

HJR

67

COMMITTEE REPORT

HOUSE

(5)

FURTHER: JUDICIARY

(1/11/82)

Date: _____

Mr. Speaker:

The Committee on STATE AFFAIRS has had HJR 67

Proposing an amendment to the Constitution of the State of Alaska relating to the creation of an Alaska capital investment fund.

under consideration and (~~a majority of the committee~~) (~~the committee~~) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendmerts(s)
- replace with CS for _____ same title
- new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

AMENDMENT 2-1-82

OFFERED IN THE HOUSE:

By: State Affairs

To: Amend

HOUSE BILL No. HR 67

SENATE BILL No. _____

PAGE: _____

LINE: _____

pg 1 line 21 change 50% to 25%

add language:
each individual capital project be
submitted to legislature for approval
on individual basis for each
capital project proposed

COMMITTEE REPORT

HOUSE

FURTHER:

(5)

To ↓

Date: 2/1/87

Mr. Speaker:

The Committee on STATE AFFAIRS has had HJR 67

under consideration and reports it back as follows:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HJR 67 (SA) same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]

[Signature]

CHAIRMAN

FISCAL NOTE

(ADMINISTRATIVE COSTS)

I. REQUEST

Bill/Resolution No. HJR 67 (1/11/82)
 Title Create Alaska Capital Investment Fund (Constitutional Amendment)
 Requested by House State Affairs Committee Date 1/25/82

II. FISCAL DETAIL

Agency Affected Department of Revenue
 Program Category Affected Revenue Collection & Management
 BRU, Program, Or Subprogram(s) Affected Treasury Management
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	S E E A N A L Y S I S S E C T I O N					
	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

S E E A N A L Y S I S S E C T I O N

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

S E E A N A L Y S I S S E C T I O N

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME						
PART TIME						
TEMPORARY						

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

Constitutional amendment would establish/create Alaska Capital Investment Fund. To be managed by Board of Trustees as PROVIDED FOR BY SUBSEQUENT LAW.

Because fund management will be provided for by subsequent law, fiscal impact as to administrative costs at this time is indeterminate as final form of organization, investments allowed, drawdown cycles, etc. will determine nature and extent of staff, contractual costs to be incurred, etc.

Administrative costs, however, should be paid from/charged to fund income to properly distribute costs and provide true rate of return information.

Anselm C. Staack

IV. DATE January 25, 1982 PREPARED BY Anselm C. Staack, Treasury Comptroller
 AGENCY Dept. of Revenue/Treasury Division

Original: Legislative Finance PHONE 465-2350
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HJR 67
 Title Creation of an Alaska Capital Investment Fund
 Requested by House State Affairs Committee Date 1/25/82

II. FISCAL DETAIL

Agency Affected _____
 Program Category Affected _____
 BRU, Program, Or Subprogram(s) Affected _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Millions of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND			(1080)	(1279)	(1443)	(1669)
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME						
PAPT TIME						
TEMPORARY						

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

The above figures represent the projected fifty percent contribution rate to the Alaska Capital Investment Fund. Royalty sale proceeds are not included in the estimates since bids are impossible to anticipate prior to sale.

It was assumed the amendment would become effective July 1, 1983.

Robert W. Elliott

IV. DATE 1/25/82 PREPARED BY Robert W. Elliott
 AGENCY Revenue
 PHONE 465-2173

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH 5
JUNEAU, ALASKA 99811
PHONE: (907) 465-2300

January 26, 1982

The Honorable Ray H. Metcalfe
Chairman
House State Affairs Committee
Room 102 - Capitol Building
Juneau, AK 99811

Re: House Joint Resolution No. 67

Dear Representative Metcalfe:

House Joint Resolution No. 67, proposing an amendment to the Constitution of the State of Alaska relating to the creation of an Alaska capital investment fund, was introduced in the House on January 11, 1982 and was referred to the House State Affairs and Judiciary Committees.

Subsequently on January 25, 1982, House Joint Resolution No. 67 was given a further referral to the House Finance Committee.

For the consideration of the House State Affairs Committee, I am enclosing copies of Fiscal Notes prepared by Mr. Anselm Staack, Treasury Comptroller, Department of Revenue and Mr. Robert W. Elliott, Research Analyst, Research Section, Department of Revenue concerning the proposed legislation.

Sincerely,



R. D. Stevenson
Special Assistant

RDS:m11
Enclosure

cc: The Honorable Ramona L. Barnes
Chairwoman
House Judiciary Committee

The Honorable Albert P. Adams
Chairman
House Finance Committee

Anselm Staack, Comptroller
Treasury Division
Department of Revenue

Vincent Wright
Research Section
Department of Revenue

Joseph K. Donohue
Deputy Commissioner,
Taxation
Department of Revenue

REC'D JAN 27 1982

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

HJR 67

FISCAL NOTE

(ADMINISTRATIVE COSTS)

I. REQUEST

Bill/Resolution No. HJR 67 (1/11/82)
Title Create Alaska Capital Investment Fund (Constitutional Amendment)
Requested by House State Affairs Committee Date 1/25/82

II. FISCAL DETAIL

Agency Affected Department of Revenue
Program Category Affected Revenue Collection & Management
BRU, Program, Or Subprogram(s) Affected Treasury Management

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	SEE ANALYSIS SECTION					
	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

	SEE ANALYSIS SECTION					
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	SEE ANALYSIS SECTION					
FULL TIME						
PART TIME						
TEMPORARY						

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

Constitutional amendment would establish/create Alaska Capital Investment Fund. To be managed by Board of Trustees as PROVIDED FOR BY SUBSEQUENT LAW.

