

LEG. FINANCE - BILLS 1977 - 1978 856

HB 954 cont. thru HB 960 856

the development of a strong local economy which is able to adapt ^{to} changing market conditions.

III. Rationale

A recent study was commissioned by the State of Alaska, Division of Legislative Finance, to explore the feasibility of alternative sites for a marine maintenance program. The report, "Alaska Marine Maintenance Feasibility Study", analyzed market conditions, infrastructure characteristics, and site characteristics for the ports of Ketchikan, Juneau, Sitka, Seward and Kodiak. The Sunny Point site in Ketchikan was chosen as the most suitable site for a domestic maintenance program. The report also concluded that it is financially feasible to conduct all nondrydock repair work in Alaska and that Ketchikan has the most highly developed marine repair infrastructure.

^{Sunny Point}
This site is owned by the New England Fish Company and has been proposed for acquisition by the Port of Ketchikan for development as a shipyard or marine terminal site; part of it has also been considered for the Alaska Division of Marine Transportation as a site for ferry terminal expansion. This site is partially filled, and includes a slip now dredged to a depth of 24 MLLW immediately adjacent to the present ferry terminal. This slip is large enough for construction of a 450' wharf on its south side immediately adjacent to the ferry terminal. The slip could be widened by dredging on its north side to open an area for a drydock with spoil used for further tideland filling. The present wharf face is considered capable of rehabilitation as a berth for a 200-350 foot vessel, and could be extended to 500 feet without obstructing the slip. Existing buildings on this site should be capable of rehabilitation as

shops, warehouse and office space. The tract immediately adjacent to the north is the property of the City of Ketchikan and is capable of adding approximately 500 feet of marginal wharf frontage without dredging. The slip area is very well protected from the prevailing southeast wind, while the face of the existing wharf is exposed. The entire Sunny Point site has been offered to the Alaska Division of Marine Transportation for \$3.4 million. However, it is believed that its fair market value is approximately 50% of this figure. This site is now partially developed in a manner compatible with the requirements of a shipyard, and its further development is capable of economical staging.

From a local perspective, an expanded marine repair industry will help alleviate the impending crises that would result from a closure of the Louisiana Pacific pulp mill, which is the largest employer in the community. World pulp market conditions are depressed and the mill continues to consider a termination of activities. Land withdrawals and Native selections will place a further burden on the mill. Louisiana Pacific is currently cutting lumber which was purchased as part of a 50-year sale. However, the forest has not been regenerating as fast as had been projected and there is a very strong possibility that processing activities will terminate at the end of the 50-year sale. If and when the mill closes, there are no plans for a phased slowdown or personnel relocations. Many of Ketchikan's workers are blue collar and do not have a high mobility. From the local perspective, it is imperative that the local economy diversify if it is to avoid severe hardship among residents.

Within a decade or so the marine repair industry may develop into a growing business in Ketchikan. Due to Ketchikan's mild climatic conditions, it is the only logical site in Alaska to repair and maintain a large

domestic fleet of groundfish vessels. In fact, the existence of a repair facility will help secure a domestic groundfish fleet for Alaska. Over time, it is possible to expand the facilities to include dry-docking so that ships in Alaskan waters will be able to avoid the long emergency or off-season run to Puget Sound.

IV. Program

The proposed program consists of a finance and a management package. First round finances will come from the Federal Government and the State Legislature. Second round finances will come from New England Fish Company. Management will be the responsibility of the local non-profit economic development corporation.

On April 18, 1978 the Dept. of Housing and Urban Development announced that an allocation for Fiscal Year 1978 of \$691,000 has been made for Alaska under the Small Cities Community Development Block Grant Program. Grants are divided into comprehensive and single purpose classifications. Comprehensive grants are eligible for multi-year funding up to \$1,000,000 over three years. I propose that the State Department of Commerce and Economic Development and the City of Ketchikan file a joint preapplication on behalf of the Ketchikan Local Economic Development Corporation under the Comprehensive Program for a 3-year \$500,000 grant which will be used to help purchase the Sunny Point Cannery site in preparation for a winter maintenance program. The request will be predicated on an agreement with the seller, New England Fish Company, that all H.U.D. money payments will be invested in the local community to create additional employment in the seafood industry. The State Legislature would finance \$1,000,000 to complete the purchase of the property over time.

