

S

B

162

COMMITTEE REPORT

SENATE

FURTHER: Finance

2/10/81

Date: _____

Mr. President:

The Committee on RESOURCES has had SSSB 162
making special appropriations to the Alaska Agricultural Action Council

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 amendments(s) same title
- replace with CS for _____ 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

at the desk do pass
Alan Peterson
Bill Bradley

MEMBERS HAVING
OTHER RECOMMENDATIONS:

V. Johnson - no rec
Richard Stangor - no rec
~~*Alan Peterson - no rec*~~
Bill Bradley " "

 CHAIRMAN

SENATE AMENDMENT #1

By SENATE RESOURCES COMMITTEE

To: _____ SENATE BILL No. SSSB 362

To: _____ HOUSE BILL No. _____

PAGE: 1

LINE: 6-8

Lines 6-8 are amended to read:

For an Act entitled: "An Act making a special appropriation to the Department of Commerce and Economic Development for the Alaska Agricultural Action Council for a small grains marketing system; and providing for an effective date."

SENATE AMENDMENT #2

By SENATE RESOURCES COMMITTEE

To: _____ SENATE BILL No. SSSB 162

To: _____ HOUSE BILL No. _____

PAGE: 1

LINE: 13

Delete "\$5,700,000" and insert "\$6,000,000" in its place.

SENATE AMENDMENT

By _____

To: _____ SENATE BILL No. SSSB 162

To: _____ HOUSE BILL No. _____

PAGE: 1

LINE: 13

after the word "terminal" insert:

"that would be both a deep-water and ice-free port."

SENATE AMENDMENT

By SENATE RESOURCES COMMITTEE

To: _____ SENATE BILL No. SSSB 162

to: _____ HOUSE BILL No. _____

PAGE: 1

LINE: 6-8

Lines 6-8 are amended to read:

For an Act entitled: "An Act making a special appropriation to the Department
of Commerce and Economic Development for the Alaska
Agricultural Action Council for a small grains marketing system;
and providing for an effective date."

SENATE AMENDMENT

By SENATE RESOURCES COMMITTEE

To: _____ SENATE BILL No. SSSB 162

To: _____ HOUSE BILL No. _____

PAGE: 1

LINE: 13

delete "\$5,700,000" and insert "\$6,000,000" in its place.



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

Neal
Wed

file 162

January 25, 1982

The Honorable Jalmar M. Kerttula
President of the Senate
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Mr. President:

I have carefully considered the less than harmonious state of relations which now exist between the legislative and the executive branches of state government. I believe the situation exists partly from the fact that CSSSSB 162 (fin) (efd failed H) was transmitted to my office over the protests of the Speaker of the House. Members of the House of Representatives have complained that the manner of transmittal has deprived them of a vote on final passage of that bill. They have also alleged that the bill was prematurely transmitted to me and, as a matter of law, pends further action in the Legislature.

Because I have served as a former member of the Legislature, I can understand these feelings expressed by members of the House. In an effort to improve relations between the executive branch and both houses of the Legislature, I have requested the Lieutenant Governor to relinquish possession of SB 162 to me and he has complied with my wishes. I am, by this letter, transmitting SB 162 back to you for whatever action you consider appropriate.

While it is the position of my Administration that CSSSSB 162 (fin) has become law pursuant to the Constitution, I am nevertheless taking this action as a matter of comity and out of respect for the rights and privileges accorded to a coordinate branch of government.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Jay S. Hammond".

Jay S. Hammond
Governor



STATE OF ALASKA

POUCH AA
JUNEAU 99811
(907) 485.3520

January 26, 1982

The Honorable Jay S. Hammond
Governor
State of Alaska
Pouch A
Juneau, Alaska 99811

Dear Governor Hammond:

In response to your request that I relinquish CSSSSB 162 (fin) (efd failed H) to you, I am returning this legislation as an enclosure.

As required by law, I certify that the enclosed legislation is the original CSSSSB 162 (fin) (efd failed H) as filed in my office.

Sincerely yours,

Terry Miller
Lieutenant Governor

Enclosure as noted

Subscribed and sworn to before me this 26th day of January
A.D. 1982.

