

HB

141

Alaska State Legislature

MEMBER
HOUSE JUDICIARY COMMITTEE
HOUSE LABOR AND COMMERCE COMMITTEE
HOUSE SPECIAL COMMITTEE ON LOANS
HOUSE FINANCE SUBCOMMITTEE FOR
NATURAL RESOURCES, FISH AND GAME,
AND ENVIRONMENT CONSERVATION



KETCHIKAN
3855 EVERGREEN
KETCHIKAN, ALASKA 99901

(DURING SESSION)
POUCH V
JUNEAU, ALASKA 99811
(907) 465-4944

House of Representatives

REPRESENTATIVE
RON WENDTE

MEMORANDUM

To: Representative Furnace, Chairman
Labor and Commerce Committee
House of Representatives

From: Representative Ron Wendte *R.W.W.*

Date: March 9, 1982

Re: Review of Alaska Power Authority

In recent weeks, there has been much discussion concerning Alaska Power Authority, the Tyee Hydro Project, Susitna, etc. in legislative committees and in the news. The Alaska Power Authority (APA) and hydro power in themselves are viable concepts. However, the questions surrounding APA leave considerable doubts in the mind of the public. I believe that we, in the House Labor and Commerce Committee, should begin a review of the Alaska Power Authority in order to outline what the problems are and to make recommendations to resolve those problems.

Because Tyee is only nine months from completion and has been very nearly an APA project from inception, I feel that it would be an extremely good example for review.

It is my suggestion that the Labor and Commerce Committee appoint a sub-committee of one-month duration to look into Alaska Power Authority and the Tyee Project with a final report and recommendations due on April 15, 1983. Because of the vast amounts of material and the workload already placed on most staff people, I would also suggest that an aide or researcher be hired to serve as staff to the sub-committee during that one-month.

The Sub-committee should do an overview of Tyee that would consist of the following points:

- 1) Were the proper feasibility studies done, in particular, were they rechecked when the original cost estimates of the project were shown to be too low?

- 2) Did APA look carefully at alternate sites, smaller projects, or even alternative power sources?
- 3) Has APA followed legislative mandate in all annual reports and project status reports?
 - a) On the basis of what information did the Legislature approve the funding of Tyee?
 - b) Have the statements made to the Legislature been consistent with development of information on Tyee as the project progressed?
- 4) Was management thorough in using correct contracting procedures?
 - a) The problem of wrap-up has been discussed and legislation has been recommended. However, further study should be done on wrap-up as one element of the total project and what impact wrap-up had on cost over-runs and contracting procedures.
 - b) What were the trade-offs in the decision to not relieve the engineer of responsibility for the project?
- 4) What procedures are used in developing cost estimates and how thorough is management in checking those estimates?
 - a) What is the explanation for significant differences in the various estimates on the project costs?
 - b) Do we know with certainty at this time what the final costs of the project will be?
- 5) Did the project costs get out of control and, if so, at what time did the project costs get out of control?
 - a) What steps were taken to control the escalating costs of the project?
 - b) There are excessive numbers of change orders in the Tyee project. Were all of these necessary and what could have been done to prevent this problem?
- 6) Has the Legislature been at fault by constantly changing the ground rules by which APA operates or allowing too much latitude in the operation of APA?
- 7) What has been the specific impact of each legislative change

as the Tyee project progressed (i.e., "Blackmail Clause, SB 25 and 26, HB 9, etc.)?

8) What steps are necessary to resolve the crisis we face with the Tyee project?

a) Do the problems with Tyee apply to other APA projects?

b) Who should bear the burden for the cost over-runs -- the utilities, municipalities (customers) or the State of Alaska?

And finally and most importantly,

9) What recommendations or legislation should be adopted by the Labor and Commerce Committee to prevent these problems from arising again?

Increased energy usage throughout the State, declining oil revenues and an eventual end to fossil fuels demand a workable energy plan for Alaska. Some corrections have been made within APA by changes in legislation, by the APA board and by the APA management. This review should not be a surgical procedure, but rather, an examination, diagnosis and cure.

INDIAN TRAIL RACE

1981 BUDGET

1982

INCOME:

Sweepstakes	\$104,000
Entry Fees	73,430
Appropriation	50,000
Grants	25,000
Plaque Sales	20,000
Memberships	6,000
Runner	9,000
Promotional Sales	60,000
Banquet	26,225
Misc.	7,000
Total Income	<u>\$380,655</u>

ADMINISTRATIVE EXPENSE:

Meetings	\$ 550
Travel	300
Rent & Leases	1,820
Wages	19,000
Telephone	8,500
Office Supplies & Postage	4,300
Stationery & Printing	6,300
Runner	7,000
Legal	750
Misc.	4,100
	<u>\$ 52,620</u>

DIRECT RACE EXPENSE:

Trail	\$ 12,000
Ham Radio	12,000
Checkers & Officials	21,500
Veterinarians	7,000
Air Transportation	39,000
Prize Money	101,500
Trophies	1,300
Headquarters	4,300
Banquet	18,900
Misc.	4,035
	<u>\$221,535</u>