The project is attractive to all parties involved in the transaction.

The Director of Community Planning and Development for the Department of Housing and Urban Development, Harry E. McGee, has indicated that H.U.D. would look favorably on a project such as this because it provides significant leverage as it recirculates H.U.D. investments to two basic sectors of the local economy, marine maintenance and seafood industries, thus providing double the impact for each grant dollar expended. The Comprehensive program would meet the four eligible criteria of § 570.423 Federal Rules & Regulations: 1) Address a substantial portion of the identifiable community development needs within a defined concentrated area; 2) Involve two or more activities that bear a relationship to each other, excluding administration, planning and management, and which either in terms of support or necessity are carried out in a coordinated manner; 3) Have a beneficial impact within a reasonable period of time; 4) Be developed through assessment of the applicant's community development, housing and economic needs.

The Borough Assembly of the Ketchikan Gateway Borough has made economic diversification one of its primary goals. It has spent significant amounts of time and money during fiscal 77-78 to diversify the local economy. An Office of Economic Programs has been created and the Assembly endorsed, by Resolution No. 280, the, "1977 Annual Report and Program Projection", of said Office and a representative citizens advisory group, the Ketchikan Overall Economic Development Program Committee. The report discussed the twelve most important projects concerning Ketchikan's economy and two out of the three top priorities were waterfront development and fisheries development.

H.U.D. uses a point system to rank projects according to the following

"In 1978-79 it will be our goal to attempt significant vessel maintenance and repair works in Alaska." This is in accordance with the directions of Governor Hammond. However, they have opted to simply announce their repair specifications in the usual manner except that Alaskans will be given a chance to bid on the projects. Under this option, it is very unlikely that any marine repair work will be completed in Alaska. The State has to give further consideration to sponsorship options if it is serious about a domestic repair program. This consideration can come from the Administration or the Legislature.

There are three basic options for sponsorship. One, the State can refuse to make any investment in facilities or equipment and continue to put all items out for bid or crew repair. The problem with this option is that domestic firms cannot afford to gear up for a large contract when they have no guarantee that additional work will be done in their locale in future years. This is the option which the administration has chosen. It will not implement a domestic maintenance program.

A second option is for the State to establish a state-owned marine maintenance base complete with shops, equipment and a labor force. Under this option the State would lose the advantages of competitive biddings and it would be given new administrative burdens.

The third option is for the State to finance site acquisition for a permanent maintenance facility. The present combination of bidding and crew labor could be continued. It is reasonable to expect that local firms will gear up for competitive bidding when they know that they have a reasonable chance to obtain work on a yearly basis. Local merchants

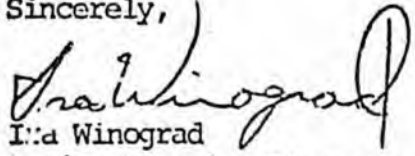
who are interested in marine repair business have already met to discuss how they might participate in a bidding process. Under this option, a domestic maintenance program would develop and the State would not have to invest in shops, equipment or additional labor.

The acquired site would be managed by the Ketchikan Local Economic Development Corporation as a non-profit private enterprise. It would be eligible for financial loans from the Small Business Administration and other agencies, and it would have the authority to create an industrial park, thus gaining eligibility for Economic Development Administration funding.

In order to accomplish this program, the State Legislature must gain a preliminary agreement between N.E.F.C.O. and the State Department of Commerce and Economic Development which will insure a successful H.U.D. Small Cities Comprehensive Program application. The application can be written by the Planning Department of the Ketchikan Gateway Borough and said Department would coordinate with the Local Economic Development Corporation. The State Legislature would have to pursue and obtain \$1,000,000 in funding to match the \$500,000 H.U.D. request which would allow purchase of a site for an Alaska Marine Highway Maintenance program.