Robert Schoultz
Notary Public

MY COMMISSION EXPIRES: 11/29/83

Expiration Date

RECEIVED DEC 15 1981

T. E. IBERSON COMPANY



ENGINEERS / CONTRACTORS / CONSTRUCTION MANAGERS
3424 Wooddale Avenue, Minneapolis, Minnesota 55416 / Phone 612-929-1641

December 11, 1981

Need well

Mr. W. I. "Bob" Palmer
Alaska Agricultural Action Council
Pouch "AN"
Juneau, Alaska 99811

Dear Bob:

Re: State of Alaska - Grain Export Terminal - Seward, Alaska

This letter is in regard to the project contract breakdown and scheduling for a re-activated construction project at Seward.

Relative to our phone conversation of November 17, 1981, it is our understanding that you are looking for our analysis on using the "fast track" construction approach versus the "general contract" construction approach, with funding for the project being made available in mid-January or mid-April of 1982.

First, we see the prime contracts that would be awarded for the project using the fast track approach, breaking down as follows:

1. Concrete foundations
2. Steel tank erection, machinery tower erection, conveyor bridge installation, rail receiving building erection, millwright work, dust control system installation
3. Motor control center/shop building and control building
4. Electrical work
5. Mechanical work - sanitary and domestic plumbing, compressed air system, water main extension, and sprinkler system
6. Painting - steel tanks, conveyor bridges, exterior machinery (this could possibly be included in Contract #2)
7. Site work - area drainage, finish grading, and roadway work (this could possibly be included in Contract #1)

This breakdown parallels very closely the subcontracts that a general contractor would probably issue.

100th Anniversary

Second, we have reviewed the scheduling and have recapped for you what we feel are the most critical dates for your consideration.

Fast Track Approach

1. Funding available January 15
 - a. TEI engineering and Contract #1 package preparation January 25 - February 12
 - b. DOT/PF package preparation February 15 - February 19
 - c. Bidding time February 22 - March 18
 - d. Award contract By March 26
 - e. Start construction April 5
 - f. Receive grain October 18

- Could most probably complete all painting in 1982.

2. Funding available April 15 (TEI start February 15)
 - a. TEI engineering and Contract #1 package preparation February 15 - March 5
 - b. DOT/PF package preparation March 8 - March 12
 - c. Bidding time March 15 - April 8
 - d. Award contract April 15
 - e. Start construction April 26
 - f. Receive grain November 15

- Could most probably complete steel tank painting and possibly complete machinery painting in 1982.

3. Funding available April 15 (TEI start April 15)
 - a. TEI engineering and Contract #1 package preparation April 19 - May 7
 - b. DOT/PF package preparation May 10 - May 14
 - c. Bidding time May 17 - June 10
 - d. Award contract By June 18
 - e. Start construction June 28
 - f. Receive grain January 10, 1983

- Most probably could not start painting until May 1983.

General Contract Approach

1. Funding available January 15
 - a. TEI engineering and contract package preparation January 18 - February 26
 - b. DOT/PF package preparation March 1 - March 12
 - c. Bidding time March 15 - April 15
 - d. Award contract By April 30
 - e. Start construction May 17
 - f. Receive grain November 29

- Could possibly complete steel tank painting but most probably not complete machinery painting.

2. Funding available April 15
 - a. FEI engineering and contract package preparation April 19 - May 28
 - b. DOT/PF package preparation June 1 - June 11
 - c. Bidding time June 14 - July 15
 - d. Award contract By July 30
 - e. Start construction August 16
 - f. Receive grain February 28, 1983
- Most probably could not start painting until May 1983.

As you can see, the proposed schedule for construction time to "receive grain" is projected at 28 weeks. The original schedule showed the construction time to "receive grain" at 23 weeks. This projected change is due primarily to contractor and construction limitations due to location and in part to our impressions of the Alaska Railroad's reaction time and interfacing requirements that became apparent during the initial construction period.

We have listed what we see as points to consider in using the fast track versus the general contract approach for the project.

Fast Track Approach

1. Would allow for earliest receiving, particularly if engineering could be resumed by mid-February.
2. Would require State purchase of materials and equipment, and in turn eliminate a general contractor's markup on these items.
3. Would eliminate a general contractor's markup on subcontractor's work.
4. Would require 5-7 bidding processes.
5. Would require State-construction manager-contractor interfacing for each contract.

General Contract Approach

1. Would delay receiving capability.
2. Scheduling would allow for contractor purchase of some materials and equipment.
3. Would require only one bidding process.
4. Would require minimal State-construction manager-contractor interfacing.
5. Would probably make the project more appealing to larger "lower 48" contractors. (This may act to "lock out" Alaskan contractors.)
6. May be beyond Alaskan contractors' performance capabilities.

