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# Alaska State Legislature

## SENATE

### Resources Committee

#### Official Business

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

#### MEMBERS PRESENT

Senator Fahrenkamp  
Senator Fischer  
Senator Bradley  
Senator Eliason  
Senator Gilman  
Senator Mulcahy  
Senator Sturuglewski

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

March 26, 1982  
1:40 p.m.

Beltz Room  
Room 211 - Capitol

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#### Hearing:

- SB 772 Making a special appropriation to the Department of Natural Resources for construction of a plant quarantine station at the plant material center operated in cooperation with the Institute of Agricultural Sciences.
- SB 803 Establishing the land clearing account in the agricultural revolving loan fund.
- SB 804 Making a continuing appropriation of repayments of the principal and interest on loans made by the Alaska Agriculture Action Council for land clearing to the land clearing account in the agricultural revolving loan fund.
- SB 843 Relating to surface coal mining and the underground effects of underground coal mining.
- SB 697 An Act relating to the Alaska Renewable Resources Corporation.

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#### SB 772

Paul Huppert, Matanuska Valley farmer, explained that a quarantine center is needed at the latitudes of the Matanuska Valley for plants brought in from that latitude. This would require modification of existing facilities at the plant material center, and employment of a person to collect plant material worldwide.

Nick Carney, Director, Division of Agriculture, Department of Natural Resources, explained that the appropriation would pay for construction of a "screen house". Bud materials would be reproduced inside, with the screen restricting movement of insects, thus inhibiting the spread of disease. The long term fiscal needs are minor, as most of the infrastructure is already in place.

Bob Palmer, Alaska Agriculture Action Council, expressed support for the bill, stating that it was long overdue.

Senator Sturgulewski moved SB 772 with individual recommendations.

Senate Resources Committee

March 26, 1982

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SB 803 and SB 804

Nick Carney expressed support for SB 803. It helps small farmers who do not presently qualify for land clearing loans.

Bob Palmer said he supports both SB 803 and SB 804.

Senator Sturgulewski pointed out that SB 804 has a negative impact on the general fund, by allowing repayment of principal and interest of loans to the revolving loan fund rather than to the general fund, and thinks this should be reflected in a fiscal note.

Senator Fahrenkamp stated this should be brought to the attention of the Finance Committee.

Ken Vassar, Assistant Attorney General, Department of Law, expressed concern over the constitutionality of SB 804, specifically the dedicated fund prohibition.

Paul Huppert supports SB 803 as curing the current inequity, by allowing all farmers to obtain land clearing loans.

Senator Mulcahy moved SB 803 and SB 804 with individual recommendations.

SB 843

Mark Wittow, Special Assistant to the Commissioner, Department of Natural Resources, discussed several amendments DNR is proposing, mostly of a technical nature.

Howard Roitman, Consultant to DNR, explained DNR's suggested solution to the issue raised by the Office of Surface Mining, namely the prepayment of penalties into an escrow account pending appeal. DNR's proposed alternative would require submitting a bond for the amount of the penalty.

Phil Holdsworth, COAL, expressed the coal operators support for the bond alternative.

Senator Gilman moved and asked unanimous consent for several amendments to SB 843. (For brevity's sake, please see attached copy of memo to Billy Berrier, Legal Division.)

Senator Fischer moved and asked unanimous consent for several amendments which serve to neuter SB 843. (Again, see attached copy of memo.)

Senator Mulcahy moved CSSB 843, as amended, with individual recommendations.

SB 697

Senator Fahrenkamp explained that three Committee Substitutes had been prepared for SB 697.

Senator Rodey testified in support of Committee Substitute #3, which reflects the work done by the Banking Committee.

Senate Resources Committee  
March 26, 1982  
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Dean Olson, Chairman of the Board, Alaska Renewable Resources Corporation,  
endorsed Committee Substitute #3.

