

HB 46

HOUSE COMMITTEE REPORT

(11)

Date Referred: March 27, 1991

FURTHER REFERRALS:

Date of Committee Action: 4-27-91

The FINANCE Committee considered:

HB 46

HOUSE BILL NO. 46

ESTABLISHING THE AK SPACEPORT AUTHORITY

"An Act creating the Alaska Spaceport Authority; providing an exemption from municipal sales and use taxes; and providing for an effective date."

RECOMMENDATIONS:

be replaced with CS HB 46 (Fin) the same title a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal impact _____

fiscal note(s) DCEO 3-13-91

zero fiscal note _____

ADMIN 3-13-91
 zero fiscal note(s) GA 3-13-91

SIGNING <u>DO PASS</u>	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>J. H. Miller</i>	X				
<i>Ronald J. Tull</i>	X				
<i>Robert E. C. ...</i>	X				
<i>Bob ...</i>	✓				
<i>Tamara ...</i>	X				
<i>...</i>	X				
<i>...</i>	X				
<i>Jay Brown</i>	✓				
<i>Mike Yavane</i>	✓				
<i>Eileen P. Maclean</i>	✓				

Mike Yavane Eileen P. Maclean
CHAIRMAN'S SIGNATURE

CS FOR HOUSE BILL NO. 46 (FINANCE)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES MOYER, Koponen

A BILL

FOR AN ACT ENTITLED

1 "An Act creating the Alaska Aerospace Development Corporation; providing for the lease
2 of state land to the corporation; providing an exemption from municipal sales and use
3 taxes for space-related activities; and providing for an effective date."

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

5 * Section 1. SHORT TITLE. This Act may be known as the Alaska Aerospace Development
6 Corporation Act.

7 * Sec. 2. AS 14.40 is amended by adding new sections to read:

8 ARTICLE 7. ALASKA AEROSPACE DEVELOPMENT CORPORATION.

9 Sec. 14.40.821. CREATION AND TERMINATION OF CORPORATION. (a) The
10 Alaska Aerospace Development Corporation is created as a public corporation of the state. The
11 corporation is a body corporate and politic located for administrative purposes within the
12 Department of Commerce and Economic Development and affiliated with the University of
13 Alaska but with a separate and independent legal existence.

14 (b) The corporation may not be terminated as long as it has bonds, notes, or other

1 obligations outstanding. If the corporation is terminated, it shall be terminated in a manner that
2 permits the University of Alaska and Poker Flat Research Range to continue their research and
3 educational missions uninterrupted.

4 Sec. 14.40.826. BOARD OF DIRECTORS. (a) The board of directors of the corporation
5 consists of nine members appointed by the governor as follows:

- 6 (1) one member of the Board of Regents of the University of Alaska;
- 7 (2) the president or the designee of the president of the University of Alaska;
- 8 (3) the director of the Geophysical Institute of the University of Alaska;
- 9 (4) the executive director of the Alaska Science and Technology Foundation;
- 10 (5) the commissioner of commerce and economic development or the
11 commissioner's designee;
- 12 (6) an expert with experience and understanding of the aerospace or commercial
13 space industry with an emphasis in federal regulatory procedures and policy involving space;
- 14 (7) one faculty member of the University of Alaska with research interests
15 involving rockets or satellites;
- 16 (8) a representative of a satellite launch corporation with operations in the state;
- 17 (9) a public member.

18 (b) The members of the board of directors of the corporation described in (a)(6), (8), and
19 (9) of this section may be nonresidents of the state. The term of the members described in (a)(1),
20 (6), (8), and (9) of this section is four years and those terms shall be staggered.

21 (c) Members of the board of directors of the corporation described in (a)(6), (8), and (9)
22 of this section receive \$100 compensation for each day spent on official business of the
23 corporation.

24 (d) Members of the board of directors of the corporation are entitled to per diem and
25 travel expenses authorized under AS 39.20.180.

26 Sec. 14.40.831. CHAIR AND VICE-CHAIR. The president of the University of Alaska
27 or the designee of the president shall be the chair of the board of directors of the corporation.
28 The commissioner of commerce and economic development or the designee of the commissioner
29 shall be vice-chair of the board of directors of the corporation. The vice-chair presides over all
30 meetings in the absence of the chair and has other duties the board of directors of the corporation
31 may direct.

1 Sec. 14.40.836. MEETINGS; STAFF. (a) A majority of the members of the corporation
2 constitutes a quorum for the transaction of business or the exercise of a power or function at a
3 meeting of the corporation. The corporation shall meet at least every three months. The
4 corporation may meet and transact business by electronic media if (1) public notice of the time
5 and locations where the meeting will be held by electronic media has been given in the same
6 manner as if the meeting were held in a single location; (2) participants and members of the
7 public in attendance can hear and have the same right to participate in the meeting as if the
8 meeting were conducted in person; and (3) copies of pertinent reference materials, statutes,
9 regulations, and audio-visual materials are reasonably available to participants and the public.
10 A meeting by electronic media as provided in this subsection has the same legal effect as a
11 meeting in person.

12 (b) The corporation may employ persons as staff it considers advisable, including an
13 executive director, and may employ professional advisors, technical experts, agents, and other
14 employees it considers advisable. The executive director and employees of the corporation are
15 in the exempt service under AS 39.25.

16 (c) The corporation may hire legal counsel to represent the corporation.

17 (d) The corporation shall keep minutes of each meeting and send a certified copy of the
18 minutes to the governor and to the Legislative Budget and Audit Committee.

19 Sec. 14.40.841. ALASKA AEROSPACE DEVELOPMENT CORPORATION
20 REVOLVING FUND. The Alaska Aerospace Development Corporation revolving fund is
21 established in the corporation. The revolving fund consists of appropriations made to the
22 revolving fund by the legislature, and rents, fees, or other money or assets transferred to the
23 revolving fund by the corporation. Amounts deposited in the revolving fund may be pledged to
24 the payment of bonds of the corporation or expended for the purposes of the corporation under
25 this chapter.

26 Sec. 14.40.846. INSURANCE COVERAGE; SAFETY PROGRAM. (a) The corporation
27 may engage actuarial experts and shall develop probability models to indicate the degree of
28 potential harm to the public and private enterprise from the corporation's activities.

29 (b) The corporation shall, to the extent available and consistent with federal requirements,
30 secure insurance coverage within reasonable limits for liability that may arise as a consequence
31 of its activities and the activities of its officers and employees and to insure its buildings,

1 structures, and other facilities against loss.

2 (c) The corporation shall establish a safety program that includes

3 (1) the development and implementation of a loss prevention program consisting
4 of a comprehensive corporation wide safety program, including a statement by the board, of
5 safety policy and responsibility and regulations implementing it;

6 (2) provision for regular and periodic facility and equipment inspections;

7 (3) investigation of job-related accidents and other accidents occurring on the
8 premises of the corporation or within areas of its jurisdiction;

9 (4) the establishment of a program to promote increased safety awareness among
10 employees, agents, and subcontractors of the corporation;

11 (5) the study of safety operations at other space-related facilities in the United
12 States;

13 (6) all federal and state safety and emergency facility requirements for commercial
14 space facilities.

15 Sec. 14.40.851. SPACE ACTIVITIES LOCATION. The Poker Flat Research Range
16 constitutes the location and launch site for the corporation. Other sites may be developed and
17 utilized if determined by the board to be necessary.

18 Sec. 14.40.856. LICENSES AND PERMITS. The corporation shall obtain all federal and
19 state licenses and permits necessary to fulfill the purposes, to perform the duties, and exercise
20 the powers of the corporation.

21 Sec. 14.40.861. PURPOSE OF THE CORPORATION. The purpose of the corporation
22 is to allow the state to take a lead role in the exploration and development of space, to enhance
23 human and economic development, and to provide a unified direction

24 (1) for space-related economic growth thereby ensuring a stable and dynamic
25 research and business climate by attracting space-related businesses to locate within and utilize
26 the opportunities provided in the state;

27 (2) for space-related educational and research development by encouraging and
28 assisting the University of Alaska in developing space-related programs, research, and courses
29 of instruction and to assist the University of Alaska as a member of the Space Grant State
30 Consortia under 42 U.S.C. 2486 (National Space Grant College and Fellowship Program);

31 (3) to promote the continued utilization of the Poker Flat Research Range as a

1 launch site for launch vehicles and for scientific research both from ground based and rocket or
2 balloon based instrumentation;

3 (4) to recognize the importance and benefits of and to promote and encourage the
4 continued utilization of Poker Flat Research Range for the University of Alaska's polar research
5 efforts;

6 (5) for promotion of space-related tourism activities at Poker Flat Research Range
7 and other space-related facilities or centers that may be utilized or established by the corporation;
8 and

9 (6) for development of a state strategy for and to implement the acceleration of
10 space-related economic growth and educational and research development in the state by the use
11 of innovative development methods designed to stimulate space-related business and educational
12 and research development and improve the entrepreneurial atmosphere in the state.

13 Sec. 14.40.866. POWERS AND DUTIES OF THE CORPORATION. (a) In furtherance
14 of its corporate purposes, in addition to its other powers the corporation may

15 (1) sue and be sued;

16 (2) adopt a seal;

17 (3) have perpetual succession;

18 (4) adopt, amend, and repeal bylaws and regulations;

19 (5) make and execute contracts and other instruments;

20 (6) in its own name acquire property, lease, rent, convey, or acquire real and
21 personal property, except that a project site or part of a project site may not be acquired by
22 eminent domain;

23 (7) issue bonds and otherwise incur indebtedness, in accordance with
24 AS 14.40.891, in order to pay the cost of a project or projects to construct or improve launch
25 facilities or other space and aerospace projects or in order to provide money for the corporation's
26 purposes under this chapter; the corporation may also secure payment of the bonds or other
27 indebtedness as provided in this chapter;

28 (8) accept gifts, grants, or loans from, and enter into contracts or other
29 transactions regarding them with, a federal agency or an agency or instrumentality of the state,
30 a municipality, private organization, or other source;

31 (9) enter into contracts or agreements with a federal agency, agency or

1 instrumentality of the state, municipality, or public or private individual or entity, with respect
2 to the exercise of its powers, and do all things necessary or convenient to carry out its corporate
3 purposes and exercise the powers granted in this chapter;

4 (10) own, ~~acquire~~, construct, develop, create, reconstruct, equip, operate, maintain,
5 extend, and improve launch sites, launch pads, landing areas, ranges, payload facilities,
6 laboratories, space business incubators, facilities for the construction of rockets and other launch
7 vehicles, and other space facilities and space-related systems, including educational, cultural,
8 tourism, and parking facilities, and space-related initiatives;

9 (11) undertake a program of advertising to the public and space-related businesses
10 promoting the space-related projects of the corporation and space-related businesses;

11 (12) construct, improve, and operate by itself or in cooperation with the
12 University of Alaska or the Department of Transportation and Public Facilities transportation
13 facilities appropriate to meet the transportation requirements of a facility operated by the
14 corporation;

15 (13) construct, improve, and operate water, sewage, and utility service to a facility
16 operated by the corporation;

17 (14) construct, provide, or improve public safety facilities for a facility operated
18 by the corporation;

19 (15) charge fees, rents, or other charges for the use of a facility, structure, or
20 service developed, operated, or provided by the corporation including fees, rents, and other
21 charges in excess of the actual operating cost of the use of the facility, structure, or service;

22 (16) pledge rents, fees, charges, or other revenue from the use of its services or
23 facilities as security for bonds of the corporation;

24 (17) undertake to finance or develop a space-related project with any agency or
25 authority of the state, its political subdivisions, agencies or authorities of other states, the federal
26 government, foreign governments, or private entities;

27 (18) apply to the federal government for a grant allowing the designation of
28 corporation territory as a foreign trade zone under AS 45.77.010;

29 (19) negotiate agreements for the overflight or recovery of a space vehicle, rocket,
30 missile, payload, booster, scientific experiments or other space-related material, debris, or parts
31 with any person or entity, including but not limited to adjacent landowners;

1 (20) lease the Poker Flat Research Range or portions of it from the University of
2 Alaska and to lease to the University space-related facilities that the corporation may construct
3 or acquire;

4 (21) apply for and hold in the name of the corporation patents, copyrights, and
5 other intellectual property.

6 (b) The corporation shall

7 (1) prepare an annual report of its operations to include a balance sheet, an
8 income statement, a statement of changes in financial position, a reconciliation of changes in
9 equity accounts, a summary of significant accounting principles, an auditor's report, comments
10 regarding the year's business, and prospects from the next year; the report shall be provided by
11 the third day of each regular session of the legislature to the governor, the presiding officers of
12 each house of the legislature, the University of Alaska, and the Legislative Budget and Audit
13 Committee;

14 (2) establish a personnel management system for hiring employees and setting
15 employee-benefit packages;

16 (3) establish procedures, rules, and rates governing per diem and travel expenses
17 of the employees of the corporation in substantial conformity to statutes, procedures, rules, and
18 rates governing state employees;

19 (4) fulfill its purposes, perform its duties, and exercise its power in a manner that
20 does not interfere or restrict the educational and research functions of Poker Flat Research Range
21 and the University of Alaska.

22 Sec. 14.40.871. REGULATIONS. (a) The corporation shall adopt regulations to carry
23 out the purposes of this chapter.

24 (b) Except for AS 44.62.310 and 44.62.312 regarding public meetings, the provisions of
25 AS 44.62 (Administrative Procedure Act) regarding the adoption of regulations do not apply to
26 the corporation. The corporation shall make available to members of the public copies of the
27 regulations adopted under this section. Within 45 days after adoption of a regulation under this
28 section, the chair of the corporation shall submit the regulation adopted to the chair of the
29 Administrative Regulation Review Committee under AS 24.20.400 - 24.20.460.

30 (c) The corporation may adopt regulations by motion or by resolution or in another
31 manner permitted by its bylaws.

1 (d) Except as provided in (e) of this section, at least 15 days before the adoption of a
2 regulation, the corporation shall give public notice of the proposed action by publishing the notice
3 in at least three newspapers of general circulation in the state and by mailing a copy of the notice
4 to every person who has filed a request for notice of proposed regulations with the corporation.
5 The public notice must include a statement of the time, place, and nature of the proceedings for
6 the adoption of the regulation and must include an informative summary of the subject of the
7 proposed action. On the date and at the time and place designated in the notice, the corporation
8 shall give each interested person or an authorized representative of the person, or both, the
9 opportunity to present statements, arguments, or contentions orally or in writing and shall give
10 members of the public an opportunity to present oral statements, arguments, or contentions for
11 a total period of at least one hour. The corporation shall consider all relevant matter presented
12 to it before taking the proposed action on the regulation. At a hearing under this subsection, the
13 corporation may continue or postpone the hearing to a time and place determined by the
14 corporation and announced at the hearing before taking the action to continue or postpone the
15 hearing. A regulation adopted by the corporation may vary from the informative summary
16 specified in this subsection if the subject matter of the action taken on the regulation remains the
17 same and if the original notice of the proposed action was written so as to assure that members
18 of the public are reasonably notified of the subject matter of the proposed action in order for
19 them to determine whether their interests could be affected by the corporation's proposed action
20 on that subject.

21 (e) The adoption of a regulation may be made as an emergency regulation if, in the order
22 of adoption, the corporation states the facts constituting the emergency and makes a finding that
23 the adoption of the regulation is necessary for the immediate preservation of the orderly operation
24 of the corporation's programs. The requirements of (d) of this section do not apply to the initial
25 adoption of an emergency regulation; however, upon adoption of an emergency regulation under
26 this subsection, the corporation shall, within 10 days after that adoption, publish notice of the
27 adoption in accordance with the notice procedures specified in (d) of this section. An emergency
28 regulation adopted under this subsection may not remain in effect for more than 120 days unless,
29 before the expiration of that period, the corporation adopts that regulation as a permanent
30 regulation in accordance with the procedures specified in (d) of this section.

31 (f) A regulation adopted under this section takes effect immediately upon its adoption

1 by the corporation or at another time specified by the corporation in its order of adoption.

2 Sec. 14.40.876. EXERCISE BY CORPORATION OF POWERS WITHIN
3 MUNICIPALITIES. The corporation may exercise any of its powers in all portions of a space-
4 related facility or territory lying within the boundaries of a municipality to the same extent and
5 in the same manner as in areas of the space-related facility or territory not within the boundaries
6 of a municipality.

