

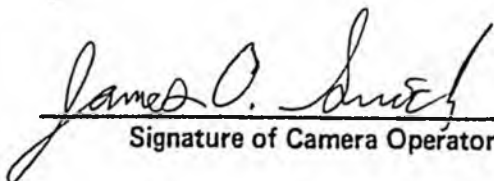
LEG. FINANCE - BILLS 1977 - 1978 645  
HB 48 am thru HB 51 645

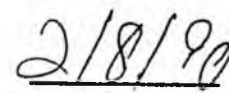


# RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

  
Signature of Camera Operator

  
Date

5/19/77

# COMMITTEE REPORT SENATE

May 27, 1977

Date

Mr. President:

The Committee on FINANCE has had HB 48 am special appropriation to Dept. of Highways for Alaska Railroad under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for \_\_\_\_\_ and that CS for \_\_\_\_\_ do pass
- (and) recommends it be referred to the \_\_\_\_\_ committee
- reports it back without recommendation
- AND attaches a report of its intent
- (other) for further consideration

MEMBERS SIGNING THE MAJORITY REPORT:

<u>W. J. ...</u>	<u>Do Pass</u>	<u>...</u>
<u>...</u>	<u>Do Pass</u>	<u>...</u>
<u>...</u>	<u>Do Pass</u>	<u>...</u>
<u>...</u>	<u>Do Pass</u>	<u>...</u>

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

\_\_\_\_\_ recommends: \_\_\_\_\_

\_\_\_\_\_ recommends: \_\_\_\_\_

\_\_\_\_\_ recommends: \_\_\_\_\_

W. J. ...  
Chairman

Introduced: 1/13/77  
Referred: State Affairs and  
Finance

BY SWANSON, BRADLEY, CHATTERTON,  
HAYES, KELLY, MCKINNON, MEEKINS,  
PARR AND PHILLIPS

1 IN THE HOUSE

2 HOUSE BILL NO. 48 am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-  
7 ment of Transportation and Public Facilities, interior  
8 division, for delineation of a utility corridor and  
9 railroad right-of-way for extension of the Alaska  
10 Railroad; and providing for an effective date."

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

12 \* Section 1. The sum of \$865,000 is appropriated from the general fund to  
13 the Department of Transportation and Public Facilities, interior division, for  
14 the purpose of reconnaissance photography and studies, field surveys, mapping,  
15 engineering work, cost comparisons, and office work to delineate a utility  
16 corridor and railroad right-of-way for extension of the Alaska Railroad to  
17 the Canadian border.

18 \* Sec. 2. The unexpended and unobligated portion of this appropriation  
19 lapses into the general fund June 30, 1979.

20 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-  
21 070(c).

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. House Bill 47  
 Title Extension of the Alaska Railroad  
 Requested by Representative Swanson/ phone request Date January 24, 1977  
Representative Freeman

II. FISCAL DETAIL  
 Agency Affected Highways  
 Program Category Affected Transportation  
 Budget Request Unit(s) Affected \_\_\_\_\_

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES		409,500				
200 TRAVEL						
300 CONTRACTUAL		455,500				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		<b>865,000</b>				

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		0			
PART TIME		0			
TEMPORARY		3			

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached memorandum from Mr. Backland to Mr. Zahare, both of the Interior Division of the Department of Highways.

Alaska State Legislature

HOUSE OF REPRESENTATIVES

COMMITTEES

FINANCE

FINANCE SUB COMMITTEES

CHAIRMAN RESOURCES

MEMBER OF PUBLIC PROTECTION

SPECIAL COMMITTEES

CHAIRMAN

RESOURCE DEVELOPMENT



REPRESENTATIVE LESLIE E. "RED" SWANSON  
HOUSE DISTRICT 12

POUCH V  
JUNEAU, ALASKA  
99811

P.O. BOX 3  
HELIANA, ALASKA  
99763

APPOINTMENT  
INTERNATIONAL DEVELOPMENT  
COMMISSION

THIS PROPOSAL HAS BEEN STUDIED AND DISCUSSED FOR WELL OVER THREE YEARS. WE HAVE INVOLVED LEADERS IN THE TRANSPORTATION AND ENERGY FIELDS IN BOTH THE UNITED STATES AND CANADA IN THE PLANNING AND FEASIBILITY OF SUCH A ROUTE. THE ECONOMIC ADVANTAGES TO THE CONTIGUOUS U.S. WOULD BE IN HAVING READY ACCESS TO ENERGY RESOURCES IN ALASKA - PRESENT AND FUTURE. THIS WOULD INCLUDE NOT ONLY GAS AND OIL BUT COAL AND COAL BY-PRODUCTS AS WELL.

THE ENERGY PICTURE, THE SOLUTIONS TO ENERGY SELF SUFFICIENCY, THE NEED FOR STRATEGIC MATERIALS AND MINERALS - ALL CHANGE ALMOST DAILY. THE ANSWERS TO MANY OF THESE PROBLEMS ARE CONTAINED IN THE RESOURCES OF ALASKA.

IT IS NOT MY INTENTION TO ENDORSE ANY OF THE THREE PROPOSED GAS ROUTES TODAY BUT TO MAKE THIS PANEL AWARE OF THE POSSIBLE USE OF THIS CORRIDOR IF THE AMERICAN AND CANADIAN GOVERNMENTS AGREE ON A TRANS-CANADA ROUTING.

I WOULD URGE YOU TO GIVE CAREFUL CONSIDERATION TO THE MATERIALS I AM PRESENTING FOR YOUR STUDY TODAY. THESE WILL DEMONSTRATE THE CONCERN ALASKA HAS INDICATED IN PLANNING FOR SUCH A CORRIDOR

at State Legislature

HOUSE OF REPRESENTATIVES

COMMITTEES

FINANCE

FINANCE SUB COMMITTEES  
CHAIRMAN RESOURCES  
MEMBER OF PUBLIC PROTECTION

SPECIAL COMMITTEES

CHAIRMAN  
RESOURCE DEVELOPMENT



REPRESENTATIVE LESLIE E. "RED" SWANSON  
HOUSE DISTRICT 13

POUCH V  
JUNEAU, ALASKA  
99911

P.O. BOX 3  
KENNA, ALASKA  
99760

APPOINTMENT  
INTERNATIONAL DEVELOPMENT  
COMMISSION

AND THE INTEREST GENERATED BY BOTH CANADIAN AND AMERICAN TRANSPORTATION OFFICIALS. IT IS ALSO THE DESIRE OF MANY ALASKANS THAT ALL UTILITY SYSTEMS BE INCLUDED IN ONE CORRIDOR THEREFORE DIMINISHING PROSPECTIVE ENVIRONMENTAL DAMAGE BY A HELTER-SKELTER APPROACH.

I THANK YOU FOR THIS OPPORTUNITY TO EXPLAIN AND SHOW YOU THE PROPOSED ROUTE, AS DEFINED BY THE U.S. INTERIOR DEPARTMENT. IF YOU HAVE QUESTIONS, PLEASE FEEL FREE TO ASK THEM AT ANY TIME... (SHOW THE ROUTE ON THE MAP, EXPLAIN THE INTERIOR DEPT. DESIGNATION AND THEIR SURVEY ETC.)

IF THERE ARE ITEMS OF INFORMATION THAT I HAVEN'T COVERED HERE TODAY THAT YOU MIGHT BE INTERESTED IN, I'LL BE GLAD TO PROVIDE THEM FOR YOU. IF YOU ARE INTERESTED IN OBTAINING "PROGRESS REPORTS" ON THIS MATTER AS IT UNFOLDS IN THE FUTURE, I'LL BE MOST HAPPY TO PROVIDE THESE FOR YOUR STUDY AS WELL.

Leslie E. "Red" Swanson

# **CORRECTION**

**THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY**

Alaska State Legislature

HOUSE OF REPRESENTATIVES

COMMITTEES  
FINANCE

FINANCE SUB COMMITTEES  
CHAIRMAN RESOURCES  
MEMBER OF PUBLIC PROTECTION

SPECIAL COMMITTEES  
CHAIRMAN  
RESOURCE DEVELOPMENT



REPRESENTATIVE LESLIE E. "RED" SWANSON  
HOUSE DISTRICT 13

FOUCH V  
UNEAU, ALASKA  
99511

P.O. BOX 3  
NENANA, ALASKA  
99760

APPOINTMENT  
INTERNATIONAL DEVELOPMENT  
COMMISSION

THIS PROPOSAL HAS BEEN STUDIED AND DISCUSSED FOR WELL OVER THREE YEARS. WE HAVE INVOLVED LEADERS IN THE TRANSPORTATION AND ENERGY FIELDS IN BOTH THE UNITED STATES AND CANADA IN THE PLANNING AND FEASIBILITY OF SUCH A ROUTE. THE ECONOMIC ADVANTAGES TO THE CONTIGUOUS U.S. WOULD BE IN HAVING READY ACCESS TO ENERGY RESOURCES IN ALASKA - PRESENT AND FUTURE. THIS WOULD INCLUDE NOT ONLY GAS AND OIL BUT COAL AND COAL BY-PRODUCTS AS WELL.

THE ENERGY PICTURE, THE SOLUTIONS TO ENERGY SELF SUFFICIENCY, THE NEED FOR STRATEGIC MATERIALS AND MINERALS - ALL CHANGE ALMOST DAILY. THE ANSWERS TO MANY OF THESE PROBLEMS ARE CONTAINED IN THE RESOURCES OF ALASKA.

IT IS NOT MY INTENTION TO ENDORSE ANY OF THE THREE PROPOSED GAS ROUTES TODAY BUT TO MAKE THIS PANEL AWARE OF THE POSSIBLE USE OF THIS CORRIDOR IF THE AMERICAN AND CANADIAN GOVERNMENTS AGREE ON A TRANS-CANADA ROUTING.

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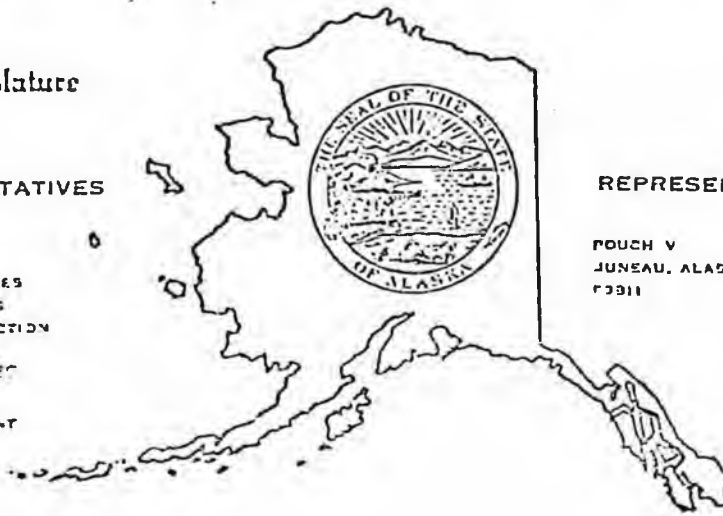
Alaska State Legislature

HOUSE OF REPRESENTATIVES

COMMITTEES  
FINANCE

FINANCE SUB COMMITTEES  
CHAIRMAN RESOURCES  
MEMBER OF PUBLIC PROTECTION

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RESOURCE DEVELOPMENT



REPRESENTATIVE LESLIE E. "RED" SWANSON  
HOUSE DISTRICT 12

POUCH V  
JUNEAU, ALASKA  
99811

P.O. BOX 3  
NENANA, ALASKA  
99750

APPOINTMENT  
INTERNATIONAL DEVELOPMENT  
COMMISSION

FOR PRESENTATION TO THE COUNCIL ON ENVIRONMENTAL QUALITY, ANCHORAGE

MAY 16, 1977

THE COUNCIL ON ENVIRONMENTAL QUALITY HEARING TODAY TIES IN WITH A PROJECT I HAVE BEEN WORKING ON FOR THE PAST THREE YEARS. THE DELIVERY SYSTEM, OR SYSTEMS, FOR PRUDHOE BAY NATURAL GAS TO THE CONTIGUOUS UNITED STATES WOULD BE GREATLY ENHANCED BY MY PROPOSAL.

