1979)

Doris Wilke
P.O. Box 86 443-2396
Nome, Alaska 99762 443-2795
(November, 1979)

Caroline Wohlforth
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(November, 1978)

Enid Lincoln
White Mountain, Alaska
99784
(November, 1978)

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(November, 1978)

Jeri Nelson
Box 199
Dillingham, Alaska 99576
(November, 1978)

Joerene Hout
P.O. Box 346
Bethel, Alaska 99559 (h)543-2927
(November, 1978)

F: CRS General APEA

STATE ADMINISTRATIVE COUNCIL

Al-Can GGU John Summar Box 92, Tok 99780 (H) 883-2785 (O) 883-2222

Anchorage GGU Jerry Shriner SRA Box 61 99502 (H) 344-2417 (O) 279-7541

Anchorage Spvr. Vernon Caulkins P.O. Box 439 99501 (H) 337-7090 (O) 277-3796

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Fairbanks No. Str. Joseph Cottingham Box 81066, College 99708 (H) 479-2008 (O) 452-4761

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City of Nome Cussy Reardon Box 281 99762 (H)n/a (O)443-5242

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Valdez Spvr. Janet White Box 114 99686 (H) 835-4317 (O) 835-4344

Parliamentarian Bárbara Bowns, RR 3, Box 3752-A, Ju. 99803 (H) n/a (O) 364-2121

11/8/77 (Bg) 1/9/78
11/23/77
12/20/77

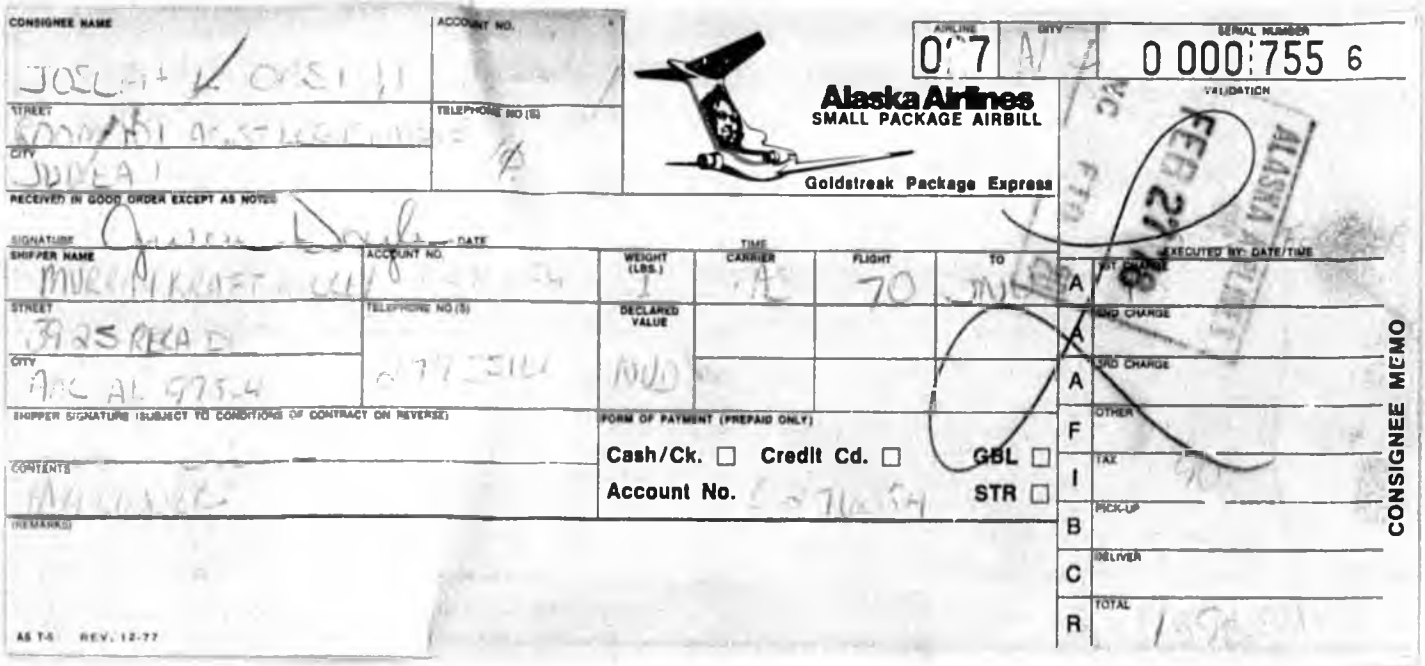
EXECUTIVE COMMITTEE ('77)