I urge your timely review of this proposal. H.U.D. preliminary applications are due between May 1 and May 15, 1978. Please feel free to distribute this proposal to all appropriate parties. I look forward to receiving your comments and I am available for immediate personal consultation. Thank you for your interest.

Sincerely,



Iva Winograd

Acting Planning Director

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF TRANSPORTATION and PUBLIC FACILITIES

MAINTENANCE AND OPERATIONS

4111 AVIATION AVENUE, POUCH 6900
ANCHORAGE 99502 (TELEX 25-185)

February 22, 1978

Mr. Ira Winograd
Office of Economic Programs
Ketchikan Gateway Borough
344 Front Street
Ketchikan, Alaska 99901

Dear Mr. Winograd:

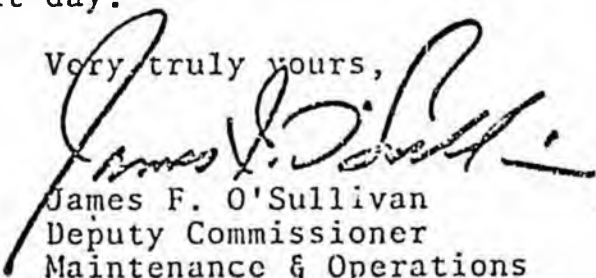
The Alaska Marine Highway System has high hopes that we will soon have Southeastern Alaska maintenance bases available to us. We look forward to the day when only dry docking and associated work will be let to bidders outside Alaska. To that end we are encouraging Southeastern ports to participate with us in activity which will result in new business for those communities.

Our study of this system change was not entered into in 1977 due to the lack of all definitive data. With inauguration of our new winter maintenance and lay up procedure this year, we have now defined our requirements.

We plan to meet with your members during the month of March and our proposal will be laid before you at that time. You may rest assured that this administration - the Governor and Commissioner Harris - are intensely interested in performing the maximum amount of repair and maintenance work on these vessels in the State of Alaska. We wish to give the Southeast communities and the local businesses the opportunity to present their proposals for filling our requirements.

Bill Hudson will coordinate the date of this first meeting. He and I both look forward to that day.

Very truly yours,


James F. O'Sullivan
Deputy Commissioner
Maintenance & Operations

JFO'S:hj

cc: Representative Terry Gardiner
Representative Oral Freeman
Senator Robert Ziegler, Sr.
Commissioner Donald Harris

MEMORANDUM

May 4, 1978

TO: House Finance Committee

FROM: Ira Winograd, acting planner
Ketchikan Gateway Borough

RE: HB 954, Alaska Marine Highway
Winter Maintenance Facility

The project is to locate an Alaska Marine Highway winter maintenance program in Alaska. All non-drydock maintenance will be performed at a site chosen for its ability to enable an efficient and growing state maintenance program.

An additional aspect of the project is provision of spin-off benefits to the local community. It is preferable for these benefits to accrue to the basic or export sectors because the non-basic sectors are dependent on the ability of local economies to attract outside dollars. The export or basic sectors of an economy refer to the sectors which bring in outside dollars to fuel the local economy.

The predominant basic industries in the Southeast maritime communities are regional government, forestry, seafood harvesting and processing, and tourism in descending order of importance. The proposed project will stimulate the basic sector directly and through a spin-off effect which will increase investments in the seafood industry.

The Alaska Marine Highway is financed by passenger fares, freight tariffs and a \$16,400,000 public subsidy. A domestic maintenance program will recirculate within the state that part of the subsidy which is currently drained off to Puget Sound shipyards. The annual maintenance budget is about \$3,500,000 and

most of it is for non-drydock work which could be performed in Alaska. The state would also develop an expertise in the repair of large vessels and this can serve as a base to develop a marine repair industry.

A winter maintenance program would have a strategic impact on the seasonal economies of Southeast. The program can reach its full potential to alleviate seasonal unemployment if it is located where there is an adequate reserve labor supply so that unemployed residents will have first chance at new jobs. Therefore, it should be located in a large maritime community.