Senator Sturgulewski emphasized the drastic changes Committee Substitute #3 makes to the Corporation, and expressed concern over what impact these changes would have on the current investments made through ARRC.

Wayne Littleton, President, ARRC, stated that funding is adequate to continue the Corporation.

Senator Rodey explained that the sunset provision for ARRC, which is much longer than most other sunset provisions, is a traditional banking concept, as a longer period is required to adequately judge the competency of such a corporation. He also explained that there is a confusing section at the top of page 5, and that correct language will be prepared by the time the bill goes to Finance Committee.

Don Hostak, Director, Division of Business Loans, Department of Commerce, stated that a fiscal note is needed, because the Department of Commerce will need operating funds for ARRC.

Senator Fischer moved the acceptance of Committee Substitute #3.

Senator Sturgulewski moved CSSB 697 with individual recommendations.

The meeting was adjourned at 3:05 p.m.

SENATE RESOURCES COMMITTEE  
LEGISLATION CHECKLIST

BILL NUMBER SB 772

IDENTIFICATION:

BILL NAME: "An Act making a special appropriation the the Department of Natural Resources for construction of a plant quarantine station at the plant materials center (AS 03.22) operated in cooperation with the Institute of Agricultural Sciences; efd."

SPONSOR(S): Kerrtula  
Bradley

RELATED BILLS PENDING:

DATE INTRODUCED: 2/16/82

REFERRALS Resources  
Finance

INITIAL RESEARCH:

INITIAL BILL SUMMARY COMPLETED \*yes\*

SUMMARY BY LEGAL DIVISION:  
DEPT. OF LAW SUMMARY:

SPONSOR CONTACTED FOR BACKUP  
MATERIALS:

FISCAL NOTE: 3/4/82

AGENCY RESPONSE:

*3/22/82 Mr. [unclear] - [unclear]*

OTHER INTERESTED SENATORS OR  
REPS. NOTIFIED:

BACKGROUND RESEARCH:

SIMILAR BILLS INTRODUCED IN PREVIOUS LEGISLATURES:

RESPONSES FROM INTERESTED PERSONS AND/OR GROUPS:

*Dr. Duro 3/10 Letter  
Rec # 9 Snodgrass.*

OTHER STATE OR FEDERAL PRECEDENTS, REGULATIONS, LAWS:

HEARING PREPRATION:

CHAIRMAN BRIEFED:

DATE AND PLACE SET:

STAFF MEMO TO COMMITTEE:

TELECONFERENCE

BACKGROUND MATERIAL DISTRIBUTED

PSA/PRESS RELEASE

LIST OF WITNESSES:

SUGGESTED AMENDMENTS/CS DRAFTEL:

CH - QUERY

1 '37.25.020'.CITATION.

7.25.020 DOCUMENT= 1 OF 1

CHANGES TITLE 37.  
PUBLIC FINANCE.  
CHAPTER 25.  
MISCELLANEOUS PROVISIONS.

CITATION SEC. 37.25.020.

ATCH LINE

UNEXPENDED BALANCES OF APPROPRIATION FOR CAPITAL PROJECTS.

EXT AN APPROPRIATION MADE FOR A CAPITAL PROJECT IS VALID FOR THE LIFE  
OF THE PROJECT AND THE UNEXPENDED BALANCE SHALL BE CARRIED  
FORWARD TO SUBSEQUENT FISCAL YEARS. BETWEEN JULY 1 AND AUGUST 31  
OF EACH FISCAL YEAR, A STATEMENT SUPPORTING THE AMOUNT OF THE  
UNEXPENDED BALANCE REQUIRED TO COMPLETE THE PROJECTS FOR WHICH  
THE INITIAL APPROPRIATION WAS MADE AND THE AMOUNT THAT MAY BE  
LAPSED SHALL BE RECORDED WITH THE DEPARTMENT OF ADMINISTRATION.

HISTORY (SEC. 2 CH 113 SLA 1962)

R0601 \* END OF DOCUMENTS IN LIST - ENTER RETURN OR ANOTHER COMMAND.



