

LEG. FINANCE - BILLS 1977 - 1978 852  
HB 938 cont., thru HB 943

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Bonds No [ ]

\* Sec. 6. This Act takes effect immediately in accordance with AS 01.10.-  
070(c).

## STATE OF ALASKA

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH 5 - JUNEAU 99811

JAY S. HAMMOND, GOVERNOR

HB 938

April 19, 1978

The Honorable Bob Bradley  
Chairman  
House State Affairs Committee  
Alaska State Legislature  
State Capitol Building  
Juneau, Alaska

Re: House Bill No. 938

Dear Mr. Bradley:

House Bill No. 938, an Act providing for the issuance of general obligation bonds in the amount of \$119,479,173 for the purpose of paying the cost of airport improvements, was introduced in the House on April 17, 1978 and was referred to the House State Affairs and Finance Committees.

The State's Bond Counsel, Mr. C. Richard Walker of Orrick, Herrington, Rowley and Sutcliffe has advised that general obligation bonds of the State and nearly all other state and local government bonds are issued in the denomination of \$5,000, the standard unit.

Using Committee Substitute for House Bill No. 938 as an example, according to Mr. Walker, this would result in issuing less than the total amount of bonds authorized or in issuing one odd bond in the denomination of \$4,713 along with 23,895 bonds in the usual denomination of \$5,000.

Issuing a bond in an odd denomination requires extra time, expense and confusion in connection with the preparation of the resolution, notice of sale, official statement and other documents relating to the bonds, the printing of one odd bond with all of its special coupons, and all of the selling, accounting and paying activities.

On the other hand, it would be highly unusual to find an estimate of expenditures, used in connection with determining the principal amount of nearly a one hundred and twenty million bond issue, that was within \$5,000 of being a perfectly precise estimate. Consequently, it is respectfully recommended that your Committee round off the principal amount of the proposed bond issue to the nearest \$5,000 and make an adjustment of one of the projects enumerated in the bill to conform with the adjustment.

Very truly yours,

R. D. Stevenson  
Special Assistant

cc: The Honorable Steve Cowper  
Chairman  
House Finance Committee  
Alaska State Legislature  
State Capitol Building  
Juneau, Alaska

Sterling Gallagher  
Commissioner of Revenue  
Secretary, State Bond Committee

David Klemmer, Debt Manager  
Treasury Division  
Department of Revenue

Original sponsor: State Affairs Committee

Offered: 5/18/78  
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2

CS FOR HOUSE BILL NO. 938

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-  
7 tion bonds in the amount of \$31,325,000 for the purpose  
8 of paying the cost of airport improvements; and pro-  
9 viding for an effective date."

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

11 \* Section 1. For the purpose of providing funds in addition to federal  
12 funds available for payment of the cost of airport extensions, construction  
13 of new airports and cross-wind landing surfaces, runway resurfacing and  
14 paving, and other general improvements, general obligation bonds of the state  
15 in the principal amount of not more than \$31,325,000 shall be issued and  
16 sold. The Department of Transportation and Public Facilities shall have  
17 discretionary use of these funds for priority improvement projects for which  
18 federal matching funds are not available. The full faith, credit and re-  
19 sources of the state are pledged to the payment of the principal of and  
20 interest and redemption premium, if any, on these bonds. These bonds shall  
21 be issued under the provisions of AS 37.15 as those provisions read at the  
22 time of issuance.

23 \* Sec. 2. If the issuance of these bonds is authorized by the qualified  
24 voters of the state, a special fund of the state to be known as the "1978  
25 Airport Development Fund" shall be established, to which shall be credited  
26 the proceeds of the sale of the bonds described in sec. 1 of this Act except  
27 for the accrued interest and premiums. The amount of \$31,325,000 is appro-  
28 priated from the "1978 Airport Development Fund" to the Department of Trans-  
29 portation and Public Facilities. The proceeds of these bonds shall be further

1 appropriated, notwithstanding the provisions of AS 24.30.037, by house elec-  
2 tion districts for trunk and secondary airport improvements and statewide  
3 for aviation facilities as provided in this section. Publication by the  
4 lieutenant governor of the appropriation made by this section is sufficient  
5 to meet the requirements of AS 15.15.040.

6	(1) House District 1	\$ 225,603
7	(2) House District 4	955,262
8	(3) House District 5	258,150
9	(4) House District 6	283,155
10	(5) House District 14	195,832
11	(6) House District 15	4,564,865
12	(7) House District 16	5,158,362
13	(8) House District 17	2,129,253
14	(9) House District 18	3,741,253
15	(10) House District 19	1,652,205
16	(11) House District 20	149,881
17	(12) House District 21	2,156,869
18	(13) House District 22	3,529,310
19	(14) Statewide - aviation facilities	6,321,000

20 \* Sec. 3. If the issuance of these bonds is authorized by the qualified  
21 voters of the state, the amount of \$110,000 or as much of that amount as is  
22 found necessary is appropriated from the general fund of the state to the  
23 state bond committee to carry out the provisions of this Act and to pay  
24 expenses incident to the sale and issuance of the bonds authorized in this  
25 Act. The amounts expended from the appropriation authorized by this section  
26 shall be reimbursed to the general fund from the proceeds of the sale of the  
27 bonds authorized by this Act.

28 \* Sec. 4. The amount withdrawn from the public facilities planning fund  
29 for the purpose of advance planning for the improvements financed under this

1 Act shall be reimbursed to the fund from the proceeds of the sale of bonds  
2 authorized by this Act.

3 \* Sec. 5. The question whether the bonds authorized in this Act are to be  
4 issued shall be submitted to the qualified voters of the state at the next  
5 general election and shall read substantially as follows:

6 Proposition

7 State General Obligation Airport Development

8 Bonds \$31,325,000

9 Shall the State of Alaska issue its general obligation bonds  
10 in the principal amount of not more than \$31,325,000 for the  
11 purpose of paying the cost of airport extensions, construction  
12 of new airports and cross-wind landing surfaces, runway resur-  
13 facing and paving, and other general improvements?

14 Bonds Yes [ ]

15 Bonds No [ ]

16 \* Sec. 6. This Act takes effect immediately in accordance with AS 01.10.-  
17 070(c).

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# COMMITTEE REPORT

5/18/78

## HOUSE

FURTHER: \_\_\_\_\_

Date: \_\_\_\_\_

Mr. Speaker:

The Committee on FINANCE has had HB 938  
"An Act providing for the issuance of g.o. bonds in the amount of \$119,479,173  
for the purpose of paying the cost of airport improvements; e.d.

under consideration and (a majority of the committee) (the committee reports it back as follows)

- 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 \_\_\_\_\_  new title       same title
- AND attaches a Letter of Intent                       New Fiscal Note
- reports it back without recommendation
- and recommends it be referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

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COMMITTEE REPORT

HOUSE

4/17/78

FURTHER: FINANCE

Date: May 17, 1978

Mr. Speaker:

The Committee on STATE AFFAIRS has had HB 938  
"An Act providing for the issuance of g.o. bonds in the amount of \$119,479,173 for the purpose of paying the cost of airport improvements; eff. date."

under consideration and (~~a majority of the committee~~) (the committee reports it back as follows)

( ) 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-938

and that it do pass w/att am  new title ( ) same title

( ) AND attaches a Letter of Intent ( ) New Fiscal Note

( ) reports it back without recommendation

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

MEMBERS SIGNING DO PASS:

A.S. Bradley  
ADD DR DO PASS  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

OTHER RECOMMENDATIONS:

② Tom Kelly - No Rec  
Joe McKinnon - No Rec  
③ Frank W. Latham - Do Not Pass  
\_\_\_\_\_  
\_\_\_\_\_

A.S. Bradley  
Chairman

AMENDMENT #1

OFFERED IN THE HOUSE:

BY: SA Comm.

TO: \_\_\_\_\_ HOUSE BILL No. CSHB-938

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

PAGE: 2

LINE: 4

Add "s" to appropriation, to read:

lieutenant governor of the appropriations made by this section  
is sufficient . . .

532.7  
Bernier

Original sponsor: State Affairs Committee

Offered: 5/18/78  
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 938

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-  
7 tion bonds in the amount of \$31,325,000 for the purpose  
8 of paying the cost of airport improvements; and pro-  
9 viding for an effective date."

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12 funds available for payment of the cost of airport extensions, construction  
13 of new airports and cross-wind landing surfaces, runway resurfacing and  
14 paving, and other general improvements, general obligation bonds of the state  
15 in the principal amount of not more than \$31,325,000 shall be issued and  
16 sold. The Department of Transportation and Public Facilities shall have  
17 discretionary use of these funds for priority improvement projects for which  
18 federal matching funds are not available. The full faith, credit and re-  
19 sources of the state are pledged to the payment of the principal of and  
20 interest and redemption premium, if any, on these bonds. These bonds shall  
21 be issued under the provisions of AS 37.15 as those provisions read at the  
22 time of issuance.

23 \* Sec. 2. If the issuance of these bonds is authorized by the qualified  
24 voters of the state, a special fund of the state to be known as the "1978  
25 Airport Development Fund" shall be established, to which shall be credited  
26 the proceeds of the sale of the bonds described in sec. 1 of this Act except  
27 for the accrued interest and premiums. The amount of \$31,325,000 is appro-  
28 priated from the "1978 Airport Development Fund" to the Department of Trans-  
29 portation and Public Facilities. The proceeds of these bonds shall be further

COMMITTEE COPY

-1-

CSHB 938

1 appropriated, notwithstanding the provisions of AS 24.30.037, by house elec-  
2 tion districts for trunk and secondary airport improvements and statewide  
3 for aviation facilities as provided in this section. Publication by the  
4 lieutenant governor of the appropriation made by this section is sufficient  
5 to meet the requirements of AS 15.15.040.

6	(1) House District 1	\$ 225,603
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21 voters of the state, the amount of \$110,000 or as much of that amount as is  
22 found necessary is appropriated from the general fund of the state to the  
23 state bond committee to carry out the provisions of this Act and to pay  
24 expenses incident to the sale and issuance of the bonds authorized in this  
25 Act. The amounts expended from the appropriation authorized by this section  
26 shall be reimbursed to the general fund from the proceeds of the sale of the  
27 bonds authorized by this Act.

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29 for the purpose of advance planning for the improvements financed under this

1 Act shall be reimbursed to the fund from the proceeds of the sale of bonds  
2 authorized by this Act.

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4 issued shall be submitted to the qualified voters of the state at the next  
5 general election and shall read substantially as follows:

6 Proposition

7 State General Obligation Airport Development

8 Bonds \$31,325,000

9 Shall the State of Alaska issue its general obligation bonds  
10 in the principal amount of not more than \$31,325,000 for the  
11 purpose of paying the cost of airport extensions, construction  
12 of new airports and cross-wind landing surfaces, runway resur-  
13 facing and paving, and other general improvements?

14 Bonds Yes [ ]

15 Bonds No [ ]

16 \* Sec. 6. This Act takes effect immediately in accordance with AS 01.10.-  
17 070(c).

Holle  
5327



Introduced: 4/17/78  
Referred: State Affairs and  
Finance

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE

2 HOUSE BILL NO. 938

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obligation  
7 bonds in the amount of \$119,479,173 for the purpose of  
8 paying the cost of airport improvements; and providing  
9 for an effective date."

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

11 \* Section 1. For the purpose of paying the cost of airport extensions,  
12 the construction of new airports, the construction of cross-wind landing  
13 strips, runway resurfacing and paving, and other general improvements,  
14 general obligation bonds of the state in the principal amount of not more  
15 than \$119,479,173 shall be issued and sold. The full faith, credit and  
16 resources of the state are pledged to the payment of the principal of and  
17 interest and redemption premium, if any, on these bonds. These bonds shall  
18 be issued under the provisions of AS 37.15 as those provisions read at the  
19 time of issuance.

