

S

B

4

7

9

SENATE RESOURCES COMMITTEE
LEGISLATION CHECKLIST

IDENTIFICATION:

BILL NUMBER: *SB 479*

BILL NAME:

SPONSOR(S): *Kurtz - Bugler*

RELATED BILLS PENDING:

DATE INTRODUCED:

REFERRALS:

INITIAL RESEARCH:

BILL SUMMARY COMPLETED:

SUMMARY BY LEGAL DIVISION:

SPONSOR CONTACTED FOR
BACKUP MATERIALS:

DEPT. OF LAW SUMMARY:

FISCAL NOTE:

AGENCY RESPONSE:

OTHER INTERESTED SENATORS OR
REPS. NOTIFIED:

BACKGROUND RESEARCH:

SIMILAR BILLS INTRODUCED IN PREVIOUS LEGISLATURES:

RESPONSES FROM INTERESTED PERSONS/GROUPS:

OTHER STATE OR FEDERAL PRECEDENTS, REGULATIONS, LAWS:

HEARING PREPARATION:

CHAIRMAN BRIEFED:

DATE AND PLACE SET:

STAFF MEMO TO COMMITTEE:

TELECONFERENCE:

BACKGROUND MATERIAL DISTRIBUTED:

PSA/PRESS RELEASE:

LIST OF WITNESSES:

SUGGESTED AMENDMENTS/COMMITTEE
SUBSTITUTES DRAFTED:

Vince O'Reilly - Dep. Comm. - CED-2500

Milt Barker, Dep. Dir., Div. of Treasures - DOR - 2350

*Wally Kubley - Lobbyist for Ketchikan Pulp Corp (Louisiana-Pacific Corp)
586-3611*

TESTIMONY CONCERNING SB 479
SENATE LABOR AND COMMERCE COMMITTEE
MARCH 1, 1984

SB 479: "An Act relating to a forest products business loan guarantee program; and providing for an effective date."

I. We share with you the deep concern over the grave situation facing all aspects of the Southeast timber industry. We are aware the larger mills must operate in order for the economics of the small operators to function. We have evidenced our concern by:

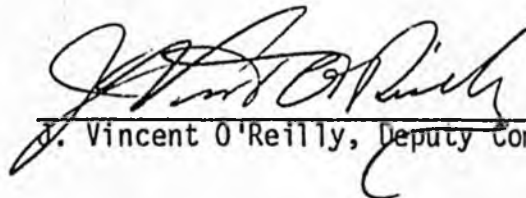
- A. Meeting with involved parties and participating in their presentations.
- B. Meeting with other departments and agencies of the State attempting to arrive at mutually agreeable and reasonable environmental controls.
- C. Causing to be performed overview studies focused on the Southeast timber situation. More studies and solution alternatives will be offered.

II. Our view on this bill is that it offers a solution, but it may not be aimed at the right problems.

- A. The problems of the larger mills' operation appear to be:
 - 1. Markets for their product both as to volume price and stability.
 - 2. Raw material supply.
 - 3. Environmental and operating regulations.
 - 4. Labor costs and efficiency.

III. This bill offers a means of transfer of ownership, but that may be only a transfer of the problems from one group to another.

Our view is that the State's assets should be used to solve economic problems to the benefit of our citizens. But before we put our citizens and the State more at risk by freezing staff assets in a guarantee, we should perhaps assist in applying the State's assets in solving the major problems.


Vincent O'Reilly, Deputy Commissioner

Department of Commerce
& Economic Development / POSITION PAPER

Alaska State Legislature

BETTYE FAHRENKAMP, Chairman
ROBERT H. ZIEGLER, SR., Vice Chairman
DICK ELIASON
PAUL FISCHER
VIC FISCHER
BOB MULCAHY
ARLISS STURGULEWSKI



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

Senate

Committee on Resources

MINUTES

March 16, 1984
3:05 pm

Beltz Room
Room 211, Capitol

MEMBERS PRESENT

Senator Fahrenkamp, Chairman
Senator Ziegler, Vice Chairman
Senator Eliason
Senator Paul Fischer
Senator Mulcahy
Senator Sturgulewski

CALENDAR

SB 202, An Act establishing the Yakataga State Forest.

SB 479, An Act relating to a forest products business loan guarantee program.

TELECONFERENCED TO: Haines, Sitka, Yakutat, Cordova, Ketchikan, Fairbanks, Petersburg, and Anchorage.

SB 202

John Sturgeon, State Forester, Department of Natural Resources, spoke in support of the Committee Substitute, emphasizing the advantages with respect to timber sales. He also discussed the DNR amendment that would allow a land exchange.

Senator Eliason moved to adopt the Committee Substitute. There was no objection.

Phil Holdsworth, Alaska Miners Association, Juneau, testified in support of the Committee Substitute, and stressed the need for a management plan.

Oliver Osborn, President, Cordova Lands Coalition, spoke in support of the bill, but objected to DNR's proposed amendment.

Dick Groff, Cordova, spoke in support of the bill.

Larry Powell, Mayor, City of Yakutat, spoke in support of the bill, urging the protection of the fisheries while providing for a greater variety of resource development.

Don Bell, Manager, Alaska Loggers Association, Ketchikan, testified in support of the bill.

Cal Kerr, North Coast Mining, Anchorage, spoke in support of the bill. He recommended an inventory of minerals in the area be done and additional acreage be included.

Jerry McCutcheon, Anchorage, suggested an amendment to require that timber from the forest be processed in-state.

Al Harris, Alaska Society of American Foresters, Juneau, testified in support of the bill.

Larry Revell, Yakutat, spoke in support of the bill.

Wolfgang Falke, Fairbanks, pointed out a technical error in the statute citations referenced in the bill.

SB 479

Richard Ramsey, Aide to Senator Kerttula, explained that Forest Products Business Loan Guarantee Fund money could be used to guarantee a loan for financing the purchase of a forest products business.

Vincent O'Reilly, Deputy Commissioner, Department of Commerce and Economic Development, supported the concept of the bill.