7 Sec. 14.40.881. TRADE SECRETS CONFIDENTIAL. The corporation shall maintain
8 the confidentiality of a trade secret, or other proprietary technical information, supplied for
9 purposes related to this chapter unless the owner of the trade secret authorizes its release or a
10 court orders its release. Information covered by this section is not a public record for purposes
11 of AS 09.25.110 - 09.25.140. The corporation shall adopt regulations implementing this section.

12 Sec. 14.40.886. APPROVAL OF PROJECTS BY LEGISLATURE. Notwithstanding any
13 other provision of this chapter, a proposed construction project of \$1,000,000 or more shall be
14 submitted by the corporation to the legislature for review at a regular session of the legislature.
15 If the proposed construction project is submitted before the 75th day of a regular session, the
16 corporation may proceed with the proposed project if it is not disapproved by law at that session.
17 If the proposed construction project is submitted after the 75th day of a regular session or in the
18 interim between regular sessions, the corporation may proceed with the project if it is not
19 disapproved by law at the next regular session. A proposed construction project is considered
20 submitted under this section upon written notification of the proposed project to the presiding
21 officers of each house of the legislature and the Legislative Budget and Audit Committee.

22 Sec. 14.40.891. ISSUANCE OF BONDS, NOTES, AND REFUNDING BONDS. The
23 corporation may issue bonds and notes from time to time in its discretion for any of its corporate
24 purposes and may issue refunding bonds for the purpose of paying or retiring bonds previously
25 issued by it.

26 Sec. 14.40.896. SECURITY FOR BONDS. The corporation may issue bonds including
27 but not limited to bonds on which the principal and interest are payable (1) exclusively from the
28 income and revenue of the space-related project financed with the proceeds of the bonds, (2)
29 exclusively from the income and revenue of designated space-related projects whether or not they
30 are financed in whole or in part with the proceeds of the bonds, (3) from its revenue or other
31 assets generally, or (4) exclusively from rents, fees, charges, or other revenue collected or

1 received by the corporation. Bonds may be additionally secured by a pledge of a grant or
2 contribution from the federal government or from another source, or by a pledge of income or
3 revenue of the corporation, or by a mortgage of a space-related project or other property of the
4 corporation.

5 Sec. 14.40.899. LIMITATION OF LIABILITY ON BONDS. The members of the
6 corporation and a person executing the bonds are not liable personally on the bonds by reason
7 of their issuance. The bonds of the corporation are not a debt of the state or a political or
8 municipal corporation or other subdivision of the state, including the University of Alaska, and
9 each bond must so state on its face. Neither the state nor a political or municipal corporation
10 or other subdivision of the state, including the University of Alaska, other than the corporation
11 is liable on the bonds, nor are the bonds payable out of funds or properties other than those of
12 the corporation. The corporation may not pledge the faith of the people of the state for a loan
13 or obligation. Bonds of the corporation are not a debt, indebtedness, or the borrowing of money
14 within the meaning of a limitation or restriction on the issuance of bonds contained in the
15 constitution or laws of the state.

16 Sec. 14.40.902. ISSUANCE AND SALE OF BONDS AND NOTES. Bonds and notes
17 of the corporation are authorized by adoption of a resolution prescribing the date of issuance and
18 maturity, interest rate, denomination, form, conversion privilege, rank or priority, execution, terms
19 of redemption, medium, and place of payment. Bonds and notes may be sold in the manner, on
20 the terms, and at the price the corporation determines. Each bond and note is negotiable. The
21 signature of a member or an officer upon a bond or note or coupon is not invalidated by that
22 person's ceasing to hold office before the delivery of the bond or note. The recitation of a bond
23 or note that it has been issued in the financing of a space-related project or purpose under this
24 chapter is conclusive as to the issuance of the bond or note and the character of the project in
25 a challenge of the validity of the bond or note or the security for it.

26 Sec. 14.40.906. BONDS EXEMPT FROM TAXES. Bonds and other obligations of the
27 corporation are issued for an essential public and governmental purpose and are public
28 instrumentalities and, together with interest on them and income from them, are exempt from
29 taxes.

30 Sec. 14.40.908. INDEPENDENT FINANCIAL ADVISOR. In negotiating the private
31 sale of bonds or bond anticipation notes to an underwriter, the corporation shall retain a financial

1 advisor who is independent from the underwriter. The financial advisor may not bid on the
2 bonds or notes if offered at public sale or negotiate for their purchase if sold at private sale.

3 Sec. 14.40.912. ADDITIONAL POWERS TO SECURE BONDS OR OBLIGATIONS
4 UNDER LEASES. In connection with the issuance of bonds or the incurring of obligations
5 under leases and in order to secure the payment of bonds or lease obligations, the corporation,
6 in addition to its other powers, may

7 (1) pledge all or a part of its gross or net rents, fees, or revenues to which its
8 right exists or may exist;

9 (2) mortgage or encumber all or a part of its real or personal property, owned or
10 later acquired;

11 (3) covenant against pledging all or a part of its rents, fees, and revenue, or
12 against mortgaging all or a part of its real or personal property, to which its right or title exists
13 or may come into existence or against permitting or suffering any lien on the revenues or
14 property;

15 (4) covenant with respect to limitations on its right to sell, lease, or otherwise
16 dispose of a space-related project or a part of a space-related project;

17 (5) covenant as to what other, or additional debts or obligations may be incurred
18 by it;

19 (6) covenant as to the bonds to be issued and as to the issuance of the bonds in
20 escrow or otherwise, and as to the use and disposition of the proceeds of bonds;

21 (7) provide for the replacement of lost, destroyed, or mutilated bonds;

22 (8) covenant against extending the time for the payment of its bonds or interest
23 on the bonds;

24 (9) redeem the bonds, and covenant for their redemption and to provide the terms
25 and conditions of redemption;

26 (10) covenant as to the rents and fees to be charged in the operation of a space-
27 related project, the amount to be raised each year or other period of time by rents, fees, and other
28 revenue, and as to the use and disposition of this revenue;

29 (11) create or authorize the creation of special funds for money held for
30 construction or operating costs, debt service, reserves, or other purposes, and covenant as to the
31 use and disposition of this money;

1, (12) prescribe the procedure by which the terms of a contract with bondholders
2 may be amended or abrogated, the amount of bonds the holders of which must consent thereto
3 and the manner in which the consent may be given;

4 (13) covenant as to the rights, liabilities, powers, and duties arising upon the
5 breach by it of a covenant, condition, or obligation, and covenant and prescribe as to events of
6 default and terms and conditions upon which any or all of its bonds or obligations shall become
7 or may be declared due before maturity, and covenant as to the terms and conditions upon which
8 this declaration and its consequences may be waived;

9 (14) vest in a trustee or trustees or the holders of bonds or a specified proportion
10 of them, the right to enforce the payment of the bonds or covenants securing or relating to the
11 bonds;

12 (15) vest in one or more trustees the right, in the event of a default by the
13 corporation, to take possession of a space-related project or a part of the project, and so long as
14 the corporation continues in default to retain possession and to use, operate, and manage the
15 project, and to collect the rent and revenue from the project, and to dispose of the money
16 according to the agreement between the corporation and the trustees;

17 (16) provide for the powers and duties of the trustees, and limit the liability of
18 the trustees; and

19 (17) provide the terms and conditions upon which the trustee or trustees or the
20 holders of bonds, or portions of bonds, may enforce a covenant or right securing or relating to
21 the bonds.

22 Sec. 14.40.916. RIGHT OF OBLIGEE OF CORPORATION TO BRING INJUNCTION.

23 An obligee of the corporation may, in addition to all other rights that may be conferred and
24 subject only to contractual restriction binding upon the obligee, seek an injunction or an action
25 in nature of an action for mandamus against the members, the corporation, its officers, agents,
26 or employees.

27 Sec. 14.40.921. POWER OF CORPORATION TO CONFER UPON OBLIGEE RIGHT
28 TO BRING ACTION OR PROCEEDING. The corporation may by resolution, trust indenture,
29 mortgage, lease, or other contract confer upon an obligee holding or representing a specified
30 amount in bonds, or holding a lease, the right upon a default as defined in the resolution or
31 instrument by suit, action or proceeding

1 (1) to have possession of a space-related project or part of one surrendered to the
2 obligee, with possession retained by the obligee as long as the corporation continues in default;

3 (2) to obtain the appointment of a receiver of a space-related project or part of
4 one and its rents and profits, who may enter, take possession, and for the duration of the default
5 operate and maintain it, collect and receive all fees, rents, revenues, or other charges thereafter
6 arising, and keep the money in a separate account or accounts to be applied in accordance with
7 the obligations of the corporation as the court directs;

8 (3) to require the corporation and its members to account as if they were the
9 trustees of an express trust.

10 Sec. 14.40.926. EXEMPTION OF REAL PROPERTY OF CORPORATION FROM
11 EXECUTION OR OTHER PROCESS. All real property of the corporation is exempt from levy
12 and sale by execution, and an execution or other judicial process may not issue against it. A
13 judgment against the corporation may not be a charge or lien upon its real property. However,
14 this section does not limit the right of an obligee to foreclose or otherwise enforce a mortgage
15 of the corporation or to pursue any remedy for the enforcement of a pledge or lien given by the
16 corporation on its rents, fees, or revenues.

17 Sec. 14.40.931. POWER OF CORPORATION TO OBTAIN FEDERAL AID AND
18 COOPERATION. The corporation may borrow, accept contributions, grants, or other financial
19 assistance from the federal government in aid of a space-related project and for this purpose may
20 comply with conditions and enter into the mortgages, trust indentures, leases, or agreements that
21 are necessary, convenient, or desirable in order to obtain financial aid or cooperation from the
22 federal government in the undertaking, construction, maintenance, or operation of a space-related
23 project.

24 Sec. 14.40.936. EXEMPTION FROM TAXES AND ASSESSMENTS. The property of
25 the corporation is public property used for essential public and governmental purposes and this
26 property and the corporation are exempt from all taxes and special assessments of a municipality,
27 the state, or a political subdivision of the state. However, instead of taxes, the corporation may
28 make payments to the municipality or political subdivision for improvements, services, and
29 facilities furnished by it for the benefit of a space-related project.

30 Sec. 14.40.941. DISPOSAL OF SURPLUS PROPERTY. (a) The corporation may
31 convey real or personal property that it determines is in excess of its needs. Except as provided

1 in (b) of this section, the sale shall be by public auction or by sealed bids. Public notice shall
2 be given by publishing notice of the sale at least once a week for two consecutive weeks in a
3 newspaper of general circulation within the area in which the property to be sold is located and
4 by posting notice of sale in at least two public places in the area. In no event may the auction
5 be held less than 30 days after the last day of publication. If an acceptable bid is not received,
6 the corporation may sell the property at negotiated sale within six months after the date of the
7 auction. A negotiated sale may not be made on an appraisal made more than nine months before
8 the date of sale. The price at a negotiated sale may not be less than the appraised value.

9 (b) Real or personal property of the corporation may be conveyed to a state or federal
10 agency or political subdivision or the University of Alaska for less than the appraised value
11 without competitive bidding, upon a determination by the board that the terms are fair and proper
12 and in the best interests of the state. The board shall consider both the nature of the agency's
13 or political subdivision's public services or functions and the terms under which the property was
14 acquired by the corporation.

15 Sec. 14.40.946. PUBLIC LOANS OR DONATIONS TO OR COOPERATION WITH
16 CORPORATION. (a) A public body or agency of the state may

- 17 (1) lend or donate money or property to the corporation;
18 (2) cooperate with it in the planning, construction, or operation of a project;
19 (3) transfer to it an interest in property, grant an easement, undertake otherwise
20 authorized construction of facilities adjacent to a project;
21 (4) furnish or improve otherwise authorized roads, streets, alleys, and sidewalks;
22 (5) purchase bonds of the corporation;
23 (6) incur the entire expense of improvements made under this chapter;
24 (7) agree with the corporation that a certain sum or that no sum shall be paid by
25 the corporation to it instead of taxes;
26 (8) enter into agreements respecting exercise of the powers granted in this chapter
27 that shall be approved and executed by the public body or municipality in or adjacent to the
28 project before the project may be constructed; and
29 (9) in general do all things necessary or convenient to cooperate in the planning,
30 construction, or operation of a project.

31 (b) Except as required under AS 44.62.310 and 44.62.312, a sale, conveyance, lease, or

1 agreement under this section may be made without appraisal, public notice or advertisement, or
2 bidding. A public body may exercise the powers granted in this section by resolution or
3 ordinance by a majority of the members of the governing body present at the meeting at which
4 it is introduced, and the resolution or ordinance takes effect immediately without publishing or
5 posting.

6 Sec. 14.40.951. RESERVE FUND. (a) The corporation shall establish and maintain a
7 special fund called the Alaska Aerospace Development Corporation reserve fund in which there
8 shall be deposited or transferred

9 (1) all money appropriated by the legislature for the purpose of the fund in
10 accordance with the provisions of (g) of this section;

11 (2) all proceeds of bonds required to be deposited in the fund by terms of a
12 contract between the corporation and its bondholders or a resolution of the corporation with
13 respect to the proceeds of bonds;

14 (3) all other money appropriated by the legislature to the reserve fund; and

15 (4) any other money or funds of the corporation that it decides to deposit in the
16 fund.

17 (b) Subject to the provisions of (h) of this section, money in the reserve fund shall be
18 held and applied solely to the payment of the interest on and principal of bonds of the
19 corporation as the interest and principal become due and payable and for the retirement of bonds;
20 and the money may not be withdrawn if a withdrawal would reduce the amount in the reserve
21 fund to an amount less than the required debt service reserve except for payment of interest then
22 due and payable on bonds and the principal of bonds then maturing and payable and for the
23 retirement of bonds in accordance with the terms of a contract between the corporation and its
24 bondholders and for which payments of other money of the corporation is not then available. In
25 this subsection, "required debt service reserve" means, as of the date of computation, the amount
26 required to be on deposit in the reserve fund as provided by resolution of the corporation.

27 (c) Money in the reserve fund in excess of the required debt service reserve as defined
28 in (b) of this section, whether by reason of investment or otherwise, may be withdrawn at any
29 time by the corporation and transferred to another fund or account of the corporation subject to
30 the provision of (h) of this section.

31 (d) Money in the reserve fund may be invested in the same manner and on the same

1 conditions as permitted for investment of funds belonging to the state or held in the treasury
2 under AS 37.10.070; however, the corporation may agree with the bondholders to further limit
3 these investments.

4 (e) For purposes of valuation, investments in the reserve fund shall be valued at par or
5 if purchased at less than par, at cost unless otherwise provided by resolution of the corporation.
6 Valuation on a particular date shall include the amount of interest then earned or accrued to that
7 date on the money or investments in the reserve fund.

8 (f) Notwithstanding any other provision of this chapter, bonds may not be issued by the
9 corporation unless there is in the reserve fund the required debt service reserve for all bonds then
10 issued and outstanding and for the bonds to be issued; however, the corporation may satisfy this
11 requirement by depositing as much of the proceeds of the bonds to be issued, upon their issuance,
12 as is needed to meet the required debt service reserve. The corporation may at any time issue
13 its bonds or notes for the purpose of increasing the amount in the reserve fund to the required
14 debt service reserve, or to meet whatever higher or additional reserve that may be fixed by the
15 corporation with respect to the fund.

16 (g) In order to assure the maintenance of the required debt service reserve in the reserve
17 fund, the legislature may appropriate annually to the corporation for deposit in the fund the sum,
18 certified by the chair of the corporation to the governor and to the legislature, that is necessary
19 to restore the fund to an amount equal to the required debt service reserve. The chair annually,
20 before January 30, shall make and deliver to the governor and to the legislature a certificate
21 stating the sum required to restore the fund to that amount, and the certified sum may be
22 appropriated and paid to the corporation during the then current state fiscal year. Nothing in this
23 subsection creates a debt or liability of the state.

24 (h) All amounts received on account of money appropriated to the reserve fund referred
25 to in (a)(3) of this section shall be held and applied in accordance with (b) of this section;
26 however, at the end of each fiscal year, if the amount in the reserve fund is in excess of the
27 required debt service reserve, any amount representing earnings or income received on account
28 of money appropriated to the reserve fund that exceeds the operating expenses of the corporation
29 for that fiscal year shall be transferred to the general fund of the state.

