

S B

102

SENATE STATE AFFAIRS COMMITTEE

BILL NUMBER SB 102

SPONSOR Kelly

BILL TITLE RE: Winter Olympic Funding

DATE REFERRED 1-11-89

HEARING SCHEDULED 1-18-89

FISCAL NOTE PREPARED req. Royce 1-13-89

SPONSOR CONTACTED Eldon 3822

INTERESTED PARTIES CONTACTED

✓ x2301 Royce, Dept. Revenue (Cliff Orsh) ²⁶²²
Mike McGee
Emin Jones ²⁷²⁵
Chris Walling
Rick Nerland, AOC
(Don Gilliam) 561-1998
Chris Walling
Tax# 5620413

OTHER

Kelly says:
June
bid city
status

Mar 15 - forms go out
Sept - USOC selects
Oct - payments made

1 IN THE SENATE

BY KELLY

2

SENATE BILL NO. 102

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to Winter Olympic funding; and
7 providing for an effective date."

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

9 * Section 1. Section 3(a), ch. 6, SLA 1986, is repealed and reenacted
10 to read:

11 (a) Section 2 of this Act takes effect as follows:

12 (1) on December 31, 1989, if during 1989 the United States
13 Olympic Committee does not select Anchorage, Alaska as America's
14 choice to host the 1998 Olympic Winter Games;

15 (2) on December 31, 1991, if before or during 1991 the
16 International Olympic Committee does not select Anchorage, Alaska to
17 host the 1998 Olympic Winter Games;

18 (3) on December 31, 1998, if before or during 1991 the
19 International Olympic Committee selects Anchorage, Alaska to host the
20 1998 Olympic Winter Games.

21 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

SB 102

Chapter 6

AN ACT

Relating to Winter Olympic funding; and providing for an effective date.

* Section 1. Section 2, ch. 45, SLA 1985, is amended to read:

Sec. 2. This Act takes effect March 15, 1986 (JULY 1, 1986, IF THE UNITED STATES OLYMPIC COMMITTEE SELECTS ALASKA AS THE NATION'S NOMINEE TO HOST THE 1992 WINTER OLYMPIC GAMES).

* Sec. 2. AS 05.35.100 is repealed.

* Sec. 3. (a) Section 2 of this Act takes effect as follows:

(1) on January 1, 1991, if the International Olympic Committee has announced the cities selected to host the 1992 and 1996 Winter Olympic Games, and if Anchorage, Alaska is not a city selected;

(2) on January 1, 1992, if the International Olympic Committee selects Anchorage, Alaska to host the 1992 Olympics;

(3) on January 1, 1996, if the International Olympic Committee selects Anchorage, Alaska to host the 1996 Olympics.

(b) When sec. 2 of this Act takes effect, the money deposited in the Alaska Winter Olympics account lapses into the general fund.

* Sec. 4. This Act takes effect immediately in accordance with AS 01.10.070(c).

Repealer

§ 1 eff. 3/21/86; § 2 conditional eff. date per § 3

→ alaska winter olympics act (attached)

HCS CSSSSB 331(Fin)

Relating to pollution damage discharge of an effective

* Section 1. AS 46

Sec. 46.03.7

FOR DAMAGES. A

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§ 05.35.100

AMUSEMENTS AND SPORTS

§ 05.35.100

and equipment as may be necessary in connection with the project; and allocable portion of the administrative and operating expenses of the grantee; the cost of financing the project, including interest on bonds issued to finance the project; and the cost of other items, including any indemnity and surety bonds and premiums on insurance, legal fees, fees and expenses of trustees, depositories, financial advisors, and paying agents for the bonds issued as the issuer considers necessary; it does not include the cost of promotion, travel, or feasibility studies;

(3) "facility" means a covered stadium or arena or any combination of them, or any other similar structure or structures, including related improvements such as parking areas, locker rooms, concession stands, restaurants, offices, press boxes, rest rooms, and storage areas, and including fixed or portable equipment, used in the operation of the facility;

(4) "municipality" means an organized borough of any class or a first class city outside an organized borough;

(5) "population" means the population of a municipality established by the final official 1970 U.S. Census or other reliable population data;

(6) "used principally for sports" means that the major use of a facility shall be for sporting events such as baseball games, rodeos, football games, soccer games, track and field meets, ice hockey matches, basketball games, and boxing and wrestling matches, viewed by spectators in substantial numbers, and that the use of a facility may be for organized participant sports and nonsports activities for which similar facilities are commonly used. (§ 2 ch 155 SLA 1972; am § 27 ch 168 SLA 1978)

Editor's notes. — This section is set out to incorporate editorial changes made by the Revisor of Statutes.

Article 2. Sport Funds.

Section
100. Alaska Winter Olympics account
150. Alaska Sports Fund

Sec. 05.35.100. Alaska Winter Olympics account. (a) There is created in the general fund an Alaska Winter Olympics account. The Department of Revenue shall prepare the permanent fund dividend application to allow applicants to designate that \$10 of the dividend be subtracted from their check and contributed to the Alaska Winter Olympics account. Permanent fund dividend contributions shall be deposited in the Alaska Winter Olympics account. The Department of

Revenue may use money in the Alaska Winter Olympics account to pay administrative costs incurred under this section.

(b) The Alaska Winter Olympics account shall be held in trust by the Department of Administration for distribution to the official Olympic Organizing Committee in Alaska to be used to develop facilities for Winter Olympic training and competition and to attract the Winter Olympics to Alaska. (§ 1 ch 45 SLA 1985; am § 2 ch 6 SLA 1986; am § 1 ch 1 SLA 1988).

Repeal of section. — Section 2, ch. 6, SLA 1986 repeals this section. Section 3(a), ch. 6, SLA 1986 makes the repeal effective as follows:

(1) on January 1, 1991, if the International Olympic Committee has announced the cities selected to host the 1992 and 1996 Winter Olympic Games, and if Anchorage, Alaska is not a city selected;

(2) on January 1, 1992, if the International Olympic Committee selects Anchorage, Alaska to host the 1992 Olympics;

(3) on January 1, 1996, if the International Olympic Committee selects Anchorage, Alaska to host the 1996 Olympics.