Milt Barker, Division of Treasury, Department of Revenue, proposed an amendment to the bill to ensure that the net cash flow from the forest products business provide adequate coverage of the debt service on the loan.

Wally Kubley, representing Louisiana-Pacific, Ketchikan (LPK), explained that the \$25 million state guarantee needed to allow employee purchase of the Louisiana-Pacific Ketchikan mill may be included in the operating budget.

Martin Pihl, Comptroller and Assistant Manager, LPK, Rick Benner and Dick Robb, LPK employees, spoke in support of the bill and discussed how employee purchase of the mill would work and the economic projections the financing plan is based on.

Tom Cashen, AFL-CIO, spoke in support of the bill.

The meeting adjourned at 4:45 pm.

MR PHL
2/24/84

A. HISTORY OF OWNERSHIP
KETCHIKAN PULP COMPANY

MAY 1954 START OF PULP MILL OPERATION

JOINT VENTURE 50% OWNED EACH BY
AMERICAN VISCOSE CORPORATION, PHILADELPHIA PENN
(PROVIDING MARKET FOR 70-80% OF PRODUCTION)
PUGET SOUND PULP AND TIMBER COMPANY, BELLINGHAM
WASHINGTON
(PROVIDING OPERATING MGMT TO VENTURE)

1963

FMC CORPORATION PURCHASES AMERICAN
VISCOSE CORP
and
GEORGIA-PACIFIC CORPORATION PURCHASES
PSP & T

1/1/73

LOUISIANA-PACIFIC CORPORATION IS FORMED BY
SPIN-OFF FROM G-P AND KPC IS
INCLUDED AS A DIVISION OF L-P,

11/1/76

L-P PURCHASES REMAINING INTEREST IN
KPC FROM FMC.

KETCHIKAN PULP COMPANY CONTINUES AS
A CORPORATE ENTITY THROUGHOUT, IS NOW A
WHOLLY OWNED SUBSIDIARY OF L-P, AND
OPERATES AS THE KETCHIKAN DIVISION
OF LOUISIANA-PACIFIC CORPORATION.

LOUISIANA-PACIFIC CORPORATION
KETCHIKAN DIVISION

M.R. PHEL
2/24/84

B. HISTORY OF OPERATIONS
KETCHIKAN PULP COMPANY

MAY 1954 BEGINNING OF OPERATIONS, LOGGING
AND PULP MILL OPERATIONS

1967 GEORGIA-PACIFIC CORPORATION PURCHASES
KETCHIKAN SPRUCE MILLS FROM DALY FAMILY
AND CONTRIBUTES KSM TO KETCHIKAN PULP
COMPANY. FMC CONTRIBUTES EQUAL
AMOUNT OF CASIT TO KPC TO MAINTAIN
EQUAL JOINT VENTURE IN KPC.

PURPOSE DEVELOP INTEGRATED OPERATION AND
IMPROVE FOREST UTILIZATION,

1971 KPC (KSM) ACQUIRES INTEREST OF
ALASKA PRINCE TIMBER IN OPERATING
LEASE OF SAWMILL AT ANNETTE ISLAND
FROM COMMUNITY OF METLAKATVA.

1981 LOUISIANA-PACIFIC CORPORATION ASSIGNS
OPERATING (MANAGEMENT RESPONSIBILITY FOR
SEWARD ALASKA SAWMILL (KENAI LUMBER
COMPANY) TO KETCHIKAN DIVISION OR
KPC.

LOUISIANA PACIFIC CORPORATION
KETCHIKAN DIVISION

MIRPHE
2/24/84

C. EMPLOYMENT DATA
KETCHIKAN PULP COMPANY

	1984 PLAN	No. EMP PEAK EMPLOYMENT (BETTER MARKETS)
	No. ANNUAL EMP PAYROLL	
1. KPC DIRECT LOGGING SAWMILLS, PULP, SALARIED 800	\$ 24 MILLION	1,200
2. KPC CONTRACTORS, LOGGING, ROADBUILDING, TOW BOATS ETC	<u>600</u> 1,400	<u>800</u> 2,000

2) The forest would be managed for multiple use, specified in AS

41.17.230(e) as:

- commercial timber harvest
- personal use timber harvest
- mining/material extraction
- recreation
- fish and wildlife habitat management
- greenbelts
- trapping
- sport and subsistence hunting and fishing
- grazing
- watershed management research
- other traditional, compatible uses

The Department will propose an amendment to accommodate a pending land exchange with the Seldovia Native Association (see attached).

SB 473, An Act establishing the Alaska Fisheries Council; and providing for an effective date.

SB 473 would establish the Alaska Fisheries Council within the Department of Fish and Game. A fisheries policy for the state would be developed through the cooperative interactions of state government officials and representatives of the seafood industry.

SB 479, An Act relating to a forest products business loan guarantee program.

SB 479 would establish a Forest Products Business Loan Guarantee Fund in the Department of Revenue. Money in the fund could be used to guarantee a loan for financing employee purchase of a forest products business. The state could guarantee up to 50% of a loan, to a maximum of \$30 million.

In an effort to keep the Louisiana-Pacific pulp mill in Ketchikan (LPK) afloat, its 800 employees have agreed to purchase 56% of the stock. In order for the purchase to occur, the employees need \$50 million in financing, which they feel will not be available without a guarantee from the State.

A proposed \$25 million appropriation to the Department of Revenue would serve as the guarantee. As long as the employees make their loan payments on time, the money would not be drawn upon. However, if the employees were to default, under SB 479 the state would be obligated to pay 50% of the amount in default.

Two amendments to the bill will be proposed (see attached).