30 (i) All references to the reserve fund in this section include special accounts within the
31 reserve fund that may be created by the corporation to secure the payment of particular bonds.

1 The commissioner of revenue may lend surplus money in the general fund to the corporation for
2 deposit to any account in the reserve fund in an amount equal to the required debt service
3 reserve. The loans shall be made on the terms and conditions that may be agreed upon by the
4 commissioner of revenue and the corporation, including, without limitation, terms and conditions
5 providing that the loans need not be repaid until the obligations of the corporation secured and
6 to be secured by the account in the reserve fund are no longer outstanding.

7 Sec. 14.40.956. COOPERATION WITH OTHER AUTHORITIES. In issuing a bond,
8 the corporation may request the assistance of and work with the Alaska Industrial Development
9 and Export Authority and the Alaska Municipal Bond Bank Authority. The Alaska Industrial
10 Development and Export Authority may invest in and issue bonds for space-related projects of
11 the Alaska Aerospace Development Corporation. The Alaska Industrial Development and Export
12 Authority and the Alaska Municipal Bond Bank Authority may purchase and market bonds of
13 the Alaska Aerospace Development Corporation.

14 Sec. 14.40.961. INVESTMENT OF REVENUE. The revenue and receipts of the
15 corporation, to the extent they are not needed to pay bonds or other obligations of the corporation
16 shall be invested by the commissioner of revenue in cooperation with the corporation.

17 Sec. 14.40.966. LEGALITY OF CORPORATION BONDS AS INVESTMENTS. Bonds
18 of the corporation are legal and proper investments and security for public and private banking,
19 insurance, and trust funds.

20 Sec. 14.40.990. DEFINITIONS. In AS 14.40.821 - 14.40.990,

21 (1) "board" means the board of directors of the Alaska Aerospace Development
22 Corporation;

23 (2) "corporation" means the Alaska Aerospace Development Corporation;

24 (3) "landing site" means a site or facility designed, intended, or used for the
25 landing or recovery of space vehicles, aircraft, or balloons;

26 (4) "launch site" means a site or facility designed, intended, or used for the
27 launching of space vehicles, sounding rockets, aircraft, or balloons;

28 (5) "payload" means property or cargo, including people or animals, to be
29 transported aboard a vehicle launched by the corporation;

30 (6) "recovery" means the retrieval and recovery of space vehicles, payloads, and
31 parts that have been launched from the corporation's facilities;

1 (7) "space vehicle" means a rocket, missile, booster, or other vehicle designed.
2 intended, or used to reach high altitude.

3 * Sec. 3. AS 24.20.201(a) is amended to read:

4 (a) The Legislative Budget and Audit Committee has the power to:

5 (1) organize, adopt rules for the conduct of its business, and prescribe procedures
6 for the comprehensive fiscal analysis, budget review, and post-audit functions;

7 (2) hold public hearings, administer oaths, issue subpoenas, compel the attendance
8 of witnesses and production of papers, books, accounts, documents, and testimony, and have the
9 deposition of witnesses taken in a manner prescribed by court rule or law for taking depositions
10 in civil actions;

11 (3) require all state officials and agencies of state government to give full
12 cooperation to the committee or its staff in assembling and furnishing requested information;

13 (4) review revenue projections, state agency appropriation requests, the
14 expenditure of state funds, including the relationship between state agency program
15 accomplishments and legislative intent, and the fiscal policies and procedures of state
16 government;

17 (5) review and approve proposed changes to agency authorized budgets as
18 provided in the Executive Budget Act (AS 37.07);

19 (6) make recommendations concerning appropriations, their expenditure and the
20 fiscal policies and procedures of state government to the governor when appropriate, and to the
21 legislature;

22 (7) prepare and distribute reports, memoranda, or other necessary materials;

23 (8) sue in the name of the legislature during the interim between sessions if
24 authorized by majority vote of the full membership of the committee;

25 (9) hold public hearings on the confirmation of the members of the Board of
26 Trustees of the Alaska Permanent Fund Corporation;

27 (10) make recommendations to the legislature and to agencies of the state that
28 [WHICH] perform lending or investment functions concerning the structure and operating
29 practices of the agencies;

30 (11) enter into and enforce all contracts necessary or desirable for the functions
31 of the committee;

1 (12) provide for annual post audits of the Alaska Housing Finance Corporation,
2 the Alaska Aerospace Development Corporation, and the Alaska Industrial Development and
3 Export Authority.

4 * Sec. 4. AS 29.45.650(a) is amended to read:

5 (a) Except as provided in AS 04.21.010(c) and in (f) and (h) of this section, a borough
6 may levy and collect a sales tax on sales, rents, and on services provided in the borough. The
7 sales tax may apply to any or all of these sources. Exemptions may be granted by ordinance.

8 * Sec. 5. AS 29.45.650 is amended by adding a new subsection to read:

9 (h) A borough may not levy or collect a sales tax on sales, rents, and services, or a use
10 tax on the storage, use, or consumption of personal property on the following activities:

11 (1) the sale, lease, rental, storage, consumption, or distribution in this state of or
12 the provision of services relating to an orbital space facility, space propulsion system, or space
13 vehicle, satellite, or station of any kind possessing space flight capacity, including the
14 components of them;

15 (2) the sale, lease, rental, storage, consumption, or use of tangible personal
16 property placed on or used aboard an orbital space facility, space propulsion system, or space
17 vehicle, satellite, or station of any kind, regardless of whether the tangible personal property is
18 returned to this state for subsequent use, storage, or consumption; an exemption under this
19 paragraph is not affected by the failure of a launch to occur, or the destruction of a launch
20 vehicle or a component of a launch vehicle.

21 * Sec. 6. AS 36.30.015(f) is amended to read:

22 (f) The board of directors of the Alaska Housing Finance Corporation, notwithstanding
23 AS 18.56.088, [AND] the board of directors of the Alaska State Housing Authority, and the
24 board of directors of the Alaska Aerospace Development Corporation, notwithstanding
25 AS 14.40.871(b), shall adopt regulations under the Administrative Procedure Act (AS 44.62) to
26 govern the procurement of supplies, services, professional services, and construction for the
27 respective public corporations. The regulations must

28 (1) reflect competitive bidding principles and provide vendors reasonable and
29 equitable opportunities to participate in the procurement process; and

30 (2) include procurement methods to meet emergency and extraordinary
31 circumstances.

1 * Sec. 7. AS 36.30.990(1) is amended to read:

2 (1) "agency"

3 (A) means a department, institution, board, commission, division, authority,
4 public corporation, the Alaska Pioneers' Home, or other administrative unit of the
5 executive branch of state government;

6 (B) does not include

7 (i) the University of Alaska;

8 (ii) the Alaska State Housing Corporation;

9 (iii) the Alaska Railroad Corporation;

10 (iv) the Alaska Housing Finance Corporation;

11 (v) a regional Native housing authority created under
12 AS 18.55.996, or a regional electrical authority created under AS 18.57.020;

13 (vi) the Alaska Aerospace Development Corporation;

14 * Sec. 8. AS 37.05.146 is amended to read:

15 Sec. 37.05.146. DEFINITION OF PROGRAM RECEIPTS. In AS 37.05.142 - 37.05.146
16 and AS 37.07.080 "program receipts" means fees, charges, income earned on assets, and other
17 state money received by a state agency in connection with the performance of its functions; all
18 program receipts except the following are general fund program receipts:

19 (1) federal receipts;

20 (2) University of Alaska receipts (AS 14.40.491);

21 (3) individual, foundation, or corporation gifts, grants, or bequests that by their
22 terms are restricted to a specific purpose;

23 (4) receipts of the following funds:

24 (A) highway working capital fund (AS 44.68.210);

25 (B) correctional industries fund (AS 33.32.020);

26 (C) loan funds;

27 (D) international airport revenue fund (AS 37.15.430);

28 (E) funds managed by the Alaska State Housing Authority (AS 18.55.020),
29 the Alaska Housing Finance Corporation (AS 18.56.020), the Medical Indemnity
30 Corporation of Alaska (AS 21.88.020), the Alaska Railroad Corporation (AS 42.40.010),
31 the Municipal Bond Bank Authority (AS 44.85.020), the Alaska Aerospace Development

1 Corporation (AS 14.40.821), or the Alaska Industrial Development and Export Authority
2 (AS 44.88.020);

3 (F) fish and game fund (AS 16.05.100);

4 (G) school fund (AS 43.50.140);

5 (H) training and building fund (AS 23.20.130);

6 (I) retirement funds (AS 14.25, AS 22.25, AS 26.05.222, AS 39.35, and
7 former AS 39:37);

8 (J) permanent fund (art. IX, sec. 15, Alaska Constitution);

9 (K) public school fund (AS 37.14.110);

10 (L) second injury fund (AS 23.30.040);

11 (M) fishermen's fund (AS 23.35.060);

12 (N) FICA administration fund (AS 39.30.050).

13 * Sec. 9. AS 38.05.810 is amended by adding a new subsection to read:

14 (h) The commissioner shall lease land to the Alaska Aerospace Development Corporation
15 for purposes of down range space vehicle or payload overflight, booster retrieval, and recovery
16 at no charge. The commissioner shall lease land to the Alaska Aerospace Development
17 Corporation for other space-related purposes at no more than 10 percent of the appraised fair
18 market value.

19 * Sec. 10. AS 39.25.110(11) is amended to read:

20 (11) the officers and employees of the following boards, commissions, and
21 authorities:

22 (A) Alaska Gas Pipeline Financing Authority;

23 (B) Alaska Permanent Fund Corporation;

24 (C) [REPEALED,

25 (D)] Alaska Industrial Development and Export Authority;

26 (D) [(E)] Alaska Commercial Fisheries Entry Commission;

27 (E) [(F)] Alaska Commission on Postsecondary Education;

28 (F) Alaska Aerospace Development Corporation;

29 * Sec. 11. AS 39.50.200(b) is amended by adding a new paragraph to read:

30 (52) Alaska Aerospace Development Corporation (AS 14.40.821).

31 * Sec. 12. AS 44.99.200(b) is amended to read:

- 1 (b) The determination under (a) of this section shall be made by the
2 (1) commissioner of administration for a state agency in the executive branch,
3 except as provided in (4) - (6) of this subsection;
4 (2) administrative director of the judicial branch for an agency in the judicial
5 branch;
6 (3) Alaska Legislative Council for an agency in the legislative branch;
7 (4) Board of Regents or president of the University of Alaska for the university;
8 (5) board of directors of the Alaska State Housing Authority for the authority;
9 [AND]
10 (6) board of directors of the Alaska Railroad Corporation for the corporation; and
11 (7) board of directors of the Alaska Aerospace Development Corporation for
12 the corporation.

13 * Sec. 13. AS 44.99.400 is amended to read:

14 Sec. 44.99.400. COPYRIGHTS. A state agency may hold the copyright for software
15 created by the agency or developed by a private contractor for an agency, and may enforce its
16 rights to protect the copyright. In this section, "state agency" means a department, institution,
17 board, commission, division, authority, public corporation, committee, or other administrative unit
18 of the executive, judicial, or legislative branch of state government, including the University of
19 Alaska, the Alaska State Housing Authority, the Alaska Aerospace Development Corporation,
20 and the Alaska Railroad Corporation.

21 * Sec. 14. INITIAL APPOINTMENTS. The initial appointments of the members of the board under
22 AS 14.40.826(a)(1), (6), (8), and (9) shall be staggered under AS 39.05.055(2).

23 * Sec. 15. This Act takes effect July 1, 1991.

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

No. 1
Bill Version: CSHB 46 (FIN)
(H) Publish Date: 3/13/91

Revision Date: _____ Department Affected: Commerce & Economic Dev.
Title: Establishing the Alaska BRU: Alaska Aerospace Development Corporation
Aerospace Development Corporation Component: _____
Sponsor: Rep. Moyer
Requestor: Rep. Moyer COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	126.4					
TRAVEL	37.6					
CONTRACTUAL	118.0					
SUPPLIES	1.5					
EQUIPMENT	19.0					
LAND & STRUCTURES						
GRANTS. CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	302.5	*	*	*	*	*

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	302.5					
FEDERAL FUNDS						
OTHER Corp. Rec.		*	*	*	*	*
TOTAL	302.5	*	*	*	*	*

POSITIONS:

FULL-TIME	2					
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.) Assumes the AADC will become effective July 1, 1991. Initial year would be funded from the general fund.

*Subsequent years will be funded from corporate receipts of the AADC revolving fund. Since this is a new organization, it is not possible to predict annual costs beyond FY 92.

Prepared By: Guy Bell, Director Phone: 465-2587
Division: Administrative Services Date: _____
Approved by Commissioner: Glenn A. Olds *[Signature]*
Agency: Department of Commerce & Economic Development Date: _____

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE - CSHB 46

ALASKA AEROSPACE DEVELOPMENT CORPORATION

<u>Personal Services:</u>		\$126.4
Executive Director (26A)	\$ 90.1	
Secretary I (10B)	\$ 36.3	
<u>Travel:</u>		\$ 37.6
Executive Director	\$ 20.0	
Board (4 meetings/year)	\$ 12.0	
Honorarium/Stipend	\$ 5.6	
<u>Contractual:</u>		\$118.0
Office Space (500 sq. ft. @ \$2.00/ft)	\$ 12.0	
Professional Services (bond counsel engineering, actuarial, etc.)	\$100.0	
Utilities (phones, other)	\$ 6.0	
<u>Supplies:</u>		\$ 1.5
Office Supplies	\$ 1.5	
<u>Equipment:</u>		\$ 19.0
Telecopier	\$ 3.0	
Computer/Word Processing	\$ 10.0	
Furniture	\$ 6.0	
 FY 92 TOTAL		 <u>\$302.5</u>

STATE OF ALASKA
1991 LEGISLATIVE SESSION

FISCAL NOTE

No. 2
Bill Version: CSHB 46 (FIN)
(H) Publish Date: 3/13/91

Revision Date: _____ Department Affected: University of Alaska
Title: Creating AK Aerospace Development Corporation BRU: ALL
Sponsor: Moyer Component:
Requestor: ITT Component Serial No. ALL

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY92	FY93	FY94	FY95	FY96	FY97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE	0.0
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FUNDING: (Thousands of Dollars)	FY92	FY93	FY94	FY95	FY96	FY97
GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:	FY92	FY93	FY94	FY95	FY96	FY97
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

SEE ATTACHED

Prepared by: Brian Rogers
Division: Vice President for Finance

Phone: 474-7448
Date: 3/7/91

Approved by: Brian Rogers, Vice President for Finance
Agency: University of Alaska

Date: 3/7/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

Fiscal Note - Bill #CSHB 46 (ITT) Analysis

Creation of the Alaska Aerospace Development Corporation will not entail new costs by the University of Alaska. Any costs of university participation in meetings with the corporation will be borne from existing funds.

Depending on the success of the Alaska Aerospace Development Corporation in attracting new aerospace related businesses to use the Poker Flat Research Range, the university may receive revenues to support operation of the research range in fiscal '93 and thereafter. Until the corporation is operational, however, the university has no way of knowing what those revenues may be.

COMMITTEE COPY

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

No. 3
Bill Version: CSHB 46 (FIN)
(H) Publish Date: 3/13/91

Revision Date: _____ Department Affected: Administration
Title: An act creating the Alaska Spaceport Authority BRU: Risk Management
Sponsor: Mover, Koponen Component: _____
Requestor: Labor & Comm. & Ec. Dev. COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
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
LAND & 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
FEDERAL FUNDS	0	0	0	0	0	0
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

Estimate of current year impact: Nil.

ANALYSIS: (Attach a separate page if necessary.)
See following page

Prepared By: Don Hitchcock *[Signature]* Phone: 465-2180
Division: Risk Management Date: 3-27-91
Approved by Commissioner: Millett Kellern *[Signature]*
Agency: Department of Administration *[Signature]* Date: 3/1/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

**1991 LEGISLATION
POSITION PAPER
DEPARTMENT OF ADMINISTRATION**

Division Risk Management Bill Number HB 46

Bill Title An act creating the Alaska Spaceport Authority

Position Statement: Explain briefly what bill does, its impacts and Department's position, i.e. a) support, b) do not support, c) neutral or d) oppose.