20 \* Sec. 2. If the issuance of these bonds is authorized by the qualified  
21 voters of the state, a special fund of the state to be known as the "1978  
22 Airport Improvement Fund" shall be established, to which shall be credited  
23 the proceeds of the sale of the bonds described in sec. 1 of this Act except  
24 for the accrued interest and premiums. The amount of \$119,479,173 is appro-  
25 priated from the "1978 Airport Improvement Fund" to the Department of Trans-  
26 portation and Public Facilities. The proceeds of these bonds shall be allo-  
27 cated as follows and for the indicated purposes:

28 (1) \$5,000 per site for each site listed in paragraphs (5) -  
29 (132) of this section for the assessment of state property rights.

1 (2) \$10,000 per site for each site listed in paragraphs  
2 (5) - (132) of this section for a topographic survey.

3 (3) \$10,000 per site for each site listed in paragraphs  
4 (5) - (132) of this section for a study of foundation and materials  
5 required for construction.

6 (4) \$20,000 per site for each site listed in paragraphs  
7 (5) - (132) of this section for preliminary design and cost estimation.

8	(5) Akhiok - runway extension	\$ 335,700
9	(6) Akiak - runway extension	649,020
10	(7) Akiachak - runway extension	880,280
11	(8) Akutan - general improvements	300,000
12	(9) Alakanuk - new airport (relocation)	1,323,000
13	(10) Aleknagik - new airport	945,000
14	(11) Ambler - resurfacing (gravel)	315,000
15	(12) Aniak - fencing	300,000
16	(13) Anvik - runway extension	373,000
17	(14) Atka - new airport	1,500,000
18	(15) Beaver - general improvements (general 19 maintenance)	150,000
20	(16) Bethel - general improvements (repair 21 Brown Slough Road)	1,406,000
22	(17) Big Lake 2 - runway extension	584,864
23	(18) Birch Creek - new airport	945,000
24	(19) Boundary - resurfacing (gravel)	396,900
25	(20) Brevig Mission - runway extension	1,305,500
26	(21) Buckland - new airport (relocation)	1,323,000
27	(22) Central	
28	A. runway extension	410,300
29	B. resurfacing (gravel)	302,400

1	(23) Chalkyitsik - resurfacing (gravel)	315,000
2	(24) Chefnak - resurfacing (gravel)	350,000
3	(25) Chevak	
4	A. runway extension	373,000
5	B. resurfacing (gravel)	350,000
6	(26) Chignik Lagoon - runway extension	484,900
7	(27) Chuathbaluk - runway extension	97,500
8	(28) Chuloonawick - new airport	340,200
9	(29) Circle City - general improvements	
10	(apron)	250,000
11	(30) Clarks Point - runway extension	829,925
12	(31) Cold Bay - general improvements	
13	(blast fence)	100,000
14	(32) Copper Center NR. 1	
15	A. resurfacing (gravel)	408,240
16	B. general improvements (mark	
17	for distance)	10,000
18	(33) Copper Center NR. 2	
19	A. runway extension	522,200
20	B. resurfacing (gravel)	264,600
21	C. general improvements (mark	
22	for distance)	10,000
23	(34) Crooked Creek - new airport	945,000
24	(35) Deering	
25	A. runway extension	186,500
26	B. general improvements	500,000
27	(36) Diomede - new airport	945,000
28	(37) Dutch Harbor	
29	A. runway extension	1,000,000

1	B. resurfacing (gravel)	2,932,500
2	(38) Eagle - new airport	567,000
3	(39) Eek - runway extension	484,900
4	(40) Egegik	
5	A. runway extension	2,230,540
6	B. cross-strip	567,000
7	(41) Ekuk - new airport (relocation)	425,250
8	(42) Ekwok	
9	A. runway extension	643,052
10	B. cross-strip	567,000
11	(43) Elim - runway extension	716,160
12	(44) Emmonak	
13	A. resurfacing (gravel)	176,400
14	B. general improvements (apron	
15	completion)	150,000
16	(45) False Pass - runway extension	335,700
17	(46) Fortuna Ledge - new airport (re-	
18	location)	2,000,000
19	(47) Fort Yukon - general improvements	
20	(apron extension)	200,000
21	(48) Gambell	
22	A. runway extension	1,119,000
23	B. resurfacing (asphalt)	1,173,000
24	(49) Golovin - runway extension	589,340
25	(50) Goodnews Bay - runway extension	785,165
26	(51) Haines - resurfacing (asphalt)	2,508,186
27	(52) Hoonah - runway extension	74,600
28	(53) Hooper Bay - general improvements	
29	(erosion control)	500,000

1	(54) Ivanof Bay - new airport	945,000
2	(55) Kaktovik - new airport	945,000
3	(56) Kakhonak - runway extension	484,900
4	(57) Kalskag - runway extension	649,020
5	(58) Kaltag	
6	A. runway extension	1,137,650
7	B. general improvements	72,000
8	(59) Karluk - runway extension	593,070
9	(60) Kasilof - runway extension	261,100
10	(61) Ketchikan SP Float - general improve-	
11	ments (SP pullout facility)	200,000
12	(62) King Cove	
13	A. runway extension	1,305,500
14	B. resurfacing (asphalt)	2,932,500
15	(63) Kipnuk	
16	A. cross-strip	567,000
17	B. resurfacing (gravel)	302,400
18	(64) Kivalina - runway extension	862,376
19	(65) Kobuk - new airport (relocation)	945,000
20	(66) Koliganek - runway extension	111,900
21	(67) Kongiganak	
22	A. runway extension	298,400
23	B. cross-strip	567,000
24	(68) Kotlik - runway extension	335,700
25	(69) Koyuk - runway extension	708,700
26	(70) Koyukuk	
27	A. runway extension	1,622,550
28	B. resurfacing (gravel)	113,400
29	(71) Kwethluk	

1	A. runway extension	261,100
2	B. cross-strip	567,000
3	(72) Kwigillingok	
4	A. runway extension	186,500
5	B. cross-strip	567,000
6	C. resurfacing (gravel)	315,000
7	(73) Larson Bay - runway extension	484,900
8	(74) Levelock - runway extension	335,700
9	(75) Lime Village - new airport	425,250
10	(76) Manley Hot Springs - runway extension	89,520
11	(77) Manokotak	
12	A. cross-strip	567,000
13	B. resurfacing (gravel)	327,600
14	(78) Minto (New) - runway extension	559,500
15	(79) Mountain Village - runway extension	639,695
16	(80) Naknek - runway extension	619,180
17	(81) Naknek (South)	
18	A. cross-strip	567,000
19	B. resurfacing (gravel)	315,000
20	(82) Napaiskiak - resurfacing (gravel)	340,200
21	(83) Nelson Lagoon - new airport	1,323,000
22	(84) Newtok	
23	A. new airport (relocation)	1,134,000
24	B. resurfacing (gravel)	157,500
25	(85) Nightmute - new airport	425,250
26	(86) Nikolai - runway extension	932,500
27	(87) Noatak - runway extension	261,100
28	(88) Nondalton - runway extension	289,075
29	(89) Noorvik	

1	A. runway extension	895,200
2	B. cross-strip	567,000
3	(90) Nornek Lake - general improvements	
4	(SF ramp)	150,000
5	(91) Nulato - resurfacing (gravel)	529,200
6	(92) Ohgsenakale	
7	A. runway extension	261,100
8	B. cross-strip	567,000
9	(93) Old Harbor - new airport (relocation)	945,000
10	(94) Pedro Bay - runway extension	58,188
11	(95) Perryville	
12	A. runway extension	233,125
13	B. resurfacing (gravel)	63,000
14	(96) Pilot Point - cross-strip	567,000
15	(97) Pilot Station - resurfacing (gravel)	260,820
16	(98) Platinum - resurfacing (gravel)	589,453
17	(99) Port Heiden - resurfacing (gravel)	2,835,000
18	(100) Quinhagak	
19	A. new airport (relocation)	945,000
20	B. cross-strip	567,000
21	(101) Rampart - runway extension	279,750
22	(102) Ruby - runway extension	1,500,000
23	(103) Russian Mission-Yukon - resurfacing	
24	(gravel)	187,740
25	(104) St. George - new airport	2,835,000
26	(105) St. Michael - runway extension	937,162
27	(106) Sand Point - new airport (re-	
28	location)	3,402,000
29	(107) Savoonga - resurfacing (gravel)	756,000

1	(108)	Selawik	
2		A. runway extension	500,000
3		B. resurfacing (gravel)	170,931
4	(109)	Shageluk - resurfacing (gravel)	194,040
5	(110)	Shaktoolik - runway extension	992,180
6	(111)	Sheldon Point - new airport	1,323,000
7	(112)	Shishmaref - new airport (re-	
8		location)	1,323,000
9	(113)	Shungnak - runway extension	484,900
10	(114)	Skagway, resurfacing (asphalt)	2,111,400
11	(115)	Sleetmute - runway extension	559,201
12	(116)	Stebbins - runway extension	600,343
13	(117)	Stevens Village - resurfacing (gravel)	83,160
14	(118)	Stuyahok (New)	
15		A. runway extension	111,900
16		B. cross-strip	567,000
17	(119)	Tanana	
18		A. runway extension	350,247
19		B. resurfacing (asphalt)	2,932,500
20	(120)	Thorne Bay - new airport	850,500
21	(121)	Togiak - new airport (relocation)	2,835,000
22	(122)	Tooksook Bay - runway extension	570,690
23	(123)	Tununak - runway extension	451,162
24	(124)	Twin Hills	
25		A. runway extension	261,100
26		B. cross-strip	567,000
27	(125)	Tuluksak - runway extension	186,500
28	(126)	Tuntutuliak - new airport	1,134,000
29	(127)	Ugashik - new airport	567,000

1	(128) Umiat - resurfacing (gravel)	1,178,155
2	(129) Unalakleet - runway extension	2,500,000
3	(130) Venetic - new airport	945,000
4	(131) Wasilla - resurfacing (asphalt)	756,585
5	(132) White Mountain - runway extension	395,380

6 \* Sec. 3. If the issuance of these bonds is authorized by the qualified  
7 voters of the state, the amount of \$418,177 or as much of that amount as is  
8 found necessary is appropriated from the general fund of the state to the  
9 state bond committee to carry out the provisions of this Act and to pay  
10 expenses incident to the sale and issuance of the bonds authorized in this  
11 Act. The amounts expended from the appropriation authorized by this section  
12 shall be reimbursed to the general fund from the proceeds of the sale of the  
13 bonds authorized by this Act.

14 \* Sec. 4. The amount withdrawn from the Public Facility Planning Fund for  
15 the purpose of advance planning for the improvements financed under this Act  
16 shall be reimbursed to the fund from the proceeds of the sale of bonds autho-  
17 rized by this Act.

18 \* Sec. 5. The question whether the bonds authorized in this Act are to be  
19 issued shall be submitted to the qualified voters of the state at the next  
20 general election and shall read substantially as follows:

21 Proposition

22 State General Obligation Airport Improvement

23 Bonds \$119,479,173

24 Shall the State of Alaska issue its general obligation bonds  
25 in the principal amount of not more than \$119,479,173 for  
26 the purpose of paying the cost of airport extensions, con-  
27 struction of new airports and cross-wind landing surfaces,  
28 runway resurfacing and paving, and other general improvements?

29 Bonds Yes [ ]

Bonds No [ ]

\* Sec. 6. This Act takes effect immediately in accordance with AS 01.10.-  
070(c).

ALASKA STATE LEGISLATURE

TENTH..... Legislature SECOND.. Session

HOUSE BILL..... NO. 938

By THE STATE AFFAIRS COMMITTEE

"An Act providing for the issuance of general obligation bonds in the amount of \$119,479,173 for the purpose of paying the cost of airport improvements; and providing for an effective date."

g.o.bonds airport improvements

Introduced in the House ..... 4-17-1978.