POTENTIAL UNEMPLOYMENT PAYMENTS TO DIRECT/INDIRECT & SERVICE RELATED EMPLOYEES IN
THE EVENT OF A LOUISIANA PACIFIC AND ALASKA LUMBER & PULP CLOSURE

UNEMPLOYMENT CLAIMENTS	AVERAGE PAYMENT & DURATION	EXHAUST BENEFITS	
		39 WEEKS	52 WEEKS
3,000	\$6,245,580	\$14,952,600	\$19,936,800
6,000	\$12,491,160	\$29,905,200	\$39,873,600
10,000	\$20,918,600	\$49,842,000	\$66,456,000

ADMINISTRATIVE COSTS OF MAKING PAYMENTS

CLAIMENTS	AVERAGE PAYMENT & DURATION	39 WEEKS	52 WEEKS
3,000	\$189,296	\$384,296	_____
6,000	\$396,596	\$769,452	_____
10,000	\$659,711	\$1,281,289	_____

* AVG. PAYMENT & DURATION = \$127.80 per week for 16.29 weeks

LOUISIANA PACIFIC EMPLOYMENT INFORMATION

		<u>PAYROLL</u>	<u>WAGES & BENEFITS</u>
DIRECT EMPLOYMENT	800	\$22.6 million	\$28 - 30 million
SECONDARY EMPLOYMENT	<u>600</u>		
TOTAL EMPLOYMENT	1400		

January 11, 1984

The Honorable Albert P. Adams
Chairman House Finance Committee
Pouch V
Juneau, AK 99811

Dear Representative Adams:

Pursuant to your request, I am outlining the history and status of the rainy day fund.

Section 1, Ch. 171 SLA 1980 appropriated \$350 million to the reserve for emergency expenses operating account ("rainy day fund").

Sections 2 and 3 of Ch. 171, SLA 1980 authorized transfers of \$5 million per annum from the rainy day fund to both the fire suppression fund and the disaster relief fund, effective July 1, 1980. These sections would have resulted in a rainy day fund balance of \$330 million at the end of FY 82.

However, section 4 of Ch. 34, SLA 1982 reduced the original appropriation by \$100 million, thus lowering the balance at the end of FY 82 to \$230 million.

Sections 8 and 9 of Ch. 34, SLA 1982 also provided that one year later \$100 million that had been appropriated to the fishery product revolving loan guarantee fund would lapse into the rainy day fund. In addition, section 2 of Ch. 30, SLA 1982 increased the authorization for transfers to the fire suppression fund to \$9 million per annum. Thus, at the end of FY 83 the rainy day fund balance was \$316 million.

Henceforth, under current law, the fund may continue to decline by as much as \$14 million per annum at the governor's discretion.

Sincerely,


Milt Barker
Deputy Commissioner

MB:aw

cc: Hon. Robert D. Heath

DOR

Proposed Amendments
to
SB 479

I. Proposed AS 45.94.030(b) is amended to read:

"The commissioner shall require that a loan guaranteed by the fund be secured by adequate collateral and that the net cash flow from the forest products business provide adequate coverage for the debt service on the loan. The applicant shall provide an economic and financial feasibility analysis prepared by a firm acceptable to the department."

STATE OF ALASKA
THE LEGISLATURE

POUCHY STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 27, 1984

SUBJECT: Sectional analysis of
SB 479

TO: Senator Ja'mar Kerttula

FROM: *LH* Linn H. Asper
Legislative Council

You have asked for a sectional analysis of SB 479, relating to a forest products business loan guarantee program.

*Section 1 establishes the forest products business loan guarantee program and sets conditions for the loan guarantees.

Sec. 45.94.010 establishes the forest products business loan guarantee fund in the Department of Revenue

Sec. 45.94.020 allows the Department of Revenue to use fund money to guarantee a loan for the purchase of 35 percent or more of the stock or assets of a forest products business by the employees of that business.

Sec. 45.94.030 grants the department the powers necessary to administer loan guarantees under the forest products business loan guarantee program, and requires that a loan guaranteed must be secured by adequate collateral.

Sec. 45.94.040 directs the department to invest money from the loan guarantee fund that is not being used to guarantee loans in investments allowed under AS 37.10.070.

Sec. 45.94.050 establishes conditions on a loan guarantee, including maximum and minimum amounts that may be guaranteed, terms of loans guaranteed, security for guaranteed loans, state financial institution participation in the guaranteed loan, and other terms applicable to guaranteed loans.

Senator Kerttula
Page 2
February 27, 1984

Sec. 45.94.055 allows the department to guarantee additional loans for a borrower under the terms of the chapter.

Sec. 45.94.060 provides definitions of terms used in the chapter.

Section 2 of the Act provides an immediate effective date.

LHA:csh
C2/137

Introduced: 2/13/84
Referred: Labor and Commerce
Resources and
Finance

*State guarantees
50% of loan
principal - no
interest.*

- neutral
- LPK employees have recently negotiated purchase of mill. Need \$40 million loan - put up 10 million. Need guarantee of \$20 million+. Appropriation to accompany as guarantee - \$ has to be put up. As long as employees make payments on time, \$ just sits in State treasury & earns interest.
If employees default, State pays 50% of payments.

1 IN THE SENATE

BY KERTTULA AND ZIEGLER

2

SENATE BILL NO. 479

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to a forest products business loan guarantee program; and providing for an effective date."

7

8

9

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

10

* Section 1. AS 45 is amended by adding a new chapter to read:

11

CHAPTER 94. FOREST PRODUCTS BUSINESS LOAN GUARANTEE PROGRAM.

12

Sec. 45.94.010. ESTABLISHMENT OF LOAN GUARANTEE FUND. The

13

forest product business loan guarantee fund is established in the Department of Revenue.

14

15

Sec. 45.94.020. FOREST PRODUCTS BUSINESS LOAN GUARANTEE PROGRAM.

16

The department may use money in the fund to guarantee a loan for the purpose of financing the purchase of 35 percent or more of the stock or assets of a forest products business by, on behalf of, or for the benefit of the employees of that business, as provided in AS 45.94.-050.