UNIVERSITY OF ALASKA, FAIRBANKS  
Fairbanks, Alaska 99701

Senator Jalmar Kerttula  
State Capitol  
Pouch V  
Juneau, Alaska 99811

Dear Senator Kerttula:

I am sorry that I am unable to come to Juneau to testify personally before your committee concerned with a plant quarantine facility associated with the Plant Materials Center. I support your efforts to establish a quarantine center in Alaska and would like to relate some experiences and offer some observations that may be useful in developing legislation for this purpose.

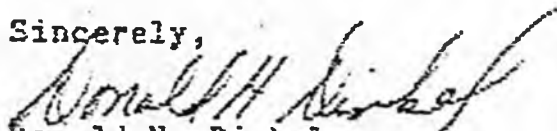
There are many potentially hardy and adapted varieties of food, fibre and ornamental crops available from foreign sources that ought to be tested in Alaska. The other states have had the opportunity of utilizing the genetic resources of the world in developing a more dependable food supply and esthetically satisfying environment. This opportunity existed because of their efforts to import plants prior to the advent of more stringent import regulations and because the federal plant quarantine facilities are more appropriately located from a climate standpoint. The federal plant quarantine facilities are less useful to us in Alaska because of the great difference in photoperiod and climate. Plants from northern sources tend to go into dormancy at longer daylengths which confuses the officials into thinking that they are diseased and therefore they are destroyed before they can be tested in Alaska. This ability to develop hardiness at the longer daylengths is essential for winter survival in the northern latitudes. Since plant material from the northern sources will have the most potential for adaptation to our climate we need a method of importing these for test and possible distribution to users.

Certain plants are more restricted in the import regulations that pertain to them. Members of the rose family are in the most restricted categories. This family contains most of the temperate zone tree fruits and the raspberries and strawberries as well as many ornamental trees and shrubs. The residents of the state are very interested in obtaining the material available in Canada and other northern countries but have been unsuccessful during the last 10 to 15 years. The interest has been so great that I understand that there have been efforts to illegally import these restricted plants. Illegal importation is certainly a much less desirable option for Alaska than is a well run and responsive plant quarantine facility in the state.

The federal officials have been quick to inform us that there are ways to get these materials imported, however we have been largely unsuccessful. The system does seem to work for the people in the rest of the U.S.

I have even been unsuccessful in obtaining plant materials that I know is available at the National Arboretum that I have offered to pay propagation costs on. We need better systems for importing plant material to Alaska.

Sincerely,



Donald H. Dinkel  
Professor of Plant Physiology

520 Resources Bldg.

474-7187



Official Business

# Alaska State Legislature

## Senate Resources Committee

March 18, 1982

776  
Pouch V  
State Capitol  
Juneau, Alaska 99811

Dr. James Drew  
Dean and Director  
School of Agriculture and Land  
Resources Management  
University of Alaska  
Fairbanks, Alaska 99701

Dear Jim:

Thank you for your thorough response to my request for comments on SB 776 and SB 772.

We will be holding a hearing on SB 772, which appropriates funds for construction of a plant quarantine station at the plant materials center, in the near future, and I will make sure your comments on this bill are shared with the members of the Resources Committee. The establishment of a quarantine station was urged by Charles Logsdon in his presentation on Alaska Agriculture to the Committee last week. I am enclosing a copy of the minutes of that meeting so you can see his other recommendations.

The issue of the location of the agriculture experiment station is almost a non-issue with me because I believe that it should remain at the University.

Again, thank you for your comments and help on these important issues.

Best regards.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bettie Fahrenkamp".