HISTORY IN THE HOUSE

1978		Read first time and referred to Committee on State Affairs and Finance
Apr.	17	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 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

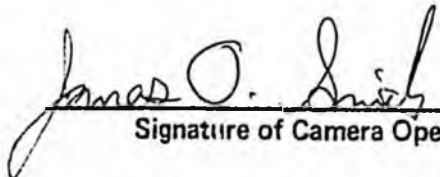
19		Received from Senate
		Concurred in Senate amendment thus adopting:
		Failed to concur in Senate amendment; asked Sen. to recede
		Senate receded from amendment
		Senate failed to recede from amendment
		FCC appointed by House
		FCC appointed by Senate
		FCC adopted
		To enrolling
		Reported correctly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

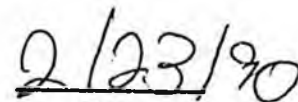


# RECORDS CERTIFICATION



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

HB 939

UNIVERSITY OF ALASKA  
FAIRBANKS, ALASKA 99701

April 19, 1978

Mr. Ron Lind  
Director  
Division of Budget & Management  
Pouch C  
Juneau, Alaska 99811

RE: - 5% COLA Salary Data.  
- 1/1/78 Through 6/30/78.  
- 7/1/78 Through 6/30/79.

Dear Mr. Lind:

In response to your recent request for salary cost data per reference, please be informed as follows:

	<u>1/1/78-6/30/78</u> FY 78	<u>7/1/78-6/30/79</u> FY 79
Fund #1.....	\$1,310.6.....	\$2,621.2
Fund #2 (Restricted) ..	<u>235.2.....</u>	<u>470.3</u>
Total.....	<u>\$1,545.8.....</u>	<u>\$3,091.5</u>

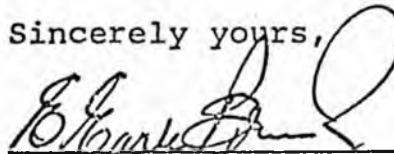
Several comments seem appropriate relative to the foregoing in the interest of communication. First, specific to the Fund #2 salary cost calculations, such have been pursued with a view to the University supporting/contributing to 50% of the cost of the COLA. The rationale for such approach is fundamentally one of carrying forth past practice (i.e., in previous fiscal years, up through the first six (6) months period in the FY 78, the University's practice has been to support Fund #2 COLA salary increases @50% of the cost). Wherein recognition is given to the fact that Dr. Neil D. Humphrey did talk of not contributing to the Fund #2 salary cost of a COLA(s) in future fiscal years, in entertaining the full impact of such decision, if implemented, one soon encounters some real problems of equity and disparity (e.g., the real cases where given professional personnel's assignments are divided in such fashion as to be partially funded by Fund #2 monies and partially funded by Fund #1 monies....such cases, if divided say 50-50, would obtain only one-half of a COLA

increase. Such cases could be expanded upon to three-part assignments, etc.).

Secondly, still addressing the Fund #2 COLA matter, to change past practice at this point in time would create havoc and ill-feelings in that it would not permit sufficient time for any 'units' to seek project cost adjustments through the given agencies involved.. ..even if the potential of such procedure were reasonably positive, which in any case is highly problematic. Lastly, still speaking to the Fund #2 COLA increases, if such increases were to be borne totally by projects, in due course such approach would undoubtedly serve to negatively affect the success witnessed by the University in competitively vying for project awards in and among any number of applicant-competitors. Accordingly, on balance, it is the considered opinion of the University that the past practice of the University should be continued, now and in the future.

Beyond the foregoing the COLA salary cost projections presented hereinunder are viewed as reasonably accurate for the purpose(s) outlined in your memo. In the event of any question or additional requirement, please feel free to contact me for answers and/or subscription to whatever requirements established or imposed.

Sincerely yours,



---

Dr. E. Earle Brewer  
Vice President for Finance

EEB:kw

HFC

# STATE OF ALASKA

## OFFICE OF THE GOVERNOR

BUDGET & MANAGEMENT

POUCH AM — JUNEAU 99811  
PHONE 465-2213

JAY S. HAMMOND, GOVERNOR

April 24, 1978

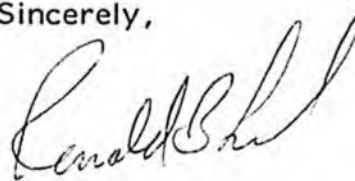
The Honorable Steve Cowper  
Chairman  
Alaska House of Representatives  
Pouch V  
Juneau, Alaska 99811

Dear Representative Cowper:

Please amend HB939, a supplemental appropriation for the purpose of paying a 5% cost-of-living increase to non-covered employees, to read:

"The sum of \$2,491,300 is appropriated from the general fund to the Office of the Governor (Department of Administration) . . . . .

Sincerely,



Ronald B. Lind  
Director

ref: File: J-77-162-78

cc: Art Peterson  
Jay Hogan  
Keith Specking

NB 939

April 14, 1978

MEMORANDUM

TO: Alison Elgee  
Division of Budget and Management

FROM: Pat Williams *Pat*  
Legislative Finance Division

SUBJECT: 5% Salary Increase

Confirming our telephone conversation, the following are the amounts needed to cover the 5% salary increase for employees in the Legislative Finance Division. The FY 79 figure includes the increased amount for health coverage (\$16.75 per month per employee):

<u>FY 78 - January 1 - June 30, 1978</u>	\$13,374
<u>FY 79 - July 1, 1978-June 30, 1979</u>	31,748

A  
D  
O  
S

4632

25% benefits

\$13,374

2,675

10,699

x .05

213,979

0.05

Jan 1 - June 30 1978

\$31,748

3,000

5,841

22,907

x .05

458,148

25% benefits  
health insurance

total budget  
\$458,148

179

# COMMITTEE REPORT

## HOUSE

4/17/78

FURTHER: \_\_\_\_\_  
\_\_\_\_\_

Date: \_\_\_\_\_

Mr. Speaker:

The Committee on FINANCE has had HB 939

"An Act making a supplemental appropriation to the Department of Administration; eff. date."

under consideration and (a majority of the committee) (the committee reports it back as follows)

- 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 \_\_\_\_\_  new title                       same title

- AND attaches a Letter of Intent                       New Fiscal Note  
 reports it back without recommendation  
 and recommends it be referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

\_\_\_\_\_  
\_\_\_\_\_  
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\_\_\_\_\_

Introduced: 4/17/78  
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 939

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the  
7 Department of Administration; and providing for an  
8 effective date."

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

10 \* Section 1. The sum of \$2,491,300 is appropriated from the general  
11 fund to the Department of Administration, to fund the cost-of-living adjust-  
12 ment, for Fiscal Year 1978, for state employees not covered by a collective  
13 bargaining agreement.

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

HB 939

April 17, 1978

The Honorable Hugh Malone  
Speaker of the House  
Alaska State Legislature  
Juneau, Alaska 99811

Dear Mr. Speaker:

Under authority of art. III, sec. 18 of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill making a supplemental appropriation to fund the five per cent cost-of-living adjustment for state employees not covered by a collective bargaining agreement.

This request is for Fiscal Year 1978, and I intend to request a budget amendment to cover these payments for Fiscal Year 1979.

Sincerely,

S/SSH

Jay S. Hammond  
Governor

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. HOUSE BILL NO. 939  
 Title Sup. Approp. - Pay and benefits increases for non-covered employees  
 Requested by Office of the Governor Date 4-14-78

II. FISCAL DETAIL  
 Agency Affected Executive branch, Legislative branch, AK Court System, U. of A.  
 Program Category Affected General Government  
 Budget Request Unit(s) Affected Salary and Benefits Increases

EXPENDITURES (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES	2491.3	4663.8	**	**	**	**
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	<b>2491.3</b>	<b>4663.8</b>				

FUNDING (Thousands of Dollars)

GENERAL FUND	2491.3	4663.8	**	**	**	**
FEDERAL FUNDS						
OTHER (Specify)						

\*\* Future costs as reflected by FY 79 with changes due to increased number of employees and any future cost-of-living increases.

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

5% Salary increase cost:	FY 78	FY 79
Executive Branch (1)	657.6	1,365.6
AK Court System (1)(2)	218.2	451.6
University of Alaska (1)(2)	1,545.8	2,621.2
Legislative Branch: (1)		
Legislative Affairs	50.0	107.9
Legislative Finance	13.4	28.7
Legislative Audit	-0-	67.3
Ombudsman	6.3	21.5
<b>TOTAL</b>	<b>2,491.3</b>	<b>4,663.8</b>

(1) Estimates prepared by respective agencies

(2) FY 78 cost includes 235.2 funding to cover 50% of "other funded" U. of A. employees, no funding included in FY 79

IV. DATE 4-14-78 PREPARED BY Alison Elgee  
 AGENCY Division of Budget & Management  
 PHONE 465-4632  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

Executive Branch  
 FY 78 Cost  
 of 5% Pay Raise  
 1/1/78 - 6/30/78

\$1,711.5	Monthly Payroll Base
X .05	% increase effective 1/1/78
<u>85.6</u>	\$ increase
X .02	Vacancy reduction
<u>1.7</u>	Cost of vacancy reduction
87.3	Monthly increase in base
X 25.5	% benefits
<u>22.3</u>	Cost of benefits
109.6	Monthly cost of increase
X 6	to arrive at 6 month cost
<u>\$657.6</u>	6 month cost of increase

All general fund

ALASKA STATE LEGISLATURE

TENTH... Legislature SECOND... Session

HOUSE bill NO. 939

By THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

"An Act making a supplemental appropriation to the Department of Administration; and providing for an effective date."

supp. approp. Admin. COLA  
Introduced in the House 4-17-78

HISTORY IN THE HOUSE

1978	Read first time and referred to Committee on Finance																						
Apr. 17	Reported back with recommendation that																						
	Read second time and																						
	Read third time and																						
	<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> <tr> <td colspan="2">Reconsideration</td> </tr> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused	Reconsideration		PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
PASS	Effective Date																						
Yeas	Yeas																						
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PASS	Effective Date																						
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	SECRETARY OF THE SENATE																						

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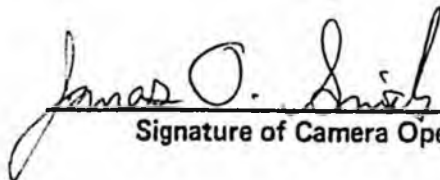
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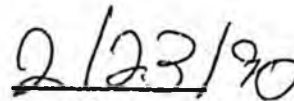


# RECORDS CERTIFICATION



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Signature of Camera Operator

  
Date

Original sponsor: Rules Committee by  
request of the Governor

Offered: 6/9/78  
Referred: Rules

*FINANCE*

1 IN THE HOUSE

~~BY THE SPECIAL COMMITTEE ON THE  
SALE OF ROYALTY OIL AND GAS~~

2

~~CS FOR HOUSE BILL NO. 943 (Royalty O&G)~~  
*House CS For CSHB 603 (Rules)*  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act creating the Alaska Gas Pipeline Financing  
7 Authority; and providing for an effective date."