Effect of amendments. — The 1988 amendment, effective January 20, 1988, substituted "\$10" for "\$5" in the second sentence in subsection (a).

Editor's notes. — Section 3(b), ch. 6, SLA 1986 provides that "money deposited in the Alaska Winter Olympics account lapses into the general fund" on the effective date of the repeal of this section.

Sec. 05.35.150. Alaska Sports Fund. There is established as a separate fund in the Department of Commerce and Economic Development the Alaska sports fund. The fund consists of private contributions and money appropriated to the fund from receipts under AS 28.10.165, 28.10.421(d)(14), and 28.10.421(f). Money in the fund may be appropriated for the promotion and development of sports. (§ 2 ch 15 SLA 1988)

Cross references. — For statement of legislative intent in connection with the enactment of this section, see sec. 1, ch. 15, SLA 1988 in the Temporary and Special Acts.

Effective dates. — Section 3, ch. 15, SLA 1988, provides: "This Act takes effect on the effective date of those sections of an Act enacted by the Fifteenth Alaska State

Legislature that enact AS 28.10.165, 28.10.421(d)(14), and 28.10.421(f) providing for winter Olympics commemorative plates, or immediately under AS 01.10.070(c), whichever is later." The actual effective date of ch. 15, SLA 1988, is July 27, 1988, the effective date of ch. 24, SLA 1988.

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE 1-12-89
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER Finance

**FISCAL NOTE(S) MUST BE ATTACHED
IN ACCORDANCE WITH AS 24.08.035

DATE TURNED INTO OFFICE 1-18-89

1/11/89

Mr. President:

State Affairs Committee considered SB 102

Winter Olympic funding; efd

and recommended:

- replace with CS _____ same title
- attached amendment(s) and new title
- _____ letter of intent adopted
- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to _____

FISCAL NOTE(S) attached zero fiscal impact
 appropriation no FN attached Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Tim Kelle
Pat Fournier
De Adams
Jan Fair

Pat Fournier do pass

Chairman signature and recommendation

Committee backup attached

FISCAL NOTE

REQUEST

Revision Date: January 18, 1988
Title: An Act relating to Winter Olympic Funding
Sponsor: Kelly
Requestor: Senate State Affairs

Agency Affected: Revenue
BRU: Permanent Fund Dividend Division
Components: Permanent Fund Dividend Division

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
OPERATING						
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LANDS & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
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OTHER	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

ANALYSIS: If the United States Olympic Committee makes its decision by December 31, 1989 as in Section 3(a)(1), or the International Olympic Committee makes its decision by December 31, 1991 as in Section 3(a)(2), the Permanent Fund Dividend application form can be changed in time so there will be no fiscal impact.

Prepared By: Erwin Jones
Division: Permanent Fund Dividend Division

Phone: 465-2323
Date: January 18, 1989

Approved by Commissioner: [Signature]
Agency: Revenue

Date: 1/18/89

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

1 IN THE SENATE

BY KELLY

2

SENATE BILL NO. 102

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to Winter Olympic funding; and
providing for an effective date."

7

8

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

9

* Section 1. Section 3(a), ch. 6, SLA 1986, is repealed and reenacted

10 to read:

repealer of Winter Olympics Aect. (\$10 PFD check-off)

11

(a) Section 2 of this Act takes effect as follows:

12

(1) on December 31, 1989, if during 1989 the United States Olympic Committee does not select Anchorage, Alaska as America's choice to host the 1998 Olympic Winter Games;

13

14

15

(2) on December 31, 1991, if before or during 1991 the International Olympic Committee does not select Anchorage, Alaska to host the 1998 Olympic Winter Games;

18

19

20

(3) on December 31, 1998, if before or during 1991 the International Olympic Committee selects Anchorage, Alaska to host the 1998 Olympic Winter Games.

21

* Sec. 2. This Act takes effect immediately under AS 01.10.079(c).

*US nominee will be selected 1989 - repeal 1989 if AK isn't nominee
Host choice 1991 - repeal 1991 if AK not host choice*

after 1998 if Anch. hosts 1998

Because new decision to stagger winter (1998) + summer (1996)

-5 File with Kelly bill

NO OLYMPICS 98
7801 Schoon Street, #B
Anchorage, AK 99518
(907) 344-2998

RECEIVED JAN 31 1989

JANUARY 27, 1989

Response?
NO PD

DEAR SENATOR:

AGAIN WE ASK YOU TO CONSIDER THE FAIRNESS OF THE AOC BEING THE ONLY GROUP ALLOWED ON THE CHECK-OFF. WE ARE SURE WHEN ALL THINGS ARE CONSIDERED THE ANSWER WILL BE NO.

THANK YOU



MICHAEL P. CITTI
CHAIRMAN

Group argues against AOC dividend checkoff

Daily News staff and wire services

A group opposed to holding the Winter Olympics in Anchorage is asking the legislature to provide other non-profit groups access to permanent fund dividend checkoffs.

But Senate President Tim Kelly, R-Anchorage, said a bill he has introduced is intended to make it harder, not easier, for groups to use the "very lucrative" dividend checkoff.

The only organization allowed to tap the dividends is the Anchorage Organizing Committee, which has received more than \$2.2 million in the past three years to help finance bids for the 1992 and 1994 Games. Both bids were unsuccessful.

The AOC announced last week it plans a \$50,000 advertising campaign in April to encourage people to check the box on their dividend applications to make a \$10 contribution to the 1998 Olympic drive.

The announcement prompted letters

from No Olympics 98 to each legislator urging the dividend checkoff be extended to other groups.

"Why is the AOC the 'privileged child?'" asked the letter signed by the group's chairman, Michael Citti, of Anchorage. "Why are they more equal than any other non-profit group?"

"No Olympics 98 feels that the United Way, the Alaska Visitors Association, the Cancer Society, the Boys and Girls Club and many other non-profit groups accomplish more for the people of Alaska year in and year out than the AOC will ever accomplish."

Kelly counters that there are hundreds of worthy non-profit groups in Alaska. Most are hungry for money, and most have their legislative champions. "Every time you get a checkoff bill on the floor, somebody jumps up and adds another non-profit on to it."