17

18

19

20

21

Sec. 45.94.030. POWERS AND DUTIES OF THE DEPARTMENT. (a) The commissioner may

22

23

(1) designate agents and delegate powers necessary to implement this chapter;

24

25

(2) adopt regulations to implement this chapter;

26

27

(3) make and execute contracts and other instruments to implement this chapter;

28

29

(4) acquire real or personal property by purchase, transfer, or foreclosure when the acquisition is necessary to protect an

*provide adequate collateral
for the debt service on the
loan. The applicant shall provide
an economic & financial
feasibility analysis prepared by
a firm acceptable to the Dept.*

*Milt Barker -
Reserve*

1 interest in the fund.

2 (b) The commissioner shall require that a loan guaranteed by the
3 fund be secured by adequate collateral. *that the net cash flow from the
forest products business*

4 Sec. 45.94.040. INVESTMENT OF THE FUND. Money in the fund that
5 is not being used for loan guarantees under this chapter shall be
6 invested as provided for the investment of state treasury surplus
7 under AS 37.10.070. Income from investment shall be transferred to
8 the general fund. *Perm Fund guidelines*

9 Sec. 45.94.050. CONDITIONS OF LOAN GUARANTEES. (a) The depart-
10 ment may guarantee a loan under this chapter if

11 (1) the term of the loan does not exceed 10 years;

12 (2) the loan is secured by the real or personal property,
13 inventory or accounts receivable of the forest products business, or
14 by other collateral acceptable to the department;

15 (3) the loan is originated with and serviced by the Alaska
16 Commercial Fishing and Agriculture Bank, or by a state or federally
17 chartered financial institution located in the state; and

18 (4) the loan is made to the employees of the forest pro-
19 ducts business, to an employee stock ownership trust, or to one or
20 more corporations or other business associations or entities in which
21 the employees of the forest products business hold an interest that is
22 equal to or greater than the interest held by the seller of the forest
23 products business.

24 (b) The department may provide a guarantee from the fund for up
25 to 50 percent of a loan, but may not guarantee less than \$5,000,000 or
26 more than \$30,000,000 per borrower. The department may not guarantee
27 the payment of annual interest on the guaranteed portion of a loan.

28 (c) Upon default by a borrower, the amount of the maximum liabi-
29 lity of the fund for a loan guarantee under this chapter is the

1 percentage of the amount in default specified by the department in the
2 guarantee agreement.

3 Sec. 45.94.055. ADDITIONAL GUARANTEES. Not less than 30 days
4 after the department enters into a contract to guarantee a loan to a
5 borrower under this chapter, the department may enter into a contract
6 to guarantee another loan to that borrower under this chapter.

7 Sec. 45.94.060. DEFINITIONS. In this chapter

8 (1) "commissioner" means the commissioner of revenue;

9 (2) "department" means the Department of Revenue;

10 (3) "forest products business" means a sole proprietorship,
11 partnership, corporation or other business organization formed for the
12 purpose of harvesting or processing timber or other forest resources;

13 (4) "fund" means the forest products business loan guaran-
14 tee fund.

15 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
16 10.070(c).

*Milt's amendment
normal on business loans
Lang there lifted from Fish-Har
financing
is inventory financing (product already
produced) for 1yr. Product serves as
collateral
how financing plans & equipment -
like a mortgage loan
10yr loan*

*Senior must show can
as part of business
as collateral*

*- This is how revenue make
determination anyway.*

Introduced: 2/13/84
Referred: Labor and Commerce
Resources and
Finance

1 IN THE SENATE

BY KERTTULA AND ZIEGLER

2

C.S. SENATE BILL NO. 479

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to a forest products business loan
7 guarantee program; and providing for an effective
8 date."

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

10 * Section 1. AS 45 is amended by adding a new chapter to read:

11 CHAPTER 94. FOREST PRODUCTS BUSINESS LOAN GUARANTEE PROGRAM.

12 Sec. 45.94.010. ESTABLISHMENT OF LOAN GUARANTEE FUND. The
13 forest product business loan guarantee fund is established in the
14 Department of Revenue.

15 Sec. 45.94.020. FOREST PRODUCTS BUSINESS LOAN GUARANTEE PROGRAM.
16 The department may use money in the fund to guarantee a loan for the
17 purpose of financing the purchase of 35 percent or more of the stock
18 or assets of a forest products business by, on behalf of, or for the
19 benefit of the employees of that business, as provided in AS 45.94.-
20 050.

21 Sec. 45.94.030. POWERS AND DUTIES OF THE DEPARTMENT. (a) The
22 commissioner may

23 (1) designate agents and delegate powers necessary to
24 implement this chapter;

25 (2) adopt regulations to implement this chapter;

26 (3) make and execute contracts and other instruments to
27 implement this chapter;

28 (4) acquire real or personal property by purchase, trans-
29 fer, or foreclosure when the acquisition is necessary to protect an

1 interest in the fund.

2 (b) The commissioner shall . . . that a loan guaranteed by the
3 fund be secured by adequate collateral, [✓] AND THAT THE NET CASH

1. FLOW FROM THE FOREST PRODUCTS BUSINESS PROVIDE ADEQUATE COVERAGE
FOR THE DEBT SERVICE ON THE LOAN. THE APPLICANT SHALL PROVIDE
AN ECONOMIC AND FINANCIAL FEASIBILITY ANALYSIS PREPARED BY A
FIRM ACCEPTABLE TO THE DEPARTMENT.

4 Sec. 45.94.040. INVESTMENT OF THE FUND. Money in the fund that
5 is not being used for loan guarantees under this chapter shall be
6 invested as provided for the investment of state treasury surplus
7 under AS 37.10.070. Income from investment shall be transferred to
8 the general fund.

9 Sec. 45.94.050. CONDITIONS OF LOAN GUARANTEES. (a) The depart-
10 ment may guarantee a loan under this chapter if

11 (1) the term of the loan does not exceed 10 years;

12 (2) the loan is secured by the real or personal property,
13 inventory or accounts receivable of the forest products business, or
14 by other collateral acceptable to the department;

2. 15 (3) the loan is originated with and serviced by [the Alaska
16 Commercial Fishing and Agriculture Bank, or by] a state or federally
17 chartered financial institution [located in the state] and

18 (4) the loan is made to the employees of the forest pro-
19 ducts business, to an employee stock ownership trust, or to one or
20 more corporations or other business associations or entities in which
3. ~~CONTROLLING INTEREST IS HELD BY STATE RESIDENTS WHO ARE~~
21 the employees of the forest products business [hold an interest that is
22 equal to or greater than the interest held by the seller of the forest
23 products business].