Bettie Fahrenkamp  
Chairman

BF:ss

Enclosure

LEGISLATION SUMMARY

- SB 772: "An Act making a special appropriation to the Department of Natural Resources for construction of a plant quarantine station at the plant materials center (AS 03.22) operated in cooperation with the Institute of Agricultural Sciences; and providing for an effective date."
- Sec. 1: Appropriates \$400,000 from the general fund to the Department of Natural Resources for construction of a plant quarantine station at the plant materials center operated in cooperation with the Institute of Agricultural Sciences.
- Sec. 2: The appropriation is a capital project and is subject to relevant existing law, which requires that the funds will not lapse to the general fund, but shall be carried forward to subsequent fiscal years (AS 37.25.020).
- Sec. 3: Immediate effective date.

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PRIME SPONSOR: Kerttula

CO-SPONSOR(S): Bradley



MAR 16 1982

UNIVERSITY OF ALASKA, FAIRBANKS  
Fairbanks, Alaska 99701

School of Agriculture and Land Resources Management  
Agricultural Experiment Station

March 10, 1982

The Honorable Bettye Fahrenkamp  
Chairman, Senate Committee on Resources  
Alaska State Legislature  
Pouch V, State Capitol  
Juneau, Alaska 99811

Dear Senator Fahrenkamp:

This is in response to your request for comments about SB 776 and SB 772.

SB 776. This bill would transfer the Alaska Agricultural Experiment Station from the University of Alaska to the Alaska Department of Natural Resources.

From an operational standpoint, there are major advantages in locating the Agricultural Experiment Station within the University of Alaska, as is now the case, rather than within a state agency. The U.S. Congress recognized the value of close relationships between agricultural experiment stations and universities when it passed the Hatch Act in 1887. The full title of the Hatch Act is "An Act to establish agricultural experiment stations in connection with the colleges established in the several states under the provisions of an act approved July second, eighteen hundred and sixty-two, and of the acts supplementary thereto". The colleges established in the several states were the land grant colleges created by the Morrill Act of 1862.

Specifically, the Hatch Act established a partnership between the federal government and the states and provided continuing federal funds for state agricultural experiment stations. An article in the January 25, 1982, issue of Fortune magazine, entitled "The right remedy for R and D lag", specifically mentioned federal support of agricultural research in the United States as the most successful government subsidy of all time.

Nevertheless, the Hatch Act did not preclude the use of federal Hatch funds for agricultural experiment stations that are established by state legislatures as units separate from land grant universities. In actual practice, however, all state agricultural experiment stations in the United States are

now associated administratively with universities in their respective states. Moreover, Title XII programs of the federal Foreign Assistance Act foster this administrative association in underdeveloped countries to enhance agricultural development in those countries.

An advantage of this arrangement is that agricultural scientists have the opportunity to work with university scientists in related disciplines. This association fosters cooperation among workers in various areas of scientific inquiry and has led to discoveries involving ideas and concepts from agricultural as well as non-agricultural sciences. In addition, it gives agricultural scientists the opportunity to teach in undergraduate and graduate programs and to participate in extension education that transfers new technology to the agricultural community.

These advantages are summarized in the following statement published in 1981 by the Division of Agriculture (including the Resident Instruction, Experiment Station and Extension Sections) of the National Association of State Universities and Land Grant Colleges:

A unique strength of the agricultural colleges of the Division is the interrelationship of teaching, research and public service programs. Generally, staff members work in basic research, and students are the beneficiaries because they are taught by educator-researchers. An integrated academic departmental structure (teaching, research and extension) makes it possible to disseminate practical information not only to students but also to farmers and other practitioners in related fields. The mutually supportive functions of teaching, research and extension strengthen institutional academic programs and provide an excellent environment for students to learn about the interdependency of research and teaching.

Nevertheless, these advantages can be obtained in Alaska only if the staff, research programs and facilities of the Alaska Agricultural Experiment Station are funded according to a plan that will bring the Experiment Station to the level necessary to support Alaska's agricultural development goals. Numerous reviewers and consultants have indicated that the Alaska Agricultural Experiment Station now lacks the capability to provide research that is essential to meet the goal of 500,000 acres of new land in crop production by 1990. A report to the Alaska State Legislature in February, 1982, from the Alaska Agricultural Action Council outlined a plan for the development of the Agricultural Experiment Station.