Because fund management will be provided for by subsequent law, fiscal impact as to administrative costs at this time is indeterminate as final form of organization, investments allowed, drawdown cycles, etc. will determine nature and extent of staff, contractual costs to be incurred, etc.

Administrative costs, however, should be paid from/charged to fund income to properly distribute costs and provide true rate of return information.

Anselm C. Staack

IV. DATE January 25, 1982 PREPARED BY Anselm C. Staack, Treasury Comptroller
AGENCY Dept. of Revenue/Treasury Division

Original: Legislative Finance PHONE 465-2350
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HJR 67
 Title Creation of an Alaska Capital Investment Fund
 Requested by House State Affairs Committee Date 1/25/82

II. FISCAL DETAIL

Agency Affected _____
 Program Category Affected _____
 BRU, Program, Or Subprogram(s) Affected _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

Millions
 FUNDING (~~Thousands~~ o. Dollars)

GENERAL FUND			(1080)	(1279)	(1443)	(1669)
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The above figures represent the projected fifty percent contribution rate to the Alaska Capital Investment Fund. Royalty sale proceeds are not included in the estimates since bids are impossible to anticipate prior to sale.

It was assumed the amendment would become effective July 1, 1983.

Robert W. Elliott

IV. DATE 1/25/82 PREPARED BY Robert W. Elliott
 AGENCY Revenue
 Original: Legislative Finance PHONE 465-2173
 cc: Budget and Management

Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

HJR 67

FISCAL NOTE

(ADMINISTRATIVE COSTS)

I. REQUEST

Bill/Resolution No. HJR 67 (1/11/82)
Title Create Alaska Capital Investment Fund (Constitutional Amendment)
Requested by House State Affairs Committee Date 1/25/82

II. FISCAL DETAIL

Agency Affected Department of Revenue
Program Category Affected Revenue Collection & Management
BRU, Program, Or Subprogram(s) Affected Treasury Management
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	S E E A N A L Y S I S S E C T I O N					
	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

S E E A N A L Y S I S S E C T I O N

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

S E E A N A L Y S I S S E C T I O N

FULL TIME						
PART TIME						
TEMPORARY						

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

Constitutional amendment would establish/create Alaska Capital Investment Fund. To be managed by Board of Trustees as PROVIDED FOR BY SUBSEQUENT LAW.

Because fund management will be provided for by subsequent law, fiscal impact as to administrative costs at this time is indeterminate as final form of organization, investments allowed, drawdown cycles, etc. will determine nature and extent of staff, contractual costs to be incurred, etc.

Administrative costs, however, should be paid from/charged to fund income to properly distribute costs and provide true rate of return information.

Anselm C. Staack

IV. DATE January 25, 1982 PREPARED BY Anselm C. Staack, Treasury Comptroller
AGENCY Dept. of Revenue/Treasury Division

Original: Legislative Finance PHONE 465-2350
cc: Budget and Management
Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HJR 67
Title Creation of an Alaska Capital Investment Fund
Requested by House State Affairs Committee Date 1/25/82

II. FISCAL DETAIL

Agency Affected _____
Program Category Affected _____
BRU, Program, Or Subprogram(s) Affected _____
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Millions of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND			(1080)	(1279)	(1443)	(1669)
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME						
PART TIME						
TEMPORARY						

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

The above figures represent the projected fifty percent contribution rate to the Alaska Capital Investment Fund. Royalty sale proceeds are not included in the estimates since bids are impossible to anticipate prior to sale.

It was assumed the amendment would become effective July 1, 1983.

Robert W. Elliott

IV. DATE 1/25/82 PREPARED BY Robert W. Elliott
AGENCY Revenue

Original: Legislative Finance PHONE 465-2173
cc: Budget and Management
Prime Sponsor (First Legislator Named)

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHJR 67 (SA) (2/5/82)
 Title Establish Alaska Capital Investment Fund
 Requested by House Judiciary Committee Date 2/25/82

II. FISCAL DETAIL

Agency Affected Department of Revenue
 Program Category Affected Revenue Collection & Management
 BRU, Program, Or Subprogram(s) Affected Treasury Management
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars) SEE ANALYSIS SECTION

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars) SEE ANALYSIS SECTION

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS SEE ANALYSIS SECTION

FULL TIME						
PART TIME						
TEMPORARY						

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

Constitutional amendment would create Alaska Capital Investment Fund. To be managed by Board of Trustees as PROVIDED FOR BY SUBSEQUENT LAW. This CS version places contribution level at 25% of royalties v. 50% in previous version. Project are also now subject to prior legislative approval.

Because fund management will be provided for by subsequent law and projects must receive prior legislative approval, fiscal impact as to administrative costs at this time is indeterminate as final form of organization, projects that may be approved, drawdown cycles, etc. will determine nature and extent of staff and other costs necessary.

Administrative costs, however, should be charged to fund income to establish proper project costs.

Anselm C. Staack

IV. DATE February 25, 1982 PREPARED BY Anselm C. Staack, Treasury Comptroller
 AGENCY Dept. of Revenue, Treasury Division

Original: Legislative Finance PHONE 465-2350
 cc: Budget and Management

Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHJR 67 (State Affairs)
 Title Creation of an Alaska Capital Investment Fund
 Requested by House Judiciary Committee Date 2/8/82

II. FISCAL DETAIL

Agency Affected _____
 Program Category Affected _____
 BRU, Program, Or Subprogram(s) Affected _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (~~Thousands~~ of Dollars)
Millions

GENERAL FUND			(540.0)	(639.4)	(721.4)	834.5
FEDERAL FUNDS						
OTHER (Specify Source)						

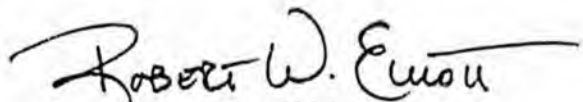
POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The above figures reflect the projected twenty-five percent contribution rate to the Alaska Capital Investment Fund. Royalty sale proceeds are not included in the estimates since bids are impossible to anticipate prior to sales.