The prospect of having a laundry list of checkoffs is an administrative nightmare, he said.

His bill would not legislate such checkoffs out of existence. But it says the AOC checkoff, on the dividend applications since 1986, may remain only so long as Anchorage stays in the running for the 1998 Winter Games. If the city misses the U.S. Olympic Committee selection this June, or if it fails to gain the endorsement of the International Olympic Committee in 1991, the checkoff ends, Kelly said.

Citti described his group as "a grass-roots organization of Anchorage residents who see the proposed Winter Olympics for what it really is: a quick fix nine years down the road that will benefit a very small minority of Alaskans and damage the economy of Anchorage and Alaska in the long term."

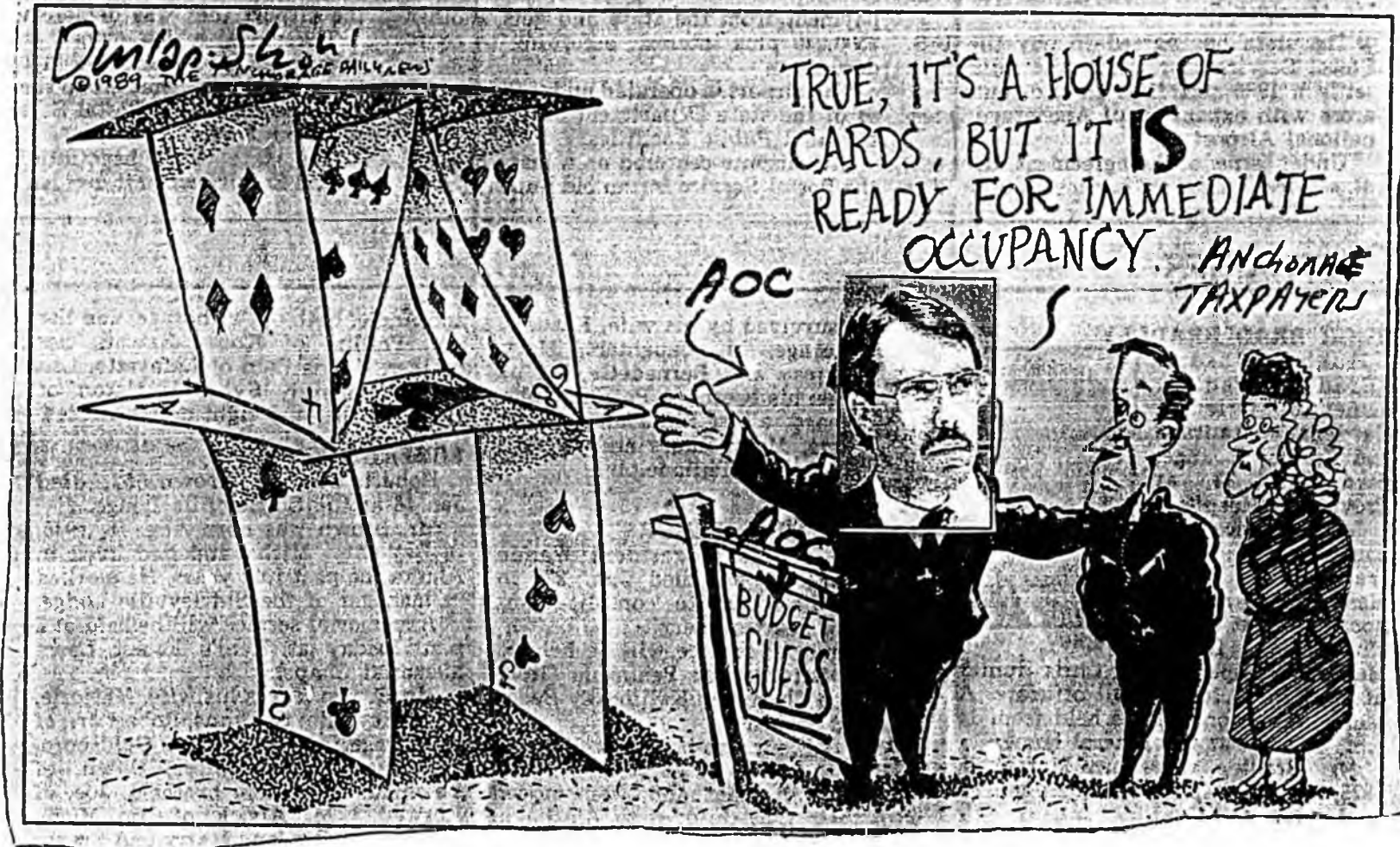
Citti noted there has been criticism from within the AOC that it is spending too much time wining and dining International Olympic Committee members and too little sponsoring sporting events.

ANCHORAGE Daily News
1-26-89

THE AOC is dividing the STATE OF ALASKA
IN THE NAME OF THE OLYMPICS? IS THIS
THE IMAGE THE U.S.O.C. WISHES TO PROJECT?

THANKS TO THE DAILY NEWS 1-26-89

OPINION



A TRUE PICTURE OF THE AOC BUDGET
& PROGRAM

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WIRE SERVICES

WEATHER
A-2

Sunset
6:09 p.m.

Baker OKs dialogue on travel

By **BOB ORTEGA**
Times Writer

Officials of the U.S. State Department and the Soviet Foreign Ministry, with Alaska native leaders taking part, will start negotiations Thursday in Anchorage on renewing a 1938 agreement allowing Western Alaska natives to travel across the Bering Straits to visit their Siberian counterparts.

U.S. Secretary of State James Baker III gave official authorization late Tuesday for the negotia-



tions, according to Sen. Frank Murkowski, R-Alaska.

"This will be the first official U.S. government action to open the border across the Bering Strait," Murkowski said during a
See Bering, page A-8

Alaskans, Soviets trade across the

By **DANIEL R. SADDLER**
Times Writer

Anchorage may one day have its own boutique specializing in Soviet-made furs, clothes and gifts, if the Alaska Commercial Co. resumes its centuries-old tradition of trade across the Bering Sea.