Although the Alaska State Legislature appropriated over \$112 million for agricultural development since 1977, as outlined in House Research Agency Report 81-5, the University of Alaska budget request for FY 83 contained no new operational increment packages for the Agricultural Experiment Station. In view of the intense competition for new budget increments within the University, I am at a loss to know how the Agricultural Experiment Station can secure funds to provide research essential for the success of current and

projected state investments in agricultural development. In a number of states, however, the Agricultural Experiment Stations are administratively associated with the land grant universities, but state appropriations for the Experiment Stations are independent of the general university budgets.

SB 772. This bill would appropriate \$400,000 to the Alaska Department of Natural Resources for the construction of a plant quarantine station at the Plant Materials Center near Palmer to be operated in cooperation with the Agricultural Experiment Station. This facility would have important benefits for Alaskan agriculture.

The Plant Materials Center is an integral part of Alaska's agricultural industry. The Center produces foundation seed from new and improved varieties of breeder seed developed by the Agricultural Experiment Station. This work is valuable because it increases seed of new varieties of small grains, grasses and legumes adapted to Alaska, and makes this seed available to seed growers in sufficient quantities for commercial production of certified seed. In addition, the Plant Materials Center also tests seed for growers and farmers to ensure high quality standards in Alaska's seed industry.

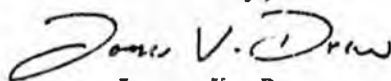
Another major function of the Plant Materials Center is to evaluate and propagate varieties of trees, shrubs, and other plants that are adapted to various uses and conditions in Alaska. Unfortunately, many perennial trees, shrubs and other plants that are propagated asexually and that perform well in states at more southerly latitudes are not adapted to Alaska's soil, climate and day length. In other northern countries such as Canada, the Scandinavian countries and Russia where northern agriculture is more fully developed than in Alaska, superior varieties of these plants have been developed and could have economic value in Alaska.

Plants cannot be brought into the United States, however, without going through a quarantine for as much as two or three years. This quarantine is important to prevent the importing of detrimental insects and plant diseases into the United States. However, federal plant quarantine stations are located in the "Lower 48" and not in Alaska. Consequently, many plant materials developed for superior performance in other northern countries cannot be imported into Alaska because they are not adapted to survive a length quarantine in a more southerly state.

Consequently, a plant quarantine station in Alaska would permit Alaskans to benefit from plant materials developed and selected at northern latitudes, and would save the time and costs required to develop and select similar plant materials in Alaska. In addition, a plant quarantine station in Alaska would provide a means for the Agricultural Experiment Station to obtain plant materials from northern countries to incorporate in its research program.

In summary, a plant quarantine station at the Plant Materials Center would be a major benefit for Alaskan agriculture.

Sincerely,



James V. Drew  
Dean and Director

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
Bill/Resolution No. SB 772  
Title Quarantine Facility  
Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL  
Agency Affected DNR  
Program Category Affected \_\_\_\_\_  
ERU, 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 83	FY 84	FY 85	FY 86	FY 85	FY 86
	<del>XXXXX</del>	<del>XXXXX</del>	<del>XXXXX</del>	<del>XXXXX</del>		
100 PERSONAL SERVICES	84.8	84.8	84.8	84.8		
200 TRAVEL	11.4	9.4	9.4	9.4		
300 CONTRACTUAL	13.3	13.8	13.8	13.8		
400 COMMODITIES	5.0	5.0	5.0	5.0		
500 EQUIPMENT	35.0	6.0	6.0	2.0		
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	150.0	119.0	119.0	115.0		

FUNDING (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 85	FY 86
GENERAL FUND	150.0	119.0	119.0	115.0		
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

To operate properly and to be accredited the Center will need a research pathologist at U of A, Ag Experiment Station. Estimated cost for one professional man/year is \$130.0. The Quarantine Station would need the services of such a person for 1/3 of the year. The costs for this service, a necessity of approval by USDA, are not included in either this fiscal note or the 5 page project report.