24 (b) The department may provide a guarantee from the fund for up
25 to 50 percent of a loan, but may not guarantee less than \$5,000,000 or
26 more than \$30,000,000 per borrower. The department may not guarantee
27 the payment of annual interest on the guaranteed portion of a loan.

4. ~~AT ANY TIME FOLLOWING~~
28 (c) ~~Upon~~ default by a borrower, the amount of the maximum liabi-
29 lity of the fund for a loan guarantee under this chapter is the

1 percentage of the amount in default specified by the department in the
2 guarantee agreement., multiplied by the amount then in default.
Any amounts received in satisfaction of a default shall be shared
between the lender and the fund according to the percentage
specified by the Department in the guarantee agreement until all
principal has been repaid.

5.

3 [Sec. 45.94.055. ADDITIONAL GUARANTEES. Not less than 30 days
4 after the department enters into a contract to guarantee a loan to a
5 borrower under this chapter, the department may enter into a contract
6 to guarantee another loan to that borrower under this chapter.]

7 Sec. 45.94.060. DEFINITIONS. In this chapter

8 (1) "commissioner" means the commissioner of revenue;

9 (2) "department" means the Department of Revenue;

10 (3) "forest products business" means a sole proprietorship,
11 partnership, corporation or other business organization formed for the
12 purpose of harvesting or processing timber or other forest resources;

13 (4) "fund" means the forest products business loan guaran-
14 tee fund.

15 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
16 10.070(c).

Alaska State Legislature

BETTYE FAHRENKAMP, Chairman
ROBERT H. ZIEGLER, SR., Vice Chairman
DICK ELIASON
PAUL FISCHER
VIC FISCHER
BOB MULCAHY
ARLISS STURGULEWSKI



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

Senate

Committee on Resources

March 19, 1984

CS SB 479 (Res)

1. Department of Revenue amendment to require that an applicant show it can service a loan.
2. The original language referencing the Commercial Fishing and Agriculture Bank was pulled from current statute on Fish-Pac financing. It is not appropriate in this bill.
3. Clarifies that the controlling interest in corporations that apply for a loan guarantee must be held by state residents.
4. Department of Revenue amendment clarifying how the State's investment is protected in case of default by the borrower.
5. Deletes the provision regarding subsequent guarantees.

THIS AMENDMENT WILL BE ADDRESSED BY WALLY KUBLEY, WHO REPRESENTS LPK. THE AMENDMENT WAS INCORPORATED INTO THE HOUSE VERSION OF THIS BILL, AND KUBLEY WILL PROPOSE IT BE ADDED TO SB 479.

COMMITTEE SUBSTITUTE
FOR HB 627

Sec 45.94.050. CONDITIONS OF LOAN GUARANTEES. (a)

(3) the loan is originated with and serviced by [the Alaska Commercial Fishing and Agriculture Bank, or by] a state or federally chartered financial institution [located in the state]; and

(4) the loan is made to the employees of the forest products business, to an employee stock ownership trust, or to one or more corporations or other business associations or entities in which the controlling interest is held by state residents who are employees of the forest products business. [hold an interest that is equal to or greater than the interest held by the seller of the forest products business.]

Amended version reads:

(4) the loan is made to the employees of the forest products business, to an employee stock ownership trust, or to one or more corporations or other business associations or entities in which the controlling interest is held by state residents who are employees of the forest products business.

[Sec. 45.94.055. ADDITIONAL GUARANTEES. Not less than 30 days after the department enters into a contract to guarantee a loan to a borrower under this chapter, the department may enter into a contract to guarantee another loan to that borrower under this chapter.]

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date _____

REQUEST

Bill/Resolution No: SB 479
 Title: Forest Products Business Loan
Guarantee
 Sponsor: Kerttula
 Requestor: Senate Labor & Commerce
 Date of Request: 2-20-84

FISCAL DETAIL

Agency Affected: Revenue
 Program Category Affected: _____
 BRU, Program of Subprogram(s) Affected:
Treasury

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
<u>OPERATING</u>						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
<u>TOTAL OPERATING</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>CAPITAL</u>	-	-	-	-	-	-
<u>REVENUE</u>	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
<u>TOTAL</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis.

Prepared By: Milt Barker *MB*
 Division: Treasury
 Approved by Commissioner: *Robert O'Hea*
 Agency: Revenue

Phone: 465-2350
 Date: 2-23-84
 Date: 2/28/84

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 27, 1984

SUBJECT: Sectional analysis of
SB 479

TO: Senator Jalmar Kerttula

FROM: *LH* Linn H. Asper
Legislative Council

You have asked for a sectional analysis of SB 479, relating to a forest products business loan guarantee program.

*Section 1 establishes the forest products business loan guarantee program and sets conditions for the loan guarantees.

Sec. 45.94.010 establishes the forest products business loan guarantee fund in the Department of Revenue

Sec. 45.94.020 allows the Department of Revenue to use fund money to guarantee a loan for the purchase of 35 percent or more of the stock or assets of a forest products business by the employees of that business.

Sec. 45.94.030 grants the department the powers necessary to administer loan guarantees under the forest products business loan guarantee program, and requires that a loan guaranteed must be secured by adequate collateral.

Sec. 45.94.040 directs the department to invest money from the loan guarantee fund that is not being used to guarantee loans in investments allowed under AS 37.10.070.

Sec. 45.94.050 establishes conditions on a loan guarantee, including maximum and minimum amounts that may be guaranteed, terms of loans guaranteed, security for guaranteed loans, state financial institution participation in the guaranteed loan, and other terms applicable to guaranteed loans.

Senator Kerttula
Page 2
February 27, 1984

Sec. 45.94.055 allows the department to guarantee additional loans for a borrower under the terms of the chapter.