INDIRECT RACE EXPENSE:

Goods for Resale	\$ 40,000
Advertising & Public Relations	12,000
Sweepstakes & Raffles	51,000
Misc.	3,000
	<u>\$106,000</u>

TOTAL EXPENSE:

\$380,655

MARCH 20, 1984

TO: JOHN

FROM: KEN

RE: HB 141 "MAKING AN APPROPRIATION TO THE IDITAROD TRAIL COMMITTEE"

HB 141 WOULD AUTHORIZE AN APPROPRIATION TO THE IDITAROD TRAIL COMMITTEE TO BUILD A HEADQUARTERS BUILDING IN THE WASILLA AREA. THE BILL WOULD PROVIDE 422 THOUSAND DOLLARS FOR CONSTRUCTION OF THE BUILDING. SINCE ITS INTRODUCTION THE AMOUNT NEEDED FOR THE FACILITY HAS BEEN REVISED TO 388 THOUSAND DOLLARS.

1. THE DEPARTMENT HAS STATED IT DOES NOT HAVE THE AUTHORITY TO GRANT THE IDITAROD TRAIL COMMITTEE THIS FUNDING. WHY IS THAT ?
2. HOW DID THE IDITAROD TRAIL COMMITTEE ARRIVE AT ITS FIGURES FOR CONSTRUCTION OF THE HEADQUARTERS FACILITY ?
3. IF FUNDING FOR THE THE HEADQUARTERS IS APPROVED, WILL THE TRAIL COMMITTEE BE ABLE TO GENERATE ENOUGH REVENUE SO IT WILL NOT NEED TO ASK FOR GRANTS FROM THE STATE EACH YEAR TO PUT ON THE RACE ?

IDITAROD TRAIL COMMITTEE, INC.

POUCH X

WASILLA, AK. 99687

GRANT PROPOSAL



IDITAROD TRAIL COMMITTEE, INC

January 19, 1983

Ronald L. Larson
Alaska State Legislature
Pouch V (MS 3100)
Juneau, Ak. 99811

Dear Mr. Larson:

Iditarod '83 will start our second decade of the longest sled dog race in the world. And, quite frankly, we are proud of our contribution to promoting Alaska and long distance sled dog racing. Our emphasis has always been on strict rules regarding treatment of dogs on the trail and sportsmanship among the mushers. ITC has always wanted to reflect the most positive image possible on both the Iditarod and the State of Alaska.

This race we are expecting a record breaking number of mushers to sign up. In addition to the teams, we have hundreds of volunteers working hundreds of hours seeing to the details of the race from Anchorage to Nome. Our volunteers give of their time and many put expensive equipment, such as HAM radios and airplanes, on the line for us. People from every walk of life, lawyers, veterinarians, pilots, trappers, engineers clerks, subsistence dwellers, all join together in a special camaraderie.

Our news media coverage is international. The race has been filmed and reported by the British, Spaniards, Canadians, Germans, and we are working with STV in Japan on the possibility of filming Iditarod '83. CBS and ABC have covered the race. The thirty minute ABC 20/20 show last spring on the race and Susan Butcher has prompted inquiries from all over the lower 48.

The January issue of GEO Magazine has an article on Iditarod. National Geographic will follow with a story in their March issue. And once again, CBS has international rights to live coverage of Iditarod '83.

Iditarod Sled Dog Race has become a year 'round business. Although we have tremendous sponsors for the race, we must turn to the State again and hope you merit our contributions to tourism and State exposure worthy of support of our two proposals.

The first proposal deals with the race itself. These requests are ones we feel will enhance the quality, safety, and organization of the Iditarod.

Our second proposal is for a much needed permanent headquarters. This building would include our offices, a sales outlet, and a museum.

iditarod draft

IDITAROD '84

MEDICAL CARE AND DRUG TESTING PROGRAM FOR DOGS

Our veterinarians try to be at every checkpoint to check and administer any needed care to the dogs. The vets have the final say on a dog continuing in the Race. They also have medical supplies available to treat minor irritations and injuries. And, as our rules state, any dog that expires on the trail must have an autopsy.

Because of the rich purse and intense competition among mushers, ITC makes it a priority to keep drugs from being used on a dog. The vets have a right to randomly check dogs during the race for drugs. Then all dogs are checked at the end of the race. These samples are sent to Cornell University in New York for analysis.

For medical supplies, autopsies, drug testing supplies, sample shipping cost, and analysis.

Cost.....\$9,850.00

IDITAROD AIR FORCE

Our trail Air Force is composed of volunteers who are willing to fly their planes along the trail to move dog food, vets, hams, dropped dogs, race officials, and any other person or object needing to go from checkpoint to checkpoint. Because of the financial restrictions on the Iditarod, we have never been able to provide the full protection the private pilot needs. Airplanes and parts have become so expensive, we can no longer recruit pilots and expect them to "outofpocket" any damage to their plane while flying for the Iditarod.