This act creates a new public corporation of the State, with a board of directors, executive director and support staff. It is unclear as to the extent of the increased staffing involved with inherent workers' compensation, general and professional liability exposures.

It is mentioned that the authority will procure and maintain insurance coverage for liability that may arise as a consequence of its activities, and its buildings, structures and other facilities against loss. Again there is no indication of the extent of such facilities, although we would presume they would approach Risk Management for such coverages as it is more economical to participate in the self insurance program operated by Risk Management.

Casualty risks (workers' compensation, general, auto and professional liability) could be picked up as part of the standard assessment on the Department of Commerce's monthly payroll. All other coverages would be billed on a direct RSA basis (property, aviation, etc.)

Our position is neutral — this is only a reminder that insurance costs could be involved depending on Alaska Space Port Authority activity.

APPROVED:

Director Donald Hitchcock Division Risk Management

Signature print name
[Handwritten Signature] Date 2/27/91

Commissioner Millert Keiler

Signature _____ Date _____

(For more information, call Barbara Pritchett 465-2200)

Rev. 1/23/91

COMMITTEE COPY

CS FOR HOUSE BILL NO. 46 ()

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES MOYER, Koponen

A BILL

FOR AN ACT ENTITLED

1 "An Act creating the Alaska Aerospace Development Corporation; providing for the lease
2 of state land to the corporation; providing an exemption from municipal sales and use
3 taxes for space-related activities; and providing for an effective date."

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

5 * Section 1. SHORT TITLE. This Act may be known as the Alaska Aerospace Development
6 Corporation Act.

7 * Sec. 2. AS 14.40 is amended by adding new sections to read:

8 ARTICLE 7. ALASKA AEROSPACE DEVELOPMENT CORPORATION.

9 Sec. 14.40.821. CPEATION AND TERMINATION OF CORPORATION. (a) The
10 Alaska Aerospace Development Corporation is created as a public corporation of the state. The
11 corporation is a body corporate and politic located for administrative purposes within the
12 Department of Commerce and Economic Development and affiliated with the University of
13 Alaska but with a separate and independent legal existence.

14 (b) The corporation may not be terminated as long as it has bonds, notes, or other

1 obligations outstanding. If the corporation is terminated, it shall be terminated in a manner that
 2 permits the University of Alaska and Poker Flat Research Range to continue their research and
 3 educational missions uninterrupted.

4 Sec. 14.40.826. BOARD OF DIRECTORS. (a) The board of directors of the corporation
 5 consists of nine members appointed by the governor as follows:

- 6 (1) one member of the Board of Regents of the University of Alaska;
 7 (2) the president or the designee of the president of the University of Alaska;
 8 (3) the director of the Geophysical Institute of the University of Alaska;
 9 (4) the executive director of the Alaska Science and Technology Foundation;
 10 (5) the commissioner of commerce and economic development or the
 11 commissioner's designee;
 12 (6) an expert with experience and understanding of the aerospace or commercial
 13 space industry with an emphasis in federal regulatory procedures and policy involving space;
 14 (7) one faculty member of the University of Alaska with research interests
 15 involving rockets or satellites;
 16 (8) two public members.

17 (b) The members of the ^{board of directors of the} corporation described in (a)(6) and (8) of this section may be
 18 nonresidents of the state. The term of the members described in (a)(1), (6), and (8) of this
 19 section is four years and those terms shall be staggered.

20 (c) Members of the ^{board of directors of the} corporation described in (a)(6) and (8) of this section receive \$100
 21 compensation for each day spent on official business of the corporation.

22 (d) Members of the ^{board of directors of the} corporation are entitled to per diem and travel expenses authorized
 23 under AS 39.20.180.

24 Sec. 14.40.831. CHAIR AND VICE-CHAIR. The president of the University of Alaska
 25 or the designee of the president shall be the chair of the ^{board of directors of the} corporation. The commissioner of
 26 commerce and economic development or the designee of the commissioner shall be vice-chair
 27 of the ^{board of directors of the} corporation. The vice-chair presides over all meetings in the absence of the chair and has
 28 other duties the corporation may direct.

29 Sec. 14.40.836. MEETINGS; STAFF. (a) A majority of the members of the corporation
 30 constitutes a quorum for the transaction of business or the exercise of a power or function at a
 31 meeting of the corporation. The corporation shall meet at least every three months. The

1 corporation may meet and transact business by electronic media if (1) public notice of the time
2 and locations where the meeting will be held by electronic media has been given in the same
3 manner as if the meeting were held in a single location; (2) participants and members of the
4 public in attendance can hear and have the same right to participate in the meeting as if the
5 meeting were conducted in person; and (3) copies of pertinent reference materials, statutes,
6 regulations, and audio-visual materials are reasonably available to participants and the public.
7 A meeting by electronic media as provided in this subsection has the same legal effect as a
8 meeting in person.

9 (b) The corporation may employ persons as staff it considers advisable, including an
10 executive director, and may employ professional advisors, technical experts, agents, and other
11 employees it considers advisable. The executive director and employees of the corporation are
12 in the exempt service under AS 39.25.

13 (c) The corporation may hire legal counsel to represent the corporation.

14 (d) The corporation shall keep minutes of each meeting and send a certified copy of the
15 minutes to the governor and to the Legislative Budget and Audit Committee.

16 Sec. 14.40.841. ALASKA AEROSPACE DEVELOPMENT CORPORATION
17 REVOLVING FUND. The Alaska Aerospace Development Corporation revolving fund is
18 established in the corporation. The revolving fund consists of appropriations made to the
19 revolving fund by the legislature, and rents, fees, or other money or assets transferred to the
20 revolving fund by the corporation. Amounts deposited in the revolving fund may be pledged to
21 the payment of bonds of the corporation or expended for the purposes of the corporation under
22 this chapter.

23 Sec. 14.40.846. INSURANCE COVERAGE; SAFETY PROGRAM. (a) The corporation
24 may engage actuarial experts and shall develop probability models to indicate the degree of
25 potential harm to the public and private enterprise from the corporation's activities.

26 (b) The corporation shall, to the extent available and consistent with federal requirements,
27 secure insurance coverage within reasonable limits for liability that may arise as a consequence
28 of its activities and the activities of its officers and employees and to insure its buildings,
29 structures, and other facilities against loss.

30 (c) The corporation shall establish a safety program that includes

31 (1) the development and implementation of a loss prevention program consisting

1 of a comprehensive corporation wide safety program, including a statement by the board, of
2 safety policy and responsibility and regulations implementing it;

3 (2) provision for regular and periodic facility and equipment inspections;

4 (3) investigation of job-related accidents and other accidents occurring on the
5 premises of the corporation or within areas of its jurisdiction;

6 (4) the establishment of a program to promote increased safety awareness among
7 employees, agents, and subcontractors of the corporation;

8 (5) the study of safety operations at other space-related facilities in the United
9 States;

10 (6) all federal and state safety and emergency facility requirements for commercial
11 space facilities.

12 Sec. 14.40.851. SPACE ACTIVITIES LOCATION. The Poker Flat Research Range
13 constitutes the location and launch site for the corporation. Other sites may be developed and
14 utilized if determined by the board to be necessary.

15 Sec. 14.40.856. LICENSES AND PERMITS. The corporation shall obtain all federal and
16 state licenses and permits necessary to fulfill the purposes, to perform the duties, and exercise
17 the powers of the corporation.

18 Sec. 14.40.861. PURPOSE OF THE CORPORATION. The purpose of the corporation
19 is to allow the state to take a lead role in the exploration and development of space, to enhance
20 human and economic development, and to provide a unified direction

21 (1) for space-related economic growth thereby ensuring a stable and dynamic
22 research and business climate by attracting space-related businesses to locate within and utilize
23 the opportunities provided in the state;

24 (2) for space-related educational and research development by encouraging and
25 assisting the University of Alaska in developing space-related programs, research, and courses
26 of instruction and to assist the University of Alaska as a member of the Space Grant State
27 Consortia under 42 U.S.C. 2486 (National Space Grant College and Fellowship Program);

28 (3) to promote the continued utilization of the Poker Flat Research Range as a
29 launch site for launch vehicles and for scientific research both from ground based and rocket or
30 balloon based instrumentation;

31 (4) to recognize the importance and benefits of and to promote and encourage the

1 continued utilization of Poker Flat Research Range for the University of Alaska's polar research
2 efforts;

3 (5) for promotion of space-related tourism activities at Poker Flat Research Range
4 and other space-related facilities or centers that may be utilized or established by the corporation;
5 and

6 (6) for development of a state strategy for and to implement the acceleration of
7 space-related economic growth and educational and research development in the state by the use
8 of innovative development methods designed to stimulate space-related business and educational
9 and research development and improve the entrepreneurial atmosphere in the state.

10 Sec. 14.40.866. POWERS AND DUTIES OF THE CORPORATION. (a) In furtherance
11 of its corporate purposes, in addition to its other powers the corporation may

12 (1) sue and be sued;

13 (2) adopt a seal;

14 (3) have perpetual succession;

15 (4) adopt, amend, and repeal bylaws and regulations;

16 (5) make and execute contracts and other instruments;

17 (6) in its own name acquire property, lease, rent, convey, or acquire ^{by eminent}
18 domain under AS 09.55.240 - 09.55.460, or otherwise, ^{in AS 09.55.240 - 09.55.460} real and personal property; ^{provided that}
19 a project site or part of a project site may not be acquired by eminent domain. until the
20 corporation has secured, through negotiation, options for the purchase of at least 50 percent of
21 the properties included in the site; in an eminent domain proceeding, the court may, upon motion
22 and after a hearing, fix the time when and the terms upon which the parties in possession are
23 required to surrender possession to the corporation; the Poker Flat Research Range may not be
24 acquired by eminent domain;

25 (7) issue bonds and otherwise incur indebtedness, in accordance with
26 AS 14.40.891, in order to pay the cost of a project or projects to construct or improve launch
27 facilities or other space and aerospace projects or in order to provide money for the corporation's
28 purposes under this chapter; the corporation may also secure payment of the bonds or other
29 indebtedness as provided in this chapter;

30 (8) accept gifts, grants, or loans from, and enter into contracts or other
31 transactions regarding them with, a federal agency or an agency or instrumentality of the state,

- 1 a municipality, private organization, or other source;
- 2 (9) enter into contracts or agreements with a federal agency, agency or
3 instrumentality of the state, municipality, or public or private individual or entity, with respect
4 to the exercise of its powers, and do all things necessary or convenient to carry out its corporate
5 purposes and exercise the powers granted in this chapter;
- 6 (10) own, acquire, construct, develop, create, reconstruct, equip, operate, maintain,
7 extend, and improve launch sites, launch pads, landing areas, ranges, payload facilities,
8 laboratories, space business incubators, facilities for the construction of rockets and other launch
9 vehicles, and other space facilities and space-related systems, including educational, cultural,
10 tourism, and parking facilities, and space-related initiatives;
- 11 (11) undertake a program of advertising to the public and space-related businesses
12 promoting the space-related projects of the corporation and space-related businesses;
- 13 (12) construct, improve, and operate by itself or in cooperation with the
14 University of Alaska or the Department of Transportation and Public Facilities transportation
15 facilities appropriate to meet the transportation requirements of a facility operated by the
16 corporation;
- 17 (13) construct, improve, and operate water, sewage, and utility service to a facility
18 operated by the corporation;
- 19 (14) construct, provide, or improve public safety facilities for a facility operated
20 by the corporation;
- 21 (15) charge fees, rents, or other charges for the use of a facility, structure, or
22 service developed, operated, or provided by the corporation including fees, rents, and other
23 charges in excess of the actual operating cost of the use of the facility, structure, or service;
- 24 (16) pledge rents, fees, charges, or other revenue from the use of its services or
25 facilities as security for bonds of the corporation;
- 26 (17) undertake to finance or develop a space-related project with any agency or
27 authority of the state, its political subdivisions, agencies or authorities of other states, the federal
28 government, foreign governments, or private entities;
- 29 (18) apply to the federal government for a grant allowing the designation of
30 corporation territory as a foreign trade zone under AS 45.77.010;
- 31 (19) negotiate agreements for the overflight or recovery of a space vehicle, rocket,

1 missile, payload, booster, scientific experiments or other space-related material, debris, or parts
2 with any person or entity, including but not limited to adjacent landowners;

3 (20) lease the Poker Flat Research Range or portions of it from the University of
4 Alaska and to lease to the University space-related facilities that the corporation may construct
5 or acquire;

6 (21) apply for and hold in the name of the corporation patents, copyrights, and
7 other intellectual property.

8 (b) The corporation shall

9 (1) prepare an annual report of its operations to include a balance sheet, an
10 income statement, a statement of changes in financial position, a reconciliation of changes in
11 equity accounts, a summary of significant accounting principles, an auditor's report, comments
12 regarding the year's business, and prospects from the next year; the report shall be provided by
13 the third day of each regular session of the legislature to the governor, the presiding officers of
14 each house of the legislature, the University of Alaska, and the Legislative Budget and Audit
15 Committee;

16 (2) establish a personnel management system for hiring employees and setting
17 employee-benefit packages;

18 (3) establish procedures, rules, and rates governing per diem and travel expenses
19 of the employees of the corporation in substantial conformity to statutes, procedures, rules, and
20 rates governing state employees;

21 (4) fulfill its purposes, perform its duties, and exercise its power in a manner that
22 does not interfere or restrict the educational and research functions of Poker Flat Research Range
23 and the University of Alaska.

24 Sec. 14.40.871. REGULATIONS. (a) The corporation shall adopt regulations to carry
25 out the purposes of this chapter.

26 (b) Except for AS 44.62.310 and 44.62.312 regarding public meetings, the provisions of
27 AS 44.62 (Administrative Procedure Act) regarding the adoption of regulations do not apply to
28 the corporation. The corporation shall make available to members of the public copies of the
29 regulations adopted under this section. Within 45 days after adoption of a regulation under this
30 section, the chair of the corporation shall submit the regulation adopted to the chair of the
31 Administrative Regulation Review Committee under AS 24.20.400 - 24.20.460.

1 (c) The corporation may adopt regulations by motion or by resolution or in another
2 manner permitted by its bylaws.

3 (d) Except as provided in (e) of this section, at least 15 days before the adoption of a
4 regulation, the corporation shall give public notice of the proposed action by publishing the notice
5 in at least three newspapers of general circulation in the state and by mailing a copy of the notice
6 to every person who has filed a request for notice of proposed regulations with the corporation.
7 The public notice must include a statement of the time, place, and nature of the proceedings for
8 the adoption of the regulation and must include an informative summary of the subject of the
9 proposed action. On the date and at the time and place designated in the notice, the corporation
10 shall give each interested person or an authorized representative of the person, or both, the
11 opportunity to present statements, arguments, or contentions orally or in writing and shall give
12 members of the public an opportunity to present oral statements, arguments, or contentions for
13 a total period of at least one hour. The corporation shall consider all relevant matter presented
14 to it before taking the proposed action on the regulation. At a hearing under this subsection, the
15 corporation may continue or postpone the hearing to a time and place determined by the
16 corporation and announced at the hearing before taking the action to continue or postpone the
17 hearing. A regulation adopted by the corporation may vary from the informative summary
18 specified in this subsection if the subject matter of the action taken on the regulation remains the
19 same and if the original notice of the proposed action was written so as to assure that members
20 of the public are reasonably notified of the subject matter of the proposed action in order for
21 them to determine whether their interests could be affected by the corporation's proposed action
22 on that subject.

23 (e) The adoption of a regulation may be made as an emergency regulation if, in the order
24 of adoption, the corporation states the facts constituting the emergency and makes a finding that
25 the adoption of the regulation is necessary for the immediate preservation of the orderly operation
26 of the corporation's programs. The requirements of (d) of this section do not apply to the initial
27 adoption of an emergency regulation; however, upon adoption of an emergency regulation under
28 this subsection, the corporation shall, within 10 days after that adoption, publish notice of the
29 adoption in accordance with the notice procedures specified in (d) of this section. An emergency
30 regulation adopted under this subsection may not remain in effect for more than 120 days unless,
31 before the expiration of that period, the corporation adopts that regulation as a permanent

1 regulation in accordance with the procedures specified in (d) of this section.