It was assumed the amendment would become effective July 1, 1983.


Robert W. Elliott

IV. DATE 2/8/82 PREPARED BY Department of Revenue
 AGENCY Department of Revenue
 PHONE 465-2173
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

ALASKA CAPITAL INVESTMENT FUND

by Joe Hayes

Alaska, in spite of its great wealth, is still virtually undeveloped. Consider that we are about 1/5 the size of the continental United States and still have fewer than 2500 miles of paved highways. We have fewer than 600 miles of railtrack. In fact, considering all of the utilized land in Alaska—including homes, roads, pipelines, airports, and other public and private structures—less than 1% of the land is developed.

Land status in Alaska, rather than allowing for easy access to mineral fields or timber stands, is a patchwork of Federal monuments, wildlife preserves, State parks and other restricted areas along with the relatively limited privately held acreages. In a State where oil produces more than 90 percent of the State's income, our secondary sources of income are so undernourished that, in economic terms, Alaska could be considered an underdeveloped country.

We do have the option to adjust this situation. We have both the time and money to turn our state from a storehouse of natural resource wealth to a world leader in mineral extraction, fisheries, timber production and hydroelectric power. This is all within our grasp.

To develop these resources we have an option known as the Alaska Capital Investment Fund. This concept, introduced by Commonwealth North, is bold, innovative and economically sound. Simply put, the Alaska Capital Investment Fund would be formed by taking a select portion of the State's revenue and investing in projects which generate economic activity which in turn will resupply the State treasury. The projects funded would be those which the private sector could not or would not fund. In the short run these projects might not be economically feasible, but in the long run they would pay for themselves. Several examples of projects which fall into this category would be a deep water port, hydroelectric generation, causeways, and tunnels. All of these projects involve large amounts of money 'up front' but have a useful life rivaling that of a human.

The benefits would be statewide. A deepwater port with a railway spur, for instance, would not only stimulate the shipping industry on the coast, but it would encourage private enterprise to develop such diverse industries as ranching, timber and coal. Each of these industries would, in turn, support subsidiary industries. As far as imports are concerned, ships from Japan would be able to enter Alaskan ports loaded rather than empty. Though it may take years to repay, our children and grandchildren will reap the benefits.

of an Alaska Capital Investment Fund has been so popular
now a proposed amendment to the Constitution of the
State of Alaska. Listed as House Joint Resolution 67, the
Resolution calls for placing at least fifty percent of all moneys
received for mineral lease rentals, royalties, royalty sales
proceeds, federal mineral revenue sharing payments and bonuses
into the Alaska Capital Investment fund. The investment of the
Fund would be determined by a board of trustees appointed by the
Governor and confirmed by a majority of the legislature in joint
session.

This resolution, which I support, could be placed on the General
Ballot this November. Then the people of Alaska may decide how
they wish to spend their money. If any of the readers of the
Alaska Journal of Commerce have any specific questions concerning
the Capital Investment Fund they are urged to contact their
legislator; or they may contact my office and I will see that
their request is properly routed. All legislators have the same
address, Pouch V, Juneau, Alaska, 99811.



Alaska State Legislature

House of Representatives

Committee on State Affairs

Official Business

DATE: February 2, 1982

TO: House State Affairs Committee Member

FROM: Ann Krekelberg, Staff Person
House State Affairs Committee

RE: HJR 67

Attached is a copy of CSHJR 67 which was signed out of committee on February 1, 1982. It will be read across ~~January~~ 5 unless there is a problem with the final.

February

Pouch V
State Capitol
Juneau, Alaska 99811

Introduced: 1/11/82
Referred: State Affairs and
Judiciary

1 IN THE HOUSE

BY METCALFE


2 HOUSE JOINT RESOLUTION NO. 67

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 Proposing an amendment to the Consti-
6 tution of the State of Alaska
7 relating to the creation of an Alaska
8 capital investment fund.

9 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10  * Section 2. Article IX, Constitution of the State of Alaska, is amended
11 by adding a new section to read:

12 SECTION 16. ALASKA CAPITAL INVESTMENT FUND. At least fifty per-
13 cent of all mineral lease rentals, royalties, royalty sales proceeds,
14 federal mineral revenue sharing payments and bonuses received by the
15 State shall be placed in a capital investment fund, which shall be used
16 for the planning, design, and construction of large-scale capital im-
17 provements, regional in scope, which add to the economic infrastructure
18 of the State. The capital investment fund shall be governed by a board
19 of trustees as provided by law. The board of trustees shall be ap-
20 pointed by the governor, subject to confirmation by a majority of the
21 members of the legislature in joint session.

22 * Sec. 3. The amendment proposed by this resolution shall be placed
23 before the voters of the state at the next general election in conformity
24 with art. XIII, sec. 1, Constitution of the State of Alaska, and the election
25 laws of the state.

26

27

28

29

SENATE JOINT RESOLUTION NO.
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE - FIRST SESSION

Proposing amendments to the Consti-
tution of the State of Alaska re-
lating to dedication of revenues to
the Alaska capital investment fund.