8

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

9

\* Section 1. AS 44 is amended by adding a new chapter to read:

10

Sec. 44.55.010. LEGISLATIVE FINDINGS. The legislature finds that

11

(1) if the state makes a final determination that production  
12 of natural gas from the Prudhoe Bay reservoir will be consistent with  
13 optimal recovery of oil and gas from the reservoir, and if the Congress  
14 of the United States and federal regulatory agencies take favorable  
15 action with respect to matters of Alaska natural gas policy, then timely  
16 construction of the Alaska Highway Natural Gas Pipeline Project will be  
17 in the best interest of the state and of the United States;

12

13

14

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16

17

18

(2) state assistance to the financing of the project will  
19 promote an essential public purpose in assuring timely transportation to  
20 market of Prudhoe Bay natural gas;

19

20

21

(3) the project is essential to the development of the natu-  
22 ral resources and the long-term economic growth of the state, and will  
23 directly and indirectly provide employment in the state;

21

22

23

24

(4) additional benefits to Alaska from the project include  
25 increased state and local tax revenues, enhanced availability of natural  
26 gas for Alaska communities, and stimulus and expansion of the private  
27 sector economy, including greater potential for development of in-state  
28 manufacturing, refining and processing facilities;

24

25

26

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28

29

(5) construction of the project is a matter of statewide

1 concern; there is no existing general law adequate for the purpose of  
2 assisting with financing of the project, as provided in this chapter;

3 (6) it is a public purpose of the State of Alaska to promote  
4 timely completion of the project through the creation of an instrumen-  
5 tality empowered to sell revenue bonds, the interest on which is exempt  
6 from federal income tax except when held by a substantial user or re-  
7 lated person as these terms are defined in sec. 103 of the Internal  
8 Revenue Code of 1954 as amended, and to use the proceeds to purchase or  
9 otherwise acquire obligations issued with respect to the project;

10 (7) an amendment by Act of Congress to sec. 103 of the In-  
11 ternal Revenue Code of 1954 as amended is required if the authority is  
12 to be empowered to sell revenue bonds, the interest on which is exempt  
13 from federal income tax and that the authority should be established in  
14 the event Congress does decide that the amendment would be in the  
15 national interest;

16 (8) <sup>the</sup> establishment of the authority as contained in this  
17 chapter, ~~and equity-related direct state financial participation in the~~ <sup>shall be the sole direct or indirect financial support</sup> ~~pipeline project in the amount of \$500,000,000, as substantially de-~~  
18 ~~scribed in "A Plan for Alaska's Financial Participation in the Alaska~~  
19 ~~Highway Pipeline Project" dated April 17, 1978, and subject to legisla-~~  
20 ~~tive approval of such direct equity-related investment, shall be the~~  
21 ~~state's sole direct or indirect financial participation in or financial~~  
22 ~~support of the project;~~  
23

24 (9) establishment of the authority as contained in this  
25 chapter constitutes no waiver, either explicit or implied, of valid  
26 state laws or regulations, or of the state's power to make such laws or  
27 regulations as it considers necessary;

28 (10) the best interests of the project sponsors and the state  
29 would be served by selecting a person who is knowledgeable with respect

of the  
project  
unless the  
Legislature  
approves  
state related  
financing

Introduced: 4/20/78  
Referred: The Special Committee on  
the Sale of Royalty Oil & Gas and  
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 943

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act creating the Alaska Gas Pipeline Financing  
7 Authority; and providing for an effective date."

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

9 \* Section 1. AS 44 is amended by adding a new chapter to read:

10 Sec. 44.55.010. LEGISLATIVE FINDINGS. The legislature finds

11 that:

12 (1) timely construction of the Alaska Highway Natural Gas  
13 Pipeline Project is in the best interest of the state and of the  
14 United States;

15 (2) state assistance to the financing of the project will  
16 promote an essential public purpose in assuring early transportation  
17 to market of Prudhoe Bay natural gas;

18 (3) the project is essential to the development of the  
19 natural resources and the long-term economic growth of the state, and  
20 will directly and indirectly alleviate unemployment in the state;

21 (4) additional benefits to Alaska from the project include  
22 increased state and local tax revenue, enhanced availability of  
23 natural gas for Alaska communities, and stimulus and expansion of the  
24 private sector economy, including greater potential for development of  
25 in-state manufacturing, refining and processing facilities;

26 (5) construction of the project is a matter of immediate  
27 statewide concern; there is no existing general law adequate for the  
28 purpose of assisting with financing of the project, as provided in  
29 this chapter;

1           (6) it is a public purpose of the State of Alaska to promote  
2 early completion of the project through the creation of an instrumen-  
3 tality empowered to sell revenue bonds, the interest on which is  
4 exempt from federal income tax, and to use the proceeds to purchase or  
5 otherwise acquire obligations issued with respect to the project.

6           Sec. 44.55.020. CREATION OF AUTHORITY. There is created the  
7 Alaska Gas Pipeline Financing Authority. The authority is a public  
8 corporation of the state. It is an instrumentality of the state  
9 within the Department of Revenue, but has a legal existence independent  
10 of and separate from the state. Exercise by the authority of the  
11 powers conferred by this chapter is an essential governmental function  
12 of the state.

13           Sec. 44.55.030. MEMBERSHIP. The membership of the authority  
14 consists of the commissioner of revenue, the commissioner of commerce  
15 and economic development, and the commissioner of natural resources.  
16 The commissioner of revenue is chairman of the authority. If a member  
17 is unable for any reason to attend a meeting of the authority, he or  
18 she may, by a written instrument filed with the authority, designate a  
19 person within his or her department to act in his or her place at the  
20 meeting. For all purposes of this chapter, the designee is a member  
21 of the authority at the meeting.

22           Sec. 44.55.040. OFFICERS AND QUORUM. The members may elect  
23 other officers as they consider desirable. Two members constitute a  
24 quorum. Action may be taken and motions and resolutions adopted by  
25 the authority at a meeting by the affirmative vote of at least two  
26 members.

27           Sec. 44.55.050. COMPENSATION. The members of the authority are  
28 entitled to reimbursement from the authority for actual expenses  
29 incurred in the performance of their duties.

1           Sec. 44.55.060. STAFF. The authority may employ an executive  
2 director who may, with the approval of the authority, select and  
3 employ additional staff as necessary. Employees of the authority are  
4 in the exempt service under AS 39.25.110. In addition to its staff of  
5 regular employees, the authority may contract for and engage the  
6 services of bond counsel, consultants, experts, and financial advisors  
7 the authority considers necessary for the purpose of developing infor-  
8 mation, furnishing advice, or conducting studies, investigations,  
9 hearings, or other proceedings.

10           Sec. 44.55.070. LEGAL COUNSEL. The attorney genera<sup>l</sup> is the  
11 legal counsel for the corporation. He shall advise the corporation in  
12 legal matters and represent it in legal actions.

13           Sec. 44.55.080. PURPOSE OF AUTHORITY. The purpose of the autho-  
14 rity is to assist in the financing of the project through the issuance  
15 of revenue bonds as provided in this chapter.

16           Sec. 44.55.090. GENERAL POWERS. In furtherance of its purpose,  
17 the authority has the following powers in addition to its other powers:

- 18           (1) to sue and be sued;
- 19           (2) to have a seal and alter it at pleasure;
- 20           (3) to make and alter by-laws for its organization and  
21 internal management;
- 22           (4) to maintain an office at any place in the state;
- 23           (5) to acquire, hold, use, mortgage, encumber, or otherwise  
24 dispose of income, revenue, funds, memberships, contracts, bonds or  
25 other property or interests in a corporation or other legal entity, or  
26 any other real or personal property;
- 27           (6) to accept gifts, grants, or loans from, and enter into  
28 contracts or other transactions with, any national, state, or municipi-  
29 pal government, or agency or instrumentality of a government, or with

1 any private organization, or other source;

2 (7) to deposit or invest its funds subject to agreements  
3 with bondholders and other parties; and

4 (8) to enter into contracts or agreements with respect to  
5 the exercise of its powers, and to do all things necessary or conveni-  
6 ent to carry out its purpose and to exercise the powers granted in  
7 this chapter.

8 Sec. 44.55.100. BONDS OF THE AUTHORITY. (a) The authority may  
9 borrow money and issue revenue bonds, the interest on which is exempt  
10 from federal income tax, up to the principal amount of one billion  
11 dollars. Bonds of the authority may be issued for the purpose of  
12 purchasing or otherwise acquiring any obligation issued with respect  
13 to the project in any form which is fixed and certain as to terms of  
14 repayment. The principal and interest on the bonds are payable from  
15 the income and receipts or other money derived by the authority with  
16 respect to the project, except to the extent payable out of money  
17 attributable to the proceeds of the sale of the bonds or out of income  
18 from the temporary investment of those proceeds.

19 (b) The bonds issued by the authority do not constitute an  
20 indebtedness or other liability of the state or of a political sub-  
21 division of the state, but are payable solely from the income and  
22 receipts or other funds or property of the authority. The authority  
23 may not pledge the faith or credit of the state or of a political sub-  
24 division of the state, to the payment of a bond, and the issuance of a  
25 bond by the authority may not directly or indirectly or contingently  
26 obligate the state or a political subdivision of the state in any  
27 manner, except as specifically provided in this chapter.

28 (c) Bonds must be authorized by resolution of the authority and  
29 must be dated and mature as the resolution provides. Bonds must bear

1 interest at the rate or rates, be in the denominations, be in the  
2 form, either coupon or registered, carry the registration privileges,  
3 be executed in the manner, be payable in the medium of payment, at the  
4 place or places, and be subject to the terms of redemption which the  
5 resolution provides.

6 (d) All bonds, regardless of form or character, are negotiable  
7 instruments for all the purposes of the Uniform Commercial Code.

8 (e) All bonds may be sold at public or private sale in the  
9 manner, for the price, and at the time which the authority determines.

10 (f) The authority may enter into leases, installment sale or  
11 purchase agreements, and loan or other financing agreements necessary  
12 or desirable to secure the bonds. Before the issuance of bonds, the  
13 authority shall make provision by agreement for payment of amounts at  
14 least sufficient in the judgment of the authority to pay the principal  
15 of and interest on the bonds as they become due and to establish or  
16 maintain the reserves for payment, if any, as the authority considers  
17 necessary or desirable.

18 Sec. 44.55.110. TRUST INDENTURES AND TRUST AGREEMENTS. In the  
19 discretion of the authority, an issue of bonds may be secured by a  
20 trust indenture or trust agreement between the authority and a cor-  
21 porate trustee (which may be a trust company, bank, or national banking  
22 association, with corporate trust powers, located inside or outside  
23 the state) or by a secured loan agreement or other instrument or under  
24 a resolution giving powers to a corporate trustee by means of which  
25 the authority may:

26 (1) make and enter into all agreements with the trustee or  
27 the holders of the bonds which the authority may determine to be  
28 necessary or desirable;

29 (2) pledge, mortgage, or assign money, agreements, property

1 or other assets of the authority either presently in hand or to be  
2 received in the future, or both; and

3 (3) provide for any other matters of like or different  
4 character which may in any way affect the security or protection of  
5 the bonds.

6 Sec. 44.55.120. NONLIABILITY ON BONDS. Neither the members of  
7 the authority nor a person executing the bonds is liable personally on  
8 the bonds or subject to personal liability or accountability by reason  
9 of the issuance of the bonds.

10 Sec. 44.55.130. PLEDGE OF THE STATE. The state pledges to agree  
11 with the holders of bonds issued under this chapter, that the state  
12 will not limit or alter the rights and powers vested in the authority  
13 by this chapter to fulfill the terms of any contract made by the  
14 authority with those holders, or in any way impair the rights and  
15 remedies of those holders until the principal amount of the bonds,  
16 together with interest on them, with interest on unpaid installments  
17 of that interest, and all costs and expenses in connection with any  
18 action or proceeding by or on behalf of those holders, are fully met  
19 and discharged. The authority is authorized to include this pledge  
20 and agreement of the state in a contract with those holders.

21 Sec. 44.55.140. EXEMPTION FROM TAXATION. All property of the  
22 authority is public property devoted to an essential public and govern-  
23 mental function and is exempt from all taxes of the state or a politi-  
24 cal subdivision of the state, including without limitation all boroughs,  
25 cities, and unified municipalities. All bonds of the authority are  
26 issued by a body corporate and politic of the state and for an essen-  
27 tial public and governmental purpose, and the bonds, the interest on  
28 them, and the income and receipts pledged to pay or secure the payment  
29 of the bonds or interest on them, are at all times exempt from taxation

1 by or under the authority of the state, except for inheritance and  
2 estate taxes on transfers by or in contemplation of death. Nothing in  
3 this section affects or limits an exemption from license fees, property  
4 taxes, or excise, income or any other taxes, provided under any other  
5 law, nor does it create a tax exemption with respect to the interest  
6 of any business enterprise or other person, other than the authority,  
7 in any property, assets, income, receipts, project, or lease, whether  
8 or not financed under this chapter.