2 (f) A regulation adopted under this section takes effect immediately upon its adoption
3 by the corporation or at another time specified by the corporation in its order of adoption.

4 Sec. 14.40.876. EXERCISE BY CORPORATION OF POWERS WITHIN
5 MUNICIPALITIES. The corporation may exercise any of its powers in all portions of a space-
6 related facility or territory lying within the boundaries of a municipality to the same extent and
7 in the same manner as in areas of the space-related facility or territory not within the boundaries
8 of a municipality.

9 Sec. 14.40.881. TRADE SECRETS CONFIDENTIAL. The corporation shall maintain
10 the confidentiality of a trade secret, or other proprietary technical information supplied by a
11 public or private person or entity or other proprietary information for purposes related to this
12 chapter unless the owner of the trade secret authorizes its release or a court orders its release.
13 Information covered by this section is not a public record for purposes of AS 09.25.110 -
14 09.25.140. The corporation shall adopt regulations implementing this section.

15 Sec. 14.40.836. APPROVAL OF PROJECTS BY LEGISLATURE. Notwithstanding any
16 other provision of this chapter, a proposed construction project of \$1,000,000 or more shall be
17 submitted by the corporation to the legislature for review at a regular session of the legislature.
18 If the proposed construction project is submitted before the 75th day of a regular session, the
19 corporation may proceed with the proposed project if it is not disapproved by law at that session.
20 If the proposed construction project is submitted after the 75th day of a regular session or in the
21 interim between regular sessions, the corporation may proceed with the project if it is not
22 disapproved by law at the next regular session. A proposed construction project is considered
23 submitted under this section upon written notification of the proposed project to the presiding
24 officers of each house of the legislature and the Legislative Budget and Audit Committee.

25 Sec. 14.40.891. ISSUANCE OF BONDS, NOTES, AND REFUNDING BONDS. The
26 corporation may issue bonds and notes from time to time in its discretion for any of its corporate
27 purposes and may issue refunding bonds for the purpose of paying or retiring bonds previously
28 issued by it.

29 Sec. 14.40.896. SECURITY FOR BONDS. The corporation may issue bonds including
30 but not limited to bonds on which the principal and interest are payable (1) exclusively from the
31 income and revenue of the space-related project financed with the proceeds of the bonds, (2)

1 exclusively from the income and revenue of designated space-related projects whether or not they
2 are financed in whole or in part with the proceeds of the bonds, (3) from its revenue or other
3 assets generally, or (4) exclusively from rents, fees, charges, or other revenue collected or
4 received by the corporation. Bonds may be additionally secured by a pledge of a grant or
5 contribution from the federal government or from another source, or by a pledge of income or
6 revenue of the corporation, or by a mortgage of a space-related project or other property of the
7 corporation.

8 Sec. 14.40.899. LIMITATION OF LIABILITY ON BONDS. The members of the
9 corporation and a person executing the bonds are not liable personally on the bonds by reason
10 of their issuance. The bonds of the corporation are not a debt of the state or a political or
11 municipal corporation or other subdivision of the state, including the University of Alaska, and
12 each bond must so state on its face. Neither the state nor a political or municipal corporation
13 or other subdivision of the state, including the University of Alaska, other than the corporation
14 is liable on the bonds, nor are the bonds payable out of funds or properties other than those of
15 the corporation. The corporation may not pledge the faith of the people of the state for a loan
16 or obligation. Bonds of the corporation are not a debt, indebtedness, or the borrowing of money
17 within the meaning of a limitation or restriction on the issuance of bonds contained in the
18 constitution or laws of the state.

19 Sec. 14.40.902. ISSUANCE AND SALE OF BONDS AND NOTES. Bonds and notes
20 of the corporation are authorized by adoption of a resolution prescribing the date of issuance and
21 maturity, interest rate, denomination, form, conversion privilege, rank or priority, execution, terms
22 of redemption, medium, and place of payment. Bonds and notes may be sold in the manner, on
23 the terms, and at the price the corporation determines. Each bond and note is negotiable. The
24 signature of a member or an officer upon a bond or note or coupon is not invalidated by that
25 person's ceasing to hold office before the delivery of the bond or note. The recitation of a bond
26 or note that it has been issued in the financing of a space-related project or purpose under this
27 chapter is conclusive as to the issuance of the bond or note and the character of the project in
28 a challenge of the validity of the bond or note or the security for it.

29 Sec. 14.40.906. BONDS EXEMPT FROM TAXES. Bonds and other obligations of the
30 corporation are issued for an essential public and governmental purpose and are public
31 instrumentalities and, together with interest on them and income from them, are exempt from

1 taxes.

2 Sec. 14.40.908. INDEPENDENT FINANCIAL ADVISOR. In negotiating the private
3 sale of bonds or bond anticipation notes to an underwriter, the corporation shall retain a financial
4 advisor who is independent from the underwriter. The financial advisor may not bid on the
5 bonds or notes if offered at public sale or negotiate for their purchase if sold at private sale.

6 Sec. 14.40.912. ADDITIONAL POWERS TO SECURE BONDS OR OBLIGATIONS
7 UNDER LEASES. In connection with the issuance of bonds or the incurring of obligations
8 under leases and in order to secure the payment of bonds or lease obligations, the corporation,
9 in addition to its other powers, may

10 (1) pledge all or a part of its gross or net rents, fees, or revenues to which its
11 right exists or may exist;

12 (2) mortgage or encumber all or a part of its real or personal property, owned or
13 later acquired;

14 (3) covenant against pledging all or a part of its rents, fees, and revenue, or
15 against mortgaging all or a part of its real or personal property, to which its right or title exists
16 or may come into existence or against permitting or suffering any lien on the revenues or
17 property;

18 (4) covenant with respect to limitations on its right to sell, lease, or otherwise
19 dispose of a space-related project or a part of a space-related project;

20 (5) covenant as to what other, or additional debts or obligations may be incurred
21 by it;

22 (6) covenant as to the bonds to be issued and as to the issuance of the bonds in
23 escrow or otherwise, and as to the use and disposition of the proceeds of bonds;

24 (7) provide for the replacement of lost, destroyed, or mutilated bonds;

25 (8) covenant against extending the time for the payment of its bonds or interest
26 on the bonds;

27 (9) redeem the bonds, and covenant for their redemption and to provide the terms
28 and conditions of redemption;

29 (10) covenant as to the rents and fees to be charged in the operation of a space-
30 related project, the amount to be raised each year or other period of time by rents, fees, and other
31 revenue, and as to the use and disposition of this revenue;

1 (11) create or authorize the creation of special funds for money held for
2 construction or operating costs, debt service, reserves, or other purposes, and covenant as to the
3 use and disposition of this money;

4 (12) prescribe the procedure by which the terms of a contract with bondholders
5 may be amended or abrogated, the amount of bonds the holders of which must consent thereto
6 and the manner in which the consent may be given;

7 (13) covenant as to the rights, liabilities, powers, and duties arising upon the
8 breach by it of a covenant, condition, or obligation, and covenant and prescribe as to events of
9 default and terms and conditions upon which any or all of its bonds or obligations shall become
10 or may be declared due before maturity, and covenant as to the terms and conditions upon which
11 this declaration and its consequences may be waived;

12 (14) vest in a trustee or trustees or the holders of bonds or a specified proportion
13 of them, the right to enforce the payment of the bonds or covenants securing or relating to the
14 bonds;

15 (15) vest in one or more trustees the right, in the event of a default by the
16 corporation, to take possession of a space-related project or a part of the project, and so long as
17 the corporation continues in default to retain possession and to use, operate, and manage the
18 project, and to collect the rent and revenue from the project, and to dispose of the money
19 according to the agreement between the corporation and the trustees;

20 (16) provide for the powers and duties of the trustees, and limit the liability of
21 the trustees; and

22 (17) provide the terms and conditions upon which the trustee or trustees or the
23 holders of bonds, or portions of bonds, may enforce a covenant or right securing or relating to
24 the bonds.

25 Sec. 14.40.916. RIGHT OF OBLIGEE OF CORPORATION TO BRING INJUNCTION.
26 An obligee of the corporation may, in addition to all other rights that may be conferred and
27 subject only to contractual restriction binding upon the obligee, seek an injunction or an action
28 in nature of an action for mandamus against the members, the corporation, its officers, agents,
29 or employees.

30 Sec. 14.40.921. POWER OF CORPORATION TO CONFER UPON OBLIGEE RIGHT
31 TO BRING ACTION OR PROCEEDING. The corporation may by resolution, trust indenture,

1 mortgage, lease, or other contract confer upon an obligee holding or representing a specified
2 amount in bonds, or holding a lease, the right upon a default as defined in the resolution or
3 instrument by suit, action or proceeding

4 (1) to have possession of a space-related project or part of one surrendered to the
5 obligee, with possession retained by the obligee as long as the corporation continues in default;

6 (2) to obtain the appointment of a receiver of a space-related project or part of
7 one and its rents and profits, who may enter, take possession, and for the duration of the default
8 operate and maintain it, collect and receive all fees, rents, revenues, or other charges thereafter
9 arising, and keep the money in a separate account or accounts to be applied in accordance with
10 the obligations of the corporation as the court directs;

11 (3) to require the corporation and its members to account as if they were the
12 trustees of an express trust.

13 Sec. 14.40.926. EXEMPTION OF REAL PROPERTY OF CORPORATION FROM
14 EXECUTION OR OTHER PROCESS. All real property of the corporation is exempt from levy
15 and sale by execution, and an execution or other judicial process may not issue against it. A
16 judgment against the corporation may not be a charge or lien upon its real property. However,
17 this section does not limit the right of an obligee to foreclose or otherwise enforce a mortgage
18 of the corporation or to pursue any remedy for the enforcement of a pledge or lien given by the
19 corporation on its rents, fees, or revenues.

20 Sec. 14.40.931. POWER OF CORPORATION TO OBTAIN FEDERAL AID AND
21 COOPERATION. The corporation may borrow, accept contributions, grants, or other financial
22 assistance from the federal government in aid of a space-related project and for this purpose may
23 comply with conditions and enter into the mortgages, trust indentures, leases, or agreements that
24 are necessary, convenient, or desirable in order to obtain financial aid or cooperation from the
25 federal government in the undertaking, construction, maintenance, or operation of a space-related
26 project.

27 Sec. 14.40.936. EXEMPTION FROM TAXES AND ASSESSMENTS. The property of
28 the corporation is public property used for essential public and governmental purposes and this
29 property and the corporation are exempt from all taxes and special assessments of a municipality,
30 the state, or a political subdivision of the state. However, instead of taxes, the corporation may
31 make payments to the municipality or political subdivision for improvements, services, and

1 facilities furnished by it for the benefit of a space-related project.

2 Sec. 14.40.941. DISPOSAL OF SURPLUS PROPERTY. (a) The corporation may
3 convey real or personal property that it determines is in excess of its needs. Except as provided
4 in (b) of this section, the sale shall be by public auction or by sealed bids. Public notice shall
5 be given by publishing notice of the sale at least once a week for two consecutive weeks in a
6 newspaper of general circulation within the area in which the property to be sold is located and
7 by posting notice of sale in at least two public places in the area. In no event may the auction
8 be held less than 30 days after the last day of publication. If an acceptable bid is not received,
9 the corporation may sell the property at negotiated sale within six months after the date of the
10 auction. A negotiated sale may not be made on an appraisal made more than nine months before
11 the date of sale. The price at a negotiated sale may not be less than the appraised value.

12 (b) Real or personal property of the corporation may be conveyed to a state or federal
13 agency or political subdivision or the University of Alaska for less than the appraised value
14 without competitive bidding, upon a determination by the board that the terms are fair and proper
15 and in the best interests of the state. The board shall consider both the nature of the agency's
16 or political subdivision's public services or functions and the terms under which the property was
17 acquired by the corporation.

18 Sec. 14.40.946. PUBLIC LOANS OR DONATIONS TO OR COOPERATION WITH
19 CORPORATION. (a) A public body or agency of the state may

20 (1) lend or donate money or property to the corporation;

21 (2) cooperate with it in the planning, construction, or operation of a project;

22 (3) transfer to it an interest in property, grant an easement, undertake otherwise
23 authorized construction of facilities adjacent to a project;

24 (4) furnish or improve otherwise authorized roads, streets, alleys, and sidewalks;

25 (5) purchase bonds of the corporation;

26 (6) incur the entire expense of improvements made under this chapter;

27 (7) agree with the corporation that a certain sum or that no sum shall be paid by
28 the corporation to it instead of taxes;

29 (8) enter into agreements respecting exercise of the powers granted in this chapter
30 that shall be approved and executed by the public body or municipality in or adjacent to the
31 project before the project may be constructed; and

1 (9) in general do all things necessary or convenient to cooperate in the planning,
2 construction, or operation of a project.

3 (b) Except as required under AS 44.62.310 and 44.62.312, a sale, conveyance, lease, or
4 agreement under this section may be made without appraisal, public notice or advertisement, or
5 bidding. A public body may exercise the powers granted in this section by resolution or
6 ordinance by a majority of the members of the governing body present at the meeting at which
7 it is introduced, and the resolution or ordinance takes effect immediately without publishing or
8 posting.

9 Sec. 14.40.951. RESERVE FUND. (a) The corporation shall establish and maintain a
10 special fund called the Alaska Aerospace Development Corporation reserve fund in which there
11 shall be deposited or transferred

12 (1) all money appropriated by the legislature for the purpose of the fund in
13 accordance with the provisions of (g) of this section;

14 (2) all proceeds of bonds required to be deposited in the fund by terms of a
15 contract between the corporation and its bondholders or a resolution of the corporation with
16 respect to the proceeds of bonds;

17 (3) all other money appropriated by the legislature to the reserve fund; and

18 (4) any other money or funds of the corporation that it decides to deposit in the
19 fund.

20 (b) Subject to the provisions of (h) of this section, money in the reserve fund shall be
21 held and applied solely to the payment of the interest on and principal of bonds of the
22 corporation as the interest and principal become due and payable and for the retirement of bonds;
23 and the money may not be withdrawn if a withdrawal would reduce the amount in the reserve
24 fund to an amount less than the required debt service reserve except for payment of interest then
25 due and payable on bonds and the principal of bonds then maturing and payable and for the
26 retirement of bonds in accordance with the terms of a contract between the corporation and its
27 bondholders and for which payments of other money of the corporation is not then available. In
28 this subsection, "required debt service reserve" means, as of the date of computation, the amount
29 required to be on deposit in the reserve fund as provided by resolution of the corporation.

30 (c) Money in the reserve fund in excess of the required debt service reserve as defined
31 in (b) of this section, whether by reason of investment or otherwise, may be withdrawn at any

1 time by the corporation and transferred to another fund or account of the corporation subject to
2 the provision of (h) of this section.

3 (d) Money in the reserve fund may be invested in the same manner and on the same
4 conditions as permitted for investment of funds belonging to the state or held in the treasury
5 under AS 37.10.070; however, the corporation may agree with the bondholders to further limit
6 these investments.

7 (e) For purposes of valuation, investments in the reserve fund shall be valued at par or
8 if purchased at less than par, at cost unless otherwise provided by resolution of the corporation.
9 Valuation on a particular date shall include the amount of interest then earned or accrued to that
10 date on the money or investments in the reserve fund.

11 (f) Notwithstanding any other provision of this chapter, bonds may not be issued by the
12 corporation unless there is in the reserve fund the required debt service reserve for all bonds then
13 issued and outstanding and for the bonds to be issued; however, the corporation may satisfy this
14 requirement by depositing as much of the proceeds of the bonds to be issued, upon their issuance,
15 as is needed to meet the required debt service reserve. The corporation may at any time issue
16 its bonds or notes for the purpose of increasing the amount in the reserve fund to the required
17 debt service reserve, or to meet whatever higher or additional reserve that may be fixed by the
18 corporation with respect to the fund.