A recent study was commissioned by the State of Alaska, Division of Legislative Finance, to explore the feasibility of alternative sites for a marine maintenance program. The report, "Alaska Marine Maintenance Feasibility Study," analyzed market conditions, infrastructure characteristics, and site characteristics for the ports of Ketchikan, Juneau, Sitka, Seward and Kodiak. The report concluded that it is financially feasible to conduct all non-drydock repair work in Alaska and that Ketchikan has the most highly developed marine repair infrastructure.

From a local perspective, an expanded marine repair industry will help cushion impending crises in the event the Louisiana-Pacific pulp mill were to close, which company officials say is a real possibility because of market conditions and land withdrawals.

Within a decade, the marine repair industry may develop into a growing business in Ketchikan. Because of Ketchikan's mild climate, it is the only logical site in Alaska to repair and maintain a

Winter Ferry Maintenance
Ira Winograd
Page 3

large domestic fleet of groundfish vessels. In fact, existence of a repair facility will help secure a domestic groundfish fleet for Alaska. Over time it is possible to expand the facilities to include drydocking so that ships in Alaska will be able to avoid the long emergency or off-season run to Puget Sound.



NB 959

KETCHIKAN GATEWAY BOROUGH

344 FRONT STREET
KETCHIKAN, ALASKA 99901

April 21, 1978

Terry Gardiner
House of Representatives
Pouch V
Juneau, AK 99811

Dear Terry:

ALASKA MARINE HIGHWAY WINTER MAINTENANCE PROGRAM

I. Project

To locate an Alaska Marine Highway winter maintenance program in Alaska. All non-drydock maintenance will be performed at a site chosen for its ability to enable an efficient and growing State maintenance program.

An additional aspect of the project is the provision of spin-off benefits to the local community. It is preferable for these benefits to accrue to the basic or export sectors because the non-basic sectors are dependent on the ability of local economies to attract outside dollars. The export or basic sectors of an economy refer to the sectors which bring in outside dollars to fuel the local economy. The predominant basic industries in the Southeast maritime communities are regional government, forestry, seafood harvesting and processing, and tourism in descending order of importance. The proposed project will stimulate the basic sector directly and through a spin-off effect which will increase investments in the seafood industry.

II. Objectives

The Alaska Marine Highway is financed by passenger fares, freight tariffs and a \$16,400,000 public subsidy. A domestic maintenance program will recirculate within the State that part of the subsidy which is currently drained off to the Puget Sound shipyards. The annual maintenance budget is approximately \$3,500,000 and most of it is for non-drydock work which could be performed in Alaska. The State would also develop an expertise in the repair of large vessels and this can serve as a base for a developing marine repair industry.

A winter maintenance program would have a strategic impact on the seasonal economies of Southeast. The program can reach its full potential to alleviate seasonal unemployment if it is located where there is an adequate reserve labor supply so the resident unemployed will have first chance at new employment. Therefore, it should be located in a large maritime community.

Non-drydock repair work is environmentally clean and in harmony with the maritime orientation of Southeast communities. It satisfies the objectives of economic growth and environmental protection in this harsh, yet fragile environment.

Since the maintenance program entails an influx of outside dollars into the local economy, it expands and diversifies the basic sector of the economy. The long term stability of many Southeastern communities is threatened by their limited ways of obtaining outside dollars. Any activity which provides basic sector diversification will help obtain long run socio-economic stability and stability is a prerequisite for

the development of a strong local economy which is able to adapt^{to} changing market conditions.

III. Rationale

A recent study was commissioned by the State of Alaska, Division of Legislative Finance, to explore the feasibility of alternative sites for a marine maintenance program. The report, "Alaska Marine Maintenance Feasibility Study", analyzed market conditions, infrastructure characteristics, and site characteristics for the ports of Ketchikan, Juneau, Sitka, Seward and Kodiak. The Sunny Point site in Ketchikan was chosen as the most suitable site for a domestic maintenance program. The report also concluded that it is financially feasible to conduct all nondrydock repair work in Alaska and that Ketchikan has the most highly developed marine repair infrastructure.