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

* Section 1. Article IX, sec. 7, Constitution of the State of Alaska, is amended to read:

SECTION 7. DEDICATED FUNDS. The proceeds of any state tax or license shall not be dedicated to any special purpose, except as provided in Sections [SECTION] 15 and 16 of this article or when required by the federal government for state participation in federal programs. This provision shall not prohibit the continuance of any dedication for special purposes existing upon the date of ratification of this section by the people of Alaska.

* Sec. 2. Article IX, Constitution of the State of Alaska, is amended by adding a new section to read:

SECTION 16. ALASKA CAPITAL INVESTMENT FUND. At least fifty percent of all mineral lease rentals, royalties, royalty sale proceeds,

Alaska's wise futurists

By Jenkin Lloyd Jones

PRUDHOE BAY, Alaska,—The 4,000-foot broad gravel causeway stretches from the flat beach out into a featureless prairie of ice. In the maddeningly shallow Beaufort Sea one has to go far out to find 10 feet of depth to accommodate barges during the frantic four-week August shipping season.

Towboats, stacked on man-made land by a giant crane, are painted a frosty orange in the low noon sun. The Fahrenheit thermometer registers minus one. A 30-knot wind, down from the North Pole only 1,500 miles away, whips the furs of the parka hood. It's not a bad autumn day.

ON THE completely enclosed drilling floors, roustabouts, with the grace and coordination of ballet dancers, wrench apart the drill stems, add new pipe sections, and watch the muds bring up fossilized bits of wood that came from somewhere long before dinosaurs were born.

When I was last here 10 years ago they already had a few of the great drilling pads on which as many as 20 wells can be whipstocked out in a broad fan to tap the fabulous sands, 8,000 to 9,000 feet below and up to 600 feet thick.

But 10 years ago the oil wasn't going anywhere. Giant dumps of Japanese-made flowline, four feet in diameter, were quietly rusting. Environmentalists had the courts clogged with injunctions. The 800-mile pipeline to the ice-free port of Valdez on the Pacific Ocean, they said, would be a raw incision into the fragile tundra of Alaska. The heat would create a perpetual quagmire in the permafrost. The caribou would never find their way across the line to their traditional calving grounds.

THE ARABS opened up Prudhoe. With the OPEC boycott and the instant long lines at our gas stations,

the legal fun and games came to a sudden halt. America wanted oil, period. The pipeline was pushed forward.

Discounting the crazies, who would keep Alaska locked up forever for the benefit of wild animals and upper-middle-class backpackers, environmental concerns undoubtedly paid dividends. Never was a great project built with so much care. Insulated with gravel or raised above the ground, the line has left the frozen surface undisturbed.

Required to build frequent ramps over the pipeline to accommodate the caribou and reindeer, the companies have a standing offer of \$50 to anyone who can photograph an animal using one. They prefer to go under the pipeline, which they do with ease, and munch the rich grasses planted to heal the bulldozer tracks.

PRUDHOE IS, perhaps, the richest single oil field in the world. Jointly developed by Arco and Sohio, it has a recoverable potential of 9.6 billion barrels, and the shallower Kuparuk sands, only now being explored just to the west, are expected to add another three-quarters of a billion.

But it isn't all skittles and beer. At a 1975 federal lease sale in the north-eastern Alaska Gulf, the companies paid more than half a billion dollars for the privilege of drilling 11 dry holes which cost hundreds of millions more. Geologists agree that there are rich pools in Alaska and just offshore, but there's a lot of no-oil, too, and each test costs from \$15 to \$30 million.

THIS IS a big month at Prudhoe, for on November 10 the 2-billionth barrel went into the pipeline. What is 2 billion barrels? Arco's house organ, Arctic Spark, calculates that the same amount of gasoline would fill the tanks of all cars registered in America 35 times, or "fill the mouths

of five average-sized Texans talking about Texas beating Oklahoma in football."

But 2 billion barrels means that one-fifth of Prudhoe's treasure has been gobbled up in less than 4½ years at a rate now up to 1½ million barrels a day.

This has provided the biggest bonanza of public money ever seen by a state. Because of royalties and taxes reaped from Prudhoe, the Alaskan state budget rose from \$150 million in 1969 to \$5 billion in fiscal '82. But what of the future?

A REMARKABLE group of futurists is Commonwealth North of Anchorage, modeled on the famous Commonwealth Club of San Francisco. It includes top business, professional, labor and native leaders willing to meet monthly for a 7 a.m. breakfast.

The 1976 state Legislature, mindful that when oil is gone it's gone, created a Permanent Fund to serve as a savings account for future generations. But Commonwealth North believes that, beyond mere saving, reinvestment is needed.

To dampen the political temptation to dribble the rest of this state heritage away in a series of short-term "citizens' dividends," Commonwealth North has produced a series of carefully researched position papers. One calls for a Capital Investment Fund amounting to roughly another 15 percent of current revenue that would underwrite deep water ports, improved airports, road and railroad expansion, and a hydro-power network to sustain industrial development and create new payrolls long after the flush pools are dry.

During the pioneer phase of other American states, no substantial band of citizens ever thought this way. Grab it, gouge it, gully-out and git were the quadruple curses of westward-moving America. Perhaps Alaska will blaze a smarter trail.

