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**131**

SENATE STATE AFFAIRS COMMITTEE

BILL NUMBER SB 131

SPONSOR Uehling

BILL TITLE Railbelt Economic Assistance & Recovery  
Fund

DATE REFERRED 1-20-89

HEARING SCHEDULED

FISCAL NOTE PREPARED ✓

SPONSOR CONTACTED

INTERESTED PARTIES CONTACTED

OTHER

**FISCAL NOTE**

**REQUEST:**

Revision Date: \_\_\_\_\_  
Title: Railbelt Economic Assistance and Recovery Act  
Sponsor: Uehling, Sturqulewski and Rodey  
Requestor: \_\_\_\_\_

Agency Affected: Administration  
BRU: Central Administration  
Components: Administrative Services  
Municipal Grants

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES		36.4	37.3	38.4	39.4	40.6
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>		<b>36.4</b>	<b>37.3</b>	<b>38.4</b>	<b>39.4</b>	<b>40.6</b>

CAPITAL						
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REVENUE						
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**FUNDING: (Thousands of Dollars)**

GENERAL FUND		36.4	37.3	38.4	39.4	40.6
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>		<b>36.4</b>	<b>37.3</b>	<b>38.4</b>	<b>39.4</b>	<b>40.6</b>

**POSITIONS:**

FULL-TIME		1.0	1.0	1.0	1.0	1.0
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary)

Depending on the magnitude of reporting requirements imposed on this program, at least one permanent full-time Accounting Technician, Range 12, would be necessary to monitor financial reports.

Prepared by: Mike Maher *Mike Maher 2/16/89*  
Division: Administrative Services

Phone: 465-2277  
Date: 2-17-89

Approved by Commissioner: John M. Anderson  
Agency: Dept. Admin.

Date: 2/17/89

**Distribution (by preparer):**

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

# Senator Rick Uehling

Downtown, Elmendorf, Northeast Anchorage



Co-Chairman, Senate Finance Committee  
International Trade & Tourism Committee  
State Affairs Committee

February 28, 1989

Senator Pat Pourchot  
Post Office Box V  
Juneau, Alaska 99811

Dear Pat:

As a legislator who represents communities in the Railbelt region, I would like to have your input regarding what you consider the best use of the Railbelt Energy Fund. Last year there was legislation passed which would have used \$50 million of the Fund on operating expenses of the state had there been a "cash flow" shortage during this fiscal year. There are numerous plans floating around this year which would use some or all of the Railbelt Energy Fund to balance next year's budget. I feel that this would be a mistake and that we need to work together to see that the Railbelt Energy Fund is protected and used only in the Railbelt region.

I have been talking to community leaders throughout the railbelt and the support for keeping the money in the region is very strong. The Municipality of Anchorage, the Fairbanks North Star Borough, the Kenai Peninsula Borough and the Matanuska-Susitna Borough all passed a joint resolution which said that the Fund should be distributed "for projects exclusively within the Railbelt area." The priority use suggested was for energy related projects and primarily power interties.

Earlier this session I introduced SB130 which made an appropriation of \$80 million from the Railbelt Energy Fund for the Southern Electrical Intertie, from Bradley Lake to Anchorage. This bill is now in Senate Finance and includes a number of other energy projects. I plan to have a hearing on this bill at 9:00 a.m. on Tuesday, March 7th. I hope to build a consensus among the 41 Railbelt legislators regarding the best use of the Fund and then use this bill as a vehicle to implement those suggestions.

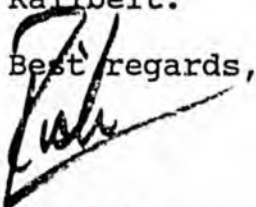
February 28, 1989  
Page 2

Many of the suggested uses of the Fund are energy related. These include the Southern Intertie, the Northern Intertie which would cost about \$120 million and upgrade the line between Anchorage and Fairbanks, the Northeast Intertie costing \$155 million and running from Palmer through Glennallen to Delta Junction, the Seward Intertie costing \$15 million, and various smaller power line projects. A possible loan for a coal powered electrical generation project in Healy and financing for a natural gas pipeline have also been suggested. Some railbelt communities have expressed interest in using the Fund for non-energy capital projects, while others are interested in some type of per capita revenue sharing.

It is my hope that through your suggestions and through hearings on the bill, we can put together a package that will provide for the energy needs and help the economies of communities in the Railbelt. I would appreciate it if you could get your suggested projects and any backup to my office sometime this week. Also, please let me know if you would like to testify on the bill. I am open to any suggested uses of the Railbelt Energy Fund, as long as they benefit Railbelt communities.

If you have any questions or comments, please contact my office. I look forward to working with you to craft a bill which will provide the most benefit to communities in the Railbelt.

Best regards,



Senator Rick Uehling

6-0582A

Cramer  
1/18/89

Funding Information

General Fund	\$80,000,000
Other Funds	-0-
	<u>\$80,000,000</u>

1 IN THE SENATE

BY UEHLING

2 SENATE BILL NO. 130

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Alaska  
7 Power Authority for Bradley Lake Intertie; and pro-  
8 viding for an effective date."

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

10 \* Section 1. The sum of \$80,000,000 is appropriated from the Railbelt  
11 energy fund in the general fund (AS 37.05.520) to the Alaska Power Author-  
12 ity for the design and construction of the Bradley Lake Intertie to Anchor-  
13 age.

14 \* Sec. 2. The appropriation made by sec. 1 of this Act is for a capital  
15 project and is subject to AS 37.25.020.

16 \* Sec. 3. Section 1 of this Act takes effect immediately under AS 01.-  
17 10.070(c).

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Official Business

# Alaska State Legislature

## Senate

230- take out  
160  
80- initiative  
80- CIP- Railbelt

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

TO: Interested Senators

FROM: Senator Rick Uehling *RU*

DATE: Thursday, January 19, 1989

RE: Co-sponsoring the "Railbelt Economic Assistance & Recovery Act"

Tomorrow, I will introduce three bills which comprise what I call the "Railbelt Economic Assistance & Recovery Act." There are two basic parts to the Act.

The first would make an appropriation of \$80 million from the Railbelt Energy Fund to the Alaska Power Authority to complete the southern electrical intertie from Bradley Lake to Anchorage. This project is needed if the power from Bradley Lake is to be fully and effectively utilized. It will also provide economic activity in an area of the state where it is sorely needed.

The second part of the Act also makes an appropriation of \$80 million from the Railbelt Energy Fund. It is my hope to have Railbelt legislators convene as a Railbelt Caucus and work together to determine the best use of this appropriation. My suggestion would be to split this \$80 million between capital projects and a per capita revenue sharing distribution in the Railbelt region. The capital projects would help create jobs and take care of capital needs, while the per capita distribution would allow local communities to use the funds where they are needed most in their area.

I hope we can work together as Railbelt legislators to guarantee that the Railbelt Energy Fund is used to help Railbelt communities. If you would like to co-sponsor any of these bills, or if you have any questions or concerns regarding this legislation, please contact my office.