IV. DATE 2/24/82 PREPARED BY [Signature]  
AGENCY DNR  
PHONE 376-3276  
Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)



Agricultural Experiment Station  
Palmer Research Center  
Box AE  
Palmer, Alaska 99645

UNIVERSITY OF ALASKA

MAR 4 1982

March 1, 1982

The Honorable Senator B. Fahrenkamp  
Pouch V  
Juneau, Alaska

Dear Senator:

I have been asked to prepare a fiscal note for the proposed Plant Quarantine Station legislation S.B. 772. It is my understanding that the \$400,000 proposed in the bill would be for the capital improvements of a modest facility located within a buffer zone from agriculturally developable areas of at least 100 acres.

To operate the facility in a manner that would meet the federal criteria for such a facility the staff, the facility, and the procedures would have to be approved by APHIS (Animal and Plant Health Inspection Service). They have expressed a willingness to work with the state in developing a program.

It is anticipated that a high priced virologist, plant pathologist would be working about one-third time on plant pathology research in the state in connection with the Agricultural Experiment Station.

Sincerely,

A handwritten signature in cursive script, appearing to read "Sigmund H. Restad".

Sigmund H. Restad  
Assistant Director

cc: Senator Jalmar Kerttula

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill 772  
 Title Establishing a Plant Quarantine Station in Alaska  
 Requested by Senator Bertello Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected University of Alaska - Agricultural Experiment Station  
 Program Category Affected 1 - Agricultural Research in Horticultural and  
 BRU, Program, or Subprogram(s) Affected Plant Pathology

(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 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICE*	86,000	94,000	103,000	113,000	124,000	136,000
200 TRAVEL	7,000	3,000	5,000	6,000	9,000	8,000
300 CONTRACTUAL	3,000	4,000	4,500	5,000	5,500	6,000
400 COMMODITIES	5,000	2,000	6,500	6,500	7,500	8,000
500 EQUIPMENT	30,000	10,000	5,000	5,000	10,000	3,000
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	<b>136,000</b>	<b>119,000</b>	<b>124,000</b>	<b>135,300</b>	<b>149,000</b>	<b>163,000</b>

FUNDING (Thousands of Dollars)

GENERAL FUND	133,000	119,000	124,000	132,500	149,000	163,000
FEDERAL FUNDS	3,000	-0-	-0-	3,000	3,000	3,000
OTHER (Specify Fund Source)						

POSITIONS

	FY 82	FY 84	FY 85	FY 86	FY 87	FY 88
FULL TIME <sup>4 TECHNICIAN</sup> VIROLOGIST-PLANT PATHOLOGIST	2	2	2	2	2	2
PART TIME						
TEMPORARY						

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

THE PROPOSAL IS BASED ON THE ASSUMPTION THAT THE PLANT QUARANTINE PROGRAM HAS TO BE QUALIFIED VIROLOGIST STAFF WILL MEET U.S. D. H. THIS STANDARDS FOR THEIR PROGRAM AND THAT QUARANTINE WORK WOULD NOT BE FULL TIME BUT THE REMAINING TIME COULD BE RESEARCH AND COVER AN AGRICULTURALLY VIROLOGY PROGRAM THAT DOES NOT EXIST AT PRESENT BUT IS EXTREMELY IMPORTANT TO THE DEVELOPEMENT OF ALASKA'S AGRICULTURE. THIS STAFF SHOULD BE 1/3 PLANT QUARANTINE AND 2/3 AGRICULTURAL RESEARCH WITH A.E.S.

IV. DATE 2-26-82 PREPARED BY Leonard J. Bertello  
 AGENCY AGRICULTURAL EXPERIMENT STATION  
 PHONE 545-3257 UOFA  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)