A plan for a joint venture between the Soviet territory of Magadan and the firm once known as the Russian-American Company was one of several discussed by top trade officials from the Soviet Union who toured Anchorage Tuesday.

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AOC may need public aid

Changing rules may require strategy shift

By **YERETH ROSEN**
Times Writer

Since beginning their quest nearly five years ago to bring the Winter Olympics to Anchorage, members of the Anchorage Organizing Committee have maintained that their dream wouldn't require public dollars.

But now the rules have changed — if not the rules for hosting the Games, then the rules for getting the U.S. Olympic Committee's nod as the American bid city — and the AOC may have to change its financial strategy, the organization's chairman said Tuesday.

What's changed is the USOC's adoption in November of what's now referred to as the "18-month rule," a resolution requiring that the city chosen as the American bid for the 1998 Games start building bobsled, luge and speed skating facilities within 18 months of receiving the national designation. The USOC will select its 1998 candidate in June, so the 18-month deadline expires six months before June 1991, when the International Olympic Com-

mittee is scheduled to select the 1998 site.

AOC Chairman Chris Swalling said that, while the AOC would prefer to finance bobsled, luge and speed skating facilities with private-sector money, he's not sure that it's possible to finance such construction privately without the certainty that Anchorage will host the Winter Olympics.

"The rules for hosting the Games have not changed," Swalling said. What has changed, he said, is "the requirement to be the candidate from the U.S."

A literal, strict reading of the USOC resolution passed in November would require that candidate cities have financing in place to build the bobsled, luge and speed-skating facilities at the time that the USOC makes its 1998 choice, and that the chosen bid city start physical construction within 18 months of the USOC's selection. The refrigerated speed skating oval in Butte, Mont., cost about \$2.5 million to \$3 million, Swalling said; AOC publications have estimated that an Olympic-

See Rule, page A-8

Assembly Hale on l

By **BILL KELDER**
Times Valley Bureau

PALMER — Matanuska Borough Manager John Hale will take administrative leave through Friday following his resignation, tendered and accepted, the borough assembly decided Tuesday night.

The assembly also will name Borough Mayor Dorothy Hale as the seven-member independent investigative committee to investigate borough contracts issued during the past year.

That's just about the end of Hale's time in the borough. Hale has been borough manager since he was placed on administrative leave after a joint meeting with the School Board last Thursday. Hale's last day was Thursday. Hale will receive pay at that meeting. Hale's resignation comes out of an investigation into alleged conflicts of interest.

Times 2/22/89

Negotiations on this venture were informal and frank, with the Soviet officials eager to encourage such a deal by giving Salkin a look at the three tons of goods they had carried with them on their Aeroflot jet from Magadan Monday.

"You have to see the merchandise first, though," he said. "We may have to add to the product line with domestic prod-

Unalaska Mayor Paul Fuhs proposed giving the Soviet Union access to a U.S.-Japanese fiber optic communications cable to be laid in 1990, in return for using their ice-breaking cargo ships to carry Alaska's raw materials to the European market through Vladivostok's ice-free port.

"It would change the economics of transporting materials from Alaska to Europe," Fuhs



Alaska Commercial Co. President Sam Salkin, right, trades business cards with Vecheslav A. Spirin

said. "We now have no way of moving minerals to Europe except through expensive air cargo."

Shipping above the Arctic Circle via the Soviet fleet of 700

cargo ice-breakers also could cut time off U.S.-European shipments, he said.

The proposal drew interest from Valeri C. Lozovoi, director of the Association for Economic

Cooperation in Asian Pacific region, who said he would take the issue up with officials in Moscow.

He warned U.S. technology transfer laws, and unknowns on ice conditions on the proposed

Rule: AOC may need public money for building

Continued from page A-1

quality bobsled and luge facility would cost \$12 million to \$15 million.

While there is dissension within the USOC about exactly what the resolution means, and whether it should be retained at all, USOC delegates did nothing in last week's House of Delegates meeting in Portland to change or remove the 18-month rule.

So the AOC will work to comply with the strict interpretation, Swalling said.

"That language is in place and is something that we will have to deal with," he said. "We'll have to conform with the terms of that."

Before the AOC makes any appeal for public money to build bobsled, luge or speed skating facilities, he said, "We are first going to look to the private sector."

Private support would most likely come from national companies, or possibly companies operating outside of the

United States, rather than from Alaska companies, he said.

Meanwhile, the Utah State House of Representatives hasn't hesitated to endorse public financing for Salt Lake City's 1998 bid. The state house last week voted unanimously to appropriate \$4 million a year to finance construction of \$40 million to \$70 million in Winter Olympic facilities, contingent on the USOC's designation of Salt Lake City as the U.S. bid for 1998.

Other cities competing for the 1998 bid are Reno/Lake Tahoe, Nev.; Denver; Klamath Falls, Ore.; and Lake Placid, N.Y.

Swalling and AOC Secretary General Rick Nerland said public officials in Alaska might have to use a financing method similar to that chosen in Utah.

The AOC will not ask the state legislature or any other public entity for money without first arranging for a public referendum, they said.

"That, however, does not preclude the

legislature from taking action" on its own, Nerland said. If the legislature or any other government body wishes to construct facilities with public money that would be used for the Olympics, the AOC's position has always been to accommodate that desire, he said.

Should Anchorage be named by the IOC as the 1998 site after receiving the USOC's nomination, Swalling said, there will be "ample funds" to reimburse any public expenditures.

The Utah House's move has increased the already-high level of competition for the 1998 bid, Swalling said. But that's not the only government entity that's shown strong support for the Winter Olympics, he said.

"I think that the statement that the Alaska legislature has made in the past is also a strong statement," he said. "I think the meaningful vote that we had last August is a much stronger endorsement than

the action taken by the Utah legislature."

Anchorage voters last August endorsed the 1994 Olympic bid by a 2-1 margin.

While in Portland, AOC officials worked to repair damaged relations with officials from the national governing bodies of the Olympic winter sports. And AOC officials worked to counter Anchorage's reputation as a city that hasn't supported amateur sports.