THE PROPOSED EXTENSION OF THE ALASKA RAILROAD FROM FAIRBANKS TO THE YUKON BORDER TO CONNECT WITH THE CANADIAN RAIL SYSTEM WOULD RESULT IN DIRECT RAIL SHIPMENTS FROM THE LOWER 48 TO ALASKA. A TRANSPORTATION CORRIDOR WOULD BE ESTABLISHED FOR COMMON USE BY RAILROADS, POWER TRANSMISSION LINES, OIL AND GAS PIPELINES.

THE UTILIZATION OF THE TRANSPORTATION CORRIDOR BY OTHER CARRIERS, BE IT OIL AND GAS PIPELINES OR POWER TRANSMISSION LINES, CONSOLIDATES THESE UTILITIES IN ONE AREA. IT LOWERS OPERATIONAL COSTS, USES LESS SPACE (THEREFORE REDUCING ENVIRONMENTAL IMPACT), AND IS MORE EASILY MAINTAINED.

State Legislature

HOUSE OF REPRESENTATIVES

COMMITTEES  
FINANCE

FINANCE SUB COMMITTEES  
CHAIRMAN RESOURCES  
MEMBER OF PUBLIC PROTECTION

SPECIAL COMMITTEES  
CHAIRMAN  
RESOURCE DEV. COMMITTEE



REPRESENTATIVE LESLIE E. "RED" SWANSON  
HOUSE DISTRICT 13

POUCH V  
JUNEAU, ALASKA  
99901

P.O. BOX 3  
KENNA, ALASKA  
99760

APPOINTMENT  
INTERNATIONAL DEVELOPMENT  
COMMISSION

AND THE INTEREST GENERATED BY BOTH CANADIAN AND AMERICAN TRANSPORTATION OFFICIALS. IT IS ALSO THE DESIRE OF MANY ALASKANS THAT ALL UTILITY SYSTEMS BE INCLUDED IN ONE CORRIDOR THEREFORE DIMINISHING PROSPECTIVE ENVIRONMENTAL DAMAGE BY A HELTER-SKELTER APPROACH.

I THANK YOU FOR THIS OPPORTUNITY TO EXPLAIN AND SHOW YOU THE PROPOSED ROUTE, AS DEFINED BY THE U.S. INTERIOR DEPARTMENT. IF YOU HAVE QUESTIONS, PLEASE FEEL FREE TO ASK THEM AT ANY TIME... (SHOW THE ROUTE ON THE MAP, EXPLAIN THE INTERIOR DEPT. DESIGNATION AND THEIR SURVEY ETC.)

IF THERE ARE ITEMS OF INFORMATION THAT I HAVEN'T COVERED HERE TODAY THAT YOU MIGHT BE INTERESTED IN, I'LL BE GLAD TO PROVIDE THEM FOR YOU. IF YOU ARE INTERESTED IN OBTAINING "PROGRESS REPORTS" ON THIS MATTER AS IT UNFOLDS IN THE FUTURE, I'LL BE MOST HAPPY TO PROVIDE THESE FOR YOUR STUDY AS WELL.

Leslie E. "Red" Swanson

HOUSE JOURNAL

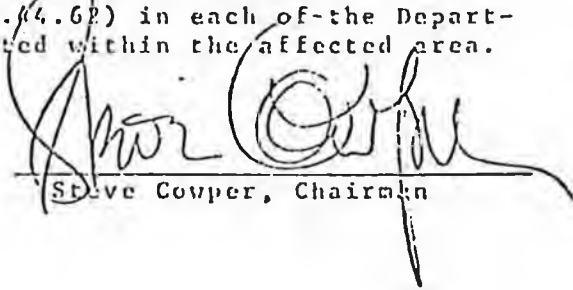
FINANCE COMMITTEE  
February 22, 1977  
Letter of Intent

HB 47

It was the instruction of the Committee in passing HB 47 from Committee that the measure be accompanied by a letter of intent. The letter was to contain requirements for public hearings and the receipt of public input prior to the determination of the transportation corridor by the Commissioner of Highways. The requirements are as follows:

At least thirty (30) days prior to the delineation of a corridor for the proposed extension of the Alaska Railroad to the Canadian Border, the Commissioner of Highways shall send notice of the proposed delineation to each municipality and each Native Regional And Village Corporation in the area affected by the transportation corridor, the general public by publication in newspapers of general circulation in the area affected by the transportation corridor and each member of the Legislature. The notice shall include a map showing the location of the proposed transportation corridor.

Any person may petition the Department for a public hearing to precede the Department's delineation of the transportation corridor. Upon receipt of a petition requesting a public hearing, the Department shall schedule at least one public hearing as provided for in the Administrative Procedures Act (A.S. 4.62) in each of the Department's regional offices located within the affected area.

  
Steve Cowper, Chairman

Act relating to creation of a utility corridor for extension of the Alaska  
and providing for an effective date."

1/27/77

# COMMITTEE REPORT

## HOUSE

Mr. Speaker:

Date 1/27/77

The Committee on Finance has had 1/27

under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

() recommends it DO PASS WITH ATTACHED AMENDMENT(S)

*Letter of Intent*

( ) recommends it BE REPLACED WITH CS FOR \_\_\_\_\_ AND THAT

CS FOR \_\_\_\_\_ DO PASS

( ) "and" recommends it BE REFERRED TO THE \_\_\_\_\_

COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

<u>Anderson</u>	<u>McKenna</u>	_____
<u>Freeman</u>	<u>McKenna</u>	_____
<u>Winters</u>	<u>McKenna</u>	_____
<u>Truchsess</u>	<u>McKenna</u>	_____

Members NOT concurring in the Majority report:

<u>Reed</u>	recommends: <u>No Rec</u>
_____	recommends:
_____	recommends:
_____	recommends:
_____	recommends:
_____	recommends:

Freeman Chairman

RETYPE FROM TELECOPIED LETTER

MEMORANDUM

TO: Andy Zahare  
Division Pre-Construction  
Engineer  
Interior Division

DATE: December 13, 1976

FR: O. Backlund, Location Engr.  
D. Johnson, Reconnaissance Engr.  
Interior Division

SUBJ. Estimate for Railroad  
Right-of-Way

An Estimate of the Cost of Defining a Right-of-Way for a  
Railroad From Eielson AFB to the Canadian Border

The section northwest from Delta Junction to Eielson AFB would be the most difficult area to pin down an alignment since many factors other than engineering considerations would have to be weighed. The primary question would be which side of the Tanana River to build on. This would depend heavily on the following:

- \* a cost comparison
- \* environmental factors
- \* attitudes of the military (do they want access to their properties south of the Tanana?)
- \* the desirability of access to the potential agricultural area south of the Tanana.

From Delta south to the Border the basic route is more clear cut, and the engineering requirements of a railroad would likely override other considerations.

We have color aerial photo coverage from Delta Junction to Tok and black and white photos from Tok to the Canadian Border. All are at a scale of 1" = 1000'. It would be desirable to have reconnaissance photography in color of the entire project since the study depends heavily on photo interpretation. Color photography is particularly helpful in assessing the soil conditions along the route. Since the existing photography from Delta Junction to Tok is in color, Item I shows the cost of acquiring new photography in color over the remainder of the route.

The next step would be a thorough study of the reconnaissance photography in order to delineate a specific alignment through a broad route corridor (Item II). This would involve an engineer, a geologist and a hydrologist, and would also require an aerial review, preferably by helicopter, so these personnel could get on the ground in critical areas such as stream crossings.

At this point we would have an alignment laid out on aerial photos (or maps). It would have no precise description and would still be subject to many refinements.

To precisely describe the right-of-way requires the location work outlines in Items III through X. It should be pointed out that once this work is accomplished, cross sections could be easily generated from the photogrammetric mapping thus providing much of the information needed for design.

If a narrow "corridor" rather than a precisely defined alignment were acceptable in any of these areas, only Items I and II would be necessary in those areas.

This could be a possibility in the D-1 lands along the Ladue River or in the area northwest of Delta Junction where the land is primarily State owned or designated as a utility corridor. Since those are the areas inaccessible by road, the complete study would be most costly there.

The following cost estimate does not include an environmental assessment. This would be a costly item which might have to be addressed before the study could be carried all the way through Item X.

Other items such as coordination with other agencies and location of material sources were not considered in the estimate.

#### Cost breakdown

I	Reconnaissance photography (color) (70 mi) Eielson to Delta Jct. & Tok to Border	6,500
II	Reconnaissance study (255 mi) engineer, geologist, hydrologist helicopter compiling report	12,500 12,500 10,000
III	Laying out flight lines and planning mapping control scheme	(Included in VI)
IV	Field surveys to control mapping placing control panels vertical control horizontal control chopper work along 120 mi.	23,000 34,000 95,000 180,000
V	Office work to reduce survey data to coordinate positions	3,000
VI	Aerial photography for mapping	6,500

VII	Selecting a centerline for mapping photo interpretation and helicopter field checking	250,000
VIII	Mapping (500 ft. band)	220,000
IX	Placing a final centerline on the mapping design engineer 2 mo.	6,000
X	Defining the RW along this centerline RW engineer 2 mo.	6,000
		<hr/>
	Total	\$ 865,000

USCA  
43, § 971b

PUBLIC LANDS

other than the Department of the Interior, any sale thereof shall be made only with the consent of such department or agency.  
Aug. 1, 1956, c. 848, § 2, 70 Stat. 898.

§ 971c. Same; utilization or occupancy of easements; consent of agency

Lands in Alaska within an easement established under sections 971a to 971e of this title by the Secretary of the Interior may not be utilized or occupied without the permission of the Secretary, or an officer or agency designated by him. If the lands crossed by an easement established under sections 971a to 971e of this title are under the jurisdiction of a Federal department or agency other than the Department of the Interior, or of a State, Territory, or other government subdivision or agency, such permission may be granted only with the consent of such department, agency, or other governmental unit.  
Aug. 1, 1956, c. 848, § 3, 70 Stat. 898.

§ 971d. Same; effect on valid existing rights

Nothing in sections 971a to 971e of this title shall affect adversely any valid existing rights.

Aug. 1, 1956, c. 848, § 4, 70 Stat. 898.

§ 971e. Same; definition of restored lands

For the purposes of sections 971a to 971e of this title, the words "restored lands" include, without limiting the meaning thereof, those lands at Big Delta and Tok Junctions that are withdrawn by public land orders numbered 808 and 975 and that lie between the centerline of the Richardson and Glenn Highways and the land included within United States surveys 2727, 2728, 2770, 2771, 2772, 2773, 2774, 2723, 2724, 2725 and 2726.

Aug. 1, 1956, c. 848, § 5, as added June 11, 1960, Pub.L. 86-512, 74 Stat. 207.

§ 975. Alaskan railroads; location, construction, and operation; passes

The President of the United States is empowered, authorized, and directed to adopt and use a name by which to designate the railroad or railroads and properties to be located, owned, acquired, or operated under the authority of sections 975 to 975g of this title; to employ such officers, agents, or agencies, in his discretion, as may be necessary to enable him to carry out the purposes of said sections; to authorize and require such officers, agents, or agencies to perform any or all of the duties imposed upon him by the terms of said sections; to detail and require any officer or officers in the Engineer Corps in the Army or Navy to perform service under said sections; to fix the compensation of all officers, agents, or employees appointed or designated by him; to designate and cause to be located a route or routes for a line or lines of railroad in the Territory of Alaska not to exceed in the aggregate one thousand miles, to be so located as to connect one or more of the open Pacific Ocean harbors on the southern coast of Alaska with the navigable waters in the Interior of Alaska and with a coal field or fields so as best to aid in the development of the agricultural and mineral or other resources of Alaska, and the settlement of the public lands therein, and so as to provide transportation of coal for the Army and Navy, transportation of troops, arms, munitions of war, the mails, and for other governmental and public uses and for the transportation of passengers and property; to construct and build a railroad or railroads along such route or routes as he may so designate and locate, with the necessary branch lines, feeders, sidings, switches, and spurs; to purchase or otherwise acquire all real and personal property necessary to carry out the purposes of said sections; to exercise the power of eminent domain in acquiring property for such use which use is declared to be a public use, by condemnation in the courts of Alaska in accordance with the laws now or

# TELEGRAM

ALASKA COMMUNICATIONS, INC.  
PHONE: 344-6440  
DENZAU, ALASKA 99501

FEB 22 11 9 42

02002 TDA DELTA JUNCTION ALASKA 111 02-22 658A AST

PMS REP RED SWANSON

POUCH V 1407

JUN

AT THE LAST DELTA CITIZENS LAND USE COUNCIL MEETING HELD ON FEBRUARY 12 1977 IT WAS THE GENERAL OPINION OF THE GROUP THAT THE RAILROAD CORRIDOR PLUS UTILITIES SUCH AS ELECTRICAL POWER LINES PHONE LINES AND FUTURE OIL AND GAS LINES SHOULD BE RETAINED IN ONE COMMON CORRIDOR. IT WAS FURTHER AGREED THAT THE RAILROAD SHOULD BE EXTENDED TO THE ALASKAN BORDER WITH A POSSIBLE CONTINUATION ON TO VALDEZ. I AS A COUNCIL MEMBER DO HEARTILY ENDORSE THE RAILROAD DEVELOPMENT WITH THE IMMEDIATE NEED GIVEN EXTRA ATTENTION FURTHER AS PRESIDENT OF THE ALASKAN FARMERS COOPERATIVE THIS ORGANIZATION SUPPORTS YOUR ENTIRE PROGRAM AND SOLICITS YOUR UNTIRING SUPPORT IN GETTING THIS PROPOSAL PASSED.