19 (g) In order to assure the maintenance of the required debt service reserve in the reserve
20 fund, the legislature may appropriate annually to the corporation for deposit in the fund the sum,
21 certified by the chair of the corporation to the governor and to the legislature, that is necessary
22 to restore the fund to an amount equal to the required debt service reserve. The chair annually,
23 before January 30, shall make and deliver to the governor and to the legislature a certificate
24 stating the sum required to restore the fund to that amount, and the certified sum may be
25 appropriated and paid to the corporation during the then current state fiscal year. Nothing in this
26 subsection creates a debt or liability of the state.

27 (h) All amounts received on account of money appropriated to the reserve fund referred
28 to in (a)(3) of this section shall be held and applied in accordance with (b) of this section;
29 however, at the end of each fiscal year, if the amount in the reserve fund is in excess of the
30 required debt service reserve, any amount representing earnings or income received on account
31 of money appropriated to the reserve fund that exceeds the operating expenses of the corporation

1 for that fiscal year shall be transferred to the general fund of the state.

2 (i) All references to the reserve fund in this section include special accounts within the
3 reserve fund that may be created by the corporation to secure the payment of particular bonds.
4 The commissioner of revenue may lend surplus money in the general fund to the corporation for
5 deposit to any account in the reserve fund in an amount equal to the required debt service
6 reserve. The loans shall be made on the terms and conditions that may be agreed upon by the
7 commissioner of revenue and the corporation, including, without limitation, terms and conditions
8 providing that the loans need not be repaid until the obligations of the corporation secured and
9 to be secured by the account in the reserve fund are no longer outstanding.

10 Sec. 14.40.956. COOPERATION WITH OTHER AUTHORITIES. In issuing a bond,
11 the corporation may request the assistance of and work with the Alaska Industrial Development
12 and Export Authority and the Alaska Municipal Bond Bank Authority. The Alaska Industrial
13 Development and Export Authority may invest in and issue bonds for space-related projects of
14 the Alaska Aerospace Development Corporation. The Alaska Industrial Development and Export
15 Authority and the Alaska Municipal Bond Bank Authority may purchase and market bonds of
16 the Alaska Aerospace Development Corporation.

17 Sec. 14.40.961. INVESTMENT OF REVENUE. The revenue and receipts of the
18 corporation, to the extent they are not needed to pay bonds or other obligations of the corporation
19 shall be invested by the commissioner of revenue in cooperation with the corporation.

20 Sec. 14.40.966. LEGALITY OF CORPORATION BONDS AS INVESTMENTS. Bonds
21 of the corporation are legal and proper investments and security for public and private banking,
22 insurance, and trust funds.

23 Sec. 14.40.990. DEFINITIONS. In AS 14.40.821 - 14.40.990,

24 (1) "board" means the board of directors of the Alaska Aerospace Development
25 Corporation;

26 (2) "corporation" means the Alaska Aerospace Development Corporation;

27 (3) "landing site" means a site or facility designed, intended, or used for the
28 landing or recovery of space vehicles, aircraft, or balloons;

29 (4) "launch site" means a site or facility designed, intended, or used for the
30 launching of space vehicles, sounding rockets, aircraft, or balloons;

31 (5) "payload" means property or cargo, including people or animals, to be

1 transported aboard a vehicle launched by the corporation;

2 (6) "recovery" means the retrieval and recovery of space vehicles, payloads, and
3 parts that have been launched from the corporation's facilities;

4 (7) "space vehicle" means a rocket, missile, booster, or other vehicle designed,
5 intended, or used to reach high altitude.

6 * Sec. 3. AS 24.20.201(a) is amended to read:

7 (a) The Legislative Budget and Audit Committee has the power to:

8 (1) organize, adopt rules for the conduct of its business, and prescribe procedures
9 for the comprehensive fiscal analysis, budget review, and post-audit functions;

10 (2) hold public hearings, administer oaths, issue subpoenas, compel the attendance
11 of witnesses and production of papers, books, accounts, documents, and testimony, and have the
12 deposition of witnesses taken in a manner prescribed by court rule or law for taking depositions
13 in civil actions;

14 (3) require all state officials and agencies of state government to give full
15 cooperation to the committee or its staff in assembling and furnishing requested information;

16 (4) review revenue projections, state agency appropriation requests, the
17 expenditure of state funds, including the relationship between state agency program
18 accomplishments and legislative intent, and the fiscal policies and procedures of state
19 government;

20 (5) review and approve proposed changes to agency authorized budgets as
21 provided in the Executive Budget Act (AS 37.07);

22 (6) make recommendations concerning appropriations, their expenditure and the
23 fiscal policies and procedures of state government to the governor when appropriate, and to the
24 legislature;

25 (7) prepare and distribute reports, memoranda, or other necessary materials;

26 (8) sue in the name of the legislature during the interim between sessions if
27 authorized by majority vote of the full membership of the committee;

28 (9) hold public hearings on the confirmation of the members of the Board of
29 Trustees of the Alaska Permanent Fund Corporation;

30 (10) make recommendations to the legislature and to agencies of the state that
31 [WHICH] perform lending or investment functions concerning the structure and operating

1 practices of the agencies;

2 (11) enter into and enforce all contracts necessary or desirable for the functions
3 of the committee;

4 (12) provide for annual post audits of the Alaska Housing Finance Corporation,
5 the Alaska Aerospace Development Corporation, and the Alaska Industrial Development and
6 Export Authority.

7 * Sec. 4. AS 29.45.650(a) is amended to read:

8 (a) Except as provided in AS 04.21.010(c) and in (f) and (h) of this section, a borough
9 may levy and collect a sales tax on sales, rents, and on services provided in the borough. The
10 sales tax may apply to any or all of these sources. Exemptions may be granted by ordinance.

11 * Sec. 5. AS 29.45.650 is amended by adding a new subsection to read:

12 (h) A borough may not levy or collect a sales tax on sales, rents, and services, or a use
13 tax on the storage, use, or consumption of personal property on the following activities:

14 (1) the sale, lease, rental, storage, consumption, or distribution in this state of or
15 the provision of services relating to an orbital space facility, space propulsion system, or space
16 vehicle, satellite, or station of any kind possessing space flight capacity, including the
17 components of them;

18 (2) the sale, lease, rental, storage, consumption, or use of tangible personal
19 property placed on or used aboard an orbital space facility, space propulsion system, or space
20 vehicle, satellite, or station of any kind, regardless of whether the tangible personal property is
21 returned to this state for subsequent use, storage, or consumption; an exemption under this
22 paragraph is not affected by the failure of a launch to occur, or the destruction of a launch
23 vehicle or a component of a launch vehicle.

24 * Sec. 6. AS 36.30.015(f) is amended to read:

25 (f) The board of directors of the Alaska Housing Finance Corporation, notwithstanding
26 AS 18.56.088, [AND] the board of directors of the Alaska State Housing Authority, and the
27 board of directors of the Alaska Aerospace Development Corporation, notwithstanding
28 AS 14.40.871(b), shall adopt regulations under the Administrative Procedure Act (AS 44.62) to
29 govern the procurement of supplies, services, professional services, and construction for the
30 respective public corporations. The regulations must

31 (1) reflect competitive bidding principles and provide vendors reasonable and

1 equitable opportunities to participate in the procurement process; and
2 (2) include procurement methods to meet emergency and extraordinary
3 circumstances.

4 * Sec. 7. AS 36.30.990(1) is amended to read:

5 (1) "agency"

6 (A) means a department, institution, board, commission, division, authority,
7 public corporation, the Alaska Pioneers' Home, or other administrative unit of the
8 executive branch of state government;

9 (B) does not include

10 (i) the University of Alaska;

11 (ii) the Alaska State Housing Corporation;

12 (iii) the Alaska Railroad Corporation;

13 (iv) the Alaska Housing Finance Corporation;

14 (v) a regional Native housing authority created under

15 AS 18.55.996, or a regional electrical authority created under AS 18.57.020;

16 (vi) the Alaska Aerospace Development Corporation;

17 * Sec. 8. AS 37.05.146 is amended to read:

18 Sec. 37.05.146. DEFINITION OF PROGRAM RECEIPTS. In AS 37.05.142 - 37.05.146
19 and AS 37.07.080 "program receipts" means fees, charges, income earned on assets, and other
20 state money received by a state agency in connection with the performance of its functions; all
21 program receipts except the following are general fund program receipts:

22 (1) federal receipts;

23 (2) University of Alaska receipts (AS 14.40.491);

24 (3) individual, foundation, or corporation gifts, grants, or bequests that by their
25 terms are restricted to a specific purpose;

26 (4) receipts of the following funds:

27 (A) highway working capital fund (AS 44.68.210);

28 (B) correctional industries fund (AS 33.32.020);

29 (C) loan funds;

30 (D) international airport revenue fund (AS 37.15.430);

31 (E) funds managed by the Alaska State Housing Authority (AS 18.55.020),

1 the Alaska Housing Finance Corporation (AS 18.56.020), the Medical Indemnity
 2 Corporation of Alaska (AS 21.88.020), the Alaska Railroad Corporation (AS 42.40.010),
 3 the Municipal Bond Bank Authority (AS 44.85.020), the Alaska Aerospace Development
 4 Corporation (AS 14.40.821), or the Alaska Industrial Development and Export Authority
 5 (AS 44.88.020);

6 (F) fish and game fund (AS 16.05.100);

7 (G) school fund (AS 43.50.140);

8 (H) training and building fund (AS 23.20.130);

9 (I) retirement funds (AS 14.25, AS 22.25, AS 26.05.222, AS 39.35, and
 10 former AS 39.37);

11 (J) permanent fund (art. IX, sec. 15, Alaska Constitution);

12 (K) public school fund (AS 37.14.110);

13 (L) second injury fund (AS 23.30.040);

14 (M) fishermen's fund (AS 23.35.060);

15 (N) FICA administration fund (AS 39.30.050).

16 * Sec. 9. AS 38.05.810 is amended by adding a new subsection to read:

17 (h) The commissioner shall lease land to the Alaska Aerospace Development Corporation
 18 for purposes of down range space vehicle or payload overflight, booster retrieval, and recovery
 19 at no charge. The commissioner shall lease land to the Alaska Aerospace Development
 20 Corporation for other space-related purposes at no more than 10 percent of the appraised fair
 21 market value.

22 * Sec. 10. AS 39.25.110(11) is amended to read:

23 (11) the officers and employees of the following boards, commissions, and
 24 authorities:

25 (A) Alaska Gas Pipeline Financing Authority;

26 (B) Alaska Permanent Fund Corporation;

27 (C) [REPEALED,

28 (D)] Alaska Industrial Development and Export Authority;

29 (D) [(E)] Alaska Commercial Fisheries Entry Commission;

30 (E) [(F)] Alaska Commission on Postsecondary Education;

31 (F) Alaska Aerospace Development Corporation;

1 * **Sec. 11.** AS 39.50.200(b) is amended by adding a new paragraph to read:

2 (52) Alaska Aerospace Development Corporation (AS 14.40.821).

3 * **Sec. 12.** AS 44.99.200(b) is amended to read:

4 (b) The determination under (a) of this section shall be made by the

5 (1) commissioner of administration for a state agency in the executive branch,
6 except as provided in (4) - (6) of this subsection;

7 (2) administrative director of the judicial branch for an agency in the judicial
8 branch;

9 (3) Alaska Legislative Council for an agency in the legislative branch;

10 (4) Board of Regents or president of the University of Alaska for the university;

11 (5) board of directors of the Alaska State Housing Authority for the authority;

12 [AND]

13 (6) board of directors of the Alaska Railroad Corporation for the corporation; and

14 (7) board of directors of the Alaska Aerospace Development Corporation for
15 the corporation.

16 * **Sec. 13.** AS 44.99.400 is amended to read:

17 Sec. 44.99.400. COPYRIGHTS. A state agency may hold the copyright for software
18 created by the agency or developed by a private contractor for an agency, and may enforce its
19 rights to protect the copyright. In this section, "state agency" means a department, institution,
20 board, commission, division, authority, public corporation, committee, or other administrative unit
21 of the executive, judicial, or legislative branch of state government, including the University of
22 Alaska, the Alaska State Housing Authority, the Alaska Aerospace Development Corporation,
23 and the Alaska Railroad Corporation.

24 * **Sec. 14.** INITIAL APPOINTMENTS. The initial appointments of the members of the board under
25 AS 14.40.826(a)(1), (6), and (8) shall be staggered under AS 39.05.055(2).

26 * **Sec. 15.** This Act takes effect July 1, 1991.

DIVISION OF LEGAL SERVICES

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MEMORANDUM

April 29, 1991

SUBJECT: Sectional Summary (CSHB 46(), Work Order No. 7-LS0236P)

TO: Representative Tom Moyer

FROM: Gerald P. Luckhaupt *GLP*
Legislative Counsel

You have requested a sectional summary of CSHB 46(), an Act creating the Alaska Aerospace Development Corporation. Be advised that a sectional summary is not an authoritative interpretation of the bill. The bill itself is the best statement of its contents.

Section 1 of the bill provides the short title for the Act.

Section 2 begins the statutory "meat" of the bill by adding a new article, Alaska Aerospace Development Corporation in AS 14.40. In that bill section:

AS 14.40.821 creates the corporation as a public corporation within the Department of Commerce and Economic Development and affiliated with the University of Alaska. This section also provides that the corporation may not be terminated as long as it has outstanding debts.

AS 14.40.826 establishes the board of directors of the corporation with nine members. The public and industry members receive \$100 payments for each day of work performed for the corporation, and per diem. All members serve at the pleasure of the governor.

AS 14.40.831 provides that the president of the University of Alaska is the chair of the corporation.

AS 14.40.836 provides for a quorum of the board, procedures for the conduct of its meetings, and appointment of staff.

AS 14.40.841 creates a revolving fund in the corporation for appropriations and funds the corporation may receive and may loan out for development purposes.

AS 14.40.846 provides for the use of actuarial experts by the corporation, the acquisition of insurance, and the establishment of a safety program to reduce the risk of loss.

AS 14.40.851 provides that the Poker Flat Research Range is the territory and launch site for the corporation. This section provides for the addition of territory and additional launch sites.

AS 14.40.856 provides that the corporation shall obtain all of the necessary permits and licenses for operating a commercial spaceport.

AS 14.40.861 lists the purposes for which the corporation was created.

AS 14.40.866 lists the powers and duties of the corporation, including the powers to borrow, to operate space-related facilities, to acquire land by eminent domain (this provision is identical to AS 18.55.100(a)(6)), to contract, to construct and operate support facilities, to charge fees and rents, and to become a foreign trade zone. The corporation is required to prepare an annual report of operations and issue personnel rules.

AS 14.40.871 provides for the adoption of rules by the corporation and further provides that the Administrative Procedure Act (AS 44.62) does not apply to the actions of the corporation, except in the public meetings area.

AS 14.40.876 provides that the corporation may act within a municipality as if the action being undertaken was outside of a municipality.

AS 14.40.881 provides for the confidentiality of trade secrets and other information furnished to the corporation.

AS 14.40.886 provides that a proposed construction project of \$1,000,000 or more must be submitted to the legislature for its disapproval.

AS 14.40.891 provides for the issuance of bonds.

AS 14.40.896 provides that the bonds of the corporation may be made payable from the revenues of a particular project or projects, from the corporation's revenue generally, or solely from rents, fees, and other revenue received by the corporation and that security and collateral may be provided by the corporation.

AS 14.40.899 provides that the bonds of the corporation are not government obligation bonds or debts of the state or any agency of the state, including the University of Alaska.

AS 14.40.902 provides procedures for the issuance of bonds.

AS 14.40.906 provides that the bonds of the corporation are issued for an essential public purpose and are tax-exempt.

AS 14.40.908 provides that the corporation shall retain the services of a financial advisor with respect to its sale of bonds.

AS 14.40.912 provides additional powers to the corporation in connection with incurring debt or issuing bonds.

AS 14.40.916 provides that a person who is owed a debt, or the performance of an obligation or duty, may bring suit for injunction or mandamus against the corporation.

AS 14.40.921 provides that the corporation may confer certain rights by contract regarding a default by the corporation on its obligations.

AS 14.40.926 provides that the real property of the corporation may not be executed upon to satisfy a judgment but does not prevent contractual remedies against real property for satisfaction of a contract.

AS 14.40.931 provides that the corporation may enter into agreements with the federal government.

AS 14.40.936 provides that the corporation, and property of the corporation, are exempt from state and local taxation.

AS 14.40.941 provides for the disposal of surplus property of the corporation.