For the meeting, the AOC prepared a packet on Anchorage's 1998 bid that highlighted the city's efforts in the past 10 years to support sports. Included in the packet were descriptions of the Project '80s sports structures, including the Olympic-sized ice rinks at George M. Sullivan and Fire Lake Arenas, as well as the recent accomplishments of Alaska alpine skiers Tommy Moe and Hillary Lindh, both of whom were the top Americans in the recent World Alpine Ski Championships men's and women's downhill races.

Hale: Investigation

Continued from page A-1

At that meeting, Hale was put on leave by the assembly because some members did not believe he would carry out an assembly instruction to suspend Cole. There was talk of firing Hale at Thursday's meeting, but

amended his motion to reflect the new date. The assembly approved the motion on a 6-to-1 vote, with Palmquist casting the lone 'no' vote.

Borough Finance Director Bob Jensen was named acting manager until a new manager is selected by the assembly.

Bering: Renewed agreement

Continued from page A-1

stop Tuesday in Anchorage on his way to the funeral of Japanese Emperor Hirohito.

The negotiators also will discuss a Soviet proposal to create a joint border commission to regulate travel and minor incidents between Alaska and Siberia, so

filed.

In April of that year, the two powers agreed to allow the visits by American Eskimos to continue as long as they registered with officials in the Soviet Union and stayed less than three months. The agreement also regulated trade in furs and other materials.

ments for Big and Little Diomedes Islands.

The unusual nature of the negotiations is underscored by the fact that citizens as well as government officials are taking part. Those announced Tuesday as participating in the negotiations include:

U.S. State Department Dep-

ALASKA STATE LEGISLATURE

OLY.TXT

Sen. Pat Pourchot, Chairman

Sen. Jan Faiks, Vice Chairman

Sen. Al Adams

Sen. Tim Kelly

Sen. Rick Uehling



P.O. Box V
Juneau, AK 99811

907-465-3712

Senate State Affairs Committee

March 13, 1989

Douglas Bartko
Box 550
Palmer, Alaska 99645

Dear Douglas:

I have received your letter expressing opposition to SB 102, regarding the Permanent Fund check-off for the winter Olympics.

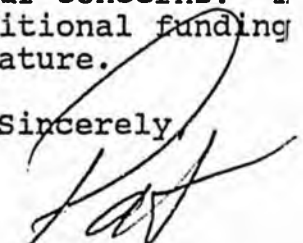
SB 102 would change the dates of the check-off to coincide with the recent decision of the International Olympic Committee to hold the winter Olympics in 1998 rather than in 1996 as originally planned. As importantly, the bill calls for termination of the check-off at the earliest possible point in the host city selection process -- in December 1989 if Anchorage is not selected as America's choice, in December 1991 if Anchorage is America's choice but not the IOC choice, and just following the 1998 Olympics if Anchorage is the IOC choice.

It is the latter provision which I think most reflects the policy of the legislature at this point. The original Permanent Fund check-off was enacted at a time when enthusiasm for the Olympics was high. Since that time, as the effectiveness of the check-off as a fundraising tool has become widely known, we have received literally dozens of requests for additional check-off provisions. None of them has received legislative approval.

I understand your larger concern to be whether Anchorage should continue to pursue the Olympics. With what is now known about shared costs and capital investments, I believe that careful planning and thorough public review must be undertaken to ensure that the potential local liability is well understood before additional commitments are made.

Thanks again for sharing your concerns. I assure you I will keep them in mind should any additional funding or endorsement proposals come before the legislature.

Sincerely,



Senator Pat Pourchot
Chairman

H Rules 3/3/89

OLY.TXT

Box 550
Palmer, AK 99645

February 24, 1989

The Honorable Pat Pourchot
The State Senate
State Capitol
P. O. Box V
Juneau, AK 99811

Dear Senator Pourchot:

On behalf of Alaskans Concerned About Winter Olympics (A.C.A.W.O.), I am requesting your support for a \$10.00 checkoff on the Alaska Permanent Fund Dividend Application form similar to that established for the Anchorage Organizing Committee (A.O.C.).

The purpose of this request is to obtain funding for research, compilations and distribution of data on previous Winter Olympics, as well as their potential ramifications and impact on Anchorage and the State of Alaska. The data and all relevant information would then be widely publicized and otherwise made available to the public as the basis for making an informed judgment on the feasibility of hosting the Winter Olympics in Anchorage.

We also want to express our opposition to Senator Kelly's bill, SB 102, which would extend the current exclusive A.O.C. checkoff on the Permanent Fund Dividend application.

We want to remind you that the decision in Daniel DeNardo vs. State of Alaska, 3SAN88-294 Civil, regarding the legality of the checkoff system is on appeal to the Supreme Court.

I have enclosed a position paper for Olympics Yes and A.C.A.W.O. from the August 23, 1988 election. This position paper was made available to voters by the City of Anchorage, although public monies were not supposed to be spent to assist the A.O.C..

Respectfully yours,
Douglas Bartko

Douglas Bartko
Chairman, A.C.A.W.O.

*amend law to absolutely
phase out at every key decision pt
leg. considered dozens - almost
unanimously decided not to
do anymore*

*original PFD check-off was enacted
at a time when enthusiasm for
the olympics was high.*

SUMMARY OF BALLOT MEASURE

This proposition asks the citizens of the Municipality of Anchorage whether they endorse the hosting of the 1994 Olympic Winter Games subject to certain conditions described in the proposition.

The proposition explains that if Anchorage hosts the Games, the Municipality would be jointly and severally liable with the Anchorage Olympic Organizing Committee (AOOC) and the United States Olympic Committee (USOC) for any and all obligations incurred in hosting the Games.

The Anchorage Organizing Committee (AOC) and its successor, the AOOC, intend the Games to be funded entirely from private revenue sources. However, the International Olympic Committee (IOC) requires that the host city be a contractual partner in all legal obligations incurred in presenting the Games.

The conditions outlined in the proposition have been proposed to help protect the Municipality of Anchorage from the costs of preparing for and holding the Games. If Anchorage is selected as the host city for the 1994 Olympic Winter Games, the AOOC and the Municipality would enter into an agreement confirming these conditions prior to incurring any liabilities.

An affirmative vote on this proposition by a majority of those voting is required for approval.