LEE M FETT BOX 881 DELTA JUNCTION AK 99737

## ARR extension gets House Finance okay

By ERIN VAN BKONKHORST  
*News-Miner Bureau*

JUNEAU—Red Swanson's railroad project headed out of the House Finance Committee Tuesday after he successfully fought off an attempt to involve the Department of Natural Resources in the project.

"I'm scared of those people," The Nenana Democrat confessed at one point in the discussion. He said he was concerned that what he sees as their "no-growth" attitude would slow down or stop the project.

The committee approved one measure, (HB 47), directing the Department of Highways to delineate a right-of-way corridor for the extension of the railroad from Fairbanks to the Canadian border. The second bill approved, (HB 48), appropriates \$865,000 for the work over a two-year period.

None of the committee members were willing to oppose the bills, probably because they are Swanson's top priority legislation. But several changes were considered, mostly based on a letter from Ted Smith, director of the Division of Land and Water Management in the Department of Natural Resources.

Smith's letter suggested that the commissioner of Natural Resources

should concur on the route and that the project should be put back under DNB jurisdiction in addition to Highways.

Swanson objected strenuously that the Highways Department is fully capable of doing the work and he doesn't want dual authority.

Smith also recommended that state officials be required to consult with a variety of groups about the proposed corridor, including local municipalities, Native regional and village corporations, and the Delta Citizens Council.

The committee agreed that a letter of intent should be written directing the Highways Department to do so.

The only person testifying Tuesday was Jessie Dodson, a special assistant to the governor, who said the administration believes the bill is "probably premature at this time." A cost-benefit analysis is needed, she said.

Unless some problem occurs with the letter of intent, the bills are expected to be sent to the Rules Committee to be scheduled for a full House vote. They still must be considered by the Senate.

This year's bills are only one step in Swanson's continuing efforts to build the railroad extension. Acquiring the land the money will have to come later.

BRIEF STATUS OF PROPOSED RAILROAD CONNECTION BETWEEN ALASKA AND THE LOWER 48

IN 1975 THE ALASKA STATE LEGISLATURE PASSED A RESOLUTION (HJR 27) ASKING THE GOVERNOR TO CALL A CONFERENCE TO CONSIDER THE CONNECTION OF ALASKA AND CANADA BY AN ALL RAIL LAND ROUTE LEADING TO THE MIDWESTERN AND EASTERN MANUFACTURING CENTERS OF THE U. S.. THE CONFERENCE, HELD ON APRIL 28, 1976, REACHED THE CONCLUSIONS THAT (1) ALASKA WAS FAR BEHIND THE YUKON TERRITORY AND NORTHERN CANADA IN THEIR RESEARCH ON THE POTENTIAL FOR A RAIL ROUTE AND (2) THE CONCEPT OF A RAIL CONNECTION BETWEEN ALASKA AND CANADA LOOKED PROMISING AND SHOULD BE PURSUED AT THIS TIME.

APPROXIMATELY 60 PERSONS ATTENDED THE CONFERENCE LAST YEAR. THERE WERE REPRESENTATIVES OF ALL MAJOR RAILROADS SERVING THE NORTHERN TIER STATES, RAILROAD OFFICIALS FROM BOTH THE PRIVATE AND GOVERNMENT SECTORS OF CANADA, FEDERAL OFFICIALS FROM WASHINGTON, D. C., AS WELL AS REPRESENTATIVES OF THE EXECUTIVE AND LEGISLATIVE BRANCHES OF THE STATE OF ALASKA.

BECAUSE OF THE CONCLUSIONS OF THE CONFERENCE, THE STATE LEGISLATURE RESPONDED BY APPROPRIATING \$50,000 FOR THE DEPT. OF COMMERCE AND ECONOMIC DEVELOPMENT TO FURTHER INVESTIGATE THE POTENTIAL FOR A CONNECTING RAILWAY. IT WAS CLEAR THAT THE SIX MONTHS AND THE \$50,000 ALLOWED FOR THE PRELIMINARY STUDY INDICATED THAT THE RAILROAD WOULD BE A ECONOMICALLY FEASIBLE ENDEAVOR.

THE RAILROAD STUDY WAS RELEASED TO THE STATE LEGISLATURE EARLY THIS YEAR. THE RESULTS OF THIS STUDY DID NOT EXPLORE THE FEASIBILITY OF SUCH A RAIL CONNECTION, NOR HAVE THE COST-BENEFITS BEEN THOROUGHLY ANALYZED. THE PURPOSE OF THE STUDY WAS FOR PRELIMINARY FACT-FINDING--THE INTENT OF HJR 27, 1976.

PAGE 2

THIS YEAR HOUSE BILLS 47 & 48 WERE INTRODUCED TO APPROPRIATE SUFFICIENT FUNDS TO ALLOW FOR EXTENSIVE STUDY AND ANALYSIS. THE MONEY WILL BE APPROPRIATED TO THE DEPT. OF HIGHWAYS (NOW THE DEPT. OF TRANSPORTATION) TO CONDUCT RECONNAISSANCE PHOTOGRAPHY AND STUDIES, FIELD SURVEYS, MAPPING ENGINEERING WORK, ROUTE COMPARISONS, A BRIEF ENVIRONMENTAL IMPACT STATEMENT, AND OFFICE WORK TO DELINEATE A MULTI-PURPOSE UTILITY CORRIDOR AND RAILROAD RIGHT-A-WAY FOR EXTENSION OF THE ALASKA RAILROAD TO THE CANADIAN BORDER.

THE PROPOSAL RAISES MANY QUESTIONS AND THESE CAN BE ANSWERED BY THE SCOPE OF WORK OUTLINED IN HOUSE BILLS 47 & 48, NOW UNDER CONSIDERATION. THE NECESSITY FOR SUCH AN ADDED TRANSPORTATION LINK IS COVERED QUITE EXTENSIVELY IN THE PRELIMINARY STUDY REPORT. HOWEVER, THE PRESSING NEED BY THE U.S. FOR ALTERNATE TRANSPORTATION ROUTE IS BECOMING MORE SELF EVIDENT AS OUR ENERGY DEMANDS ARE INCREASING. THE UTILITY CORRIDOR AND RAILROAD RIGHT-OF-WAY CAN SERVE AS AN ALTERNATE TRANSPORTATION ROUTE AND CAN BE A TREMENDOUS IMPETUS TO THE FUTURE ECONOMY OF ALASKA.

WHAT WE ARE CONSIDERING HERE IS APPROXIMATELY 297 MILES OF RIGHT-OF-WAY FOR THE UTILITY CORRIDOR. THE CANADIANS ARE PROCEEDING WITH THEIR EXTENSION TO EXISTING RAIL LINKS WITH CONSTRUCTION BEING COMPLETED ON A 420 MILE NEW RAIL LINK EXTENDING FROM FT. ST. JAMES NORTH TO DEASE LAKE. ANOTHER 100 MILE LINK-UP IS PLANNED TO WATSON LAKE. (SEE YUKON STUDY 1976, AVAILABLE IN MY OFFICE). IT HAS BECOME OBVIOUS THAT THE CANADIANS HAVE RECOGNIZED A NEED FOR DEVELOPMENT OF THE MINERAL RICH AREAS ENCOMPASSED IN THESE AREAS, AND ARE FAR AHEAD OF ALASKA IN THESE ENDEAVORS. THE MAIN PURPOSE OF HB 47 & 48 IS FOR CATCH-UP WORK IN ALASKA. (FOR INFORMATION

ON ROUTE, SEE PAGE 1 "THE ROUTE" IN THE 1977 ALASKA-CANADA TRANSCONTINENTAL RAIL CONNECTION TO CONTIGUOUS UNITED STATES). THE ALASKA PORTION OF THE PROPOSED ROUTE IS SHOWN ON AN ACCOMPANYING MAP. THIS IS MERELY A PRELIMINARY ROUTING WHICH CAN BE CHANGED AS NECESSARY TO ACCOMODATE POTENTIAL FUTURE NEEDS AND TO AVOID ANY LAND USE CONFLICTS.

IF ALASKA'S VAST ENERGY AND STRATEGIC MINERAL RESOURCES ARE TO BE DEVELOPED THIS RAILWAY WOULD SERVE AS A VIABLE OUTLET AND ECONOMIC MODE OF TRANSPORTATION. IT IS BECOMING MORE EVIDENT THAT THERE IS A NEED FOR A ALTERNATE TRANSPORTATION LINK WITH THE MIDWESTERN STATES. THE MOST LOGICAL ROUTE TO ENERGY DEFICIENT AREAS OF THE NATION IS VIA THE PRESENT ALCAN HIGHWAY AND THE PROPOSED RAILWAY ALIGNMENT. THE OIL AND GAS POTENTIAL IN NORTHERN ALASKA, WHEN DEVELOPED, WILL EVENTUALLY REQUIRE MORE THAN ONE OIL OR GAS PIPELINE TO THE LOWER 48. ALONG WITH THE TRANSPORTING OF FUELS THE RAILROAD COULD ACCOMODATE ALASKA'S SHIPPING NEEDS AND GIVE US A DIRECT LINK TO THE MIDWESTERN MARKETS. THE COMPETITION AFFORDED CANNOT HELP BUT REDUCE SHIPPING COSTS IN BOTH DIRECTIONS.