Full coverage aviation insurance for Iditarod Air Force during March.....\$5,050.00

AIRCRAFT

Each year our trail manager must start earlier flying up the trail. Checkpoints and checkers must be secured. Trail breaking, marking, and maintenance must be coordinated. All of this is done before the race.

During the race, it is becoming essential ITC have a plane at our disposal. Each year brings different emergencies. We must get our Race Marshal to a checkpoint, or a doctor in to treat an injured musher, or a vet to an injured dog. To ensure the safety of our mushers and their teams, the enforcements of our rules, and a organized operation, we are requesting funding for a Maule M-6 airplane.

Cost.....\$48,000.00

RADIOS

For better communications so we are able to respond to problems and emergencies, we need high frequency portable radios. These radios may be used by our pilots or ground crews.

Four (4) HF Radios.....\$4,750.00

SNOWMACHINES

Of course there are times when all air support is grounded by weather. But our race continues. To enable our officials and trail breaking crews to operate we need double track machines. If we have an emergency somewhere a plane cannot land, we need the machines to get to the location. And, just to have the ability to maintain surveillance between checkpoints, the machines would be invaluable.

Two Alpine double track snowmachines.....\$10,400.00

Each year we offer a \$100,000.00 purse to the top twenty mushers. This distinguished the Iditarod as not only the longest sled dog race in the world, but also the richest. This purse also ensures the Iditarod a place in the major athletic events in the world. The purse gives mushers the incentive to train for the race. Consequently we have mushers and teams that are physically and mentally prepared to challenge the Iditarod Trail.

Money for purse.....\$35,000.00

TOTAL OF PROPOSAL #1

\$113,050.00

plans 248.00 >

65,050

PERMANENT IDITAROD HEADQUARTERS

Each year interest in the Iditarod Sled Dog Race grows.

According to surveys done with our out of state visitors, the Iditarod fulfills the image and fantasy of Alaska. News media from the world over come to report the "Last Great Race." Because of the coverage, more and more tourists want to visit Iditarod Headquarters and see first hand the operation of the race.

After ten years we have collected invaluable paraphernalia connected with each race. These items are a part of our history, but are perilously close to being lost because we have no place to store them. The impression each visitor or reporter leaves our headquarters with reflects on the Iditarod and our great state.

At present we are located above Teeland's Country Store in Wasilla. As our volume of traffic increases, not only is it disruptive to Teelands, but our own space is grossly strained. We have no place to store our race records or paraphernalia. Nor do we have the space to accommodate volunteers working on the race and visitors at the same time.

Because of the problems listed above, the Iditarod Sled Dog Race is requesting funding for a permanent headquartes in Wasilla. We want our building to be in the true spirit of Alaskan history and dog mushing, so our decor would be styled on a log cabin -- Roadhouse theme. To complement our building, we need an acre of land that can be landscaped to encourage visitors to stop and enjoy.

In our headquarters we need office space, storage area, conference room, retail sales outlet and a museum. Maximum exposure for our building is a must to ensure us the tourist and drop in trade we

will count on to cover operation and maintenance.

Our request is for: a 3350 sq. ft. building at \$100 per foot building .

Cost.....\$335,000.00

One acre land located on Parks Highway in or about Wasilla.

Cost\$ 26,000.00

<26.0 >

Office equipment, furnishings, display cases, cash register, shelves, hangers, and protective equipment for museum.

Cost.....\$ ~~25,000.00~~⁴⁴

Landscaping, artwork, outside tables and benches and plaques.

Cost.....\$ ~~18,000.00~~^{17,800}

<7.8 >

TOTAL REQUEST.....\$422,800.00

589.00

STATE OF ALASKA
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

January 30, 1984

SUBJECT: Iditarod Appropriation
(HB 142)

TO: Representative Ron Larson

FROM: *LHA* Linn H. Asper
Legislative Counsel

It has come to my attention that the Department of Commerce and Economic Development (DC & ED) has taken the position that it is not the appropriate department to administer the grant to the Iditarod Trail Committee contained in HB 142. My information is that DC & ED feels that it cannot receive the appropriation because it does not have the power to make grants. However, in its present format HB 142 does not establish a grant program to be operated by the department. Instead it is a grant from the legislature to a named non-municipal grant recipient. Under AS 37.05.316 such grants must be administered by a department. Thus, DC & ED is not being required to make the grant, only to administer it. This administration function is a common one, exercised by DC & ED and other departments all the time.

Another related question is whether this grant might be more appropriately administered by another department, in terms of the subject matter of the grant. I considered this question when I prepared the bill for you and decided that the Iditarod Race was a promotional event more akin to the tourism function of the DC & ED than the resources responsibilities of the Department of Natural Resources, the only other likely candidate for the administration job. Since an amendment to change the administering department would require the bill to go back to the House of Representatives for a title change, and since the DC & ED has the power to administer the grant and seems to be the logical choice to do so, I believe the bill should remain in its present form.

LHA:obj