Do not
Duplicate

HJK67

Hugh re Common with North
capital inv fund amend
on floor to get votes
to provide only over 12%

Send portion of capital
investment to local Governments

FISCAL NOTE

(ADMINISTRATIVE COSTS)

I. REQUEST

Bill/Resolution No. HJR 67 (1/11/82)
 Title Create Alaska Capital Investment Fund (Constitutional Amendment)
 Requested by House State Affairs Committee Date 1/25/82

II. FISCAL DETAIL

Agency Affected Department of Revenue
 Program Category Affected Revenue Collection & Management
 BRU, Program, Or Subprogram(s) Affected Treasury Management
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	S E E A N A L Y S I S S E C T I O N					
	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

S E E A N A L Y S I S S E C T I O N

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

S E E A N A L Y S I S S E C T I O N

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME						
PART TIME						
TEMPORARY						

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

Constitutional amendment would establish/create Alaska Capital Investment Fund. To be managed by Board of Trustees as PROVIDED FOR BY SUBSEQUENT LAW.

Because fund management will be provided for by subsequent law, fiscal impact as to administrative costs at this time is indeterminate as final form of organization, investments allowed, drawdown cycles, etc. will determine nature and extent of staff, contractual costs to be incurred, etc.

Administrative costs, however, should be paid from/charged to fund income to properly distribute costs and provide true rate of return information.

Anselm C. Staack

IV. DATE January 25, 1982 PREPARED BY Anselm C. Staack, Treasury Comptroller
 AGENCY Depr. of Revenue/Treasury Division

Original: Legislative Finance PHONE 465-2350

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

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HJR 67
 Title Creation of an Alaska Capital Investment Fund
 Requested by House State Affairs Committee Date 1/25/82

II. FISCAL DETAIL

Agency Affected _____
 Program Category Affected _____
 BRU, Program, Or Subprogram(s) Affected _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

Millions
 FUNDING (~~Thousands~~ of Dollars)

GENERAL FUND			(1080)	(1279)	(1443)	(1669)
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The above figures represent the projected fifty percent contribution rate to the Alaska Capital Investment Fund. Royalty sale proceeds are not included in the estimates since bids are impossible to anticipate prior to sale.

It was assumed the amendment would become effective July 1, 1983.

Robert W. Elliott

IV. DATE 1/25/82 PREPARED BY Robert W. Elliott
 AGENCY Revenue

Original: Legislative Finance PHONE 465-2173

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



Alaska State Legislature

House of Representatives

Committee on State Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

NOTIFICATION SHEET
BILL NO. HR 67

NAME	ORGANIZATION	PHONE NO.
Malcolm Roberts ¹⁻¹⁸	Commonwealth North	274 7011
Joe Donohue	Dept of Revenue - will bring over what they have	
Dept of Transportation	Ron Lind	
Ed Wasil	head, 17 Mutual of NY	
Mal Roberts	Dir. Commonwealth	
DGT	Dir	

BILL #	ABBREVIATED TITLE	CURRENT STATUS	DATE
HJR (57)	AMEND/AK CONSTITUTION/RE: CREATION AK CAP IM	IN (H) JUDICIARY	2/05/82
HB 774	RE/VETERANS' LOANS/ESTAB AK VETERAN'S LOAN F	IN (H) STATE AFFAI	2/12/82
HB 775	SPEC APPROP/AK VETERANS LOAN FUND, DEPT/COM&	IN (H) STATE AFFAI	2/12/82
HB 400	SPEC APPROP/AK POWER AUTH/TERROR LAKE HYDRO	IN (H) RESOURCES	2/04/81

*** **



HOUSE CALENDAR

OFFICIAL BUSINESS OF THE HOUSE

SIXTY-SIXTH DAY

Wednesday

CHAPLAIN: Father John Larsen
Holy Trinity Episcopal Church

March 17, 1982
Convenes: 10:00 a.m.

SECOND READING OF HOUSE RESOLUTIONS

- HJR 22 "Proposing amendments to the Constitution of the State of Alaska relating to the attorney general."
-Judiciary report, p.191, replace w/CS HJR 22 (Jud)
- HCR 51 "Relating to enhancement of wildlife populations through predator management."
-Resources report, p.164
- HJR 76 "Relating to the enhancement of wildlife populations through predator management."
-Resources report, p.165, replace w/CS HJR 76 (Res)
- HCR 52 "Relating to habitat management."
-Resources report, p.165
- HJR 75 "Relating to habitat management."
-Resources report, p.165

SECOND READING OF HOUSE BILLS

- HB 457 "An Act making a special appropriation to the City of Cordova for the Chenega village relocation; and providing for an effective date."
-C&RA report, p.1374 (1981) replace w/CS HB 457 (C&RA)-New Title:"An Act making a special appropriation for the Chenega village relocation; and providing for an effective date."
-Finance report, p.689 (1982) replace w/CS HB 457(C&RA)
- HB 668 "An Act providing the division of fish and wildlife protection, Department of Public Safety access to confidential reports and records of the Department of Fish and Game related to commercial fishing; and providing for an effective date."
-Resources report, p.542
-Judiciary referral waived 2/22/82
-Zero fiscal note in House Supplement No. 16

SECOND READING OF HOUSE BILLS - continued

HB 47 "An Act establishing mandatory imprisonment and fines as penalties for violation of hunting laws prohibiting waste of moose and caribou."
-Resources report, p.1623 (1981) replace w/CS HB 47 (Res)-New Title: "An Act relating to the prohibition against waste of the meat of wild food animals."
-Judiciary report, p.631 (1982) replace w/CS HB 47 (Jud)-New Title: "An Act relating to the prohibition against waste of the meat of big game animals and wild fowl."

Two zero fiscal notes w/analysis in House Supplement No. 19.

SECOND READING OF SENATE BILLS

CSSB 145 (SA) "An Act providing for free resident hunting and sport fishing licenses for disabled veterans; and providing for an effective date."
-Finance report, p.167, Do pass with amendment: Page 1, line 20, delete "1982" and insert "1983"

Fiscal note w/analysis in House Supplement No. 7.