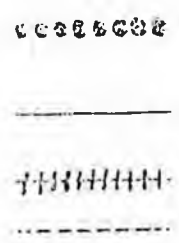
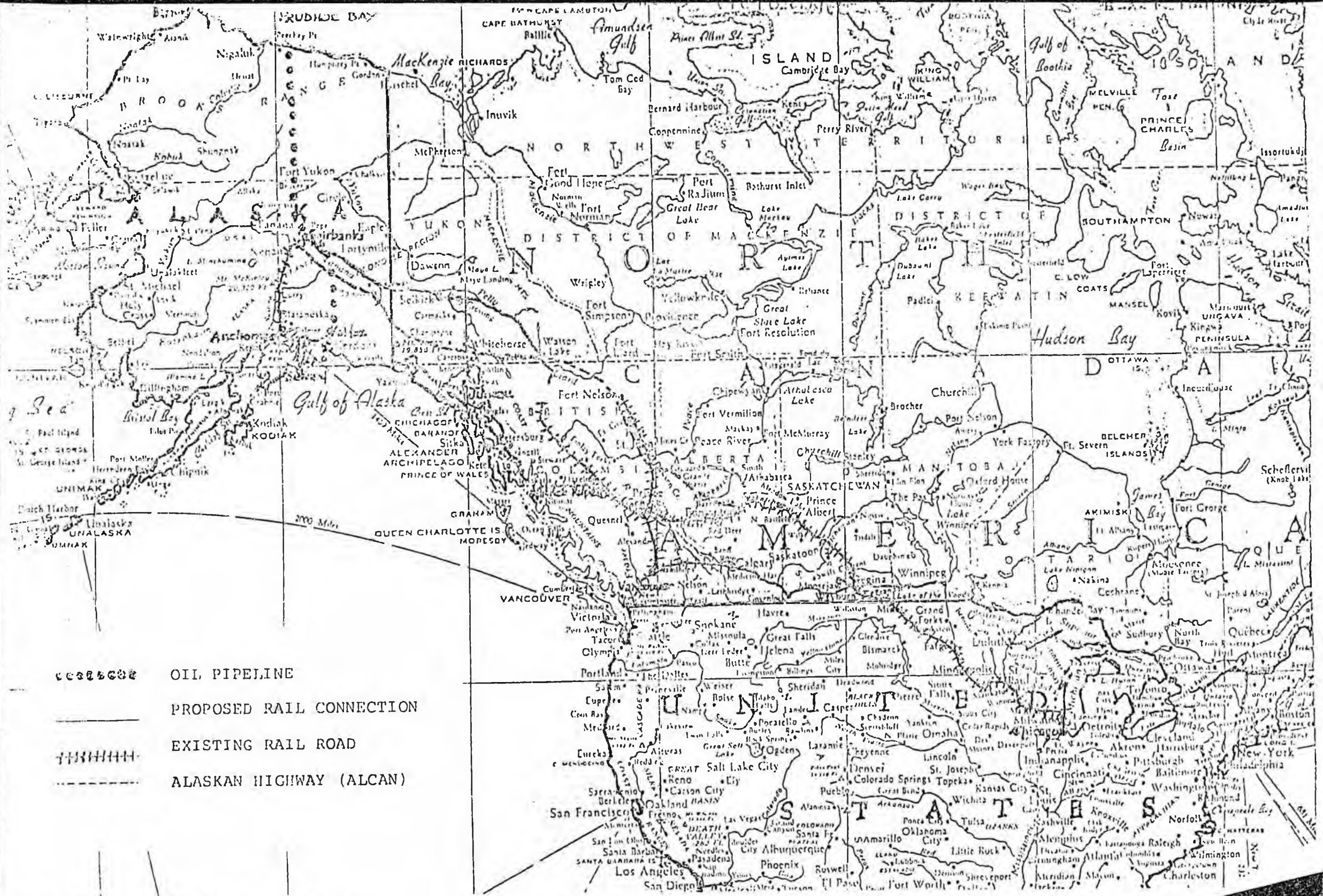
HOUSE BILLS 47 & 48 ARE LOGICAL SEQUENTIAL METHODS OF PROCEEDING FOR THE PLANNING OF A VIABLE AND REALISTIC RAILWAY CONNECTION. THE COSTS OF SUCH A PROPOSAL WILL NOT DIMINISH IN THE FORESEEABLE FUTURE . THIS PROPOSAL MANDATES SERIOUS CONSIDERATION NOW. THE OPPORTUNITY IS HERE NOW FOR BOTH THE CANADIAN AND U. S. GOVERNMENTS TO GET TOGETHER ON A TRANSPORTATION UTILITY CORRIDOR AGREEMENT: A CORRIDOR THAT COULD ACCOMODATE A RAILROAD, AND FUTURE GAS AND OIL LINES. ALL GAS AND OIL LINES COULD BE SERVICED FROM THIS RAILROAD. THIS MULTI-PURPOSE CORRIDOR IS A VIABLE ALTERNATIVE WHICH COULD ALLEVIATE MANY OF THE FUTURE ENVIRONMENTAL PROBLEMS AND

PAGE 4

WOULD BE THE LEAST DISRUPTIVE TO THE STATE'S ENVIRONMENT. TRANSPORTING BY TRUCK CREATES EXHAUST EMISSIONS AS WELL AS A DEPENDENCY ON HIGHWAYS WHICH EVENTUALLY CREATES A NEED FOR MORE ROADS AND MORE MONIES FOR THEIR MAINTENANCE. RAILROADS ARE NOT SUBJECT TO HIGHWAY BREAK-UP PROBLEMS DURING SPRING THAWS, NOR CLOSED ROADS DUE TO POOR WEATHER OR MAINTENANCE CONDITIONS. A RAILROAD IS ENVIRONMENTALLY AND ECONOMICALLY MORE EFFICIENT THAN TRANSPORTING BY TRUCK. A RAILROAD MOVES FREIGHT AT 1/4 THE ENERGY NEEDS OF TRUCKS. IT COSTS 1/3 LESS TO MOVE FREIGHT FROM ANCHORAGE TO FAIRBANKS BY RAIL THAN VIA THE HIGHWAYS.

ANY QUESTIONS THAT YOU MAY HAVE ARE WELCOMED. MY FILES ARE OPEN IF YOU NEED ANY INFORMATION WHICH I MAY HAVE GATHERED SINCE I BEGAN STUDYING THE BENEFITS OF SUCH A PROPOSED RAILROAD OVER THESE LAST THREE YEARS. IT IS MY EARNEST DESIRE THAT HOUSE BILLS 47 and 48 WILL MEET WITH YOUR APPROVAL. ANY DELAYS IN MEETING THIS NEED FOR ALTERNATE TRANSPORTATION ROUTES WILL NOT WORK TO BENEFIT ANYONE. IT COULD SERIOUSLY HAMPER ANY SOLUTIONS THE UNITED STATES MAY HAVE FOR DECREASING OUR ENERGY RESOURCE DEPENDENCY UPON FOREIGN NATIONS. IF THE GOVERNMENTS OF CANADA, THE U. S., AND THE STATE OF ALASKA GOT DOWN TO BUSINESS RIGHT NOW, THE RAILROAD COULD BE BUILT SOMETIME WITHIN A THREE TO FIVE YEAR PERIOD.

THE \$865,000 APPROPRIATION ASKED FOR IN HB 48 IS TO SHOW OUR FAITH TO THE PRESIDENT AND THE U.S. CONGRESS THAT ALASKA IS WILLING TO SHARE THE EXPENSE FOR THIS RAIL CONNECTION. THE STATE'S INVESTMENT IS \$865,000 AND THE FEDERAL GOVERNMENT'S INVESTMENT WOULD BE \$203,000,000.



OIL PIPELINE  
 PROPOSED RAIL CONNECTION  
 EXISTING RAIL ROAD  
 ALASKAN HIGHWAY (ALCAN)





# RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith  
Signature of Camera Operator

2/8/90  
Date



# RECORDS CERTIFICATION



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James O. Smith  
Signature of Camera Operator

2/8/90  
Date

"An Act making a special appropriation to the Department of Highways, interior division, for delineation of a utility corridor and railroad right-of-way for extension of the Alaska Railroad; effective date."

### COMMITTEE REPORT

1/27/77

HOUSE

Mr. Speaker:

Date February 2, 1977

The Committee on FINANCE has had HR 48

under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

(  ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR \_\_\_\_\_ AND THAT

CS FOR \_\_\_\_\_ DO PASS

( ) "and" recommends it BE REFERRED TO THE \_\_\_\_\_

COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

(  ) "other" *attached Fiscal Note dated 1-24-77 w/letter dated 12/13/76*

Members signing the Majority report:

<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____

Members NOT concurring in the Majority report:

[Signature] recommends: Al R

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

[Signature] Chairman

A M E N D M E N T

OFFERED IN THE HOUSE:

By: FINANCE COMMITTEE

To: \_\_\_\_\_ HOUSE BILL No. 48

SENATE BILL No. \_\_\_\_\_

PAGE: 1

LINE: 18

Change "1978" to 1979.

Introduced: 1/13/77  
Referred: State Affairs and  
Finance

BY SWANSON, BRADLEY, CHATTERTON,  
HAYES, KELLY, MCKINNON, MEEKINS,  
PARR AND PHILLIPS

1 IN THE HOUSE

2 HOUSE BILL NO. 48

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-  
7 ment of Highways, interior division, for delineation of  
8 a utility corridor and railroad right-of-way for  
9 extension of the Alaska Railroad; and providing for an  
10 effective date."

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

12 \* Section 1. The sum of \$865,000 is appropriated from the general fund to  
13 the Department of Highways, interior division, for the purpose of reconnais-  
14 sance photography and studies, field surveys, mapping, engineering work, cost  
15 comparisons, and office work to delineate a utility corridor and railroad  
16 right-of-way for extension of the Alaska Railroad to the Canadian border.

17 \* Sec. 2. The unexpended and unobligated portion of this appropriation  
18 lapses into the general fund June 30, 1978.

19 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-  
20 070(c).

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#

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. HB 47/48 (HB 47--Authorization, HB 48--Appropriation)  
 Title Extension of the Alaska Railroad  
 Requested by Representative Swanson/ phone request Date January 24, 1977  
Representative Freeman

II. FISCAL DETAIL  
 Agency Affected Highways  
 Program Category Affected Transportation  
 Budget Request Unit(s) Affected \_\_\_\_\_

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES		409,500				
200 TRAVEL						
300 CONTRACTUAL		455,500				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		865,000				

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		0				
PART TIME		0				
TEMPORARY		3				

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached memorandum from Mr. Backland to Mr. Zahare, both of the Interior Division of the Department of Highways.

IV. DATE January 21, 1977 PREPARED BY Frank S. Baxter, Administrative Director  
 AGENCY Department of Highways  
 PHONE 364-2121 Ext. 124/125  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

AKA

*Handwritten scribbles*

*Alvin [unclear]*

TO Baxter  
Fr Johnson

Andy Zahre  
Division: Pre-Construction  
Engineer  
Interior Division

DATE: December 13, 1976

C. Buckle, Location Engr.  
D. Johnson, Reconnaissance Engr.  
Interior Division

SUBJECT: Estimate for Railroad  
Right-of-Way

An Estimate of the Cost of Defining a Right-of-Way for a Railroad  
From Eielson AFB to the Canadian Border

The section northwest from Delta Junction to Eielson AFB would be the most difficult area to pin down an alignment since many factors other than engineering considerations would have to be weighed. The primary question would be which side of the Tanana River to build on. This would depend heavily on the following:

- \* a cost comparison
- \* environmental factors
- \* attitudes of the military (do they want access to their properties south of the Tanana?)
- \* The desirability of access to the potential agricultural area south of the Tanana.

From Delta south to the Border the basic route is more clear cut, and the engineering requirements of a railroad would likely override other considerations.

We have color aerial photo coverage from Delta Junction to Tok and black and white photos from Tok to the Canadian Border. All are at a scale of 1" = 1000'. It would be desirable to have reconnaissance photography in color of the entire project since the study depends heavily on photo interpretation. Color photography is particularly helpful in assessing the soil conditions along the route. Since the existing photography from Delta Junction to Tok is in color, Item I shows the cost of acquiring new photography in color over the remainder of the route.

*1 1/2 1,000' scale  
6,000' high  
2 mile wide coverage*

The next step would be a thorough study of the reconnaissance photography in order to delineate a specific alignment through the broad route corridor (Item II). This would involve an engineer, a geologist and a hydrologist, and would also require an aerial review, preferably by helicopter, so these personnel could get on the ground in critical areas such as stream crossings.

*9,000' wide coverage*

At this point we would have an alignment laid out on aerial photos (or maps). It would have no precise description and would still be subject to many refinements.

To precisely describe the right-of-way requires the location work outlined in Items III through X. It should be pointed out that once this work is accomplished, cross sections could be easily generated from the photogrammetric mapping, thus providing much of the information needed for design.

If a narrow "corridor" rather than a precisely defined alignment were acceptable in any areas, only Items I and II would be necessary in those areas.

This could be a possibility <sup>should be Northwest</sup> in the D-1 lands along the Ladue River or in the area northeast of Delta Junction where the land is primarily State owned or designated as a utility corridor. Since these are the areas inaccessible by road, the complete study would be most costly there.

The following cost estimate does not include an environmental assessment. This would be a costly item which might have to be addressed before the study could be carried all the way through Item X.

Other items such as coordination with other agencies and location of material sources were not considered in the estimate.