^{Sunny Point}
This site is owned by the New England Fish Company and has been proposed for acquisition by the Port of Ketchikan for development as a shipyard or marine terminal site; part of it has also been considered for the Alaska Division of Marine Transportation as a site for ferry terminal expansion. This site is partially filled, and includes a slip now dredged to a depth of 24 MLLW immediately adjacent to the present ferry terminal. This slip is large enough for construction of a 450' wharf on its south side immediately adjacent to the ferry terminal. The slip could be widened by dredging on its north side to open an area for a drydock with spoil used for further tideland filling. The present wharf face is considered capable of rehabilitation as a berth for a 200-350 foot vessel, and could be extended to 500 feet without obstructing the slip. Existing buildings on this site should be capable of rehabilitation as

shops, warehouse and office space. The tract immediately adjacent to the north is the property of the City of Ketchikan and is capable of adding approximately 500 feet of marginal wharf frontage without dredging. The slip area is very well protected from the prevailing southeast wind, while the face of the existing wharf is exposed. The entire Sunny Point site has been offered to the Alaska Division of Marine Transportation for \$3.4 million. However, it is believed that its fair market value is approximately 50% of this figure. This site is now partially developed in a manner compatible with the requirements of a shipyard, and its further development is capable of economical staging.

From a local perspective, an expanded marine repair industry will help alleviate the impending crises that would result from a closure of the Louisiana Pacific pulp mill, which is the largest employer in the community. World pulp market conditions are depressed and the mill continues to consider a termination of activities. Land withdrawals and Native selections will place a further burden on the mill. Louisiana Pacific is currently cutting lumber which was purchased as part of a 50-year sale. However, the forest has not been regenerating as fast as had been projected and there is a very strong possibility that processing activities will terminate at the end of the 50-year sale. If and when the mill closes, there are no plans for a phased slowdown or personnel relocations. Many of Ketchikan's workers are blue collar and do not have a high mobility. From the local perspective, it is imperative that the local economy diversify if it is to avoid severe hardship among residents.

Within a decade or so the marine repair industry may develop into a growing business in Ketchikan. Due to Ketchikan's mild climatic conditions, it is the only logical site in Alaska to repair and maintain a large

The Director of Community Planning and Development for the Department of Housing and Urban Development, Harry E. McGee, has indicated that H.U.D. would look favorably on a project such as this because it provides significant leverage as it recirculates H.U.D. investments to two basic sectors of the local economy, marine maintenance and seafood industries, thus providing double the impact for each grant dollar expended. The Comprehensive program would meet the four eligible criteria of § 570.423 Federal Rules & Regulations: 1) Address a substantial portion of the identifiable community development needs within a defined concentrated area; 2) Involve two or more activities that bear a relationship to each other, excluding administration, planning and management, and which either in terms of support or necessity are carried out in a coordinated manner; 3) Have a beneficial impact within a reasonable period of time; 4) Be developed through assessment of the applicant's community development, housing and economic needs.

The Borough Assembly of the Ketchikan Gateway Borough has made economic diversification one of its primary goals. It has spent significant amounts of time and money during fiscal 77-78 to diversify the local economy. An Office of Economic Programs has been created and the Assembly endorsed, by Resolution No. 280, the, "1977 Annual Report and Program Projection", of said Office and a representative citizens advisory group, the Ketchikan Overall Economic Development Program Committee. The report discussed the twelve most important projects concerning Ketchikan's economy and two out of the three top priorities were waterfront development and fisheries development.

H.U.D. uses a point system to rank projects according to the following

program design criteria of § 570.424: 1) supports comprehensive neighborhood stabilization and/or revitalization in low and moderate income areas, or conserves the housing supply for low- or moderate-income persons, 2) provides for expanded economic opportunities for persons of low- and moderate-income in the form of permanent employment, 3) implements a State growth or resource coordination plan, 4) enhances a community's position as a regional center, economic development center or growth center. Each element of the proposed project should rank high in each category. Rankings will be further strengthened by the N.E.F.C.O. leverage factor, State endorsement, and additional leverage through State financial match. Through cooperation, the project can be larger and more comprehensive than any single purpose proposal.