AS 14.40.946 provides that any public body may loan money or property to or enter into agreements with the corporation.

AS 14.40.951 provides for the creation of a reserve fund for deposit and payment of obligations of the corporation.

AS 14.40.956 provides that the corporation may seek the cooperation and assistance of the Alaska Industrial Development and Export Authority and the Alaska Municipal Bond Bank Authority in issuing its bonds and also provides those authorities may purchase and market the bonds of the corporation.

AS 14.40.961 provides that the Commissioner of Revenue shall invest excess funds of the corporation.

AS 14.40.966 provides that bonds of the corporation are legal investments.

AS 14.40.990 provides definitions.

Section 3 amends AS 24.20.201(a) and provides specific authority for the legislative budget and audit committee to provide for annual audits of the corporation as is provided for the Alaska Housing Finance Corporation and the Alaska Industrial Development and Export Authority.

Section 4 provides an exemption from municipal sales and use taxes provided in Section 5.

Section 5 amends AS 29.45.650 to provide that a municipality may not levy or collect a sales or use tax on property to be utilized for space-related activities.

Section 6 amends AS 36.30.015 to provide that the corporation must issue regulations to govern procurement.

Section 7 provides that the corporation is not an "agency" for purposes of AS 36.30, the procurement code.

Section 8 amends AS 37.05.146 to provide that receipt of funds managed by the agency are program receipts.

Section 9 amends AS 38.05.810 by providing that the commissioner of natural resources shall lease land to the corporation for space-related activities.

Representative Tom Moyer
April 29, 1991
Page 4

Section 10 amends AS 39.25.110 to provide that employees of the corporation are in the exempt service.

Section 11 amends AS 39.50.200(b) to include the corporation within the reach of the conflict of interest provisions of AS 39.50.

Section 12 amends AS 44.99.200(b) to provide that the board of the corporation may choose to have a publication of the corporation produced at other than a state-operated facility.

Section 13 amends AS 44.99.400 to provide that the corporation is a state agency for purposes of acquiring or holding a copyright.

Section 14 provides for staggered initial appointments to the board of directors of the corporation.

Section 15 provides an effective date.

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91-314.plm

Enclosure

REPRESENTATIVE TOM MOYER

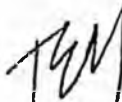
DISTRICT 19 • 119 N. CUSHMAN ST., SUITE 203 • FAIRBANKS, AK 99701 • (907) 456-8161
International Trade & Tourism, Chair • State Affairs, Vice Chair • Resources, Member

MEMORANDUM

To: Members, House Finance Committee

March 27, 1991

From: Representative Tom Moyer



Re: CSHB46, creating the Alaska Aerospace Development Corp.

The purpose of this memo is to provide you a general overview of this legislation, of which I am the sponsor.

Alaska has enormous but unrealized potential in a resource too often overlooked - the space above us. This bill is an attempt to take advantage of that resource and to bring to Alaska a share of the rapidly expanding commercial space industry.

Alaska is home to Poker Flat, the nation's only civilian launch facility. Because of its high latitude, Poker Flat is an optimum site to launch rockets into polar orbit. Already, Alaska has been contacted by private companies interested in launching rockets carrying communications equipment. By expanding Poker Flat's current sub-orbital capacity and perhaps developing other launch sites, Alaska could find itself at the forefront of government and private industry research into global warming, land use management and weather patterns and other commercial applications.

CSHB46 (ITT) would create a public corporation, the Alaska Aerospace Development Corp., to be managed by a nine-member board of directors appointed by the governor. Affiliated with the University of Alaska, the corporation would promote space and aerospace-related economic development. The vital educational and research functions of the university would be preserved and enhanced.

The corporation would have the authority to issue bonds to improve launch facilities and receive grants or other funds. The Poker Flat range was established in 1969 and about 230 rockets and another 900 smaller weather rockets have been launched from the site.

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HOUSE SPECIAL COMMITTEE ON INTERNATIONAL TRADE AND TOURISM

ALASKA STATE LEGISLATURE

P.O. BOX V, JUNEAU 99811
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MEMORANDUM

To: Representative Mike Navarre
Representative Eileen MacLean
Co-Chairs, House Finance Committee

March 26, 1991

From: Representative Tom Moyer *TEM*
Chairman, House Special Committee on
International Trade and Tourism

Re: HB46, Creating the Alaska Aerospace Development Corp.

With this memo, I would like to request a hearing at your earliest convenience on this bill, which has been approved by both the House Special Committee on International Trade and Tourism and Labor and Commerce Committee. The bill would create an Alaska Aerospace Development Corporation whose purpose is to attract commercial space companies to Alaska. This is a budding new industry which has produced thousands of jobs and millions of dollars in revenue in those states which have active commercial launch operations.

Under the legislation, the corporation would be affiliated with the University of Alaska which manages the Poker Flat research rocket range north of Fairbanks. The bill would preserve the educational and research functions of the Poker Flat range while taking advantage of Poker Flat's unique qualities for commercial operations.

This legislation has the support of the Hickel administration. In fact, during testimony before the committee, the administration indicated plans to propose this year a capital budget item of \$3.4 million to improve Poker Flat to enable initial commercial launches. Several private companies already have approached state officials about launching from Poker Flat.

I am prepared to testify about the bill at your convenience and am happy to answer questions or provide additional information about it. Thanks for your consideration.



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**National Space Policy
Space Industry Trends
and the
Potential Economic Impact on Alaska**

The following is intended to provide a quick snapshot of (1) the commercial elements of the U.S. National Space Policy; (2) the economic impact of this policy on the U.S. commercial sector; and (3) some of the potential direct and indirect benefits that could accrue to Alaska from commercial space activity.

National Space Policy

Commercial Space Policy: On November 17, 1989 President Bush issued a new National Space Policy which recognizes the importance of space commerce: "...expanding private sector investment in space by the market-driven Commercial Sector generates economic benefits for the Nation and supports governmental Space Sectors with an increasing range of space goods and services. Governmental Space Sectors shall purchase commercially available space goods and services to the fullest extent feasible and shall not conduct activities with potential commercial applications that preclude or deter commercial space activities."¹

National Transportation Policy: On March 8, 1990, President Bush reinforced the importance of U.S. commercial space activity when he stated: "The Department of Transportation will work to maximize private sector involvement in commercial space transportation activity, and to promote public-private partnerships involving state governments and the private sector to build, expand, modernize and operate space launch infrastructure. It will also

¹ National Space Policy (November 17, 1989).

encourage federal agency and state pilot projects with entrepreneurial space launch providers to foster development of efficient, low cost private sector space services.²

U.S. Commercial Space Policy Guidelines: On February 12, 1991, President Bush announced implementation guidelines for the above referenced space policies. The guidelines require the government to: (1) use commercially available space goods and services to the fullest extent feasible; (2) transfer space-related technology to the private sector; (3) make space assets, services and infrastructure available for commercial use; (4) avoid overregulating domestic space activities; (5) work with the commercial sector to establish technical standards for commercial space products and services; (6) enter cooperative agreements for research, development and operations; (7) work toward establishing market-oriented competition in international trade.³

Alaska Aerospace Corporation Legislation: The bill currently before the Alaska legislature would establish an Alaska Aerospace Development Corporation with powers and purposes similar to the Spaceport Florida Authority. This entity would provide the focus within the State to begin attracting space industry and its inherent economic, scientific and aesthetic benefits to Alaska. The legislation is broadly written to permit Alaska and its commercial sector to compete with other states and entities who have gone after this rapidly growing market.⁴

National Economic Impact

Revenues from U.S. Space Industry: U.S. Government and Commercial Space Sector purchases of space-related goods and services totaled approximately \$33.6 billion in 1990. The purely commercial element of this figure was \$3.6 billion in 1990, up from \$2.8 billion in 1989.⁵ These revenues are spread among such

² National Transportation Policy, Moving America, New Directions, New Opportunities (March 8, 1990).

³ U.S. Commercial Space Policy Guidelines (February 12, 1991)

⁴ Legislation proposed by Representative Tom Moyer, Alaska State House of Representatives (1991).

⁵ See, Space Business Indicators, U.S. Department of Commerce, Office of Space Commerce, page i (June 1990).

activities as space transportation, satellite communications, satellite remote sensing, and materials research (See Appendix A). According to the U.S. Industrial Outlook, the space industry has been the fastest growing market sector for the second year in a row.⁶

The market for U.S. commercial space launch services for 1990 was approximately \$1.3 billion per year.⁷ This market is divided generally into large, medium and small classes of vehicles. To date, most of this revenue came from the large capacity class vehicles whose prices range from \$60 to \$100 million per-launch.

The newest market for commercial launch services is the small launch vehicle class, which includes MicroSat's *Orbital Express*TM as well as sub-orbital vehicles. The U.S. market for this class in 1991 is expected to be \$60 to \$100 million. This figure does not take into account the foreign launch requirements for this class of launch vehicle.⁸ It also does not take into account the emerging commercial market for micro-class communications satellites, which should cause demand for launch services in this class to triple in the next five years.⁹

Direct and Indirect Benefits to Alaska

MicroSat's and other space-related companies' activities in Alaska will help to diversify Alaska's industrial base -- orbital launches from Poker Flat, for example, will translate into a new source of revenues for the State resulting from the use of Poker Flat and support facilities. More importantly, commercial operations from Poker Flat will serve as a magnet for attracting launch customers and companies providing value-added services to the Fairbanks area. The increased launch activity will serve to spread the fixed costs of range operations over a larger customer base, which in turn will allow Poker Flat to be more competitive and increase business revenues. The ability to launch into polar orbit from Poker Flat

⁶ U.S. Industrial Outlook, U.S. Department of Commerce (1990).

⁷ Supra, Note 5, at ii.

⁸ Id. at ii

⁹ Companies filing applications with the FCC are Orbcomm, Motorola, Ellipsat, Starsys and VitaSat.

should also be attractive to the U.S. Government, potentially bringing more federal support to Alaska for space-related activities. Other states, including Florida, Virginia, Hawaii, Texas, Mississippi, Colorado, Alabama and California, have recognized the tremendous economic benefits that can accrue from their involvement in the space industry.

The following estimates are based on MicroSat's current plans for Alaskan operations, its assumptions of how Alaska's space-related resources might best be used for economic development, and a review of relevant space-related economic development efforts underway in other states.

Direct Revenues: Launching the *ORBITAL EXPRESS™* from Poker Flat will result in a consistent revenue stream to Poker Flat and the surrounding community. MicroSat's market projections indicate demand for 7 to 20 launches per year from Poker Flat. Each launch could bring more than \$150,000 in user fees to the Poker Flat facility.

Employment: MicroSat's operations will provide Alaskan residents with opportunities for professional and vocational employment with MicroSat, Poker Flat, or other high technology firms. MicroSat will need support for launch services, payload integration and processing, facilities maintenance, range safety, mission planning, administrative and support services and marketing year round. These employment requirements will include professionals as well as skilled and unskilled labor. To the maximum extent feasible, they will be hired from the local community. The following table lists MicroSat's anticipated requirements for employees at Poker Flat as its launch activity increases during the first five years of launch operations.

<u>Year</u>	<u># Launches</u>	<u># Employees</u>
1992/3	2	15
1993/4	6	20
1994/5	10	25-30
1995/6	15	30-40
1996/7	15	30-40
1997/8	20	40-60

Similarly, MicroSat's customers will need support during launch campaigns. As launch and other activities at and around Pcker Flat increase, so will employment requirements.

By way of rough analogy, a study for the Hawaii Department of Business and Economic Development on the impact on the state of space-related economic development concluded that a commercial spaceport serving multiple small-class launch vehicles would require from 100 employees initially to 300 to 600 additional direct and indirect employees. These estimates were based on a facility similar in size to NASA's Wallops Island facility, in Virginia, which has a total area for all supporting facilities, buffer and safety zones (including areas over water) of 6,000 acres or less.¹⁰ (See Appendix B).

The Hawaii study also notes that expanding and leveraging the state's existing space-related activities, and not including launch activities, could result in 1,250 to 1,850 jobs with some identifiable link to space. The categories used to arrive at this figure were: (1) 60 to 100 employees in astronomy and physics; (2) 40 to 50 new employees in earth and planetary remote sensing; (3) 120 to 170 employees in expanded commercial and military space activities; and (4) 1,000 to 1,500 employees at a Space Theme Park and educational center.¹¹ Further, support staff with no identifiable link to space would add an additional 600 to 1,800 jobs.¹²

The State of Virginia has also given high priority to encouraging space-related companies and university programs to locate in the State. Currently, there are approximately 450 space-related businesses in Virginia that employ more than 10,000 people.¹³ NASA's Wallops Island launch facility employs an additional 1,250 civil servants and government contractors to support launch operations and related activities.¹⁴

¹⁰ Evaluation of the Potential for Space-Related Activities in the State of Hawaii. Final Report to Hawaii Department of Business and Economic Development (August 1987).

¹¹ *Id.* at page I-32,33.

¹² *Id.*

¹³ Virginia Chamber of Commerce (June 1990). These figures do not include the more than 7,000 NASA employees (civil servants and contractors) at Langley Research Center (4,800 employees), Wallops Island Launch Facility (1250 employees), and elsewhere in Virginia. See Report, note 10 at page 11.

¹⁴ Report of the Commercial Space Group to the Governor, Commonwealth of Virginia (May 31, 1988) (hereinafter referred to as "Report").

Economic Diversification: MicroSat's commercial launch activity at Poker Flat can be expected to attract high technology companies to Alaska from elsewhere in the U.S. and Pacific Basin, to use or support the *ORBITAL EXPRESS™* launch vehicle. As other launch companies and customers establish operations at Poker Flat or the vicinity, the diversification should multiply. Similar economic diversification has been achieved or predicted in Virginia, Florida, Hawaii, Andøya Norway, Cape York, Australia and other areas promoting the establishment of space-related industry (See Appendix C).

Florida, for example, has created a statutory entity called the Spaceport Florida Authority ("SFA"), charged with promoting, facilitating and providing for the establishment and operation of launch facilities and ranges, and complementary facilities such as space business incubators, space-related research facilities, and tourism, educational and cultural activities. It has a discretionary fund of approximately \$3 million per year in legislative appropriations, and has the authority to issue \$500 million in SFA (corporate-backed) bonds.¹⁵ SFA bonds have already been committed to build processing facilities for Spacehab (\$60 million) and General Dynamics (\$50 million), in order to attract their commercial operations to Florida (See Appendix D).

In similar efforts to attract and expand space-related business to their states, Mississippi and Colorado have provided facilities at minimal or no cost for use by resident businesses involved in new space business ventures. Mississippi donated the \$4 million Technology Transfer Center at NASA's National Space Technology Laboratories to the government. In return, the state will receive the latest NASA research for Mississippi businesses, as well as an estimated \$8 million yearly payroll. Colorado made a manufacturing facility available to McDonnell Douglas at attractive terms for Delta II missile production at Pueblo, Colorado.¹⁶ Further, the companies involved have committed to maintain long-term operations in those states, add to the tax base, and provide good jobs to state residents.

Attracting Federal Programs and Funding: Alaska's increased involvement in space-related activity should be very attractive to

¹⁵ Spaceport Florida Authority Business Plan (April 2, 1990)

¹⁶ Spaceport Florida Feasibility Study, Part 3, Business Plan and Financial Feasibility Report (February 1989) Source, 1985 - Florida Department of Commerce, page V-6.

the U.S. Government, which has already committed to fund a \$30 million upgrade of Poker Flat and associated facilities. Expanding Poker Flat to include orbital capability, coupled with the State's manifested support for commercial launch operations, should result in support from a wide range of federal agencies -- the Department of Transportation to assist in the development of space transportation infrastructure, NASA, DOD, DOE and others to purchase commercial launch and support services, and to fund programs with the University of Alaska.

The State of Virginia's efforts to develop a space industry are instructive in this regard. Although focusing on commercial space development, federal support in Virginia also increased because of its interrelationship with private companies in the space industry. For example, total NASA spending in Virginia rose from \$281 million in 1986 to \$325 million in 1987, and was projected to reach more than \$600 million in 1989. Virginia companies received more than \$220 million in NASA prime contracts in 1987. Virginia universities also received \$21 million in NASA research grants in 1987, or 5% of \$425 million awarded nationally¹⁷ (See Appendix E).