Cost Breakdown

I	Reconnaissance photography (color) (70 mi) Eielson to Delta Jct. & Tok to Border	92 mi	6,500
II	Reconnaissance study (255 mi) engineer, geologist, hydrologist helicopter compiling report		12,500 12,500 10,000
III	Laying out flight lines and planning mapping control scheme		(included in VI)
IV	Field surveys to control mapping placing control panels vertical control horizontal control chopper work along 120 mi	553 hrs @ \$325	25,000 34,000 95,000 180,000
V	Office work to reduce survey data to coordinate positions		3,000
VI	Aerial photography for mapping		6,500

*see first sheet  
my untyped cost  
Breakdown  
attach.*

*Photo scale = 1" = 500'  
Flight elev. = 3000' above mean terrain  
Corridor width = 4500'*

VII	Selecting a centerline for mapping photo interpretation and helicopter field checking	250,000
VIII	Mapping (500 ft. band?)	220,000
IX	Placing a final centerline on the mapping design engineer 2 no.	6,000
X	Defining the RM along this centerline RM engineer 2 no.	6,000
		<hr/>
	Total	\$865,000

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

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Title Extension of The Alaska Railroad  
Requested by Representative Swanson/ phone request Date January 24, 1977  
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600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		<b>865,000</b>				

FUNDING (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

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PHONE 364-2121 Ext. 124/125  
Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)

ASKA

*CONFIDENTIAL*

*Alvin Johnson*

TO Baxter  
Fr Johnson

Andy Zahare  
Division: Pre-Construction  
Engineer  
Interior Division

DATE : December 13, 1976

C. Beckler, Location Engr.  
A. Johnson, Reconnaissance Engr.  
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	<b>Total</b>	<u>\$865,000</u>



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James O. Smith  
Signature of Camera Operator

2/8/77  
Date

STATE  
of ALASKA**MEMORANDUM**

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

TO: Honorable Joe McKinnon  
Chairman  
House Commerce Committee

DATE : January 31, 1977

FROM:

Langhorne A. Motley *LM*  
Commissioner  
Department of Commerce and  
Economic Development

SUBJECT: House Bill 51

The results of a cursory survey of the housing market conducted in Anchorage and Fairbanks were reviewed by the Division of Veterans' Affairs. The average Veteran, with the normal 10% down payment, could finance up to and including the average 4 bedroom home in these areas with the Veterans' Loan Program if the loan ceiling were raised to \$67,250.00.

The average cost of housing in Anchorage is as follows:

2 bedroom	\$63,630.00
3 bedroom	70,084.00
4 bedroom	85,187.00
5 bedroom	99,000.00

The average cost of housing in Fairbanks is as follows:

3 bedroom	\$65,000.00 to 80,000.00
-----------	-----------------------------

Utilizing an average cost of \$75,000, a 10% down payment would require a loan of \$67,500. The figure of \$67,250 matches the maximum loan amount by the Federal VA, FHA, FNMA, and FHLBB, the major lenders of residential mortgage money.

Fiscal impact:

It is estimated the modification of the existing limit of \$55,000.00 to \$67,250.00 will increase the loan demand by 20% on new loan origination and by 10% on refinancing. This would require an additional 9 people in the Veterans' Affairs Office for origination and servicing.

The current volume of \$60,000,000.00 per year in new loans generates an annual income of \$600,000.00 based on 1/2 of 1% loan fee + 1/2 of 1% servicing fee. An increase of the interest charged to the Veteran of 1/4 of 1% would increase the return to the State to \$750,00.00 or an increase of \$150,000.00 per year. Anticipating the increase in demand

Honorable Joe McKinnon  
January 31, 1977  
Page Two

for new loans and rewriting existing loans at the above ratios, this would almost cover the cost of the additional personnel required for the additional volume of loans processed.

Recommendation:

It is our position that raising the limit to \$67,500 would more nearly meet the average loan requirements of the people. In keeping with the philosophy of "paying as you go," if this bill passes, with the accompanying fiscal note, it is the intention of this Department to raise the interest rate 1/4% to cover the additional costs.

STATE OF ALASKA  
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

January 21, 1977

SUBJECT: Loan Ceiling for HB-51, W.O. #3140

TO : The Honorable Bob Bradley  
Chairman, State Affairs

FROM : A.R. Latham  
Research Analyst

The Consumer Price Index for housing (home ownership) grew from 127.9 in January, 1974 to 147.4 in January, 1976. This amounts to a growth of 15.2% in the two years. Assuming a like increase occurred from January, 1976 to January, 1977, the C.P.I. will have grown 22.8% from the date the loan ceiling in AS 26.15.040(a)(2) was last changed. (1974).

If this assumption is true, it could be argued that the loan ceiling should be raised by an equivalent percentage:

$$\begin{aligned} \$55,000 \times 1.228 &= \$67,540 \\ &68,000 \text{ (rounded)} \end{aligned}$$

$$\begin{aligned} \$80,000 \times 1.228 &= \$98,240 \\ &98,000 \text{ (rounded)} \end{aligned}$$

These data were obtained from the mid-year performance report on the Alaskan economy in 1976 published by the Department of Commerce and Economic Development.

In addition, according to Ken Price, Senior Economist for the Department of Commerce and Economic Development, the construction cost index in Anchorage grew 12.4% from January, 1974 to January, 1976. Again assuming a like growth in 1977, it would appear that from a construction point of view only that the ceiling could be raised by 18.5%.

ARL:cm

*1. Buy in at no less than 59%?*

STATE OF ALASKA  
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3610

MEMORANDUM

January 21, 1977

SUBJECT: Loan Ceiling for HB-51, W.O. #3140--Supplement

TO : The Honorable Bob Bradley  
Chairman, State Affairs

FROM : A.R. Latham  
Research Analyst

We see no reason not to assume the same incrementor for small business loans as we did for the housing loans. Therefore, the loan ceiling for small business loans would be:

$\$100,000 \times 1.228 = \$122,800$   
123,000 (rounded)

ARL:cm

John Crandall

Room 117 or 119

Rep Meekins

Original sponsors: Bradley, Beirne,  
Freeman, et al

Offered: 2/14/77  
Referred: Finance

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2

CS FOR HOUSE BILL NO. 51

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to veterans' loans."

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

8 \* Section 1. AS 26.15.040(a)(2), (3) and (4) are amended to read:

9 (2) Farm and home loans not exceeding \$75,000 [\$55,000] may  
10 be made to purchase, remodel, repair, build, furnish, refinance or equip  
11 homes or farms in the state including the clearing and drainage for  
12 farms. The loans may not exceed 90 per cent of the appraised value when  
13 made for the purchase or construction of a home unless additional amounts  
14 are secured by acceptable collateral as determined by the commissioner  
15 of commerce in conformity with established minimum requirements. The  
16 rate of interest may not exceed the interest rate which is charged for  
17 Federal Veterans Administration loans at the time a state loan is  
18 granted.

19 (3) Business loans not exceeding \$125,000 [\$100,000] may be  
20 made to acquire, finance or refinance or equip businesses, including  
21 mining and fishing but not including farming, if the loan applicant has  
22 had three or more years of general business experience. The loans shall  
23 be secured by acceptable collateral and may not exceed 75 per cent of  
24 the appraised value of the collateral offered as security. The rate of  
25 interest may not exceed the interest rate which is charged for Federal  
26 Veterans Administration loans at the time a state loan is granted.

27 (4) Multiple dwelling loans not exceeding \$110,000 [\$80,000]  
28 may be made to purchase, remodel, repair, build, furnish, refinance or  
29 equip multiple dwellings. The loans shall be secured by acceptable

1 collateral and may not exceed 75 per cent of the appraised value of the  
2 collateral offered as security. The rate of interest may not exceed the  
3 interest rate which is charged for Federal Veterans Administration loans  
4 at the time a state loan is granted.

5 \* Sec. 2. AS 26.15.040(c) is amended to read:

6 (c) No loans authorized by (a)(2), (3) and (4) of this section may  
7 be made unless the commissioner of commerce is satisfied that money at a  
8 comparable rate of interest is not available to the applicant from  
9 private lending institutions on a guaranteed basis as set out in (b) of  
10 this section. An applicant is eligible for more than one type of loan,  
11 but the total may not exceed \$125,000 [\$100,000] at any one time.

Introduced: 1/14/77  
Referred: Commerce and Finance

BY BRADLEY, BEIRNE, FREEMAN,  
GARDINER, GRUENING, MALONE,  
MEEKINS, MILLER, OSE,  
OSTERBACK, PARR, SNIDER AND  
SWANSON

1 IN THE HOUSE

2 HOUSE BILL NO. 51

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to veterans' loans."

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

8 \* Section 1. AS 26.15.040(a)(2) is amended to read:

9 (2) Farm and home loans not exceeding \$75,000 [\$55,000] may  
10 be made to purchase, remodel, repair, build, furnish, refinance or equip  
11 homes or farms in the state including the clearing and drainage for  
12 farms. The loans may not exceed 90 per cent of the appraised value  
13 when made for the purchase or construction of a home unless additional  
14 amounts are secured by acceptable collateral as determined by the com-  
15 missioner of commerce in conformity with established minimum require-  
16 ments. The rate of interest may not exceed the interest rate which is  
17 charged for Federal Veterans Administration loans at the time a state  
18 loan is granted.

19 \* Sec. 2. AS 26.15.040(a)(4) is amended to read:

20 (4) Multiple dwelling loans not exceeding \$110,000 [\$80,000]  
21 may be made to purchase, remodel, repair, build, furnish, refinance or  
22 equip multiple dwellings. The loans shall be secured by acceptable  
23 collateral and may not exceed 75 per cent of the appraised value of the  
24 collateral offered as security. The rate of interest may not exceed  
25 the interest rate which is charged for Federal Veterans Administration  
26 loans at the time a state loan is granted.

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

REVISED FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill 51  
 Title "An Act Relating to Veterans' Loans"  
 Requested by House Commerce Committee Date February 8, 1977

II. FISCAL DETAIL

Agency Affected Department of Commerce & Economic Development  
 Program Category Affected Development  
 Budget Request Unit(s) Affected Veterans' Loans

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-				
400 COMMODITIES	-0-					
500 EQUIPMENT	-0-					
600 LAND & STRUCTURES	-0-					
700 GRANTS, CLAIMS, ETC.	-0-					
TOTAL	-0-					

FUNDING (Thousands of Dollars)

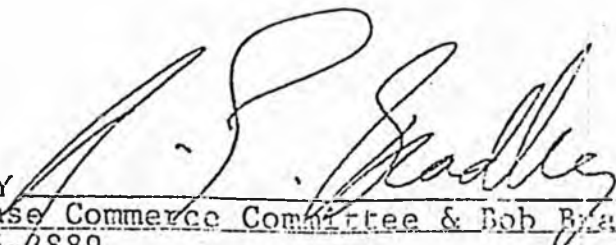
GENERAL FUND	-0-					
FEDERAL FUNDS	-0-					
OTHER (Specify)	-0-					
	-0-					
	-0-					

POSITIONS

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

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Since 16 new positions have been added to the Veterans' Loans program in the past two years, no new positions should be necessary to handle any increase in loans this bill might cause.

IV. DATE February 8, 1977 PREPARED BY   
 AGENCY House Commerce Committee & Bob Bradley  
 PHONE 465-3889  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

STATE  
of ALASKA**MEMORANDUM**

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

TO: 

DATE : January 31, 1977

FROM:

SUBJECT: House Bill 51

The results of a cursory survey of the housing market conducted in Anchorage and Fairbanks were reviewed by the Division of Veterans' Affairs. The average Veteran, with the normal 10% down payment, could finance up to and including the average 4 bedroom home in these areas with the Veterans' Loan Program if the loan ceiling were raised to \$67,250.00.

The average cost of housing in Anchorage is as follows:

2 bedroom	\$63,630.00
3 bedroom	70,034.00
4 bedroom	85,187.00
5 bedroom	99,000.00

The average cost of housing in Fairbanks is as follows:

3 bedroom	\$65,000.00 to 80,000.00
-----------	-----------------------------

Utilizing an average cost of \$75,000, a 10% down payment would require a loan of \$67,500. The figure of \$67,250 matches the maximum loan amount by the Federal VA, FHA, FNMA, and FHLBB, the major lenders of residential mortgage money.

Fiscal impact:

It is estimated the modification of the existing limit of \$55,000.00 to \$67,250.00 will increase the loan demand by 20% on new loan origination and by 10% on refinancing. This would require an additional 9 people in the Veterans' Affairs Office for origination and servicing.

The current volume of \$60,000,000.00 per year in new loans generates an annual income of \$600,000.00 based on 1/2 of 1% loan fee + 1/2 of 1% servicing fee. An increase of the interest charged to the Veteran of 1/4 of 1% would increase the return to the State to \$750,00.00 or an increase of \$150,000.00 per year. Anticipating the increase in demand

for new loans and rewriting existing loans at the above ratios, this would almost cover the cost of the additional personnel required for the additional volume of loans processed.