Sec. 45.94.060 provides definitions of terms used in the chapter.

Section 2 of the Act provides an immediate effective date.

LHA:csh
C2/137

Chapter 92. Fishery Product Revolving Loan Guarantee Fund.

Section	Section
10. Establishment of fund	50. Conditions of loan guarantees
20. Fishery product guarantees	55. Additional guarantees
30. Powers and duties of the department	60. Definitions
40. Investment of the fund	

Sec. 45.92.010. Establishment of fund. The fishery product revolving loan guarantee fund is established in the Department of Revenue. (§ 1 ch 33 SLA 1982)

Sec. 45.92.020. Fishery product guarantees. The department may use money in the fund to guarantee a loan made to a fish processor with facilities in Alaska for the purpose of financing

- (1) the purchase and processing of fishery products from Alaska fisheries; or
- (2) the repurchasing, transporting, repackaging, inspecting, and storing of Alaska fishery products that are recalled in 1982. (§ 1 ch 33 SLA 1982)

Sec. 45.92.030. Powers and duties of the department. (a) The commissioner may

- (1) designate agents and delegate powers necessary to implement this chapter;
- (2) adopt regulations to implement this chapter;
- (3) make and execute contracts and other instruments to implement this chapter;
- (4) acquire real or personal property by purchase, transfer, or foreclosure when the acquisition is necessary to protect an interest in the fund.

(b) The commissioner shall require that a loan guaranteed by the fund be secured by collateral. (§ 1 ch 33 SLA 1982)

Sec. 45.92.040. Investment of the fund. Money in the fund that is not being used for loan guarantees under this chapter shall be invested as provided for the investment of state treasury surplus under AS 37.10.070. Income from investment shall be transferred to the general fund. (§ 1 ch 33 SLA 1982)

Sec. 45.92.050. Conditions of loan guarantees. (a) The department may guarantee a loan under this chapter if

- (1) the term of the loan does not exceed one year;
- (2) the loan is secured by inventory or accounts receivable of the fish processor, or by other collateral acceptable to the department;
- (3) the loan is originated with and serviced by the Alaska Commercial Fishing and Agriculture Bank, or by a state or federally chartered financial institution located in the state; and

(4) the majority interest in the fish processor is beneficially owned by residents of the state and the majority of owners of the fish processor are residents of the state.

(b) The department may provide a guarantee from the fund for up to 50 percent of a loan, but may not guarantee more than \$15,000,000 per loan or \$30,000,000 per borrower. The department may not guarantee the payment of annual interest on the guaranteed portion of a loan.

(c) Upon default by a borrower, the amount of the maximum liability of the fund for a loan guarantee under this chapter is the percentage of the amount in default specified by the department in the guarantee agreement. (§ 1 ch 33 SLA 1982; am § 2 ch 33 SLA 1982)

Effect of amendments. — The 1982 paragraph (3) of subsection (a) and added amendment added "and" at the end of paragraph (4) of that subsection.

Sec. 45.92.055. Additional guarantees. Not less than 30 days after the department enters into a contract to guarantee a loan to a borrower under this chapter, the department may enter into a contract to guarantee another loan to that borrower under this chapter. (§ 1 ch 33 SLA 1982)

Sec. 45.92.060. Definitions. In this chapter

- (1) "commissioner" means the commissioner of revenue;
- (2) "department" means the Department of Revenue;
- (3) "facilities in Alaska" means facilities at which fisheries products are canned, frozen, or otherwise processed for inventory, including floating facilities that are documented under the laws of the United States as defined in 46 U.S.C. 801, and operated in waters of the state;
- (4) "fish processor" means a person engaging in a business for which a license is required under AS 43.75.010 — 43.75.090;
- (5) "fishery product" means salmon;
- (6) "fund" means the fishery product revolving loan guarantee fund. (§ 1 ch 33 SLA 1982)

Editor's notes. — AS 43.75.010 and AS 43.75.090 were repealed. For present provisions covering the subject matter of the repealed sections, see AS 43.75.011 et seq.

Ketchikan, Alaska, Wednesday, March 7, 1984

Committee approves LPK purchase plan

By GREGG POPPEN

Daily News Staff Writer

Members of the Employee Stock Ownership Trust (ESOT) study committee Tuesday approved a \$50 million employee buy out of Louisiana-Pacific Ketchikan Division (LPK) after months of bargaining with the parent corporation. ESOT would hold 56 percent of the division's stock, with Louisiana-Pacific (L-P) keeping the rest.

About 11 percent of the refinanced stock is expected to be offered to the public by ESOT.

ESOT leader and LPK comptroller Martin Pihl said today the study

committee's 28 members — salaried management employees and union wage employees — had given the purchase proposal close consideration since drafting over the weekend a letter of intent to participate with L-P in the \$90 million deal. "I think we all feel pretty good about it. There was not unanimous approval, but very near," he said.

Pihl said ESOT's purchase of division stock is conditional on finding \$50 million in financing and gaining employee approval of the plan. It must also be approved by the Louisiana Pacific board of directors.

The sale is expected to be completed by mid-1984, according to a press release issued today by Louisiana-Pacific.

L-P proposed the employee buy out last fall and first offered the division to employees for about \$150 million. LPK facilities include the Ward Cove pulp mill, the Ketchikan Spruce Mill on the downtown waterfront and the Kenai Lumber Co. of Seward. Other facilities are logging camps, sorting yards and Annette Hemlock, a sawmill in Metlakatla. Nearly a thousand workers are on the LPK payroll at full production. The pulp

mill is considered Ketchikan's greatest employer.

Financing search

ESOT executives will finish preparing financial documents in the next several weeks with the help of Salomon Brothers, the New York financial consultants who were hired by ESOT. Pihl said ESOT committee members have a list of six major banks in Alaska and the Lower 48 which will hear ESOT's pitch for financing.

Bankers are sure to look closely at what Pihl called ESOT's "viability plan" — a package of operating plans

and management strategies for the prospective employee-run corporation. The plan includes wage and benefits reductions for employees and savings in operating expenditures, particularly at the pulp mill. ESOT leaders said in recent weeks about \$10 million in annual operations savings would be needed to make the division break even.