There are also a number of federally sponsored programs to promote commercial space development that Alaska could take advantage of. For example, NASA sponsors 16 Centers for Commercial Development of Space ("CCDS") in 10 States, and plans to establish more at a steady rate.¹⁸ CCDS's are consortia of Universities, Government Agencies and U.S. Corporations, whose purpose is to conduct joint research and development in space-related areas that have commercial promise.¹⁹ Current participation totals more than 183 U.S. companies and 50 universities. CCDS's are co-funded by NASA and the other consortia participants. NASA funding since 1986 increased steadily from \$4,500,000 in 1986 to \$15,700,000 in 1989. Non-NASA funding increased during these years from \$1,000,000 in 1986 to \$26,000,000 in 1989. This steady increase in spending, both from government and commercial sectors, indicates growing recognition of

¹⁷ Report of the Commercial Space Group to the Governor, Commonwealth of Virginia (May 31, 1988) (hereinafter referred to as "Report").

¹⁸ Alabama, Ohio, Tennessee, Texas, New York, Mississippi, Colorado, Pennsylvania, Wisconsin, and Michigan. *Id.* at pages 13-15.

¹⁹ CCDS's currently exist for Materials Research and Processing, Remote Sensing, Space Power, Life Sciences, Automation and Robotics, Space Structures, and Propulsion. *Id.*

the commercial importance of space-related research and development²⁰ Already, CCDS corporate participants have begun to establish new companies using the technologies developed within the CCDS (See Appendix F).

The University of Alaska, Fairbanks, with the Geophysical Institute and Poker Flat Research Range, would be ideal for hosting a NASA Center for the Commercial Development of Space. Other government agencies, such as the National Institute of Standards and Technology, and the Department of Energy, have similar programs in which Alaska could participate in to attract federal resources, private companies, and universities throughout the U.S. to Alaska for space-related cooperative research and other activity.

Increased Scientific Access to Space: Establishing an orbital capability at Poker Flat will permit Alaska's scientific community to complement its existing sub-orbital research, with independent and inexpensive access to low-Earth orbit. With this capability, Alaska can become an international hub for environmental and space-related research.

National and International Prestige: Alaska will gain tremendous national and international prestige as the first non-federal government orbital launch facility in the United States, and as a premier center for technology and space-related activity.

Enhance Educational Opportunities: Attracting commercial space companies to Poker Flat will expand existing educational opportunities. MicroSat, for example, plans to work closely with the University of Alaska to sponsor student interns with MicroSat, and to involve its professional staff for lectures and projects associated with the University's engineering and space-related research programs.

Space-Related Tourism: Space-related tourist attractions have always generated significant revenues, and could complement or supplement any launch facility. Since Alaska's Poker Flat facility, Geophysical Institute and proposed Arctic Research Center will be geographically close, a combined earth/space tourist facility could make for a world class attraction. Such a facility could provide

²⁰ A Copy of Space Business Indicators is attached

financial support for the operational and research facilities that sponsor it.

The Spaceport Florida Feasibility Study recognized this fact, and proposed the establishment of an analog moonbase surrounded by a lunar research center. The study listed the approximate number of tourists that visited space-related facilities in Florida in 1985, each spending between \$15 and \$30 dollars per day on admissions, concessions and souvenirs: (1) Spaceport USA (Kennedy Space Center) 2,100,000; (2) Air Force Museum (Cape Canaveral Air Force Base) 85,000; (3) U.S. Naval Aviation Museum (Florida Panhandle) 200,000; and for comparison purposes (4) Walt Disney World (the various space-related attractions, including LAND/Space Agriculture; Horizons/Space City; Spaceship Earth/Satellite Communications; Space Mountain; Mission to Mars) 20,000,000.²¹

²¹ *Id.* at IV-38.



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Domestic and International Competition among Spaceports

There are approximately 20 spaceports worldwide that have operational capability to launch small class launch vehicles such as MicroSat's *Orbital Express*TM. Additional launch sites, such as Andoya, Netherlands; Churchill, Canada; Poker Flat, Alaska; that currently support sub-orbital missions are planning or contemplating an expansion to orbital capability. The accompanying Appendices identify most of these facilities and provide a selected comparison of their attributes.

CHAPTER V

COMPETITIONA. EXISTING/PROPOSED LAUNCH SITES

Several operational launch sites in the world currently have the capability to launch orbital vehicles. The major sites and their current statuses are identified in Table V-1; the capabilities to launch equatorial and/or polar orbits, and to service the previously identified market segments, are also indicated in the Table. To provide a perspective of the relative frequency of launches, the number of orbital launches from 1957 through 1985 is indicated. Some of these sites could be considered as competition to Spaceport Florida, depending on the launch services and financial packages that they can provide.

The major launch sites that would probably be in competition (at various levels) with Spaceport Florida for commercial launch services are discussed below:

- ° Guiana Space Center, Kourou, French Guiana -- This facility is located five degrees north of the equator, which makes it advantageous for equatorial launches. The Space Center can now support two parallel launch campaigns, with a capacity of ten launches per year. A further planned expansion will increase capacity to fifteen launches per year. Launches are occasionally delayed because of heavy winds.
- ° Tanegashima, Japan -- The National Space Development Agency's (NASDA's) principal launch facility has capacity for only two launches per year, due to restrictions protecting the Japanese fishing industry. The H-2 rocket, under development, will increase this capacity to four launches per year. The H-2 could be operational by 1992/93. Although the location at 28° north requires twelve percent more energy than launches from the Guiana Space Center to achieve geostationary orbit, the location is well-suited to serve the

proposed Space Station, which is planned to have a 28.5° inclined orbit. Proposed locations for Spaceport Florida are at a similar latitude.

- Kagoshima Space Center, Japan -- This facility, at 31° north of the equator, serves the Institute for Space and Astronautical Science (ISAS). In addition to balloons and sounding rockets, a few small orbital rockets could be launched from the facilities.
- Kennedy Space Center and Cape Canaveral Air Force Station -- This facility provides most of the current U.S. launch capacity. Launch capacity, with existing facilities and operations, totals roughly 20-25 launches per year. Further renovations and modifications to existing launch complexes could permit an additional 10-15 launches per year.
- Vandenberg Air Force Base, California -- This facility is used almost entirely for military payloads and launch vehicles. Annual capacity is estimated at ten launches, with expansion capabilities to 15.
- Wallops Island, Virginia -- The Wallops Flight Facility on Wallops Island, Virginia, administered by the Goddard Space Center, has been used for an extensive sounding rocket program, as well as for launches of the Scout launch vehicle.
- San Marco, Kenya -- This facility, developed by NASA and the Italian government, with technical support by LTV-Vought Corporation, consists of two offshore platforms in the Indian Ocean. Since its establishment, eight Scout vehicles have been launched from these platforms, through 1987.
- Xi Chang, Peoples Republic of China -- Recent expansion provides capability for six or seven launches annually, some of which are for other countries. China is marketing its Long March vehicle.

- ° Sriharikota, India -- These launch facilities have been used solely to launch Indian payloads, to date. . By 1993, India plans to develop a polar launch vehicle that supposedly will be technically competitive with those of the space leaders.

**Table V-1
WORLDWIDE LAUNCH SITES**

Launch Sites	Latitude	Expendable Launch Vehicle Capability	Orbit*	Status	Number of Orbital Launches 1957-1985
Cape Canaveral (USA)	28.5N	All	E	Operational	371
Vandenberg (USA)	34.7N	All	P	Operational	469
Wallops (USA)	37.9N	Suborbital/Small	E	Operational	19
Palma Point (USA)	19.0N	All	E/P	Planning Stage	-
Kourou (French Guiana)	5.2N	All	E/P	Operational	20
Kagoshima (Japan) (1)	31.1N	Suborbital/Small	E/P	Operational (1)	16
Tanegashima (Japan)	30.4N	All	E/P	Operational	15
Shuang Cheng-Tzu (PRC)	40.6N	Suborbital/Small	E	Operational	14
Xi Chang (PRC)	28.1N	All	E	Operational	3
San Marco (Kenya)	2.9S	Suborbital/Small	E	Operational	8
Hammaguir (Algeria)	-	-	-	Not Operational	4
Plesetsk (USSR)	62.8N	All	E/P	Operational	1111
Baykonur (USSR)	45.6N	All	E/P	Operational	728
Kapustin Yar (USSR)	48.4N	Suborbital/Small	E/P	Operational	82
Woomera (Australia)	31.1S	Suborbital/Small	E	Operational	2
Cape York (Australia)	11.0S	All	E/P	Planning Stage	-
Sriharikota (India)	13.9N	Suborbital/Small	E/P	Operational	3
Thumba (India)	8.0N	Suborbital/Small	E	Operational	-
Alcantara (Brazil)	2.0S	Suborbital/Small	E/P	Construction	-
Esrangle (Sweden)	68.0N	Suborbital	-	Operational	-

*E = Equatorial, P = Polar

(1) Proposed Range At Hokkaido To Be Operational By 2000

Source: United States Department of Commerce, 1985; Congressional Research Service, "Space Activities of the United States, Soviet Union and Other Launching Countries, 1957-1984," February 1987.

TABLE 1-2
COMPARATIVE SYNOPSIS OF SELECTED LAUNCH LOCATIONS

Selected Launch Locations/ Sponsors (Existing And Possible)	Operating Performance And Down Range Characteristics			Supporting Resources			Local Launch Conditions			Stability	Quality Living/Working Environment
	Position For Equatorial Launch	Position For Polar Launch	Range Safety	Access To Sea & Air Services	In-Place Comm. & Support	In-Place Skilled Labor & Training Facilities	Infrastructure: Power, Water, Sewer, Etc.	Unpop. Areas	Available Land For Expansion		
Russell	Favorable (18-22° N. Lat.)	Favorable	Localized Mitigatable	Favorable	Highly favorable	Highly Favorable	Location: Available, location-up with some requires development	Adequate with some growth limits	Temperate climates	Neutral/Unfavorable	Highly Favorable
Guayana Space Center (French)	Highly Favorable (5° N. Lat.)	Favorable	Negligible	Some limitations; improving	In-Place	Adequately staffed to meet needs	In-Place Available	Available	Favorable	Neutral	Remote location
Japan Space Center (NASR) (30° N. Lat.)	Unfavorable (30° N. Lat.)	Unfavorable	Limited: overly fishing grounds	Nearby port	In-Place	Adequately staffed to meet needs	Limited	Limited	In typhoon corridor	N.A.	Remote location
Proposed range at Wotkai (operation by 2000)	Unfavorable (62-64° N. Lat.)	Favorable	Unknown	Unknown	Unknown	Unknown	Unknown	Available	Unknown	Unknown	Unknown
Kasashima Space Ctr. and Operational (1988)	Unfavorable (31° N. Lat.)	Favorable	Limited: overly fishing grounds	Nearby port	In-Place	Adequately staffed to meet needs	Limited	Limited	In typhoon corridor	N.A.	Remote location
Proposed Cape York Int'l Space-port	Favorable (11° S. Lat.)	Unknown	Favorable	Nearby airport and seaport	Limited	Limited	Limited	Highly Favorable	Favorable	N.A.	Unfavorable

TABLE I-2 (Continued)
COMPARATIVE FITNESS OF SELECTED LAUNCH LOCATIONS

Selected Launch Locations/Sponsors (Existing and Potential)	Operating Performance And Down Range Characteristics		Supporting Resources		Local Land Conditions					
	Position for Equatorial Launches	Position for Polar Launches	Access To Sea Lanes & Air Service	In-Place Community Support	In-Place Labor & Training Facilities	Infrastructure: Power, Roads, Areas	Availability: Land for Expansion			
United Cer.	Some limits Unfavorable	favorable	Favorable	Favorable	Highly	In-place self-contain	Large sites: favorable	Tempera. favorable	Favorable	Favorable Status Space
								Lightening, hurricanes		
								limitations		
Vandenburg AFB	Unfavorable (31° N. Lat.)	favorable	favorable	favorable	Highly favorable	In-place self-contain	Large sites: self-contain	favorable	Favorable	Class 4 Seismic Risk Zone
Malaga Island	Unfavorable	Unfavorable	favorable	favorable	favorable	In-place	near tourist resort	Lightening, temperature	Favorable	Favorable

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**POKER FLAT RESEARCH RANGE
UPGRADE**
Geophysical Institute-University of Alaska Fairbanks
Fairbanks, Alaska

UPGRADE

POKER FLAT RESEARCH RANGE

AS THE ONLY ARCTIC ROCKET RANGE ON U.S. SOIL, POKER FLAT provides cost-effective support for varied scientific needs, including the work necessary to understand the massive effects of solar activity on the earth and in the unexplored regions of our solar system.

230 MAJOR HIGH-ALTITUDE ROCKETS HAVE BEEN LAUNCHED at the range since it was established in 1969 by the Geophysical Institute, University of Alaska Fairbanks. Sounding rocket launches support the work of researchers at NASA, the Defense Nuclear Agency, Air Force Geophysics Laboratory, university researchers and others.

AS THE LARGEST LAND-BASED RANGE IN THE WORLD, WITH DOWN-RANGE land area extending north to the Arctic Ocean, Poker Flat provides excellent payload recovery. The suborbital down-range limit is 6,000 kilometers.

POKER FLAT INCORPORATES ROCKET ASSEMBLY AND LAUNCH capabilities, along with the telemetry receiving stations and ground-based diagnostics needed for launch decisions for space, aeronomy, and atmospheric science experiments. Its location provides excellent access for research in the northern polar region.

UPGRADE TO A WORLD CLASS SPACE FACILITY

AS THE NATIONAL ARCTIC SPACE AND ENVIRONMENTAL RESEARCH Center the upgrade supports the U.S. position in the forefront of upper-atmosphere research. It will improve our capability to monitor atmospheric conditions as they relate to earth systems science and questions of global climate change.

THE UPGRADED FACILITY WILL PROVIDE THE FULLY INTEGRATED land- and space-based observatories that are required to keep pace with technology and space initiatives in the 1990s and beyond.

IT WILL INCORPORATE RENOVATED OR REBUILT LAUNCH PADS, PAYLOAD assembly buildings, and control facilities; an integrated command center and optical observatory; integrated air sampling station and data-handling capabilities; improved observation networks, including down-range observatories in rural villages which invite the participation of rural Alaskans in near-earth space research.

**INTENT OF LEGISLATION TO MODERNIZE
THE UNITED STATES NORTHERN HIGH LATITUDE
MISSILE TEST FACILITY**

The Poker Flat Research Range (PFRR) is the only high latitude rocket launch facility available to the Department of Defense (DOD) and the National Aeronautics and Space Administration (NASA). An average of more than ten large sounding rockets have been launched per year for the past twenty years into the otherwise inaccessible polar upper atmosphere.

It is the intent of this legislation to bring the Poker Flat Research Range up to the standards of equivalent DOD and NASA installations around the world. This will be accomplished by upgrading the launch facility and the scientific data acquisition system according to a schedule proposed by PFRR in consultation with range users and the appropriate DOD and NASA agencies.

- The upgrading will include the refurbishment of existing facilities and the design and construction of new facilities to replace that begun by the Defense Nuclear Agency in the late 1960s.
- The upgrading shall also include the design, construction, and purchase of scientific instrumentation for the acquisition of data on the polar atmosphere and the evaluation of the data in near real-time in order to provide the launch commander with knowledge of the state of the polar upper atmosphere and will result in a considerable reduction in time and money for field operations by DOD, NASA, and other agencies.
- The resulting facilities and scientific systems shall be the property of PFRR which is owned and operated by the Geophysical Institute of the University of Alaska Fairbanks.
- It is not the intent of the legislation that the resulting increase in operations and maintenance costs should be taken from the budget of the executive agencies.
- It is expected that the Air Force Space and Missile Test Organization shall act as executive agent for the Department in conjunction with NASA Wallops Flight Facility, which operates the range under agreement with the Department of Defense.
- Oversight of the project shall be accomplished by a committee of representatives from the appropriate agencies which will meet yearly to determine that the goals of the project are accomplished.

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DOCUMENTS WHICH HAVE NOT BEEN
FILMED BUT ARE AVAILABLE IN THE
ORIGINAL FILE INCLUDE:

news clippings