ANNOUNCEMENTS

Legis. Budget & Audit Com.

H. Fin. Com. Room

8:15 a.m. March 18

Daily Committee Announcements on Back
(subject to change)

HOUSE

DAILY COMMITTEE ANNOUNCEMENTS

DATE: WEDNESDAY, March 17, 1982
Prepared by the Chief Clerk's Office

** indicates first public hearing.

<p><u>COMMUNITY & REGIONAL AFFAIRS</u> Capitol 102 - MWF - 8:30 to 9:45am</p> <p><u>NO MEETING SCHEDULED</u></p>	<p><u>JUDICIARY</u> Capitol 124 - 1:15 daily</p> <p>HJR 67 - Alaska Capital Investment Fund</p> <p>**HB 753 - Allowing collection of signatures on initiative, referendum, and recall petitions in shopping mall, e.d.</p>	<p><u>RULES</u> Capitol 204</p> <p><u>NO MEETING SCHEDULED</u></p>
<p><u>FINANCE</u> Capitol 519</p> <p>2:45 p.m. Legislature Subcommittee Work Session Room 519 Cap.</p>	<p><u>LABOR & COMMERCE</u> Behrens Conf. Rm. - Mon-Thu - 1-3:00pm</p> <p>**HB 806 - Hazardous or toxic substances</p> <p>**HB 886 - Financial statements/corporations</p> <p>**HB 870 - Installment/fiberglass ducts/buildings</p>	<p><u>STATE AFFAIRS</u> Capitol 102 - 1:00 to 3:00pm</p> <p>HB 852 - Relating to the filing of conflict of interest statements/officials and candidates</p> <p>HB 796 - Reassigning responsibilities of APOC/term. its existence/amend laws relating to campaign disclosure/conflict/lobbying/e.d.</p> <p>**SB 167 - Election campaigns/composition and responsibility of APOC, e.d.</p>
<p><u>HEALTH, EDUCATION & SOCIAL SERVICES</u> Capitol 112 - MWF - 3:00 to 4:30pm</p> <p>**HB 745 - Payment of costs for autopsies</p> <p>**HB 751 - Appro/Senior Citizens home/Barrow</p> <p>**HB 761 - Teachers retirement</p>	<p><u>RESOURCES</u> Capitol 118 - 3:00 to 5:00pm</p> <p>**SB 666 - Relating to the mining loan fund</p> <p>**HB 742 - Relating to mineral interest in state land</p>	<p><u>TRANSPORTATION</u> Capitol 112 - 8:30am daily</p> <p>**CSSJR 66 - Relating to Coast Guard user fees</p> <p>**HB 690 - Special appro/DOITPF/pedestrian/bicycle path at Kodiak/e.d.</p>

How would you feel if the
proposed legislation over
run were dedicated to to
capital investment

court would deem project 80. to fall within
in scope as written

✓ fifteen VS Fifty

✓ add language specifying return
nature of plan

patrol corps,

options of choice

Project 80's too narrow not specific
enough

approval by leg. of directors

leg offer options to look at

HJR 67

The Capital Investment Fund

A proposal by
Commonwealth North

SITUATION

**The
need
to build
an
economic
backbone**

In 1976 the Legislature and the people of Alaska approved the creation of a state Permanent Fund, a savings account for future generations. Now, another fund is needed to provide what the Permanent Fund cannot—investment in an infrastructure.

The Alaska Capital Investment Fund offers the state an opportunity to transcend its colonial economy and hasten the day when it can join its sister states in the benefits which a broad-based market economy brings.

FREEDOM FROM “BOOM AND BUST”

Alaska is fortunate to be enjoying a time of revenue surplus. The state's leadership can now free the state from its inordinate dependence on the South 48 and build a year-round economy.

If Alaska is not to go the way of the boom towns of the western frontier, it is imperative that there be reinvestment of current revenues within the state. That reinvestment should be in projects which create an economic backbone on which the private sector can build.

WHERE SHOULD WE INVEST? ALASKA!

Alaska's surface transportation facilities are woefully deficient. The Alaska Railroad operates only between Seward and Fairbanks, leaving huge areas without rail service. America's interstate highway system does not touch Alaska—alone of all the states. In Alaska the basic means of transportation for people and freight is by air, the most expensive of all means of travel and commerce.

Much of the same can be said of the state's basic utilities. There is a clear need to develop cost-effective, modern utilities and to integrate them wherever possible.

WE HAVE THE OPPORTUNITY AND THE ABILITY.

Historically, Alaska has been capital-poor. Now, however, Alaska's public sector has the opportunity and the ability to invest in the most meaningful form of capital, the transportation and power projects that will allow the economy to diversify. This type of capital development also inherently contains the ability to achieve a goal of great merit: it can knit together rural and urban Alaska.

A UNIQUE STATE—A UNIQUE SOLUTION

This brochure describes how such an Alaska Capital Investment Fund can be established and how it might best be managed.

Parallel institutions in other states and Canada have been studied, including the Texas Railroad Commission, the Seattle Port Authority and the Alberta Heritage Fund. None of them, however, reflects the unique opportunity faced by the current generation of Alaskans.

This unique situation requires a unique solution.

SOLUTION

Alaska Capital Investment Fund



RESOURCE DEVELOPMENT
Over 95% of state revenue

Generates economic activity that in turn re-supplies state treasury.