Mr. W. I. Palmer
December 11, 1981
Page Four

In conclusion, it is our opinion that the fast track approach should be used to achieve the earliest completion of the project for the least cost. Further, we feel that regardless of the approach you decide to use, a construction manager with a background in grain handling should be employed.

If you should have any questions on this analysis or require additional information, please contact us.

Sincerely,

T. E. IBBERSON COMPANY

David R. Berg
Project Manager

DRB:cs

cc: J. W. Kiffe
W. L. Webster

A/eed Wnd

SENATOR Fahrenkamp:

"I move that the Senate rescind ~~their~~ action in adopting the Free Conference Committee report on SENATE BILL NO. 162 (special appropriations to the Alaska Agricultural Action Council for a small grain marketing system)."

PRESIDENT KERTTULA:

"The question is, shall the Senate rescind ~~their~~ action in adopting the Free Conference Committee report on SENATE BILL NO. 162?"

vote.....

And so, the Senate has rescinded its action on SENATE BILL NO. 162."

SENATOR FAHRENKAMP:

"I move that the Senate rescind its action in not concurring with the House amendment on SENATE BILL NO. 162."

PRESIDENT KERTTULA:

"The question is, shall the Senate rescind its action in not concurring with the House amendment on SB 162, namely, failing the effective date clause?"

vote.....

And so, the Senate has rescinded its action in failing to concur with the House amendment on SB 162."

SENATOR FAHRENKAMP:

"I move that the Senate concur in the House amendment to CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 162 (Fin), namely CS FOR SSSB 162 (Fin) (efd fld H)."

PRESIDENT KERTTULA: vote.....

The question in, shall the Senate concur in the House amendment on SB 162?"
passed the Senate." vote.....And so CS SSSB 162 (Fin) (efd fld H)

Passed 20-1

Alaska State Legislature

BETTYE FAHRENKAMP, CHAIRMAN
VIC FISCHER, VICE-CHAIRMAN
BRAD BRADLEY
DICK ELIASON
DON GILMAN
BOB MULCAHY
ARLISS STURGULEWSKI



POUCH V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3835

Senate

Committee on Resources

MEMORANDUM:

TO: SENATE RESOURCES COMMITTEE MEMBERS

FROM: SIM PALMER
SENATE RESOURCES COMMITTEE STAFF

RE: SSSB 162 "An Act making special appropriations to the Alaska Agricultural Action Council for a small grain marketing system."

DATE: FEBRUARY 12, 1981

The purpose of SSSB 162 is to appropriate funds for the construction of a tidewater grain terminal, a grain elevator and for the organization and administration of a marketing system for grain produced on Delta I this year.

According to contracts signed by the farmers on Delta I, the farmers must have 60% of their land ready for planting this year. The Agricultural Action Council believes that this will have a dramatic effect on the amount of grain produced. They estimate that the harvest will run from 20,000 to 23,000 tons of grain.

The grain terminal, grain elevator and marketing organization is aimed at aiding the Delta I farmer get this harvest to market. Bob Palmer has informed me that markets have been secured in Portland and the Pacific Rim countries.

SECTION 1

A total of \$6,400,000 is appropriated by this legislation to the Alaska Agricultural Action Council to be used as loans to construct the grain terminal and elevator. The elevator will be located between Fairbanks and Delta Junction. The port facility will be located at either Anchorage or Seward.

The amount of the appropriation (5,700,00 and 700,000) is the result of cost calculations done by the Haskins Co. of Spokane, Washington.

SECTION 2

The \$300,000 appropriation is made to the Alaska Agricultural Action Council to contract for the operation of the marketing system to get the Delta I grain to market. The intent of this appropriation is to set up a temporary organization. The private sector is expected to take over this marketing responsibility in the future.

Alaska State Legislature

BETTYE FAHRENKAMP, CHAIRMAN
VIC FISCHER, VICE-CHAIRMAN
BRAD BRADLEY
DICK ELIASON
DON GILMAN
BOB MULCAHY
ARLISS STURGULEWSKI



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Senate

Committee on Resources

MEMORANDUM

TO: MEMBERS OF THE SENATE

FROM: SENATOR BETTYE FAHRENKAMP

RE: SB 162

DATE: APRIL 15, 1981

The Delta agricultural development project is presently approaching its second year of production. The program established 60,000 acres in the Delta area designated for agriculture production to be sold by lottery. Successful applicants contracted to a schedule of completing one third of the clearing work in the first year, 60% of Type II and III soils prepared to plant by the second year and 90% by the third year.