Recommendation:

It is our position that raising the limit to \$67,500 would more nearly meet the average loan requirements of the people. In keeping with the philosophy of "paying as you go," if this bill passes, with the accompanying fiscal note, it is the intention of this Department to raise the interest rate  $1/4\%$  to cover the additional costs.

## MEMORANDUM

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

TO: Honorable Joe McKinnon  
Chairman  
House Commerce Committee

DATE: January 31, 1977

FROM:

Langhorne A. Motley  
Commissioner  
Department of Commerce and  
Economic Development

SUBJECT: House Bill 51

The results of a cursory survey of the housing market conducted in Anchorage and Fairbanks were reviewed by the Division of Veterans' Affairs. The average Veteran, with the normal 10% down payment, could finance up to and including the average 4 bedroom home in these areas with the Veterans' Loan Program if the loan ceiling were raised to \$67,250.00.

The average cost of housing in Anchorage is as follows:

2 bedroom	\$63,630.00
3 bedroom	70,034.00
4 bedroom	85,187.00
5 bedroom	99,000.00

The average cost of housing in Fairbanks is as follows:

3 bedroom	\$55,000.00 to 80,000.00
-----------	-----------------------------

Utilizing an average cost of \$75,000, a 10% down payment would require a loan of \$67,500. The figure of \$67,250 matches the maximum loan amount by the Federal VA, FHA, FNMA, and FHLBB, the major lenders of residential mortgage money.

Fiscal impact:

It is estimated the modification of the existing limit of \$55,000.00 to \$67,250.00 will increase the loan demand by 20% on new loan origination and by 10% on refinancing. This would require an additional 9 people in the Veterans' Affairs Office for origination and servicing.

The current volume of \$60,000,000.00 per year in new loans generates an annual income of \$600,000.00 based on 1/2 of 1% loan fee + 1/2 of 1% servicing fee. An increase of the interest charged to the Veteran of 1/4 of 1% would increase the return to the State to \$750,00.00 or an increase of \$150,000.00 per year. Anticipating the increase in demand

Honorable Joe McKinnon  
January 31, 1977  
Page Two

for new loans and rewriting existing loans at the above ratios, this would almost cover the cost of the additional personnel required for the additional volume of loans processed.

Recommendation:

It is our position that raising the limit to \$67,500 would more nearly meet the average loan requirements of the people. In keeping with the philosophy of "paying as you go," if this bill passes, with the accompanying fiscal note, it is the intention of this Department to raise the interest rate  $1/4\%$  to cover the additional costs.

Anchorage

Multiple Listing

1/14/77

2-bedroom	\$55,000	125.5%	\$63,630.	13.5%	70 - 98 days
3- " "	8	78.6%	70,084.		76 - "
4- " "		64.7%	85,187.		50 - "
5- " "		55.6%	99,000.		59 - "

Duplex on up \$155,000. 73 - "

Fairbanks

3-bedroom - unfinished basement 65,000. to 80,000.  
 duplex (basic construction) 80,000. to 100,000.

$\#75 \div 80\% = 93,750$   
 $\#75 \div 90\% = 83,333$   
 $\#55 \div 80\% = \$68,750$   
 $\#55 \div 90\% = \$61,111$   
 $\#65 \div 80\% = \$81,250$   
 $\#65 \div 90\% = \$72,222$

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. House Bill 51  
 Title "An Act Relating to Veterans' Loans"  
 Requested by House Commerce Committee Date January 31, 1977

II. FISCAL DETAIL  
 Agency Affected Department of Commerce & Economic Development  
 Program Category Affected Development  
 Budget Request Unit(s) Affected Veterans' Loans

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES	22.6	150.0	159.0	168.5	178.6	189.3
200 TRAVEL		3.0	4.0	4.0	5.0	5.0
300 CONTRACTUAL		20.0	21.0	22.0	23.0	25.0
400 COMMODITIES						
500 EQUIPMENT	2.0	9.0	1.0			
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	<b>24.6</b>	<b>182.0</b>	<b>185.0</b>	<b>194.5</b>	<b>206.6</b>	<b>219.3</b>

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)	24.6	182.0	185.0	194.5	206.6	219.3

POSITIONS

FULL TIME	3	9	9	9	9	9
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Due to the increased demand experienced the last time legislation affecting the Veterans' Affairs program was passed it is estimated that an increase of the loan ceiling from \$55,000.00 to \$67,250.00 will require an additional 9 employees as follows:

- Fairbanks Regional Office -- 1 Clerk Typist III
- Anchorage Regional Office -- 1 Loan Closer I
  - 1 Clerk Typist III
  - 1 Loan Examiner I
- Juneau Regional Office -- 1 Loan Closer I
- Juneau General Office -- 1 Loan Closer I
  - 1 Document Processing Clerk II
  - 1 Accounting Clerk II
  - 1 Accounting Technician I

IV. DATE January 31, 1977 PREPARED BY Joseph J. [Signature]  
 AGENCY Division of Veterans' Affairs  
 PHONE 465-2555  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

FISCAL NOTE (continued)

The additional cost to the state could be almost completely absorbed the first year by increasing the interest rate charged to veterans by  $1/4$  of 1%. (A change from 7- $1/2$ % to 7- $3/4$ % per annum.) This change has been discussed with Sterling Gallagher, the Commissioner of Revenue and he has no objection.

With the increased loan limits and more state funds invested in housing, it is the obligation of the division to insure loan servicing measures are adequate for protection of monies invested. This includes constant vigilance against delinquencies.

If House Bill 51 is passed, companion legislation to bolster the administrative staff to provide adequate protection of monies invested must be passed.



FISCAL NOTE (continued)

The additional cost to the state could be almost completely absorbed the first year by increasing the interest rate charged to veterans by 1/4 of 1%. (A change from 7-1/2% to 7-3/4% per annum.) This change has been discussed with Sterling Gallagher, the Commissioner of Revenue and he has no objection.

With the increased loan limits and more state funds invested in housing, it is the obligation of the division to insure loan servicing measures are adequate for protection of monies invested. This includes constant vigilance against delinquencies.

If House Bill 51 is passed, companion legislation to bolster the administrative staff to provide adequate protection of monies invested must be passed.

4-14

The Finance CS  
for HB 51 was  
reported out as  
HCS CSSB 4. CSHB 51  
was recalled from  
the Clerk's office  
for this purpose.

VE

Mary will find folder.

# COMMITTEE REPORT

4-12-77

## HOUSE

(Returned to Finance)

\_\_\_\_\_ Date

Mr. Speaker:

The Committee on FINANCE has had HB 51

under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for \_\_\_\_\_ and that  
CS for \_\_\_\_\_ do pass
- (and) recommends it be referred to the \_\_\_\_\_  
committee
- reports it back without recommendation
- AND attaches a report of its intent
- (other) \_\_\_\_\_

### MEMBERS SIGNING THE MAJORITY REPORT:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

### MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____	recommends:	_____
_____	recommends:	_____
_____	recommends:	_____

\_\_\_\_\_  
Chairman

A M E N D M E N T

OFFERED IN THE HOUSE:

By: CARPENTER

To: CS HOUSE BILL No. 51

SENATE BILL No. \_\_\_\_\_

PAGE: 2

LINE: 13

Delete Sec. 3. and insert in its place the following:

Sec. 3. AS 26.15.160 (1) (C) is amended to read:

(C) who served in the armed forces of the United States for 90 days or more, or whose service was for a lesser period because of injury or disability incurred in line of duty, between June 25, 1950, and January 31, 1955, or who served in the armed forces of the United States for 90 days or more or whose service was for a lesser period because of injury or disability incurred in line of duty, between August 4, 1964, and July 1, 1977. [ AND A DATE TO BE DETERMINED BY THE LEGISLATURE WHICH SHALL BE ON OR ABOUT SIX MONTHS AFTER THE TERMINATION OF HOSTILITIES INVOLVING FORCES OF THE UNITED STATES IN VIET NAM.]

Sec. 4. This Act takes effect July 1, 1977.

and November 11, 1918, and beginning September 16, 1940 to six months after termination of hostilities involving United States forces in Indo-China, or in a combat zone during any period of armed conflict, who were separated from the armed forces with a discharge other than dishonorable, and

(A) who, at the time of induction into the service, were residents of the territory, who had been residents for not less than one year immediately before their induction, and who returned to the territory or state after discharge as residents with the intention of remaining in the territory or state; or

(B) who, not being bona fide residents of the territory before their entry into the service, have been residents of the territory or state for five or more years;

(2) persons who were dependent on a member of the armed forces or a veteran of World War II at the time of the member's or veteran's death, if

(A) the member or veteran was a resident of the territory for one year before induction into the service; and

(B) he served in the armed forces for at least 90 days between September 16, 1940, and July 25, 1947, but no benefits for loans accrue to dependents of an enlistee or re-enlistee for time served after November 1, 1945, regardless of whether the enlistment or reenlistment was before or after November 1, 1945; and

(C) he died before the official date of the termination of that war; and

(D) his discharge was not dishonorable;

(3) persons who have served in the Alaska Army National Guard or the Alaska Air National Guard or the Alaska Naval Militia for not less than six years and who have not received a discharge other than honorable.

(am § 6 ch 109 SLA 1971; am § 1 ch 68 SLA 1974; am § 1 ch 69 SLA 1974)

**Effect of amendments.**

The 1971 amendment, in subsection (a) (1), inserted "beginning" and substituted "to six months after termination of hostilities involving United States forces in Indo-China" for "and July 25, 1947" in the introductory language and substituted "been residents of the territory or state for 10 or more years" for "lived in the ter-

ritory or state for at least 10 years following their release from active military service" in (B).

The first 1974 amendment substituted "five" for "10" in subsection (a) (1) (B).

The second 1974 amendment added paragraph (3).

As the rest of the section was not affected by the amendments, it is not set out.

**Sec. 26.15.160. Extension of chapter to veterans of Korea and Viet Nam.** The provisions of this chapter, except those provisions relating to the payment of bonuses, are extended to persons who served other than

dishonorably on active duty between June 25, 1950, and January 31, 1955, who served other than dishonorably on active duty between August 4, 1964, and six months after termination of hostilities involving forces of the United States, and to dependents of such persons, subject to the following provisions and eligibility qualifications.

(1) Persons are eligible

(A) who were discharged other than dishonorably from the armed forces of the United States or who are released to a reserve component; and

(B) who at the time of entry into the service were bona fide residents of the territory or State of Alaska and had been residents of the territory or state for not less than one year before their entry into the service; and who have returned to the territory or state within a reasonable length of time after discharge or separation as residents with the intention of remaining in the territory or state; or who, not being bona fide residents of the territory before their entry into the service, have lived in the territory or state for at least five years following their release from active military service; and

(C) who served in the armed forces of the United States for 90 days or more, or whose service was for a lesser period because of injury or disability incurred in line of duty, between June 25, 1950, and January 31, 1955, or who served in the armed forces of the United States for 90 days or more or whose service was for a lesser period because of injury or disability incurred in line of duty, between August 4, 1964, and a date to be determined by the legislature which shall be on or about six months after the termination of hostilities involving forces of the United States in Viet Nam.

(3) No person unless he has lived in the state or territory for at least five years following his release from active military service is eligible for the benefits of this section who is eligible for veterans' benefits under the laws of any other state or territory. A World War II veteran who received a bonus under §§ 120 and 150 of this chapter need not repay the bonus in order to qualify under the loan provisions of this section. (am §§ 2, 3 ch 68 SLA 1974)

**Effect of amendments.**

The 1974 amendment substituted "five" for "10" near the end of paragraph (1) (B) and in the first sentence of paragraph (3).

As the rest of the section was not affected by the amendment, it is not set out.

*entry date  
left open*

STATE  
of ALASKA

# MEMORANDUM

TO: [Honorable Larry Carpenter  
House of Representatives  
Assembly Building - Room 202

DATE: February 9, 1977

FILE NO:

TELEPHONE NO:

FROM: Jack L. Tinsley  
Director  
Division of Veteran's Affairs

SUBJECT: Federal Cut-off Dates

A Presidential Proclamation was issued on May 7, 1975 that officially terminated the Viet Nam era.

Any serviceman discharged after the above date was/is eligible for peacetime benefits only.