Employees are hoping the U.S. Forest Service regional forester will grant timber industry cost relief requests that could reduce the price of building roads and harvesting timber. This weekend, industry lead-

ers will meet once again with regional forester John Sandor in Juneau.

Another impending concern is the tentative denial by the U.S. Environmental Protection Agency (EPA) regional administrator of LPK's request for a variance from new wastewater treatment standards. A final ruling by regional administrator Ernesta Barnes will come in late May, she said last week during a Ketchikan visit.

LPK estimates the cost of complying with the EPA treatment regulations at more than \$10 million.

POTENTIAL UNEMPLOYMENT PAYMENTS TO DIRECT/INDIRECT & SERVICE RELATED EMPLOYEES IN
THE EVENT OF A LOUISIANA PACIFIC AND ALASKA LUMBER & PULP CLOSURE

UNEMPLOYMENT CLAIMENTS	AVERAGE PAYMENT & DURATION	EXHAUST BENEFITS	
		39 WEEKS	52 WEEKS
3,000	\$6,245,580	\$14,952,600	\$19,936,800
6,000	\$12,491,160	\$29,905,200	\$39,873,600
10,000	\$20,818,600	\$49,842,000	\$66,456,000

ADMINISTRATIVE COSTS OF MAKING PAYMENTS

CLAIMENTS	AVERAGE PAYMENT & DURATION	39 WEEKS	52 WEEKS
3,000	\$189,296	\$384,296	_____
6,000	\$378,596	\$769,452	_____
10,000	\$659,711	\$1,281,289	_____

* AVG. PAYMENT & DURATION = \$127.80 per week for 16.29 weeks

LOUISIANA PACIFIC EMPLOYMENT INFORMATION

		<u>PAYROLL</u>	<u>WAGES & BENEFITS</u>
DIRECT EMPLOYMENT	800	\$22.6 million	\$23 - 30 million
SECONDARY EMPLOYMENT	<u>600</u>		
TOTAL EMPLOYMENT	1400		

Proposed Amendments
to
SB 479

1. Proposed AS 45.94.030(b) is amended to read:

"(b) The commissioner shall require that a loan guarantee by the fund be secured by adequate collateral and that the net cash flow from the forest products business provide adequate coverage for the debt service on the loan. The applicant shall provide an economic and financial feasibility analysis prepared by a firm acceptable to the department."

2. Proposed AS 45.94.050(c) is amended to read:

"(c) [UPON] At any time following default by a borrower, the amount of the maximum liability of the fund for a loan guarantee under this chapter is the percentage of the amount in default specified by the department in the guarantee agreement multiplied by the amount then in default. Any amounts received in satisfaction of a default shall be shared between the lender and the fund according to the percentage specified by the department in the guarantee agreement until all principal has been repaid."

March 1, 1984

INTRODUCTION OF SB 479

Senators Kerttula and Ziegler have introduced this legislation, SB 479, as a means to assist the employees of the Alaska Division of the Louisiana-Pacific Corporation to acquire ownership of that Company's forest product business which is headquartered out of Ketchikan.

Senate Bill 479 will assist and make more secure the financing of an employee effort to purchase a controlling interest in the Ketchikan based forest products operation of Louisiana-Pacific Corporation. The employees have formed an ESOT (Employee Stock Ownership Trust) and study committee which represents all 800 direct employees of the division. In addition, 600 employees are employed by contractors for Ketchikan Pulp. If this employee purchase effort is not successful, LP has stated the operations will be shut down. Such an event will naturally result in massive unemployment and economic disruption.

✓ call
The Borough and City of Ketchikan are vitally concerned about this problem, and fully support this employee effort.

The employees have completed five months of study and negotiations with LP, assisted by legal counsel and Salamon Brothers as financial advisors. The employees have committed to contribute a 25% reduction in pay and benefits as part of this purchase effort. They are confident that

this new Alaskan-owned forest products company will be a success as a consequence of their personal contributions combined with with new material cost reductions resulting from the combined efforts of the Alaska Loggers Association and the U.S. Forest Service, and an improved outlook for resolution of the EPA variance request. ?

It is vitally important to the economy of the state that established industries continue to operate. This bill will not only serve to assist in the maintenance of the economic viability of a company, but it will serve to assist Alaskans in their efforts to acquire ownership of that company. Should the bill not be enacted into law and the shutdown of Louisiana-Pacific takes place, the state could suffer considerable costs in the form of lost tax revenues, lost payroll and extensive unemployment benefit payments.

It is certainly appropriate for the State of Alaska to assist its residents in maintaining the viability of a major industry. It is also most significant that the assistance is in the form of a guarantee for a commitment that Alaskans are making to invest their own money and futures in that industry and the state.

Alaska State Legislature

BETTYE FAHRENKAMP, Chairman
ROBERT H. ZIEGLER, SR., Vice Chairman
DICK ELIASON
PAUL FISCHER
VIC FISCHER
BOB MULCAHY
ARLISS STURGULEWSKI



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

Senate

Committee on Resources

MINUTES

March 19, 1984
3:08 pm

Beltz Room
Room 211, Capitol

MEMBERS PRESENT

Senator Fahrenkamp, Chairman
Senator Ziegler, Vice Chairman
Senator Eliason
Senator Paul Fischer
Senator Vic Fischer
Senator Mulcahy
Senator Sturgulewski

CALENDAR

SB 202, An Act establishing the Yakataga State Forest.

SB 225, An Act creating the Matanuska Valley Moose Range.

SB 297, An Act establishing the land clearing account in the agricultural revolving loan fund; and providing for an effective date.

SB 298, An Act making a continuing appropriation of repayments of the principal and interest on loans made by the Alaska Agricultural Action Council for land clearing to the land clearing account in the agricultural revolving loan fund; and providing for an effective date.

SB 473, An Act establishing the Alaska Fisheries Council; and providing for an effective date.