In 1980, operating ahead of schedule, 7,600 acres were in production, with a harvest of 8,000 tons of barley.

In 1981, an expected 16,000 acres will be in production, with an estimated harvest of 20,000 tons.

In state use there will be approximately 6,000 tons. The state must be prepared to sell 15,000 tons of grain this year. If we are truly interested in the development of agriculture in Alaska, we must plan for an exporting capability.

In 1980, 15 tons of grain were test marketed to Japan. The product met the quality and price competitiveness for a viable export product. We are already anticipating an increase in tonage production by over a hundred per cent in one year. The remaining element is transportation.

A tidewater facility for loading grains into ships in order to transport the grains to markets, railroad cars and a transfer facility in North Pole are necessary.

Markets have already been established in Japan, Korea and Taiwan. Recently, interest was also expressed by Hawaii.

SECTION I

A total of \$8,200,000 is appropriated by this legislation to the Agricultural Action Council to be used as loans to construct the grain

terminal and elevator and to purchase the necessary railroad cars. The elevator will be located at North Pole. The port will be located at Seward.

SECTION 2

The \$300,000 appropriation is made to the Alaska Agricultural Action Council to contract for the operation of the marketing system to get the grain to market. The intent of this appropriation is to set up a temporary marketing organization. The private sector is expected to take over this marketing responsibility in the future.

Alaska State Legislature



REPRESENTATIVE
H. PAPPY MOSS
P.O. BOX 182
DELTA JUNCTION, ALASKA 99737
(907) 895-4384

WHILE IN JUNEAU
OUCH V
JUNEAU, ALASKA
99811
(907) 465-4990

House of Representatives

February 16, 1981

The Honorable Bettye Fahrenkamp
Chairman
Senate Resources Committee

Madam Chairman:

Re: SSSB 162

The Delta agricultural development project is presently approaching its second year of production. The program established 60,000 acres in the Delta area designated for agriculture production to be sold by lottery. Successful applicants contracted to a schedule of completing one third of the clearing work in the first year, 60% of Class II and III soils prepared to plant by the second year and 90% by the third year.

In 1980, operating ahead of schedule, 7,600 acres were in production, with a harvest of 8,000 tons of barley. In 1981, with the project on schedule, 30,000 acres will be prepared for planting, with fertilizer on order for 16,000 acres.

In-state use will account for approximately 6,000 tons of grain. The state must be prepared to sell 15,000 tons of grain this year. If we are truly interested in the development of agriculture in Alaska, we must plan for an export capability.

In 1980, 15 tons of grain were test-marketed to Japan. The product met the quality and price competitiveness criteria for a viable export product. We are already anticipating an increase in tonnage production of over a hundred per cent in one year. The remaining element is transportation.

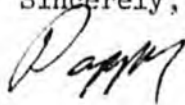
A tidewater facility for loading grains onto ships, railroad cars to transport the grain to tidewater, and a transfer facility in North Pole are necessary. The funds for grain cars have been transferred from another allocation made in 1979 for passenger cars which were never purchased. The remaining two legs of the transportation tripod are the grain elevator at the tidewater location and the transfer facility at North Pole.

February 16, 1981

Markets have already been established in Japan, Korea, and Taiwan. Recently, interest was also expressed by Hawaii. I personally met with three Japanese representatives from Hokkaido who have tested and utilized Alaskan barley. Their present sources are Australia, Canada, and domestic production. These tests show that Alaskan grain is far superior, and they are interested in purchasing 70,000 metric tons per year.

This system -- transfer facility, transportation, and tidewater elevator -- is integral to this year's agricultural effort. The system has been well planned, and I would strongly encourage the Committee to approve the funds.

Sincerely,



H. Pappy Mess

Alaska State Legislature

BETTYE FAHRENKAMP, CHAIRMAN
VIC FISCHER, VICE CHAIRMAN
ORAD BRADLEY
DICK ELIASON
DON GILMAN
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Senate

Committee on Resources

MEMORANDUM

TO: MEMBERS OF THE SENATE RESOURCES COMMITTEE

FROM: SENATE RESOURCES COMMITTEE STAFF

RE: SSSB 162

DATE: FEBRUARY 17, 1981

On Wednesday, at 1:30PM, the Chairman intends to move this bill out of committee. Attached are two proposed amendments. The Chairman also wishes to inform you that an amendment might be offered tomorrow stating that the grain terminal will be an ice-free, deep-water port.