STATEMENT IN SUPPORT OF BALLOT MEASURE

The Olympic's ballot question is long, but is not really very complex. The first and the last sentences contain the real points of the question.

The first sentence re-states the commitment that the Olympic Games shall be funded by private sources and not from taxes or public indebtedness.

The last sentence describes the minimum municipal involvement acceptable to the International Olympic Committee (IOC). The legal relationship is that of a partnership.

The other sentences of the ballot provide as much financial protection as possible to the Municipality. These safeguards include bold harmless agreements, insurance requirements, reserve funds, financial oversight powers, spending limits and security interest in the Committee's property.

The Municipality would only be potentially liable for contractual obligations which are approved in advance by the Municipal Assembly, and then only in the event that the entire resources of the Organizing Committee and the USOC were exhausted first and neither was able to raise additional funds. This is an extremely unlikely event since the ability of the Organizing Committee to incur unfunded debt is severely limited. Also, the latest financial plan for the Anchorage Games contains a projected \$38 million surplus which would be available to cover unforeseen expenses. This is therefore minimal risk to begin with, and this minimal risk can be further reduced by prudent management. In fact, the proposed revenues are conservatively estimated and there is good reason to believe Anchorage could stage the Winter Olympics and make a substantial profit.

It is also important to note what the proposition does not do. It does not endorse or authorize the expenditure of any public funds. It does not endorse or authorize any public borrowing. It does not alter Anchorage's commitment to fund the 1994 Winter Games entirely from private sector sources.

Voting yes will enable Anchorage's bid to host the 1994 Winter Olympics to continue, and will give us a chance to showcase our state and our city in a manner never before possible.

Bob Miller, Campaign Director, Olympics Yes!
245 W. 5th Avenue Anchorage, AK 99501

STATEMENT OPPOSING BALLOT MEASURE

The most basic fact of the proposed Olympics is that it is a public policy issue not a sports issue. The people's right-to-know is therefore of primary importance, above all else. This being so, the special-interest group promoting the Games is obligated to inform the people of all relevant information free of propaganda-hype. However, despite recent disclosures, the hoopla has continued, and we do not know enough to approve the proposal.

There are, moreover, at least three solid grounds for questioning or opposing the proposed Olympics:

I. IMPACT ON ALASKA

The proposal is an extension of the growth and development syndrome which has caused havoc everywhere else and which is intended to bring more and more people to Alaska ... bringing also their ever-increasing demands ... which will bring us a frenzied, over-commercialized and fast-paced, never-satisfied way-of-life ... which will, thus, inevitably and radically transform this natural (World Class) country we've known and loved. The proposal isn't worth it.

II. FINANCIAL AND SOCIAL COSTS

The recently revealed Olympic requirement that Anchorage assume liability for "any and all obligations incurred" tells us that the IOC doesn't trust any Olympics to make money and that the IOC knows that the proposed budgetary and other numbers are highly speculative and invariably over-optimistic. The IOC requirement also tells us that although private/corporate groups like AOC/AOOC can escape liability by declaring bankruptcy, the host cities cannot. That's why the contract: the IOC is insuring it does not get stuck with any costs. We will.

The many social costs to be expected are exemplified by the negative impact on the neighboring residents of the proposed Doned Stadium and Olympic Village. The protests of these many homeowners have been ignored though their home lives will be disrupted for all time.

How is there one single dollar in the AOC's budget for the Olympic Village, the cost of which alone may be conservatively estimated at more than \$100 million. Who will pay for it? (Remember: if we vote "Yes" it's for "any and all obligations ...")

As for the suggested economic spin-off benefits (apart from the costs of maintaining all the leftover facilities), the supposed benefits must be seen as further, over-optimistic guesswork. Moreover, is it reasonable to assume that such projects as the proposed Games can produce the suggested results when the \$30-40 Billion introduced into our economy in recent years have not done so?

No. It isn't worth it.

III. CREDIBILITY OF THE AOC CAMPAIGN

The use of propaganda-hype which has dominated the AOC's campaign since the beginning, and which has continued into the present, tells us very clearly that the proposal is not as worthy as presented -- else why all the hype to stir emotions and cloud our thinking? The hype has been substituted for relevant information and seeks to establish public policy while denying our right to know. We should not trade off the integrity of the democratic process for such demeaning hype. It isn't worth it.

On all three grounds, we should vote NO.

Douglas Bartko and Charles Konigsberg
Ankians Concerned About The Proposed Winter Olympics (ACAMO)

"NO OLYMPICS 98"

SB102

7801 SCHOON STREET SUITE B, ANCHORAGE, ALASKA 99518
(907) 344-2998

NRN

RECEIVED MAR 22 1989

MARCH 18, 1989

STATEMENT OF POSITION

SPENDING OF RAILBELT ENERGY FUND FOR OLYMPIC FACILITIES

OPPONENTS HAVE FOR YEARS BEEN SAYING THAT PUBLIC FUNDS WOULD BE NEEDED FOR THE WINTER OLYMPICS. THE AOC AND ITS SUPPORTERS HAVE BEEN SAYING THE OPPOSITE. IN FEBRUARY THE AOC REVEALED THAT THEY *WOULD* NEED PUBLIC FUNDS FOR THEIR OLYMPICS AND NOW GOVERNOR COWPER WANTS TO SPEND MILLIONS OF DOLLARS FROM THE RAILBELT ENERGY FUND FOR OLYMPIC FACILITIES. EITHER THE AOC DID NOT SEE THE NEED FOR PUBLIC FUNDS, WHICH MEANS THAT THEY ARE INCOMPETENT, OR THEY WERE INTENTIONALLY MISLEADING THE PUBLIC FOR YEARS. IN EITHER EVENT THEY ARE NOT QUALIFIED TO PUT ON THE OLYMPIC GAMES NOR SHOULD THEY BE TRUSTED WITH PUBLIC FUNDS.