10% of revenues
(expected to increase to 15 to 20%)*

STATE TREASURY

15% of revenues

75% of revenues

PERMANENT FUND

interest earned
returns to
General Fund

ALASKA CAPITAL INVESTMENT FUND

Energy and
transportation
infrastructure

GENERAL FUND

1. State operations and housekeeping.
2. Capital improvements/schools, libraries, government buildings.
3. Loan programs.

*Note: Through special appropriations, the legislature has dedicated much greater amounts to the Permanent Fund than required by law. In fiscal year 1981-82, 29% of revenues were so dedicated. In FY 1981-82, 11%. (Source: Alaska Department of Revenue)

The aim of the Alaska Capital Investment Fund is to channel a portion (roughly 15%) of current revenues into the financing of Alaska's economic infrastructure. This fund will provide the mechanism for addressing basic major project needs in a controlled, coordinated fashion. It will ensure maximum positive ripple effects through all segments of the economy in both rural and urban Alaska.

ENERGY AND TRANSPORTATION— ALASKA NEEDS TO START NOW.

Many legislative leaders have gone on record in support of utilizing part of the state's resource revenues to provide Alaskans with inflation-proof energy and vital transportation links. The Alaska Capital Investment Fund would ensure that such projects take place on a timely basis and in a manner compatible with Alaska's environmental and social needs.

THE PERMANENT FUND SERVES ONE NEED— THE INVESTMENT FUND ANOTHER.

Certainly, the existing Permanent Fund represents a step toward ensuring that a portion of Alaska's wealth is preserved for future generations. The Alaska Capital Investment Fund represents a second, and equally important, step to secure benefits for future Alaskans. Unlike the Permanent Fund, this fund would be mandated to invest the dollars which belong to all Alaskans within the state itself for the benefit of both this generation and those to follow.

THE "DIVIDENDS"—NEW JOBS, NEW SERVICES AND ECONOMIC SECURITY.

Through the Capital Investment Fund, the principal will be put to work immediately in Alaska. Its "dividends" will include employment opportunities created by the projects; services to Alaskans derived from the completed projects themselves; and future economic security and stimulation based upon the bedrock of the fund's capital investments.

Implementation of this concept will provide jobs throughout Alaska and provide a more equal access to the promising opportunities that will be available in the years ahead.

THE CREATION AND MANAGEMENT OF THE FUND.

The formula for dedicating revenues to the Alaska Capital Investment Fund involves no legal novelty, as the operation of the Permanent Fund has demonstrated.

A constitutional amendment has been drafted for the consideration of the Legislature (see below). When passed, it would be placed before the voters of the state for ratification—hopefully at the general election in November 1982.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA that Article IX, Constitution of the State of Alaska, is amended by adding a new section to read:

SECTION 16. ALASKA CAPITAL INVESTMENT FUND. At least fifty percent* 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 capital investment fund, which shall be used for the planning, design, and construction of large-scale capital improvements, regional in scope, which add to the economic infrastructure of the State. The fund shall be governed by a Board of Trustees as provided by law. The Board shall be appointed by the Governor, subject to confirmation by a majority of the members of the legislature in joint session.

This amendment would dedicate at least 50% of mineral lease rentals, royalties, royalty sale proceeds and bonuses from mineral leases to the Capital Investment Fund. These revenues are estimated to amount to approximately one billion dollars per year, which is the equivalent of 15% of the state's current annual income.

Supporting legislation also has been drafted to create the mechanism for administering the fund.

The draft legislation, patterned after that creating the Permanent Fund, provides the statutory guidelines for the ongoing operation of the fund. A number of proposals are incorporated in that legislation, including the following:

1. A Board of Trustees

Five Trustees would be appointed by the Governor and approved by the Legislature, as is the case with the Per-

manent Fund. The Trustees would serve staggered terms of office, six years in length.

2. Project selection

The duties of the Board and its staff would include research and preparation of plans and specifications for identified projects, and for the solicitation, review, and approval of bids for design and construction of the projects. Trustees and staff would insure project compliance with applicable state and federal regulations, including those relating to environmental impact.

3. Legislative approval

Although all revenues deposited in the Capital Investment Fund would be constitutionally dedicated, the Legislature would continue to exercise responsibility for proposed projects through the appropriations process. Project budgets would be submitted to the Legislature for approval prior to construction, thus providing additional assurance that all projects meet statutory requirements. Any amounts not approved by the Legislature would remain in the Capital Investment Fund for future appropriation to qualified projects.

4. Construction by the private sector

The staff would supervise construction of projects in accordance with the approved plans for those projects, and generally perform the functions of an "owner" in overseeing the quality of the work done. The actual construction, however, would be undertaken by the private sector, thereby creating jobs and economic stimulation while avoiding the creation of another state bureaucracy.

5. Completed project approval

Completed projects would be examined and reviewed for conformity with project specifications and bidding requirements, as well as with state and federal regulations. Compliance would be a prerequisite before acceptance by the Trustees and release of the builders.

*Note: this formula, similar to that of the Permanent Fund, amounts to roughly 15% of annual state revenue

6. Operations of finished projects

Following conclusion and acceptance of a project, the Trustees would turn it over to an appropriate entity, such as the Power Authority, a Port Authority, or a Railroad Authority, for actual operations. The Capital Investment Fund itself would have no post-construction operational authority, thus eliminating another potential source of state bureaucracy.

WHAT KIND OF INVESTMENTS?

The Alaska Capital Investment Fund would identify and build only those projects that truly add to the long-term economic health of the state. The criteria for such projects should include the following:

1. They must be very large and be of a complex nature

These will be projects which by their very essence involve large amounts of money, sophisticated studies, professional project management and that, in most instances, have useful lives exceeding 100 years.