9 Sec. 44.55.150. BONDS LEGAL INVESTMENTS FOR FIDUCIARIES. The  
10 bonds of the authority are securities in which all public officers and  
11 bodies of the state and all municipalities and municipal subdivisions,  
12 all insurance companies and associations and other persons carrying on  
13 an insurance business, all banks, bankers, trust companies, savings  
14 banks, savings associations, including savings and loan associations  
15 and building and loan associations, investment companies, and other  
16 persons carrying on a banking business, all administrators, guardians,  
17 executors, trustees and other fiduciaries, and all other persons or  
18 entities whatsoever who are, as of the effective date of this Act, or  
19 may hereafter be, authorized to invest in bonds or other obligations  
20 of the state, may properly and legally invest funds, including capital  
21 in their control or belonging to them. Notwithstanding any other  
22 provisions of law, the bonds of the authority are also securities  
23 which may be deposited with and may be received by all public officers  
24 and bodies of this state and all municipalities and municipal subdivi-  
25 sions for any purpose for which the deposit of bonds or other obliga-  
26 tions of the state is, as of the effective date of this Act, or may  
27 hereafter be, authorized.

28 Sec. 44.55.160. REGULATIONS. The authority may adopt regulations  
29 to implement the purposes of this chapter.

1           Sec. 44.55.170. ANNUAL AUDIT. The authority shall have its  
2 financial records audited annually by the legislative auditor or by a  
3 certified public accountant approved by the legislative auditor. The  
4 legislative auditor may prescribe the form and content of the financial  
5 records of the authority and is entitled to access to these records at  
6 any time.

7           Sec. 44.55.180. ANNUAL REPORT. Before December 1 of each year,  
8 the authority shall submit to the governor and the legislature a  
9 comprehensive report, in form prescribed by the governor, describing  
10 operations, income and expenditures for the preceding 12-month period.

11           Sec. 44.55.900. DEFINITIONS. In this chapter

12                 (1) "authority" means the Alaska Gas Pipeline Financing  
13 Authority, established under this chapter;

14                 (2) "bonds" means bonds, notes, or other evidences of  
15 indebtedness of the authority;

16                 (3) "project" means the gas transmission pipeline (together  
17 with all related property and facilities) to extend from the Prudhoe  
18 Bay area on the North Slope of Alaska to a connection with the Trans-  
19 Canada Pipeline on the Alaska-Canada border, as described in the  
20 President's report entitled "Decision and Report to Congress on the  
21 Alaska Natural Gas Transportation System", issued by the President on  
22 September 22, 1977, under provisions of the Alaska Natural Gas Trans-  
23 portation Act of 1976, and includes planning, design, and construction  
24 of the pipeline and facilities.

25           \* Sec. 2. This Act takes effect immediately in accordance with AS 01.-  
26 10.070(c).

Original sponsor: Rules Committee by  
request of the Governor

Offered: 6/5/78  
Referred: Finance

1 IN THE HOUSE

BY THE SPECIAL COMMITTEE ON THE  
SALE OF ROYALTY OIL AND GAS

2 CS FOR HOUSE BILL NO. 943

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act creating the Alaska Gas Pipeline Financing  
7 Authority; and providing for an effective date."

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

9 \* Section 1. AS 44 is amended by adding a new chapter to read:

10 Sec. 44.55.010. LEGISLATIVE FINDINGS. The legislature finds that

11 (1) pending the state's final determination that production  
12 of natural gas from the Prudhoe Bay reservoir will be consistent with  
13 optimal recovery of oil and gas from the reservoir, and pending positive  
14 action by the Congress of the United States and federal regulatory  
15 agencies with respect to matters of natural gas policy, timely construc-  
16 tion of the Alaska Highway Natural Gas Pipeline Project is in the best  
17 interest of the state and of the United States;

18 (2) state assistance to the financing of the project will  
19 promote an essential public purpose in assuring timely transportation to  
20 market of Prudhoe Bay natural gas;

21 (3) the project is essential to the development of the natu-  
22 ral resources and the long-term economic growth of the state, and will  
23 directly and indirectly provide employment in the state;

24 (4) additional benefits to Alaska from the project include  
25 increased state and local tax revenue, enhanced availability of natural  
26 gas for Alaska communities, and stimulus and expansion of the private  
27 sector economy, including greater potential for development of in-state  
28 manufacturing, refining and processing facilities;

29 (5) construction of the project is a matter of statewide

1 concern; there is no existing general law adequate for the purpose of  
2 assisting with financing of the project, as provided in this chapter;

3 (6) it is a public purpose of the State of Alaska to promote  
4 timely completion of the project through the creation of an instrumen-  
5 tality empowered to sell revenue bonds, the interest on which is exempt  
6 from federal income tax except when held by a substantial user or re-  
7 lated person as these terms are defined in sec. 103 of the Internal  
8 Revenue Code of 1954 as amended, and to use the proceeds to purchase or  
9 otherwise acquire obligations issued with respect to the project;

10 (7) an amendment by Act of Congress to sec. 103 of the In-  
11 ternal Revenue Code of 1954 as amended is required if the authority is  
12 to be empowered to sell revenue bonds, the interest on which is exempt  
13 from federal income tax and that the authority should be established in  
14 the event Congress does decide that the amendment would be in the  
15 national interest;

16 (8) establishment of the authority as contained in this  
17 chapter, and equity-related direct state financial participation in the  
18 pipeline project in the amount of \$500,000,000, as substantially de-  
19 scribed in "A Plan for Alaska's Financial Participation in the Alaska  
20 Highway Pipeline Project" dated April 17, 1978, and subject to legisla-  
21 tive approval of such direct equity-related investment, shall be the  
22 state's sole direct or indirect financial participation in or financial  
23 support of the project;

24 (9) establishment of the authority as contained in this  
25 chapter constitutes no waiver, either explicit or implied, of valid  
26 state laws or regulations, or of the state's power to make such laws or  
27 regulations as it considers necessary;

28 (10) the best interests of the project during inception,  
29 construction, and operation would be served by election as a member of

1 the Board of Partners of Alaskan Northwest Natural Gas Transportation  
2 Company a person who is knowledgeable with respect to major corporate  
3 activities in the State of Alaska;

4 (11) certain communities, especially those located near the  
5 proposed pipeline right-of-way, will bear a disproportionate share of  
6 the social and economic costs of the project and the state and the  
7 project sponsors have a responsibility to assist these local communities  
8 in predicting, preparing for and minimizing these costs;

9 (12) realization of the state and national interests enumer-  
10 ated in this section is dependent on the state making a quantifiable  
11 judgment determination as to the amount of natural gas that can be  
12 produced from Prudhoe Bay consistent with optimal recovery of oil and  
13 gas reserves from the Prudhoe Bay reservoir, and upon favorable reso-  
14 lution by the national government of the policy and regulatory issues  
15 pertaining to the production, transportation and sale of North Slope  
16 natural gas.

17 Sec. 44.55.020. CREATION OF AUTHORITY. There is created the  
18 Alaska Gas Pipeline Financing Authority. The authority is a public  
19 corporation of the state. It is an instrumentality of the state within  
20 the Department of Revenue, but has a legal existence independent of and  
21 separate from the state. Exercise by the authority of the powers con-  
22 ferred by this chapter is an essential governmental function of the  
23 state.

24 Sec. 44.55.030. MEMBERSHIP. The membership of the authority  
25 consists of the commissioner of revenue, the commissioner of commerce  
26 and economic development, and the commissioner of natural resources.  
27 The commissioner of revenue is chairman of the authority. If a member  
28 is unable for any reason to attend a meeting of the authority, the  
29 member may, by a written instrument filed with the authority, designate

1 a person within his department to act in the member's place at the  
2 meeting. For all purposes of this chapter, the designee is a member of  
3 the authority at the meeting.

4 Sec. 44.55.040. OFFICERS AND QUORUM. The members may elect other  
5 officers as they consider desirable. Two members constitute a quorum.  
6 Action may be taken and motions and resolutions adopted by the authority  
7 at a meeting by the affirmative vote of at least two members.

8 Sec. 44.55.050. COMPENSATION. The members of the authority serve  
9 without compensation but are entitled to the same travel pay and per  
10 diem as provided by law for board members who are state employees.

11 Sec. 44.55.060. STAFF. The authority may employ an executive  
12 director who may, with the approval of the authority, select and employ  
13 additional staff as necessary. Employees of the authority are in the  
14 exempt service under AS 39.25.110. In addition to its staff of regular  
15 employees, the authority may contract for and engage the services of  
16 bond counsel, consultants, experts, and financial advisors the authority  
17 considers necessary for the purpose of developing information, furnish-  
18 ing advice, or conducting studies, investigations, hearings, or other  
19 proceedings.

20 Sec. 44.55.070. LEGAL COUNSEL. The attorney general is the legal  
21 counsel for the corporation. He shall advise the corporation in legal  
22 matters and represent it in legal actions.

23 Sec. 44.55.080. PURPOSE OF AUTHORITY. The purpose of the autho-  
24 rity is to assist in the financing of the project through the issuance  
25 of revenue bonds as provided in this chapter.

26 Sec. 44.55.090. GENERAL POWERS. In furtherance of its purpose,  
27 the authority has the following powers in addition to its other powers:

- 28 (1) to sue and be sued;  
29 (2) to have a seal and alter it at pleasure;

1 (3) to make and alter bylaws for its organization and inter-  
2 nal management;

3 (4) to maintain an office at any place in the state;

4 (5) to acquire, hold, use, mortgage, encumber, or otherwise  
5 dispose of income, revenue, funds, membership, contracts, bonds or  
6 other property or interests in a corporation or other legal entity, or  
7 any other real or personal property;

8 (6) to accept gifts, grants, or loans from, and enter into  
9 contracts or other transactions with, any national, state, or municipal  
10 government, or agency or instrumentality of a government, or with any  
11 private organization, or other source;

12 (7) to deposit or invest its funds subject to agreements with  
13 bondholders and other parties; and

14 (8) to enter into contracts or agreements with respect to the  
15 exercise of its powers, and to do all things necessary or convenient to  
16 carry out its purpose and to exercise the powers granted in this chap-  
17 ter.

18 Sec. 44.55.100. BONDS OF THE AUTHORITY. (a) The authority may  
19 borrow money and issue revenue bonds, in one or more series, the in-  
20 terest on which is exempt from federal income tax except when held by a  
21 substantial user or related person as defined in sec. 103 of the Inter-  
22 nal Revenue Code of 1954 as amended, up to the principal amount of  
23 \$1,000,000,000 inclusive of amounts required for fund reserves, capi-  
24 talized interest, and costs of issuance of the bonds or notes and exclu-  
25 sive of refunding bonds. Bonds of the authority may be issued for the  
26 purpose of purchasing or otherwise acquiring any obligation issued with  
27 respect to the project in any form which is fixed and certain as to  
28 terms of repayment and for the establishment of reserves to secure or to  
29 pay bonds or notes or interest on bonds or notes and all other costs of

1 the authority incident to and necessary for issuance of bonds or notes.  
2 The principal and interest on the bonds are payable from the income and  
3 receipts or other money derived by the authority with respect to the  
4 project, except to the extent payable out of money attributable to the  
5 proceeds of the sale of the bonds or out of income from the temporary  
6 investment of those proceeds.