SUPPORTERS OF THE OLYMPICS WILL SAY THAT THE NEED FOR PUBLIC FUNDS IS BECAUSE OF THE USOC RULING ON THE CONSTRUCTION OF FACILITIES. THIS IS A COP-OUT. IF THE AOC AND ITS SUPPORTERS CANNOT CONTROL TODAY'S EVENTS, HOW CAN WE, THE TAXPAYERS OF ANCHORAGE AND ALASKA, EXPECT THEM TO CONTROL EVENTS NINE YEARS IN THE FUTURE.

THE CALL BY GOVERNOR COWPER AND OTHER SUPPORTERS OF THE AOC TO SPEND RAILBELT ENERGY FUNDS ON OLYMPIC FACILITIES IS A KNEE JERK REACTION TO LEGISLATION PENDING IN UTAH. THIS IS JUST ANOTHER GRANDSTAND PLAY FOR ATTENTION BY A FAILING ORGANIZATION. "NO OLYMPICS 98" CALLS ON GOVERNOR COWPER TO WITHDRAW THIS POORLY THOUGHT OUT PLOY AND TO CONCENTRATE ON REAL ECONOMIC DEVELOPMENT FOR THE STATE OF ALASKA. SPENDING PUBLIC FUNDS FOR OLYMPIC FACILITIES UNDER THE GUISE OF "PROMOTING WINTER TOURISM" IS YET ANOTHER POORLY DISGUISED ATTEMPT AT GRABBING PUBLIC FUNDS MOTIVATED BY THE NEED FOR POLITICAL GAIN.

DETAILS: MICHAEL P. CITTI / CHAIRMAN / 344-2998

Cowper won't say where ELF hurts budget

ANCH. DAILY NEWS
3/18/89

By STAN JONES
Daily News reporter

Although Gov. Steve Cowper says bad things will happen if the legislature doesn't rewrite the tax break known as the Economic Limit Factor, he can't say exactly what the bad things are.

Without the extra \$150 million or so a year that would come from North Slope oil companies, vital programs will be cut and jobs will be lost, according to warnings from various administration spokesmen and handouts.

Which programs? Which jobs?

"I'm not sure anybody

can answer that," said David Ramseur, Cowper's press aide.

Though the governor has labeled rewriting the Economic Limit Factor, or ELF, as his top revenue priority in the current legislative session, Cowper's aides claim he has no fallback plan in case it fails to pass.

"He doesn't know what will happen if he doesn't get it," Ramseur said. "The administration doesn't have a position, except that every program is on the table for possible reduction."

Even if Cowper did have a position, he wouldn't reveal it, Ramseur said.

"That's not a question he

would answer at this point for political reasons," Ramseur said. "It's a card game with the legislature about which programs may be cut."

Cowper himself wouldn't talk about his highest revenue priority Friday.

"He's not very pleased with your reporting," Ramseur said. "Frankly, neither am I."

The ELF was adopted by the state legislature in 1977 to encourage the development of marginal oil fields and to enhance recovery in existing fields. It does so by reducing state taxes as the average per-well flow in a field declines.

In 1981 the legislature overhauled state oil taxes again and, among other things, postponed the application of the ELF until July 1987 on most fields, including Prudhoe Bay.

In the first year after it kicked in, the ELF reduced state revenues \$135 million, according to figures from Cowper's office. Efforts to revise it and reduce the tax benefit to the oil companies have been under way ever since.

This year it is at the top of a list of revenue measures Cowper has proposed to deal with a budget deficit that could top \$500 million.

The closest the adminis-

tration will come to talking about what might happen if ELF doesn't pass is to say that a list of budget cuts Cowper proposed in 1987 could serve as "guidelines."

That list was in the newly elected Cowper's first budget, which called for reducing spending by \$321 million from the previous year.

The list included cuts to Pioneer Homes, the Longevity Bonus program, public broadcasting, state troopers, fish hatcheries and other state services with ardent constituencies. They mobilized against it, the legislature hooted it down, and no significant cuts were made.

Cowper is not the only

party to this year's ELF dispute who can't or won't say what will happen if he doesn't get his way.

The oil companies, who would have to pay the extra taxes, have mounted advertising and lobbying campaigns against it, filled with warnings that it would discourage exploration and development on the North Slope and thereby damage Alaska's economy.

But when asked for specifics this week — such as which projects would be canceled if ELF is rewritten and how many jobs that would cost — the oil companies were as short of details as Cowper and his people.

ANOTHER COWPER "FLIP FLOP"
TAX on this side (ALSO Budget
SHORTFALLS) & DANN THE TORPEDO
"Full spend" AHEAD on the
OTHER side.

ANCHORAGE DAILY NEWS 3/11/89

Money for the Games

Cowper plan aims at building facilities

By DAVID POSTMAN
Daily News reporter

JUNEAU — In a move designed in part to boost Anchorage's chances of getting the Olympics, Gov. Steve Cowper proposed Friday to spend one of the largest single chunks of the Railbelt Energy Fund to build winter sports facilities.

Cowper proposed spending \$150 million in what he now calls the Railbelt Investment Fund. He wants \$20 million to build winter sports facilities that meet international competition standards. The \$20 million would be used to match contributions from municipalities, non-profit organizations or private industry.

The United States Olympic Committee will decide June 3 which city will be the country's nominee for the 1998 Games. Anchorage was the U.S. candidate for both the 1992 and 1994 Games, losing in the competition before the International Olympic Committee.

Since then, however, the USOC has added a requirement that its nominee begin building Olympic facilities even before the international committee chooses the site of the Winter Games. For five years the AOC has said it would not use any public money in its bid for the Games. But the USOC's new rule has made Anchorage boosters rethink that commitment and some members have said public dollars

Please see Back Page,
COWPER

might be needed.

But Friday Cowper, Olympic organizers and the legislature's biggest Olympic booster said helping the Olympic effort would be secondary to boosting tourism.

"I think it would be a mistake to say this is an expensive attempt to buy the Olympics," Cowper said from Santa Barbara, Calif., where he was attending a meeting of the Interstate Oil Compact Commission.

"This would be more permanent even than the Olympics."

Cowper said he wants to use international sporting events to improve the state's national and international image.

"Our biggest problem in terms of winter tourism is people think Alaska is uninhabitable in winter," he said. "If we have major winter sports facilities, those events will obviously be televised by network television in the U.S. and foreign television, where we have international competitors, and it will be a signal to the rest of the world that Alaska is an excellent place to come for winter sports."