Rose Anderson
3713 Randolph
Anch. 99504

Vern Williams
RR 6, Box 4143
Ju. 99803

(Alicemarie)
~~Alice Marie~~ Johnson
2075 Bridgewater
Fbks. 99701

John Pugh (Pres.)
5017 Seton Circle
Anch. 99504



Alaska Airlines
SMALL PACKAGE AIRBILL
Goldstreak Package Express

AIRLINE 07 | CITY | SERIAL NUMBER 0 000 755 6

CONSIGNEE NAME | ACCOUNT NO. | TELEPHONE NO (S)
STREET
CITY
RECEIVED IN GOOD ORDER EXCEPT AS NOTED
SIGNATURE | DATE | TIME

SHIPPER NAME | ACCOUNT NO. | TELEPHONE NO (S)
STREET
CITY
SHIPPER SIGNATURE (SUBJECT TO CONDITIONS OF CONTRACT ON REVERSE)
CONTENTS
REMARKS

WEIGHT (LBS.)	CARRIER	FLIGHT	TO
1	AS	70	JNU
DECLARED VALUE			
NVD			

FORM OF PAYMENT (PREPAID ONLY)
Cash/Ck. ☐ Credit Cd. ☐ GBL ☐
Account No. STR ☐

VALIDATION
EXECUTED BY: DATE/TIME

A	VAT CHARGE
A	END CHARGE
A	SHO CHARGE
F	OTHER
I	TAX
B	PICK-UP
C	DELIVER
R	TOTAL

CONSIGNEE MEMO

AS T-6 REV. 12-77

Carolyn Doggett

E CRA - GENERAL ADMIN.

NEA-ALASKA

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Peter Peterson
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(16)

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Barry Stewart, Pres.
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Yukon Flats Ed. Ass'n
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Yukon-Koyukuk
George Nicholson, Pres.
Hughes, Ak 99745
(12)

Student-NEA
Karen Dandis, Pres.
1806 Cleveland Dr.
Anchorage, Ak. 99503

Waneta Coring, Contact
Box 204
Skagway, Ak. 99840

Bristol Bay

Alaska State Legislature

HOUSE COMMUNITY and REGIONAL AFFAIRS COMMITTEE

Lisa Rudd, Chair

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3870

The House Community and Regional Affairs Committee will hold hearings on the following bills during the week of January 30, 1978.

COMMUNITY & REGIONAL AFFAIRS-Room 647, Court Building, 9:00 a.m.

January 30 - Monday	
HB 509	Exempting certain items from sales tax.
HB 578	Levy and collection of sales and use tax by municipalities.
February 1 - Wednesday	
	Review of preliminary draft of guidelines and standards for the Coastal Management Program.
February 3 - Friday	Same schedule as for Wednesday, February 1.

The committee will meet at 9:00 a.m. in room 647 of the Court Building in Juneau (directly across the street from the State Capitol).

We would be very happy to receive testimony from you on any of these bills. You may appear in person at the hearings or you may submit written testimony to the chair at Pouch V, Juneau, Alaska 99811.

Alaska State Legislature

HOUSE COMMUNITY and REGIONAL AFFAIRS COMMITTEE

Lisa Rudd, Chair

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3870

The House Community and Regional Affairs Committee will hold hearings on the following bill and Local Boundary Commission recommendations during the week of Febuary 6, 1978.

COMMUNITY & REGIONAL AFFAIRS - Room 647, Court Building, 9:00 a.m.

Febuary 6 - Monday

Local Boundary Commission	Recommendation for annexation - City of Skagway and Haines Borough

Febuary 8 - Wednesday

Local Boundary Commission	Recommendations for annexation - City of Petersburg.

Febuary 10 - Friday

HB 657	Transferral of tide and submerged lands

The committee will meet at 9:00 a.m. in room 647 of the Court Building in Juneau (directly across the street from the State Capitol).