SB 479, An Act relating to a forest products business loan guarantee program; and providing for an effective date.

SB 202

Gary Gustafson, Division of Land and Water Management, Department of Natural Resources, explained the Department's proposed amendment that would provide an opportunity to trade up to 3000 acres of land within the proposed Yakataga State Forest to the Seldovia Native Corporation.

Senator Eliason moved to adopt the Committee Substitute and the proposed DNR amendment. There was no objection. He then moved CS SB 202 from committee with individual recommendations, noting Senator Sturgulewski's abstention for possible conflict of interest. There was no objection.

SB 473

Carol Derfner, Special Assistant to the Governor, Boards and Commissions, testified that the Governor did not encourage the creation of another advisory board on fishery issues, and cited the existence of the mini-cabinet on fisheries, the fisheries task force, and many other local, regional, and federal advisory boards and commissions.

Steve Pennoyer, Deputy Commissioner, Department of Fish and Game, testified that there are already 72 advisory committees that advise the Board of Fisheries on policy issues. The department is opposed to this bill.

Greg Baker, Director, Office of Commercial Fisheries Division, Department of Commerce and Economic Development, testified that the Department agrees with the needs outlined in the bill, but feels the Governor's mini-cabinet on fisheries is serving that function.

Phil Daniel, United Fishermen of Alaska, spoke in support of the bill, citing the need for more industry participation in the Governor's mini-cabinet.

SB 479

Milt Barker, Deputy Commissioner, Treasury Division, Department of Revenue, spoke in support of the Committee Substitute that incorporates the changes recommended by the Department.

Senator Ziegler moved CS SB 479 from committee with individual recommendations. There was no objection.

SB 225

Chuck Hawley, owner of coal leases within the proposed Moose Range, asked for assurances that his leases would not be affected by establishment of the Moose Range.

Richard Ramsey, Aide to Senator Kerttula, testified to the loss of moose habitat due to development, and stressed the support of local residents. The existing language in the bill is intended to include coal mining.

Bob Arnold, Deputy Commissioner, Department of Natural Resources, speaking for the Department of Fish and Game also, spoke in general support of the bill, but indicated that the Department's are not agreed on the boundaries and management for the proposal.

Bill Beaty, Chief of Resource Allocation, Division of Land and Water Management, Department of Natural Resources, explained that the proposed area is currently undergoing an extensive planning and public review process as part of the Susitna area plan, and that several issues in the plan remain unresolved.

SB 297

SB 298

Senator Moss, sponsor of the bills, explained that they would provide for a separate land clearing account within the Agricultural Revolving Loan Fund and allow repayment of outstanding clearing loans to the account. He proposed an amendment that would grant a 5 year moratorium on repayment of outstanding clearing loans.

The meeting adjourned at 4:27 pm.

Forest
Products Loan
Program

SENATE BILL NO. 479, by Senators Kerttula and Ziegler.
Establishes a Forest Product Business Loan Guarantee Program in the Dept. of Revenue. Money in the loan fund could be used to guarantee a loan for the purpose of financing the purchase of 35 percent or more of the stock or assets of a forest products business by, on behalf of, or for the benefits of the employees of that business. The Commissioner must require that a loan guaranteed by the fund be secured by adequate collateral.

page 306

Money in the fund that is not being used for loan guarantees must be invested under laws governing investment of the Permanent Fund

(AS 37.10.070). Income from the investment would be transferred to the General Fund.

The following conditions must be met before the Dept. of Revenue could guarantee a loan: (1) the term of the loan cannot exceed 10 years; (2) the loan must be secured by real or personal property, inventory or accounts receivable of the forest products business, or by other collateral acceptable to the department; (3) the loan must be originated with and serviced by the Alaska Commercial Fishing and Agriculture Bank, or by a state or federally chartered financial institution located in Alaska; and (4) the loan must be made to the employees of the forest products business, to an employee stock ownership trust, or to one or more corporations or other business associations or entities in which the employees of the business hold an interest that is equal to or greater than the interest held by the seller of the business.

The Department could guarantee up to 50 percent of a loan, but could not guarantee less than \$5 million or more than \$30 million per borrower, and could not guarantee the payment of annual interest on the guaranteed portion of a loan.

Upon default by a borrower, the amount of the maximum liability of the fund for a loan guarantee is the percentage of the amount in default specified by the Department in the guarantee agreement.

Allows the Department to grant additional guarantees to the same borrower if 30 days have elapsed since the date the first guarantee contract was signed.

Effective immediately. Identical to HB 627.

David

1. Are approval of LPK employees and Board forthcoming? (this is being referred to only as a "technicality" since an employee group and the Board have together worked out the terms of the purchase)
2. Is there any assurance that the banking industry will provide funding? (this is of course tied to whether or not a state guarantee is provided)
3. How sound is LPK? If LPK was ready to close down because they weren't making a go of it, how do the employees think they can make a go of it? (25% reduction in employee benefits, hoping U.S.F.S. will reduce cost of timber, counting on variance on waste discharge from EPA, recovery of the market)
4. How likely that the mill will close if the employees don't purchase? (apparently likely)
5. What will the effect on the community be if it does close? (Ketchikan mayor says the loss of this major industry would affect at least 1/3 of the community - currently employees 800)
6. Accompanying this loan guarantee bill I understand an appropriation of \$25 million is necessary. What is the status of this appropriation? (Wally Kubley, who lobbies for LPK, has not been successful in having a bill introduced or getting it incorporated into a budget bill. He hasn't given up, though.)
7. How does an Employee Stock Ownership Trust (ESOT) work? (this is what the employees have formed to purchase LPK)

COMMITTEE REPORT
SENATE

FURTHER: FINANCE

3/9/84

Date _____

Mr. President

The Committee on RESOURCES considered SB 479

forest products business loan guarantee program; and.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Chairman

Chairman recommendation

AMENDMENT FOR APPROPRIATION BILL:

The sum of \$25,000,000 is appropriated from the general fund to the Department of Revenue for the forest products business loan guarantee program (AS 45.94)