2. They must be regional or larger in scope

The benefits from these projects should extend beyond the confines of any one local government. They must be of such dimension that historically local governments and the private sector have been unable to accomplish them.

3. They must improve the regional economic outlook

Upon project completion, the long-range regional economic outlook should be vastly enhanced. The area should become significantly more attractive for the investment of additional private capital and the creation of jobs that remain after project construction is completed.

4. They should be self-liquidating

For the most part, these projects ought to be self-liquidating. In other words, projects should have the ability to finance or (ultimately after completion) refinance themselves through the issuance of revenue bonds. Also, they should have the ability to generate revenue sufficient to cover their debt service, if any; the cost of annual maintenance and operations; and the prospect of attracting new capital.

5. Exceptions

Sometimes a project may not meet all of the above criteria and still be eligible. For example, a railroad between two relatively small population centers might not meet the self-liquidating criteria and still be deemed essential for the long-term development of the state or region as a whole.

6. Examples of possible projects

- Deep water ports capable of berthing ships for worldwide markets.
- Hydroelectric generation facilities
- Railroads
- Causeways that cross or tunnel large natural barriers
- Airports meeting international standards as well as the above regional criteria

Examples of projects that would *not* qualify for funding by the Alaska Capital Investment Fund include: local public works; "quality of life" projects, such as Anchorage's "Project 80's"; governmental buildings such as city halls, state buildings, courthouses or schools; highways and roads; social projects; projects within the capacity of local government or private sector financing, such as minehead equipment or specialized dock facilities.

Questions and Answers

Question

Will this fund benefit rural areas of the state?

Answer

Yes. One way to assist rural Alaska is to provide jobs close to home so that village residents don't have to go to Anchorage, Fairbanks or the North Slope to earn a cash income. In the years ahead, transportation links and utilities can be a vital assistance to Regional and Village Corporations as well as to other rural Alaskans.

Question

If the Legislature will continue to have the final say over the appropriation for these projects, what has changed from the present system?

Answer

The money in the Capital Investment Fund will have a fence around it. The legislature can refuse to appropriate money for a specific project recommended by the Trustees, but it cannot spend those dollars for housekeeping, frivolous schemes or porkbarreling.

Question

Why not broaden the Permanent Fund legislation to allow for investment in projects of this kind?

Answer

The Permanent Fund was established by Alaska voters to be just that - permanent. Most Alaskans want to keep that fund as a savings account rather than invest it in capital projects.

Question

Why doesn't the private sector build this infrastructure, as has been done in Texas and other resource states?

Answer

In our state the land is publicly owned. Unless we are ready to deed great portions of state land to private companies (as was done when the railroads spanned the continent), it is almost impossible for the private sector to accomplish these projects.

Question

Are there precedents for these kinds of public projects?

Answer

Yes, many of them. Examples of projects built by government include the Erie Canal, the Hoover Dam, the Houston Ship Canal, the Port of Seattle and the Alaska Railroad.

The urgency of this proposal

Some issues that surface in Alaska are matters that can be dealt with now or later. But in the case of the creation of an economic infrastructure, time is of the essence. The costs are such, in fact, that it may be a case that if it's not done now, it won't be possible to do at all.

"Broadening the economic base" has become nearly a cliché in the dialogue of Alaska citizens and policy makers. To accomplish this important task will require the tying together of the state through modern, all-weather transportation systems and low-cost power facilities. Those are the primary areas that deserve investment, certainly at the level of 15 % of state income. Those are the goals of the Alaska Capital Investment Fund.

Commonwealth North is a non-profit corporation, organized and existing under the laws of the State of Alaska. Non-partisan in nature, its purpose is to inject enlightened vitality into the world of commerce and public policy.

As well as providing a forum for national and international speakers, working committees study critical issues facing the state and the nation and prepare well-researched action papers, such as this one.

**The Commonwealth North
Alaska Capital Investment
Fund Committee:**

Loren Lounsbury, Chairman
Bertram Beneville
Clarence V. Chatterton
Harry Donahue
Dave Heatwole
Roger Herrera
Robert Hickel
Rick Mystrom
Bob Retherford
Glenda Rhodes
William Sheffield
James Singleton
Morris Thompson
Ed Wassell
Paul S. Wilcox
Donn T. Wonnell

**The Commonwealth North
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William J. Tobin
Malcolm B. Roberts
Executive Director

A report by



**COMMONWEALTH
NORTH**

935 West Third Avenue
Anchorage, Alaska 99501
(907) 276-1100

Additional copies available: \$1 each

NJR-67am - Judiciary fill case
3718

NJR-67

High

Scheduled for:

Thursday & Friday, 25 and
26, in Judiciary
March 1

What happened.

Paul is rescheduled

Call = Judiciary for when
Ray's going to be gone.

Get most recent stuff +
put copies.

If fiscal note from different
depts = if legal opinion or
position paper = put copies
and show Ray =

Call Jud - First = later in week

~~Ray has to discuss
rescheduling for hearing
w/ Barnes personally~~

3/15/82 Will be scheduled either
for 3/17 or 3/18 for hearing.

HJR-66

Hight-

RETD MAR 10 1982

Still in Judiciary

1. Ask to schedule it for hearing.

Julia
~~Barney~~ Barnes

HJR needs to be scheduled
what has to be done before
rescheduling it =

Next week?

Then when Barnes' calls
back, they will say
what they need before
it is rescheduled.

RETD MAR 10 1982

~~4/6/82~~ I will call Bill Cook again
tomorrow to find out what is
needed to reschedule the Bill.

It will probably be next week.

RETD MAR 11 1982

Julia said it would not be set
next week.atch