7 (b) The bonds issued by the authority do not constitute an indebt-  
8 edness or other liability of the state or of a political subdivision of  
9 the state, but are payable solely from the income and receipts or other  
10 money of the authority. The authority may not pledge the faith or  
11 credit of the state or of a political subdivision of the state to the  
12 payment of a bond, and the issuance of a bond by the authority may not  
13 directly or indirectly or contingently obligate the state or a political  
14 subdivision of the state in any manner, except as specifically provided  
15 in this chapter.

16 (c) Bonds shall be authorized by resolution of the authority and  
17 shall be dated and mature as the resolution provides. Bonds shall bear  
18 interest at the rate or rates, be in the denominations, be in the form,  
19 either coupon or registered, carry the registration privileges, be  
20 executed in the manner, be payable in the medium of payment, at the  
21 place or places, and be subject to the terms of redemption which the  
22 resolution provides.

23 (d) All bonds, regardless of form or character, are negotiable  
24 instruments for all the purposes of the Uniform Commercial Code.

25 (e) All bonds may be sold at public or private sale in the manner,  
26 for the price, and at the time or times which the authority determines.

27 (f) The authority may enter into financing agreements necessary or  
28 desirable to secure the bonds. Before the issuance of bonds, the au-  
29 thority shall make provision by agreement with the owner or user of the

1 project for payment by the owner or user of amounts at least sufficient  
2 in the judgment of the authority to pay the principal of and interest on  
3 the bonds as they become due, to establish or maintain the reserves for  
4 payment, if any, as the authority considers necessary or desirable.

5 (g) Refunding obligations may be sold or exchanged for outstanding  
6 obligations issued under this chapter subject to legislative approval.  
7 If sold, the proceeds may be applied, in addition to other authorized  
8 purposes, to the purchase, redemption or payment of the outstanding  
9 obligations. Pending the application of the proceeds of any refunding  
10 obligations, with any other available funds, to the payment of the  
11 principal (accrued interest and any redemption premium on the obliga-  
12 tions being refunded, and if so provided or permitted in the authoriza-  
13 tion for issuance of the refunding obligations, to the payment of any  
14 interest on the refunding obligations and any expenses in connection  
15 with the refunding), the proceeds may be invested in direct obligations  
16 of, or obligations the principal of and the interest on which are un-  
17 conditionally guaranteed by, the United States of America which mature  
18 or which will be subject to redemption, at the option of the holders of  
19 them, not later than the respective dates when the proceeds, together  
20 with the interest accruing on them, will be required for the purposes  
21 intended.

22 Sec. 44.55.110. SUBMISSION OF FINANCIAL AND ALASKA IMPACT PLAN.

23 With respect to the bonds of the authority and the project, the author-  
24 ity shall submit to the legislature by the 60th day of the first session  
25 of the Eleventh Legislature a financial and Alaska impact plan for the  
26 project. The financial and Alaska impact plan shall be a general des-  
27 cription of the status of the project with respect to engineering,  
28 technical, financial and regulatory matters relating to the project. In  
29 addition, the plan shall include the following specific items including

1 findings and recommendations on each item:

2 (1) the proposed methods and procedures by which the project  
3 will be financed including the amounts and times of issuance of bonds by  
4 the authority;

5 (2) the method of securing the bonds;

6 (3) projected debt service requirements of the bonds; and

7 (4) projected revenues for the period of time during which  
8 reasonable projections can be made, which will be available to the  
9 authority to meet debt service requirement;

10 (5) the extent to which the state's right to withdraw its  
11 royalty share of the natural gas stream as described in section 13(b) of  
12 the Alaska Natural Gas Transportation Act (P.L. 94-586) is protected and  
13 assured;

14 (6) the amount and type of financial support which the  
15 Prudhoe Bay natural gas producers have committed in support of the  
16 project;

17 (7) documentation that the project sponsors have entered into  
18 binding agreements with the state to guarantee that

19 (A) all workers employed for the construction, operation  
20 and maintenance of the project will be drawn from the existing and  
21 resident Alaska work force if such workers are available and pos-  
22 sessed of the requisite qualifications for project construction,  
23 operation or maintenance work;

24 (B) all vendor, material, labor and professional service  
25 contracts and subcontracts let for work to be performed within  
26 Alaska shall be let to existing resident Alaska contractors or  
27 firms if such contractors or firms are reasonably available and  
28 qualified in other respects;

29 (C) insure that quarterly audits of performance with

1           respect to the minimum levels of performance contained in (A) and  
2           (B) of this paragraph shall be conducted, and the results of these  
3           audits transmitted to the legislature and other interested state  
4           officials in a timely manner;

5           (8) the estimated number of Alaska workers who will be em-  
6           ployed under the provisions of the binding agreement described in (7)(A)  
7           of this section, the estimated total number of workers to be employed on  
8           the project during construction, the estimated dollar volume of con-  
9           tracts which will be let to Alaska contractors or firms under the pro-  
10          visions of the binding agreement described in (7)(B) of this section,  
11          and the estimated total dollar volume of contracts which will be let for  
12          the project during construction;

13          (9) determination of whether a minimum capital pool of debt  
14          and equity funds equal to at least 150 per cent of the estimated project  
15          cost has been committed to the project, in order to provide sufficient  
16          capital to insure timely project completion;

17          (10) documentation that the project sponsors have supported  
18          the following objectives or, when appropriate, have filed or supported  
19          the necessary documents and exhibits before the appropriate federal or  
20          regulatory agencies to achieve those objectives:

21           (A) an intra-state natural gas tariff based on a zone  
22           tariff concept, with as many zones as state officials believe to be  
23           in the state's best interest;

24           (B) that the minimum average wellhead price for Prudhoe  
25           Bay natural gas sales shall be the higher of \$1.48 per mcf (or such  
26           escalated price as may be provided for by federal law or regula-  
27           tion) or the BTU-equivalent price for Prudhoe Bay oil if the higher  
28           BTU-equivalent price is permissible under applicable federal laws  
29           and regulations;

1 (C) that treatment and conditioning costs shall be added  
2 on to, and not included in, the minimum average wellhead price  
3 contained in (B) of this paragraph;

4 (D) that the minimum average wellhead price described in  
5 (10)(B) of this section shall apply only to Prudhoe Bay natural  
6 gas;

7 (E) that rolled-in pricing shall be used with respect to  
8 marketing Alaskan natural gas in contiguous United States or  
9 Canadian markets;

10 (F) that payment to or reimbursement of the state for  
11 items contained in (13) of this section shall be included in the  
12 rate base;

13 (11) documentation that the appropriate state agencies have  
14 considered the study described in (13)(B) of this section, and a deter-  
15 mination by these agencies with respect to the extent, if any, that  
16 production of Prudhoe Bay natural gas in volumes sufficient to meet  
17 project requirements would be in the state's best interest;

18 (12) the preliminary financial plan for the entire transmis-  
19 sion system, as prepared for submission to the Federal Energy Regulatory  
20 Commission;

21 (13) documentation that the partnership has entered into a  
22 binding agreement with the State of Alaska, approved by the appropriate  
23 federal regulatory agencies, to pay for or reimburse the state for  
24 expenses associated with the following state activities: (A) provision  
25 of in-state off-take facilities at locations to be determined by the  
26 state; (B) design and development of a three-dimensional Prudhoe Bay  
27 reservoir production model; (C) study and determination of the state's  
28 bond capacity and bond rating, with respect to both the authority bonds  
29 and potential state equity-related investment; (D) provision of state

1 personnel and equipment required to carry out the state's supervisory  
2 and regulatory functions with respect to construction and operation  
3 of the pipeline project; (E) provision of local impact information  
4 and planning assistance for communities affected by the pipeline pro-  
5 ject.

6 Sec. 44.55.115. LEGISLATIVE APPROVAL. The legislature shall  
7 approve or disapprove the financial and Alaska impact plan and the sale  
8 of refunding bonds by concurrent resolution. If the plan or the sale of  
9 refunding bonds is not disapproved within 30 days after presentation to  
10 the legislature, it is approved. The legislature may approve the plan  
11 with conditions concerning matters included in the plan, and the condi-  
12 tional approval becomes effective upon certification to the legislature  
13 by the authority that the authority has accepted the conditions and  
14 modified the plan in accordance. No bonds or notes may be issued or  
15 sold until the approval required by this section has been obtained, and  
16 no bonds or notes may be issued or sold except in accordance with the  
17 approved plan. Amendments to the plan may be submitted before the  
18 passage by the authority of the resolution authorizing the sale of bonds  
19 and become effective upon approval by the legislature by concurrent  
20 resolution.

21 Sec. 44.55.117. NOMINATION OF A MEMBER OF THE BOARD. Under sec.  
22 10(10) of this chapter the governor shall nominate within 30 days of the  
23 effective date of this Act an Alaskan resident who may sit on the Board  
24 of Partners of the Alaskan Northwest Natural Gas Transportation Company  
25 as an ex officio nonvoting member, subject to approval by the Board of  
26 Partners.

27 Sec. 44.55.120. TRUST INDENTURES AND TRUST AGREEMENTS. In the  
28 discretion of the authority, an issue of bonds may be secured by a trust  
29 indenture or trust agreement between the authority and a corporate

1 trustee (which may be a trust company, bank, or national banking asso-  
2 ciation, with corporate trust powers, located inside or outside the  
3 state) or by a secured loan agreement or other instrument or under a  
4 resolution giving powers to a corporate trustee by means of which the  
5 authority may

6 (1) make and enter into all agreements with the trustee or  
7 the holders of the bonds which the authority may determine to be neces-  
8 sary or desirable;

9 (2) pledge, mortgage, or assign money, agreements, property  
10 or other assets of the authority either presently in hand or to be  
11 received in the future, or both; and

12 (3) provide for any other matters of like or different charac-  
13 ter which may in any way affect the security or protection of the bonds.

14 Sec. 44.55.130. NONLIABILITY ON BONDS. Neither the members of the  
15 authority nor a person executing the bonds is liable personally on the  
16 bonds or subject to personal liab'lity or accountability by reason of  
17 the issuance of the bonds.

18 Sec. 44.55.140. PLEDGE OF THE STATE. The state pledges to agree  
19 with the holders of bonds issued under this chapter that the state will  
20 not limit or alter the rights and powers vested in the authority by this  
21 chapter to fulfill the terms of any contract made by the authority with  
22 those holders, or in any way impair the rights and remedies of those  
23 holders until the principal amount of the bonds, together with interest  
24 on them, with interest on unpaid installments of that interest, and all  
25 costs and expenses in connection with any action or proceeding by or on  
26 behalf of those holders, are fully met and discharged. The authority is  
27 authorized to include this pledge and agreement of the state in a con-  
28 tract with those holders.

29 Sec. 44.55.150. EXEMPTION FROM TAXATION. All property of the

1 authority is public property devoted to an essential public and govern-  
2 mental function and is exempt from all taxes of the state or a political  
3 subdivision of the state, including without limitation all boroughs,  
4 cities, and unified municipalities. All bonds of the authority are  
5 issued by a body corporate and politic of the state and for an essential  
6 public and governmental purpose, and the bonds, the interest on them,  
7 and the income and receipts pledged to pay or secure the payment of the  
8 bonds or interest on them, are at all times exempt from taxation by or  
9 under the authority of the state, except for inheritance and estate  
10 taxes on transfers by or in contemplation of death. Nothing in this  
11 section affects or limits an exemption from license fees, property  
12 taxes, or excise, income or any other taxes, provided under any other  
13 law, nor does it create a tax exemption with respect to the interest of  
14 any business enterprise or other person, other than the authority, in  
15 any property, assets, income, receipts, project, or lease, whether or  
16 not financed under this chapter.