Effective on October 15, 1976, the veteran's program for Federal Employment terminated. This program was giving a veteran an additional five to ten points on his test score when applying for Federal Employment.

The Veteran's Affairs education provision of the G. I. Bill terminated on December 31, 1976.

If you have any further questions that I might be of assistance, Larry, feel free to contact this office at any time.

Note: The Viet Nam era officially started August 4, 1964.

JLT/my

must have entered the active military, naval, or air service of the United States in order for such service to qualify as service during that period.

The signing of the cease-fire agreements and implementing protocols on January 27, 1973, between the United States of America and the Republic of Vietnam, on the one hand, and the Democratic Republic of Vietnam and the Provisional Revolutionary Government of the Republic of South Vietnam on the other hand, has terminated active participation by the Armed Forces of the United States in the Vietnam conflict.

NOW, THEREFORE, I, GERALD R. FORD, President of the United States of America, by virtue of the authority vested in me by Section 101(29), of Title 38 of the United States Code, do hereby proclaim, for the purposes of said Section 101(29), that May 7, 1975, is designated as the last day of the 'Vietnam era.'

IN WITNESS WHEREOF, I have hereunto set my hand this seventh day of May in the year of our Lord nineteen hundred seventy-five, and of the Independence of the United States of America the one hundred ninety-ninth."

#### MEDICAL

Of prime importance to all concerned is DM&S Circular 10-75-77, dated April 24, 1975. The subject is Evaluation of Patient Care, quoted for your information:

"The DM&S must assure high quality patient care. I am concerned that a number of our facilities have recently failed to meet the established standards that are periodically assessed by many agencies and organizations within and outside the VA including the Joint Commission on Accreditation of Hospitals (JCAH). Hospital management and hospital staff must act responsively to identify and correct these deficiencies."

DM&S Circular 10-75-79, concerning DM&S policy on acupuncture is quoted for your information:

"1. Although acupuncture has been used for thousands of years in China and for decades in parts of Europe, it is a new procedure of unproven value and efficacy in the United States. Even in those areas of the world where it has been widely used, its mechanism of action is not known.

2. Three units of the National Institutes of Health, the National Institute of General Medical Sciences, National Institute of Neurological Diseases and Stroke, and Fogarty International Center have been designated to assess and identify specific opportunities and needs for research attending the use of acupuncture for surgical anesthesia, relief of chronic pain, and certain diseases. Other reputable medical and scientific institutions in the United States consider acupuncture a research procedure.

COMMITTEE REPORT

2-14-77

HOUSE

*Rules*

4-4-77

Date

Mr. Speaker:

*P787*

The Committee on FINANCE has had HB 51

under consideration. A majority of the members of the Committee

recommends it do pass

recommends it do not pass

recommends it do pass with attached amendment(s)

*(same title; e. d.)*

recommends it be replaced with <sup>*Finance*</sup> CS for HB 51 <sup>*(Finance)*</sup> and that ~~Finance~~ CS for HB 51 <sup>*(Finance)*</sup> do pass

(and) recommends it be referred to the \_\_\_\_\_ committee

reports it back without recommendation

AND attaches a report of its intent

(other) \_\_\_\_\_

MEMBERS SIGNING THE MAJORITY REPORT:

<u><i>Freeman</i></u>	<u><i>[Signature]</i></u>	<u><i>[Signature]</i></u>
<u><i>Rhode</i></u>	<u><i>MEEKIN</i></u>	<u><i>[Signature]</i></u>
<u><i>Kangon</i></u>	<u><i>[Signature]</i></u>	<u><i>[Signature]</i></u>
<u><i>[Signature]</i></u>	<u><i>T Buchholt</i></u>	<u>_____</u>

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

\_\_\_\_\_ recommends: \_\_\_\_\_

\_\_\_\_\_ recommends: \_\_\_\_\_

\_\_\_\_\_ recommends: \_\_\_\_\_

*[Signature]*  
Chairman

1-14-77

COMMITTEE REPORT

FINANCE

HOUSE

2/9/77

Date

Mr. Speaker:

*p 2-28  
Rec F N 16, p1  
HB 51  
PI*

The Committee on COMMERCE has had HB 51 under consideration. A majority of the members of the Committee

recommends it do pass

recommends it do not pass

recommends it do pass with attached amendment(s)

*(same title)*

recommends it be replaced with CS for HB 51 and that CS for HB 51 do pass

(and) recommends it be referred to the \_\_\_\_\_ committee

reports it back without recommendation

AND attaches a report of its intent

(other) AND ATTACHES A REVISED FISCAL NOTE

MEMBERS SIGNING THE MAJORITY REPORT:

<u>[Signature]</u>	<u>Do Pass</u>	<u>Joe McKinnon</u>
<u>[Signature]</u>	<u>Do Pass</u>	
<u>[Signature]</u>	<u>Do Pass</u>	
<u>[Signature]</u>	<u>Do Pass</u>	

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

*RB* [Signature] recommends: No Recommendation

[Signature] recommends: \_\_\_\_\_

[Signature] recommends: \_\_\_\_\_

Joe McKinnon  
Chairman

2870  
Bradley

Original sponsors: Bradley, Beirne,  
Freeman, et al

Offered: 4/6/77  
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 51(Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to veterans' loans; and providing for  
7 an effective date."

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

9 \* Section 1. AS 26.15.040(a)(2), (3) and (4) are amended to read:

10 (2) Farm and home loans not exceeding \$68,250 [\$55,000] may  
11 be made to purchase, remodel, repair, build, furnish, refinance or equip  
12 homes or farms in the state including the clearing and drainage for  
13 farms. The loans may not exceed 90 per cent of the appraised value when  
14 made for the purchase or construction of a home unless additional amounts  
15 are secured by acceptable collateral as determined by the commissioner  
16 of commerce in conformity with established minimum requirements. The  
17 rate of interest may not exceed the interest rate which is charged for  
18 Federal Veterans Administration loans at the time a state loan is  
19 granted.

20 (3) Business loans not exceeding \$125,000 [\$100,000] may be  
21 made to acquire, finance or refinance or equip businesses, including  
22 mining and fishing but not including farming, if the loan applicant has  
23 had three or more years of general business experience. The loans shall  
24 be secured by acceptable collateral and may not exceed 75 per cent of  
25 the appraised value of the collateral offered as security. The rate of  
26 interest may not exceed the interest rate which is charged for Federal  
27 Veterans Administration loans at the time a state loan is granted.

28 (4) Multiple dwelling loans not exceeding \$110,000 [\$80,000]  
29 may be made to purchase, remodel, repair, build, furnish, refinance or

1 equip multiple dwellings. The loans shall be secured by acceptable  
2 collateral and may not exceed 75 per cent of the appraised value of the  
3 collateral offered as security. The rate of interest may not exceed the  
4 interest rate which is charged for Federal Veterans Administration loans  
5 at the time a state loan is granted.

6 \* Sec. 2. AS 26.15.040(c) is amended to read:

7 (c) No loans authorized by (a)(2), (3) and (4) of this section may  
8 be made unless the commissioner of commerce is satisfied that money at a  
9 comparable rate of interest is not available to the applicant from  
10 private lending institutions on a guaranteed basis as set out in (b) of  
11 this section. An applicant is eligible for more than one type of loan,  
12 but the total may not exceed \$125,000 [\$100,000] at any one time.

13 \* Sec. 3. This Act takes effect July 1, 1977.  
14  
15  
16  
17  
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2870  
Bradley

Original sponsors: Bradley, Beirne,  
Freeman, et al

Offered: 2/14/77  
Referred: Finance

1 IN THE HOUSE BY THE COMMERCE COMMITTEE

2 CS FOR HOUSE BILL NO. 51

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to veterans' loans."

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

8 \* Section 1. AS 26.15.040(a)(2), (3) and (4) are amended to read:

9 (2) Farm and home loans not exceeding \$75,000 [\$55,000] may  
10 be made to purchase, remodel, repair, build, furnish, refinance or equip  
11 homes or farms in the state including the clearing and drainage for  
12 farms. The loans may not exceed 90 per cent of the appraised value when  
13 made for the purchase or construction of a home unless additional amounts  
14 are secured by acceptable collateral as determined by the commissioner  
15 of commerce in conformity with established minimum requirements. The  
16 rate of interest may not exceed the interest rate which is charged for  
17 Federal Veterans Administration loans at the time a state loan is  
18 granted.

19 (3) Business loans not exceeding \$125,000 [\$100,000] may be  
20 made to acquire, finance or refinance or equip businesses, including  
21 mining and fishing but not including farming, if the loan applicant has  
22 had three or more years of general business experience. The loans shall  
23 be secured by acceptable collateral and may not exceed 75 per cent of  
24 the appraised value of the collateral offered as security. The rate of  
25 interest may not exceed the interest rate which is charged for Federal  
26 Veterans Administration loans at the time a state loan is granted.

27 (4) Multiple dwelling loans not exceeding \$110,000 [\$80,000]  
28 may be made to purchase, remodel, repair, build, furnish, refinance or  
29 equip multiple dwellings. The loans shall be secured by acceptable

1 collateral and may not exceed 75 per cent of the appraised value of the  
2 collateral offered as security. The rate of interest may not exceed the  
3 interest rate which is charged for Federal Veterans Administration loans  
4 at the time a state loan is granted.

5 \* Sec. 2. AS 26.15.040(c) is amended to read:

6 (c) No loans authorized by (a)(2), (3) and (4) of this section may  
7 be made unless the commissioner of commerce is satisfied that money at a  
8 comparable rate of interest is not available to the applicant from  
9 private lending institutions on a guaranteed basis as set out in (b) of  
10 this section. An applicant is eligible for more than one type of loan,  
11 but the total may not exceed \$125,000 [\$100,000] at any one time.

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

REVISED FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill 51  
 Title "An Act Relating to Veterans' Loans"  
 Requested by House Commerce Committee Date February 8, 1977

II. FISCAL DETAIL

Agency Affected Department of Commerce & Economic Development  
 Program Category Affected Development  
 Budget Request Unit(s) Affected Veterans' Loans

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-				
400 COMMODITIES	-0-					
500 EQUIPMENT	-0-					
600 LAND & STRUCTURES	-0-					
700 GRANTS, CLAIMS, ETC.	-0-					
	-0-					
TOTAL	-0-					

FUNDING (Thousands of Dollars)

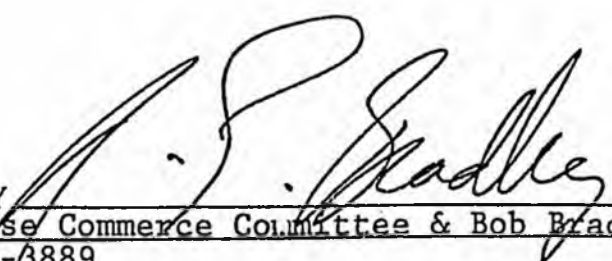
GENERAL FUND	-0-					
FEDERAL FUNDS	-0-					
OTHER (Specify)	-0-					
	-0-					
	-0-					

POSITIONS

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

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Since 16 new positions have been added to the Veterans' Loans program in the past two years, no new positions should be necessary to handle any increase in loans this bill might cause.

IV. DATE February 8, 1977 PREPARED BY   
 AGENCY House Commerce Committee & Bob Bradley  
 PHONE 465-3889  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

Introduced: 1/14/77  
Referred: Commerce and Finance

2870  
Bradley

BY BRADLEY, BEIRNE, FREEMAN,  
GARDINER, GRUENING, MALONE,  
MEEKINS, MILLER, OSE,  
OSTERBACK, PARR, SNIDER AND  
SWANSON

1 IN THE HOUSE

2 HOUSE BILL NO. 51

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to veterans' loans."

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

8 \* Section 1. AS 26.15.040(a)(2) is amended to read:

9 (2) Farm and home loans not exceeding \$75,000 [\$55,000] may  
10 be made to purchase, remodel, repair, build, furnish, refinance or equip  
11 homes or farms in the state including the clearing and drainage for  
12 farms. The loans may not exceed 90 per cent of the appraised value  
13 when made for the purchase or construction of a home unless additional  
14 amounts are secured by acceptable collateral as determined by the com-  
15 missioner of commerce in conformity with established minimum require-  
16 ments. The rate of interest may not exceed the interest rate which is  
17 charged for Federal Veterans Administration loans at the time a state  
18 loan is granted.