We would be very happy to receive testimony from you on any of these bills. You may appear in person at the hearings or you may submit written testimony to the chair at Pouch V, Juneau, Alaska 99811.

F: CRA Management

DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

INTRASTATE TRAVEL ITINERARY

Name: Commissioner Lee McAnerney Division: Office of the Commissioner

Date of Departure. 1/26/78 Date of Return: 2/1/78

Destinations:	Dates From-To:	Phone:
Anchorage	1/26 - 1/28	279-7661 (Hotel)
		or 276-3003
Seattle	1/28 - 1/29	(206) 682-7700 (Hotel)
Washington, D.C.	1/29 - 2/1	

Further Information:

1/26 -- 8 a.m. -- AA #67 Departs Juneau
7:25 a.m. -- Arrives Anchorage

While in Anchorage, Commissioner will be attending a Capital Site Planning Commission meeting and a Bond Bank meeting and will be staying at the Sheffield House Hotel, number above.

1/28 -- 8:30 a.m. -- AA #62 Departs Anchorage
1:35 p.m. -- Arrives Seattle

1/29 -- 8:20 a.m. -- NW Orient Departs Seattle
Arrives D.C. (Dulles) (Commissioner McAnerney will be staying at the Hiatt Regency Hotel while in D.C.)

2/1 -- 11:15 a.m. -- United #277 Departs Wash., D.C. (National)
12:12 p.m. -- Arrives Chicago
1:15 p.m. -- United #147 Departs Chicago
3:25 p.m. -- Arrives Seattle
5:05 p.m. -- AA #69 Departs Seattle
8:15 p.m. -- Arrives Juneau

F. C&A
Management

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

January 23, 1978

M E M O R A N D U M

SUBJECT: Legislative Teleconferencing

TO : House and Senate Leadership, Chairmen - Standing and Special Committees

FROM : Jack Doyle, Executive Director

During the 1978 Session, this Agency will implement a Legislative Teleconferencing Network pursuant to Legislative Resolve 93. This is a closed circuit communication system joining the capital to centrally located teleconferencing centers in Fairbanks, Anchorage, Nome, Bethel and Ketchikan. Its mainstay is a 24-hour dedicated audio circuit which will provide Alaskans able to travel to a teleconferencing center, a way of participating in committee hearings or in less formal meetings such as those arranged by legislators for small groups of constituents.

To assure flexibility in scheduling and seating capacity, the following five rooms have been equipped with wall-mounted terminating jacks to the dedicated circuit:

House Judiciary - - - - - Room 124
House State Affairs - - - Room 123-A
House HESS- - - - - - - - Room 112
Senate Resources- - - - - Room 126
Sen. Meland's Office- - - Room 205

Of course, no sound can be transmitted to or from these rooms unless an audioconference is scheduled, in which event the audio terminal will be installed, microphones arranged and electricity supplied the equipment. All such equipment will be kept in the possession of the Legislative Affairs Agency and shall be installed for legislative use by the Teleconferencing Network Coordinator at the request of a legislator.

In addition to the audioconferencing plan, the Legislative Teleconferencing Network Task Force has scheduled three two-way videoconferences for February 16, March 16, and April 13, using the Governor's Conference Room as the Juneau transmission site.

A full description of the teleconference network and a detailed explanation of its use is the subject of a report presented to the Legislative Council by the Legislative Teleconferencing Network Task Force.

The system should be operational by the first week of February. Prior to that time, Peter Fromuth, the Teleconferencing Network Coordinator, will contact you and your staff to discuss its use and methods of operation.

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907-465 3800

February 7, 1978

M E M O R A N D U M

SUBJECT: Videoconferencing

TO : All Legislators

FROM : John C. Doyle, Executive Director

The 24-hour audio circuit provided by the Legislative Teleconferencing Network is now in operation. Legislators wishing to utilize this system to communicate with constituents in Nome, Bethel, Fairbanks, Anchorage and Ketchikan are urged to contact Peter Fromuth, Network Coordinator, Room 505 - Capitol, at 465-4980.