17 Sec. 44.55.160. BONDS LEGAL INVESTMENTS FOR FIDUCIARIES. The  
18 bonds of the authority are securities in which all public officers and  
19 bodies of the state and all municipalities and municipal subdivisions,  
20 all insurance companies and associations and other persons carrying on  
21 an insurance business, all banks, bankers, trust companies, savings  
22 banks, savings associations, including savings and loan associations and  
23 building and loan associations, investment companies, and other persons  
24 carrying on a banking business, all administrators, guardians, execu-  
25 tors, trustees and other fiduciaries, and all other persons or entities  
26 who are, as of the effective date of this Act, or may hereafter be,  
27 authorized to invest in bonds or other obligations of the state, may  
28 properly and legally invest funds, including capital in their control or  
29 belonging to them. Notwithstanding any other provisions of law, the

1 bonds of the authority are also securities which may be deposited with  
2 and may be received by all public officers and bodies of this state and  
3 all municipalities and municipal subdivisions for any purpose for which  
4 the deposit of bonds or other obligations of the state is, as of the  
5 effective date of this Act, or may hereafter be, authorized.

6 Sec. 44.55.170. REGULATIONS. The authority may adopt regulations  
7 to implement the purposes of this chapter.

8 Sec. 44.55.180. ANNUAL AUDIT. The authority shall have its finan-  
9 cial records audited annually by the legislative auditor or by a certi-  
10 fied public accountant approved by the legislative auditor. The legis-  
11 lative auditor may prescribe the form and content of the financial  
12 records of the authority and is entitled to access to these records at  
13 any time.

14 Sec. 44.55.190. ANNUAL REPORT. Before January 31 of each year,  
15 the authority shall submit to the governor and the legislature a compre-  
16 hensive report, in a form prescribed by the governor, describing opera-  
17 tions, income, and expenditures for the preceding calendar year.

18 Sec. 44.55.200. DEFINITIONS. In this chapter

19 (1) "authority" means the Alaska Gas Pipeline Financing  
20 Authority, established under this chapter;

21 (2) "bonds" means bonds, notes, or other evidences of indebt-  
22 edness of the authority;

23 (3) "entire transmission system" means the gas transmission  
24 pipeline (together with all related facilities) to extend from the  
25 Prudhoe Bay area on the North Slope of Alaska into the contiguous United  
26 States, substantially as described in the President's report entitled  
27 "Decision and Report to Congress on the Alaska Natural Gas Transporta-  
28 tion System", issued by the President on September 22, 1977, under  
29 provisions of the Alaska Natural Gas Transportation Act of 1976, and

1 includes planning, design and construction of the pipeline and facili-  
2 ties;

3 (4) "project" means the gas transmission pipeline (together  
4 with all related property and facilities) to extend from the Prudhoe Bay  
5 area on the North Slope of Alaska to a connection with the Trans-Canada  
6 Pipeline on the Alaska-Canada border, substantially as described in the  
7 President's report entitled "Decision and Report to Congress on the  
8 Alaska Natural Gas Transportation System", issued by the President on  
9 September 22, 1977, under provisions of the Alaska Natural Gas Trans-  
10 portation Act of 1976, and includes planning, design, and construction  
11 of the pipeline and facilities.

12 (5) "project sponsor" means any partner of the Alaskan North-  
13 west Natural Gas Transportation Company or its successors;

14 (6) "Prudhoe Bay natural gas" means natural gas produced from  
15 the Prudhoe Bay reservoir;

16 (7) "Prudhoe Bay oil" means oil produced from the Prudhoe Bay  
17 reservoir;

18 (8) "Prudhoe Bay reservoir" means those areas defined in  
19 Article 5.1 of the "Prudhoe Bay Unit Agreement" of April 1, 1977.

20 \* Sec. 2. 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. NB 943 / SB 603  
 Title An Act creating the Alaska Gas Pipeline Financing Authority  
 Requested by Governor's Office Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected \_\_\_\_\_ Revenue \_\_\_\_\_  
 Program Category Affected \_\_\_\_\_  
 Budget Request Unit(s) Affected \_\_\_\_\_

EXPENDITURES (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

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

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

IV. DATE April 20, 1978

PREPARED BY

*Sterling Gallagher*  
Sterling Gallagher

AGENCY

Department of Revenue

PHONE

465-2300

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

245 943

April 20, 1978

The Honorable Hugh Malone  
Speaker of the House  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Mr. Speaker:

Under authority of art. III, sec. 18 of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am today transmitting a bill for the creation of an authority to issue revenue bonds to aid in the financing of the Northwest Alaskan Pipeline project. This project can be of immeasurable aid to the State of Alaska. It can insure that we derive massive revenue from the use of our royalty gas and from taxes. The project can provide as many as 20,000 jobs for Alaskans and can insure real economic benefit to our state for years to come.

The authority I propose will be in a position to issue bonds backed solely by possible revenue from the pipeline project itself. No credit of the state will be involved in this transaction. In order to market the bonds, it will be necessary to obtain an amendment to the Internal Revenue Code making the bonds tax-exempt, and we will not be able to issue the bonds until that occurs. Nonetheless, it is critical in order to obtain that exemption that we first establish the legal mechanism to issue the bonds, and that is what this measure will accomplish.

I am also submitting a resolution which asks the Legislative Council to establish an interim committee on gas pipeline financing. There is no way today that anyone can say with assurance whether a direct investment in the pipeline would be a good idea or a bad idea since the facts are not sufficiently developed to make an evaluation. It is necessary, however, that we move forward with considering the proposal. I have directed members of my administration to work closely with the

legislature as the legislature may consider proper in the interim in reaching a decision on this matter, and I urge the legislature to take all necessary steps, including the adoption of the resolution, to get the process going.

The amounts of money involved in this transaction are enormous, but it is critical to realize that we are making no commitment now to back the project with any credit of the state. We should not be afraid to assist the project, however, in obtaining its own financing. The bill I am submitting, which closely follows the structure of the Alaska Industrial Development Authority, and the resolution I am submitting in conjunction with the bill should accomplish these ends.

Sincerely,

Jay S. Hammond  
Governor

S/JSH

Lowell Thomas, Jr.  
Lieutenant Governor

COMMENTS OF R. R. "ANDY" MEYER  
PRESIDENT, NORTHWEST ALASKAN PIPELINE COMPANY  
TO  
CS FOR HOUSE BILL NO. 943

I would like to thank you for the opportunity to address the committee this morning. My comments will be brief. Essentially, I would like to address three areas: why the Alaska Gas Pipeline Financing Authority was proposed, how the Authority will interact with the Project, and finally, I would like to comment on several changes that have occurred to House Bill 943 as it has moved through the legislative process.

As you are aware, the financing of the gasline is no easy matter. It will require the cooperation of all parties of interest; the confidence and support of the entire investment community. Through Alaska's support and cooperation we hope to expand the available capital markets to include the municipal market. This legislation will increase the confidence of the investment community through an appreciation of Alaska's cooperative spirit, and aid in improving the economics of the Project through a reduction in cost of transportation. After much consideration we, and our advisors, concluded that the creation of the Alaska Gas Pipeline Financing Authority would achieve these objectives without utilizing the State's resources or credit. Subsequently, the State's consultants confirmed that opinion.

We came to the Legislature with a tight time schedule, and for this we apologize and acknowledge the swift cooperation and consideration given our proposal by the legislature. We are sincerely grateful. But in our project, time is of the essence. In order to stay on schedule we must move forward quickly, and often items must be decided subject to future action by others. The Authority represents a case in point. As you know, federal legislation will be required, and we are prepared to begin work to obtain that legislation immediately after passage of this bill. Creation of the Authority is a pre-requisite to such federal legislation.

The passage of this bill will be a great step towards assuring that the project will be able to sell revenue bonds, through the Authority, to a group of investors that would not otherwise be available to the Project. Funds acquired through the simultaneous sale of mortgage bonds by the Project to the Authority and of tax-exempt revenue bonds by the Authority to the tax-exempt market will be of substantive benefit to the Project. The technique is not novel. It is a general principle applied throughout the United States where states or municipalities desire to aid a development that serves the interest of the state. For instance, in the TAPS project, over \$1.2 billion of tax-exempt revenue bonds were issued by the City of Valdez and backed by the credit of the oil companies.

There are conditions other than directly related to project financing that should not be in this bill. The state's financial consultant, Bache, Halsey, Stuart & Shields, Inc. agreed with this position. This is true for one or more of these reasons:

- a) Some confuse the financing issue and present potential conflicts;
- b) Some are already covered by state agencies capabilities or already covered by agreement;
- c) Some are irrelevant to financing or illegal under existing rules;
- d) Some are not within control of NW Alaskan Pipeline Company;
- e) Some anticipate future determinations without present knowledge of future conditions;
- f) Some or most will also be covered in the right-of-way agreement with the state;
- g) Some require negotiation of an agreement with mandated conclusions.

Now, having said that, let us point to several examples which we, in good faith, could not commit ourselves to support either as a businessman or an operator acting under a reasonable and prudent mandate from FERC and in the interest of the public.

In reciting these examples we are expressing our position in a positive, responsible manner to avoid any misunderstanding. This does not lessen our support of the bill.

In regard to Section 44.55.117, HCS 943, Nomination of a member of the board, we are curious as to the intent of this provision. In one context it appears to be an indication of distrust of the company and state agencies and would clearly not be consistent with the intention of showing the state's confidence in the project. If, on the other hand, it is to open and maintain information flow between the state and the project, it offers nothing in addition to channels already required by law and agreement. Either purpose is, we submit, not an appropriate burden on a financing assistance bill.

We are of the opinion that there are severe practical problems with the provision as drafted, and there very well may be legal difficulties as well.

From a practical stand-point, it is provided that non-equity participant, no matter how well qualified in other respects, sit on the Board of Partners, subject to the board's approval. The Partnership Agreement provides for representation of the equity participants only. Under these circumstances approval of even an ex-officio board member is unlikely. Equally obvious, if you look at this provision in a suspicious way, is the likelihood that real communications will never be established.

We don't know, but we suspect that it is beyond the legal power of even a state to impose a sitting member on the board of a private corporation. It would be discriminatory if not imposed on all corporations; is not called for in the state's corporation law; and may be unconstitutional. (There is also an un-addressed problem of a potential conflict of interest and personal exposure of such a director in the event of litigation.)

We are understanding of what we believe the real intent of this provision to be -- that of insuring liaison at a high level between the state and the project. However, consider the state agencies (not to mention the federal) who already have a permit, regulatory, or review function. Right-of-way must be negotiated, and under state law certain commitments and obligations are mandatory, and others will be added by negotiation. Many of these are addressed in other sections addressed today. The state departments of labor and natural resources will be continually monitoring the project. You now have a pipeline coordinator who is charged with keeping abreast of the project. We suggest that a board member, under the circumstances, would not be appropriate.

In addition to these comments I would like to point out that most of the items in Section 44.55.110 are matters that are not appropriate for the purposes of this bill and in our view should be eliminated. I am enclosing specific comments on each of these conditions in Appendix A attached.

In conclusion, we appreciate the effort this committee has expended and that with the revisions as we have suggested, this legislation will provide a positive support to our project.

## APPENDIX A

### CONSIDERATIONS REGARDING THE CONDITIONS PROPOSED IN HOUSE BILL NO. 943 SECTION 44.55.110

#### CONDITIONS (1)-(4), (6) and (12)

These conditions are appropriate and would be part of the financial plan.

#### CONDITIONS (5) and (11)

Northwest Alaskan has no objection to these conditions although they do not appear to be necessary to accomplish the purposes of this bill and would be taken care of through other means.

#### CONDITIONS (7) and (8)

Northwest Alaskan cannot represent to the legislature that it could construct and operate the pipeline system in a responsible manner and agree to the apparent requirement of this item. The hiring of workers for construction of the pipeline system will be done by execution contractor pursuant to a union agreement negotiated and administered by the execution contractors with the advice and consent of the Project Management Contractor and Northwest Alaskan. The union agreement will have to meet all federal and state laws including the Alaska local hire law.