19 \* Sec. 2. AS 26.15.040(a)(4) is amended to read:

20 (4) Multiple dwelling loans not exceeding \$110,000 [\$80,000]  
21 may be made to purchase, remodel, repair, build, furnish, refinance or  
22 equip multiple dwellings. The loans shall be secured by acceptable  
23 collateral and may not exceed 75 per cent of the appraised value of the  
24 collateral offered as security. The rate of interest may not exceed  
25 the interest rate which is charged for Federal Veterans Administration  
26 loans at the time a state loan is granted.

ALASKA STATE LEGISLATURE

TENTH Legislature FIRST Session

HOUSE BILL NO. 51

BY BRADLEY, BEIRNE, FREEMAN, GARDINER, GRUENING, MALONE, MEEKINS, MILLER, OSE, OSTERBACK, PARR, SNIDER, AND SWANSON

"An Act relating to veterans' loans."

Veterans' loans

Introduced in the House 1-14, 1977

HISTORY IN THE HOUSE

19 77	Read first time and referred to Committee on
Jan. 14	Commerce and Finance
Feb. 14	Reported back with recommendation that <i>commerce replace of CS</i> <i>departs (a/assisted 2. note)</i> <i>to finance</i>
Apr. 6	<i>finance replace of CS (in)</i> <i>(new title) to rule</i> Read second time and
	Read third time and
	PASS Effective Date
	Yeas Yeas
	Nays Nays
	Absent Absent
	Excused Excused
	Reconsideration
	PASS Effective Date
	Yeas Yeas
	Nays Nays
	Absent Absent
	Excused Excused
	Reported correctly engrossed
	Signed by Speaker
	Sent to Senate
	CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19	Read first time and referred to Committee on
	Reported back with recommendation that
	Read second time and
	Read third time and
	PASS Effective Date
	Yeas Yeas
	Nays Nays
	Absent Absent
	Excused Excused
	Reconsideration
	PASS Effective Date
	Yeas Yeas
	Nays Nays
	Absent Absent
	Excused Excused
	Reported correctly engrossed
	Signed by President
	Returned to House
	SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19	Received from Senate
	Concurred in Senate amendment thus adopting:
	Failed to concur in Senate amendment; asked Sen. to recede
	Senate receded from amendment
	Senate failed to recede from amendment
	FCC appointed by House
	FCC appointed by Senate
	FCC adopted
	To enrolling
	Reported correctly enrolled
	Sent to Governor
	..... by Governor
	Filed with Lt. Governor
	Chapter No. ....

# COMMITTEE REPORT

2-14-77

## HOUSE

4-4-77

Date

Mr. Speaker:

The Committee on FINANCE has had HB 51

under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for HB 51 and that CS for HB 51 do pass
- (and) recommends it be referred to the \_\_\_\_\_ committee
- reports it back without recommendation
- AND attaches a report of its intent
- (other) \_\_\_\_\_

### MEMBERS SIGNING THE MAJORITY REPORT:

<u>FACCOMB</u>	<u>MEERKINS</u>	<u>WATSON</u>
<u>WATSON</u>	<u>WATSON</u>	<u>WATSON</u>
<u>WATSON</u>	<u>WATSON</u>	<u>WATSON</u>
<u>WATSON</u>	<u>WATSON</u>	<u>WATSON</u>

### MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

\_\_\_\_\_ recommends: \_\_\_\_\_

\_\_\_\_\_ recommends: \_\_\_\_\_

\_\_\_\_\_ recommends: \_\_\_\_\_

Don O'Connell

Chairman

Original sponsors: Bradley, Beirne,  
Freeman, et al

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2

CS FOR HOUSE BILL NO. 51(Finance)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to veterans' loans; and providing for  
7 an effective date."

8

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

9

\* Section 1. AS 26.15.040(a)(2), (3) and (4) are amended to read:

10

(2) Farm and home loans not exceeding \$68,250 [\$55,000] may  
11 be made to purchase, remodel, repair, build, furnish, refinance or equip  
12 homes or farms in the state including the clearing and drainage for  
13 farms. The loans may not exceed 90 per cent of the appraised value when  
14 made for the purchase or construction of a home unless additional amounts  
15 are secured by acceptable collateral as determined by the commissioner  
16 of commerce in conformity with established minimum requirements. The  
17 rate of interest may not exceed the interest rate which is charged for  
18 Federal Veterans Administration loans at the time a state loan is  
19 granted.

20

(3) Business loans not exceeding \$125,000 [\$100,000] may be  
21 made to acquire, finance or refinance or equip businesses, including  
22 mining and fishing but not including farming, if the loan applicant has  
23 had three or more years of general business experience. The loans shall  
24 be secured by acceptable collateral and may not exceed 75 per cent of  
25 the appraised value of the collateral offered as security. The rate of  
26 interest may not exceed the interest rate which is charged for Federal  
27 Veterans Administration loans at the time a state loan is granted.

28

(4) Multiple dwelling loans not exceeding \$110,000 [\$80,000]  
29 may be made to purchase, remodel, repair, build, furnish, refinance or

30

1 equip multiple dwellings. The loans shall be secured by acceptable  
2 collateral and may not exceed 75 per cent of the appraised value of the  
3 collateral offered as security. The rate of interest may not exceed the  
4 interest rate which is charged for Federal Veterans Administration loans  
5 at the time a state loan is granted.

6 \* Sec. 2. AS 26.15.040(c) is amended to read:

7 (c) No loans authorized by (a)(2), (3) and (4) of this section may  
8 be made unless the commissioner of commerce is satisfied that money at a  
9 comparable rate of interest is not available to the applicant from  
10 private lending institutions on a guaranteed basis as set out in (b) of  
11 this section. An applicant is eligible for more than one type of loan,  
12 but the total may not exceed \$125,000 [\$100,000] at any one time.

13 \* Sec. 3. This Act takes effect July 1, 1977.  
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To Envois

House Bill 51

Please not with HB 51  
was not given an  
earlier

Will be printed in  
House Supplement #17

Edith

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill 51  
Title "An Act Relating to Veterans' Loans"  
Requested by House Commerce Committee Date January 31, 1977

II. FISCAL DETAIL

Agency Affected Department of Commerce & Economic Development  
Program Category Affected Development  
Budget Request Unit(s) Affected Veterans' Loans

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES	22.6	150.0	159.0	168.5	178.6	189.3
200 TRAVEL		3.0	4.0	4.0	5.0	5.0
300 CONTRACTUAL		20.0	21.0	22.0	23.0	25.0
400 COMMODITIES						
500 EQUIPMENT	2.0	9.0	1.0			
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	24.6	182.0	185.0	194.5	206.6	219.3

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)	24.6	182.0	185.0	194.5	206.6	219.3

POSITIONS

FULL TIME	3	9	9	9	9	9
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Due to the increased demand experienced the last time legislation affecting the Veterans' Affairs program was passed it is estimated that an increase of the loan ceiling from \$55,000.00 to \$67,250.00 will require an additional 9 employees as follows:

- Fairbanks Regional Office -- 1 Clerk Typist III
- Anchorage Regional Office -- 1 Loan Closer I
- 1 Clerk Typist III
- 1 Loan Examiner I
- Juneau Regional Office -- 1 Loan Closer I
- Juneau General Office -- 1 Loan Closer I
- 1 Document Processing Clerk II
- 1 Accounting Clerk II
- 1 Accounting Technician I

IV. DATE January 31, 1977 PREPARED BY Jack J. [Signature]  
AGENCY Division of Veterans' Affairs  
PHONE 465-2555  
Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)

FISCAL NOTE (continued)

The additional cost to the state could be almost completely absorbed the first year by increasing the interest rate charged to veterans by 1/4 of 1%. (A change from 7-1/2% to 7-3/4% per annum.) This change has been discussed with Sterling Gallagher, the Commissioner of Revenue and he has no objection.

With the increased loan limits and more state funds invested in housing, it is the obligation of the division to insure loan servicing measures are adequate for protection of monies invested. This includes constant vigilance against delinquencies.

If House Bill 51 is passed, companion legislation to bolster the administrative staff to provide adequate protection of monies invested must be passed.

STATE  
of ALASKA


## MEMORANDUM

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

TO: Honorable Joe McKinnon  
Chairman  
House Commerce Committee

DATE : January 31, 1977

FROM:

Langhorne A. Motley   
Commissioner  
Department of Commerce and  
Economic Development

SUBJECT: House Bill 51

The results of a cursory survey of the housing market conducted in Anchorage and Fairbanks were reviewed by the Division of Veterans' Affairs. The average Veteran, with the normal 10% down payment, could finance up to and including the average 4 bedroom home in these areas with the Veterans' Loan Program if the loan ceiling were raised to \$67,250.00.

The average cost of housing in Anchorage is as follows:

2 bedroom	\$63,630.00
3 bedroom	70,084.00
4 bedroom	85,187.00
5 bedroom	99,000.00

The average cost of housing in Fairbanks is as follows:

3 bedroom	\$65,000.00 to 80,000.00
-----------	-----------------------------

Utilizing an average cost of \$75,000, a 10% down payment would require a loan of \$67,500. The figure of \$67,250 matches the maximum loan amount by the Federal VA, FHA, FNMA, and FHLBB, the major lenders of residential mortgage money.

Fiscal impact:

It is estimated the modification of the existing limit of \$55,000.00 to \$67,250.00 will increase the loan demand by 20% on new loan origination and by 10% on refinancing. This would require an additional 9 people in the Veterans' Affairs Office for origination and servicing.

The current volume of \$60,000,000.00 per year in new loans generates an annual income of \$600,000.00 based on 1/2 of 1% loan fee + 1/2 of 1% servicing fee. An increase of the interest charged to the Veteran of 1/4 of 1% would increase the return to the State to \$750,00.00 or an increase of \$150,000.00 per year. Anticipating the increase in demand

FORM 02-0018C  
FOR BRIEF COMMUNICATIONS  
MAY BE HANDWRITTEN

# MEMORANDUM

## State of Alaska

TO: Leg. Affairs

DEPT \_\_\_\_\_  
DIV \_\_\_\_\_  
SEC \_\_\_\_\_

DATE : 4-4-77

FROM: Rebecca Enger  
House Finance

SUBJECT: CS for HB 51

Please prepare a finance CS and  
return to me in Room 411 tomorrow,  
April 5.

Thanks.

# **CORRECTION**

**THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY**

STATE  
of ALASKA


## MEMORANDUM

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

TO: Honorable Joe McKinnon  
Chairman  
House Commerce Committee

DATE : January 31, 1977

FROM:

Langhorne A. Motley   
Commissioner  
Department of Commerce and  
Economic Development

SUBJECT: House Bill 51

The results of a cursory survey of the housing market conducted in Anchorage and Fairbanks were reviewed by the Division of Veterans' Affairs. The average Veteran, with the normal 10% down payment, could finance up to and including the average 4 bedroom home in these areas with the Veterans' Loan Program if the loan ceiling were raised to \$67,250.00.

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Honorable Joe McKinnon  
January 31, 1977  
Page Two

for new loans and rewriting existing loans at the above ratios, this would almost cover the cost of the additional personnel required for the additional volume of loans processed.

Recommendation:

It is our position that raising the limit to \$67,500 would more nearly meet the average loan requirements of the people. In keeping with the philosophy of "paying as you go," if this bill passes, with the accompanying fiscal note, it is the intention of this Department to raise the interest rate 1/4% to cover the additional costs.

FORM 02-0018C  
FOR BRIEF COMMUNICATIONS  
MAY BE HANDWRITTEN

# MEMORANDUM

State of Alaska

TO:  Leg. Affairs

DEPT. \_\_\_\_\_  
DIV. \_\_\_\_\_  
SEC. \_\_\_\_\_

DATE : 4-4-77

FROM: Rebecca Enger  
House Finance

SUBJECT: CS for HB 51

Please prepare a Finance CS and  
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April 5.

Thanks.

Original sponsors: Bradley, Beirne,  
Freeman, et al

Offered: 2/14/77  
Referred: Finance

1 IN THE HOUSE

BY THE <sup>Finance</sup> ~~COMMERCE~~ COMMITTEE

2 CS FOR HOUSE BILL NO. 51

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

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