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

POUCH Y STATE CAPITOL
JUNEAU ALASKA 99811
907 465-3830

February 7, 1978

M E M O R A N D U M

SUBJECT: Request for Videoconferencing Proposals

TO : Committee Chairman and House and Senate Leadership

FROM : John C. Doyle, Executive Director J. Doyle

The Legislative Teleconferencing Network has scheduled nine videoconferences for this session, of which three conferences are two-way and six are one-way. Videoconferences will be televised via the State leased satellite and may be watched in communities receiving television as part of the State Television Demonstration Project.

Subjects of high general interest are sought for each conference. Your early selection (no matter how tentative) of pending legislation, or subjects of broad public appeal for teleconferencing, both now and as the session progresses, will help this Agency assure public interest and participation.

Please make your choices known to Peter Fromuth, Network Coordinator, Room 505 - Capitol, at 465-4980.

Enclosure: Videoconference schedule

TABLE 6-1

LEGISLATIVE TELECONFERENCE NETWORK

VIDEOCONFERENCE SCHEDULE FOR 1978
(Videoconference circuits will be available from Noon until 3:25 PM Juneau time)

DATE	COMMUNITIES	CONFIGURATION	MODE	TRANSPONDER #23	OCCASIONAL USE TRANSPONDER
Feb. 16 *1	any except Nome	one-way	-----	yes	----
Feb. 23	Bethel, Anchorage, Juneau	TWO-WAY	TWO FULL CHANNELS	yes	odd numbered transponder
March 2	any except Nome	one-way	-----	yes	----
March 16 *2,*3	Anchorage, Fbx, Juneau	TWO-WAY	Two 1/2 channels	yes	
			or		
			Two Full Channels	yes	even numbered transponder
March 30 *3,*4	any including Nome	one-way	-----	yes	----
April 6 *4	any including Nome	one-way	-----	yes	----
April 13 *3,*5	Nome, Fbx., Juneau	TWO-WAY	Two 1/2 channels	yes	
			or		
			Two Full Channels	yes	odd numbered transponder
April 27	any except Nome	one-way	-----	yes	----
May 11 *6	any except Nome	one-way	-----	yes	----

*1 Optional date, to be decided based upon anticipated overall work load for coordinator prior to this date; does not require special preparations by RCA; utilizes TV Demo. Project transponder #23

*2 After March 1, 1978 Eagle River earth station comes on line; previously available odd numbered "occasional use" transponder will no longer be guaranteed available. However, even numbered (opposite polarization) transponders will be available. Only Eagle River, Bartlett and Lena Pt. are equipped to uplink and downlink these even numbered transponders.

*3 By March 1 RCA will have conducted tests of the feasibility of ½ channel video between all participating communities. If results are positive then subsequent videoconferences can be ½ channel duplex (March 16 and April 13)

*4 Equipment necessary for Nome's participation in both one-way and two-way videoconferencing must be installed on a temporary basis by RCA. Some of this will have to be moved from Bethel. One month transportation and installation time has been allowed. The equipment will be left in Nome for approximately 2 weeks during which time one or two additional one-way videoconferences could be held.

*5 In the event of a negative ½ channel duplex test, use of two full channels remains the only means for two-way videoconferencing for Nome. Nome cannot uplink or down link an even numbered transponder for full channel video. Therefore MTS traffic will have to be temporarily rerouted by RCA to free up an odd numbered occasional use transponder; this is an administrative, not a technical matter.

*6 Optional

F. CRS - Gen. Administration

LMRS

UNITED STATES CONFERENCE OF MAYORS

LABOR-MANAGEMENT RELATIONS SERVICE

1620 Eye Street NW • Suite 616 • Washington DC 20006 • Telephone (202) 293-6790

Mar. 20, 1978 Date

LMRS INVOICE

ALASKA STATE LEGISLATURE

March 28, 1978

MEMORANDUM

To: Myrton Charney
Division of Administrative Services
Legislative Affairs Agency

From: Senator Joe Orsini
Chairman, C/RA Committee

Attached for your handling is a billing for $10.00 for printed background materials in conjunction with Committee hearings on SB 373 and SB 501.

Attachment: US Conference of Mayors
Labor-Management Relations Service
Invoice 222

		QUANTITY	@
$5.00	"Bargaining in Public..."	1	$5.00
5.00	"Impasse Resolution..."	1	5.00

$10.00

$ XXXXXX TOTAL AMOUNT DUE