Northwest Alaskan will, as a matter of policy, require that qualified workers that are reasonably available and identifiable will be drawn from the existing and resident Alaska work force. However, it will be essential that key employees of the execution contractors, the Project Management Contractor and Northwest Alaskan itself must be retained in order to efficiently perform the major task of constructing the pipeline system under the terms and conditions of the President's Decision. As evidence of Northwest Alaskan's willingness to maximize local hire its Chairman, John G. McMillian, has agreed in writing that the Partnership reaffirms its dedication to comply fully with and actively pursue the State's local hire policy, and in so doing will ensure that all Alaskans have an opportunity to be hired for pipeline construction jobs, and that local community residents will be given first preference for the permanent pipeline operation and maintenance jobs.

In regard to contractors, materials and professional services, Northwest Alaskan must retain a bidding procedure to assure the lowest reasonable cost for these services. The Federal Energy Regulatory Commission will be auditing all costs to assure that they are prudently incurred, and has the right to exclude costs from rate base that are imprudent. Within these constraints Northwest Alaskan is willing to provide the opportunity to Alaskan businesses to compete on an equitable basis.

It is recommended that items (7) and (8) be eliminated for these reasons.

#### CONDITION (9)

The size of the pool of capital that is sufficiently large to satisfy all lenders will be negotiated with the lenders. Therefore, it is not appropriate at this time to provide for any minimum percentage. The authority and the legislature will be able to review the capital pool level as part of the financial plan. Therefore, it is recommended that this condition be revised as follows:

"(a) documentation that a capital pool of debt and equity funds has been committed to the project, in order to provide sufficient capital to insure timely project completion;"

#### CONDITION (10)

Northwest Alaskan believes that the items in this condition are taken care of through other means and that this condition should be eliminated. For example, wellhead pricing considerations are matters to be resolved between the gas purchasers and the producers under appropriate laws and approved by the Federal Energy Regulatory Commission. The partnership is a transportation company only and will not buy and sell gas and therefore is not a party to the pricing matters.

Transportation tariff matters will be presented to the FERC for approval. In this connection Northwest Alaskan will support a natural gas tariff for deliveries in Alaska based upon a zone or volumetric tariff concept. Northwest Alaskan has always vigorously urged that Alaska gas be rolled-in for pricing purposes in the contiguous United States markets. Alaska needs no condition for this methodology which is essential to assuring marketability of Alaskan gas.

## CONDITION (13)

Northwest Alaskan believes that this condition is inappropriate and that these matters will be fully addressed in other arrangements. For example, Section 13(b) of the Alaska Natural Gas Transportation Act of 1976 gives the state assurance of taking its gas where it is needed and therefore the partnership must provide take-off facilities for that service. The payment for these facilities, which involve a very minor investment will be up to FERC. Northwest Alaskan has agreed to cooperate to provide gas to the state when it is needed and will continue to do so.

Northwest Alaskan feels strongly that it is not appropriate for it to reimburse the State for the design and development of a computerized three-dimensional Prudhoe Bay reservoir simulation model. As previously mentioned, the partnership will not buy and sell gas but will only be a transporter. Therefore, it will not be involved in any respect in the field production operations. The producers and appropriate state agency will be continuously evaluating reservoir performance and would be the proper responsible parties to determine useful simulation models.

Northwest Alaskan has already agreed to pay the State's reasonable expenses to be incurred for financial and related analyses made to evaluate and/or implement the State's plan to participate in financing the project.

The right-of-way agreement with the state of Alaska will provide for reimbursement of the state's construction monitoring costs under presently existing Alaska statutes.

These examples show that this condition is unnecessary and can be eliminated.

COMMENTS ON HOUSE CS FOR  
SCR 102 (Resolution)

Equity participation by the state has been proposed for a long time. As a result of discussions it became apparent that state participation could take any of several forms. We suggested one that we think avoids most pitfalls, but others may be as good or better. Accordingly we agree with the approach proposed -- creation of an interim committee to study the available options, and to recommend to the next session whether to, and how to, participate.

REVISED FOR SECOND COMMITTEE SUBSTITUTE FOR HB 943

COMPARISON OF GASLINE BONDING AUTHORITY BILLS

Governor's Bill	House Special Committee on Royalty Oil and Gas	
	CHANGE	REASON FOR CHANGES
<u>Six</u> Legislative Findings		
Finding #1	<p><u>Twelve</u> Legislative Findings</p> <p>Page 1, Lines 11 - 17 Delete all material and insert the following: "If the state makes a final determination that production of natural gas from the Prudhoe Bay reservoir will be consistent with optimal recovery of oil and gas from the reservoir, and if the Congress of the United States and federal regulatory agencies take favorable action with respect to matters of Alaska natural gas policy, timely construction of the Alaska Highway Natural Gas Pipeline Project will be in the best interest of the state and of the United States"</p>	<p>Adding two contingencies before claiming the <u>timely</u> construction of the project as being in the best interest of the State.</p>
Finding #2	<p>Page 1, Line 19; Delete "early" Insert "timely"</p>	<p>"Timely" is more considerate of the important conditions still to be met.</p>
Finding #3	<p>Page 1, Line 23 Delete "alleviate unemployment" Insert "provide employment"</p>	<p>Switch to a "positive" tone.</p>
Finding #4	<p>Page 1, line 25: Delete "revenue" and insert "revenues"</p>	<p>Grammatical - plural necessary</p>

Governor's Bill	House Special Committee on Royalty Oil and Gas	
	CHANGE	REASON FOR CHANGES
Finding #5	Page 1, Line 29 Delete "immediate"	Removes rush; important conditions still need to be met
Finding #6	Page 2, Line 4; Delete "early" Insert "timely"	"Timely" is more considerate of the important conditions to be met.
	Page 2, Lines 6-8 Insert "except when held by a substantial user or related person as those terms are defined in Sec. 103 of the Internal Revenue Code of 1954 as amended."	Suggested by Mudge Rose law firm via Bache Halsey.
No Similar Provision	Add #7 (See CSHB 943)	Points out that the Authority's establishment depends upon Congressional Legislation.
No Similar Provision	Add #8 (See CSHB 943)	Sets absolute limits on State's financial liability to the project.
No Similar Provision	Add #9 (See CSHB 943)	Reiterates importance and continuance of the State's regulatory powers, despite our financial participation.
No Similar Provision	Add #10 (See CSHB 943)	States Alaskan representation on Board of Partners.
No Similar Provision	Add #11 (See CSHB 943)	Assures aid to local communities alongside pipeline.

Governor's Bill

House Special Committee on  
Royalty Oil and Gas

## CHANGE

## REASON FOR CHANGES

No Similar Provision

Add #12 (See CSHB 943)

Reiterates necessity and importance of the determination of proper timing for gas recovery and the gas-related decisions pending in the Federal Government.

Creation of Authority

No change

Membership

No change

Officers and Quorum

No change

Compensation

Delete Subsection language: Insert: "The members of the authority serve without compensation, but are entitled to the same travel pay and per diem as provided by law for board members who are State employees."

Substitutes standard compensation language.

Staff

No change

Legal Counsel

No change

Purpose of Authority

No change

General Powers

No change

Bonds of the Authority

Page 5, Line 21  
Insert "except when held by a substantial user or related person as defined in Sec. 103 of the Internal Revenue Service Code of 1954 as amended."

Suggestion by Mudge Rose legal firm via Bache Halsey

Governor's Bill

House Special Committee on  
Royalty Oil and Gas

CHANGE

REASON FOR CHANGES

No Similar Provision

Page 5, Line 23  
Insert "inclusive of amounts required for fund reserves, capitalized interest, and costs of issuance of the bonds or notes and exclusive of refunding bonds."

Assuring that inherent costs of original issuance are within the \$1 billion authorized by the State; and that only for the purpose of "refunding bonds," more than \$1 billion worth of bonds can be issued.

Added Section on "Submission of Financial and Alaska Impact Plan.:

Enumerates conditions to be met before approval of the State's issuance of \$1 billion in tax-exempt bonds.

On 2nd CSHB 943, Subsections 7(a) and 7(b), Page 8, Lines 19 - 28 are amended as follows:

Assures all qualified Alaskans are hired and that Northwest does not have to hire unqualified Alaska workers, contractors, or firms.

(a) to the extent that qualified workers are available, all workers employed for the construction, operation and maintenance of the project will be drawn from the existing and resident Alaska work force;

(b) to the extent qualified contractors or firms are available, all vendor, material, labor and professional service contracts and subcontracts for work to be performed within Alaska will be awarded to existing resident Alaska contractors or firms;

Governor's Bill

House Special Committee on  
Royalty Oil and Gas

## CHANGE

## REASON FOR CHANGES

	CHANGE	REASON FOR CHANGES
No Similar Provision	Also, on 2nd CSHB 943, Subsection 13, on page 10, line 22, after "of a" insert "computerized." And on page 10, line 23 delete "production" and insert "simulation."	Clarifies type of model.
No Similar Provision	<p>Add Legislative Approval</p> <p>On 2nd CSHB 943, Page 11, Lines 2-11 are amended as follows:</p> <p>"Either house of the legislature may disapprove the financial and Alaska impact plan and the sale of refunding bonds by a simple resolution. If the plan or the sale of refunding bonds is not conditionally approved by the legislature or disapproved by either house within 30 days after presentation to the legislature, it is approved. The legislature may by concurrent resolution approve the plan with conditions concerning matters included in the plan, and the conditional approval becomes effective upon certification to the legislature by the authority that the authority has accepted the conditions and modified the plan in accordance."</p>	<p>Allows the Legislature to assess the financial and Alaska impact plan and give final approval of issuance of bonds.</p> <p>Allows either house of the legislature to disapprove the financial and Alaska Impact Plan by a simple resolution.</p>
No Similar Provision	<p>Add Nomination of a Member of the Board</p> <p>On 2nd CSHB 943, Page 11, Line 18, 19, delete "Under sec. 10(10) of this chapter"</p>	<p>Provides for Alaskan representation or the Board of Partners as an ex-officio non-voting member.</p> <p>Sec. 10(10) is only a legislative finding and is not legally binding.</p>

Governor's Bill

House Special Committee on  
Royalty Oil and Gas

CHANGE

REASON FOR CHANGES

Trust Indentures and Trust Agree-  
ment

No Change

\_\_\_\_\_

Nonliability on Bonds

No Change

\_\_\_\_\_

Pledge of the State

No Change

\_\_\_\_\_

Exemption from Taxation

No Change

\_\_\_\_\_

Bonds Legal Investments for  
Fiduciaries

No Change

\_\_\_\_\_

Regulations

Change

\_\_\_\_\_

Annual Audit

No Change

\_\_\_\_\_

Annual Report

Change "December 1" to "January 31", change  
"preceding 12-month period" to "preceding  
calendar year."

Wanted information from full  
calendar year to be available  
early in each legislative session.

Definitions

"Authority"

No Change

\_\_\_\_\_

"Bonds"

No Change

\_\_\_\_\_

"Project"

Technical Change

\_\_\_\_\_

No Similar Provision

Add "Entire Transmission  
System"

Clarification of term.

No Similar Provision

Add "Project Sponsor"

Clarification of term.

No Similar Provision

Add "Prudhoe Bay Natural Gas"

Clarification of term

Governor's Bill

House Special Committee on  
Royalty Oil and Gas

No Similar Provision

Add "Prudhoe Bay Oil"

Clarification of term

No Similar Provision

Add "Prudhoe Bay Reservoir:"

Clarification of term

No Similar Provision

In 2nd CSHB 943, insert a new section,  
Page 15, lines 17, 18 reads as follows:

Sec. 2. AS 39.25.110 is amended by adding a  
new paragraph to read: (21) employees of  
the Alaska Gas Pipeline Financing Authority.

Adds Authority employees for  
exempt status in Alaska Statutes.