Cowper said that while it was not his plan to spend money on Anchorage's bid for the 1998 Olympic Winter Games, "It is bound to help."

"I think that anything we can do to show Alaska's commitment to amateur winter sports will only help us," said Senate President Tim Kelly. But Kelly, a major AOC supporter, said he does not think public money should be spent on projects that only help the Olympics.

Kelly has his own plan for financing sports facilities, the Alaska Amateur Sports Authority, which would use state-backed bonds for construction. He has introduced legislation this year to create the authority.

Kelly said he doesn't think his and Cowper's plans conflict, but he was doubtful that the \$20 million sports fund part of the governor's plan would be successful.

Regardless of Cowper's stated intent, the AOC says his proposal should help their chances of once again representing the United States in the Olympic sweepstakes.

"This initiative on part of the government is indicative of something the USOC is becoming very sensitive to," said Rick Nerland, executive vice president of the Anchorage Organizing Committee, which is promoting the bid. "It is one of the things that the USOC has offered as a measure of commitment."

Nerland said Cowper's proposal will help the bid because it shows a commitment to amateur sports. But he said no one should assume the money would be used for Olympic facilities.

"It's not established that the Anchorage Organizing Committee will use this specific mechanism," he said. "And obviously, this is such a new action our board and executive board haven't had a chance to look at it."

Projects mentioned by Cowper, Nerland and Kelly that could be financed by the \$20 million in matching funds include upgrading the Fairbanks luge track and Anchorage's speed-skating oval to Olympic standards or building an Olympic-size ski jump.

FOR SALE
SWAMP LAND IN FEA
WE HAVE
STEVE + COWPER

Which way is it spend on TAX. AND THEN EXAMPLE OF "POLITICAL FAVORITES" GETTING SPECIAL ATTENTION?



Alaska State Legislature

Official Business

P.O. Box V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

TO: Senate State Affairs Committee Members
FROM: Senator Pat Pourchot, Chairman
RE: January 18 Committee Hearing
DATE: January 17, 1989

On Wednesday, January 18 at 1:30 p.m. in the Beltz Room, the Senate State Affairs Committee will hear the following bills:

SB 1, Relating to the Alaska Amateur Sports Authority, the Alaska Sports Congress, the Alaska Council on Physical Fitness, and the Alaska amateur sports fund.

SB 102 would establish the Alaska Amateur Sports Authority as a public corporation within the Department of Commerce and Economic Development. Governance would be by an 11-member board of directors, with advice from a sports congress and a council on physical fitness. The authority would be responsible for developing and promoting amateur sports in Alaska. Funding would be with state general funds, bonds issued by the authority, and private contributions.

SB 102, Relating to Winter Olympic funding.

SB 102 would continue the \$10 Permanent Fund Dividend check-off for the Winter Olympics until a site is selected for the 1998 Olympics. This amends current statute, which references the 1996 Olympics, to reflect the International Olympic Committee's recent decision to stagger the summer and winter Olympics (holding them in 1996 and 1998 respectively). The bill has a zero fiscal note.

SB 8, which extends the termination date of the Alaska Women's Commission and was heard on Monday, will be back before the committee as well.



Alaska State Legislature

SENATE

Office of the President

P.O. Box V
State Capitol
Juneau, Alaska 99811

January 24, 1989

TO: Senator Rick Uehling
Senate Finance Co-Chair

FROM: Tim Kelly
Senate President

re: Background information on SB 102 , relating to the Winter Olympic checkoff.

Senate Bill 102 was introduced to create sunset provisions for the Winter Olympic checkoff program.

Specifically, the program ends on:

1. December 31, 1989 if the Anchorage is not selected by the United States Olympic Committee as America's choice to host the 1998 Olympic Winter Games;
2. December 31, 1991 if the International Olympic Committee does not select Anchorage as the host for the 1998 Olympic Winter Games;
3. December 31, 1998 if Anchorage is selected to host the 1998 Olympic Winter Games.

According to Mr. Rick Nerland, the Executive Director of the AOC, these proposed sunset provisions meet with the approval of the Anchorage Organizing Committee.

Additionally, it should be noted that this program is self-funded: any costs associated with running the program are paid for with checkoff funds before the funds are distributed to the AOC. Thus, there is "zero" fiscal impact with this legislation.

SB 102, RELATING TO WINTER OLYMPIC FUNDING

TO TESTIFY:

SENATOR KELLY, SPONSOR (AND ELDON)

ERVIN JONES, DEPT. REVENUE

CHRIS WALLING, ANCHORAGE ORGANIZING COMMITTEE ON TELECONFERENCE

OTHERS (SEE WITNESS LIST)

Py Smith

ISSUE:

SECTION (a)(1) DATES REPEAL 12/31/89. THE 1989 DIVIDEND FORMS HAVE THE WINTER OLYMPIC CHECK-OFF ON THEM. IF THE PROGRAM IS REPEALED 12/31/89, THE DEPT. REVENUE WILL ALREADY HAVE RECEIVED CHECKED-OFF FORMS, WHICH THEY THINK IT WOULD MAKE SENSE TO IGNORE. ERVIN JONES WILL BRING THIS UP IN HIS TESTIMONY -- THEY WANT LEGISLATIVE INTENT (OR AT LEAST A STATEMENT ON THE RECORD) DIRECTING THEM HOW TO DEAL WITH THIS SITUATION.

FYI:

- (a)(1) PFD check-off repealed 12/31/89 if during 1989 Anchorage isn't selected as U.S. nominee for 1998 Olympics
- (a)(2) PFD check-off repealed 12/31/91 if Anchorage is the U.S. nominee but isn't selected as the host for 1998 Olympics
- (a)(3) PFD check-off repealed 12/31/98 (i.e. after the 1998 Winter Olympics) if Anchorage is the host

FUNDS RAISED THROUGH CHECK-OFF 1986-1988 (PER DEPT. REVENUE 1/17/89): \$2,175,145

PEOPLE WHO CHECKED OFF:	1986	153,426
	1987	155,267
	1988	96,161