New England Fish Company has indicated that it would make local investments in processing equipment to handle diversified species of fish, such as herring or groundfish, if the local plant would generate a cash flow. The Development Officer of New England Fish Company, John 'Pete' Harris, reported this information to the Ketchikan Fisheries Task Force which is a policy advisory group to the Borough Assembly. Over the course of a year with the Fisheries Task Force, I have developed a good working relationship with Mr. Harris. I expect that he would be receptive to an invitation from the Ketchikan legislative delegation to pursue serious discussion of sale of the Sunny Point site predicated on the leverage of H.U.D. monies through reinvestment by N.E.F.C.O. within Ketchikan.

On March 30, 1978 the Division of Marine Highway Systems issued an agenda and policy statement for public discussions. It stated that

"In 1978-79 it will be our goal to attempt significant vessel maintenance and repair works in Alaska." This is in accordance with the directions of Governor Hammond. However, they have opted to simply announce their repair specifications in the usual manner except that Alaskans will be given a chance to bid on the projects. Under this option, it is very unlikely that any marine repair work will be completed in Alaska. The State has to give further consideration to sponsorship options if it is serious about a domestic repair program. This consideration can come from the Administration or the Legislature.

There are three basic options for sponsorship. One, the State can refuse to make any investment in facilities or equipment and continue to put all items out for bid or crew repair. The problem with this option is that domestic firms cannot afford to gear up for a large contract when they have no guarantee that additional work will be done in their locale in future years. This is the option which the administration has chosen. It will not implement a domestic maintenance program.

A second option is for the State to establish a state-owned marine maintenance base complete with shops, equipment and a labor force. Under this option the State would lose the advantages of competitive biddings and it would be given new administrative burdens.

The third option is for the State to finance site acquisition for a permanent maintenance facility. The present combination of bidding and crew labor could be continued. It is reasonable to expect that local firms will gear up for competitive bidding when they know that they have a reasonable chance to obtain work on a yearly basis. Local merchants

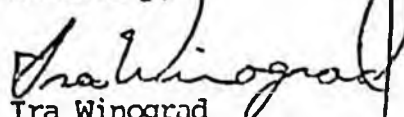
who are interested in marine repair business have already met to discuss how they might participate in a bidding process. Under this option, a domestic maintenance program would develop and the State would not have to invest in shops, equipment or additional labor.

The acquired site would be managed by the Ketchikan Local Economic Development Corporation as a non-profit private enterprise. It would be eligible for financial loans from the Small Business Administration and other agencies, and it would have the authority to create an industrial park, thus gaining eligibility for Economic Development Administration funding.

In order to accomplish this program, the State Legislature must gain a preliminary agreement between N.E.F.C.O. and the State Department of Commerce and Economic Development which will insure a successful H.U.D. Small Cities Comprehensive Program application. The application can be written by the Planning Department of the Ketchikan Gateway Borough and said Department would coordinate with the Local Economic Development Corporation. The State Legislature would have to pursue and obtain \$1,000,000 in funding to match the \$500,000 H.U.D. request which would allow purchase of a site for an Alaska Marine Highway Maintenance program.

I urge your timely review of this proposal. H.U.D. preliminary applications are due between May 1 and May 15, 1978. Please feel free to distribute this proposal to all appropriate parties. I look forward to receiving your comments and I am available for immediate personal consultation. Thank you for your interest.

Sincerely,

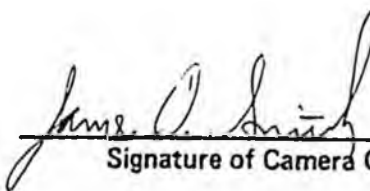

Ira Winograd
Acting Planning Director



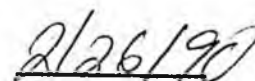
RECORDS CERTIFICATION



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

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 956
 Title Military Service Credit Under The PERS
 Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits
 Program Category Affected Retirement and Benefits (PERS)
 Budget Request Unit(s) Affected Public Employees' Retirement System

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.						
100 BENEFITS		22.6	22.6	22.6	22.6	22.6
TOTAL	-0-	22.6	22.6	22.6	22.6	22.6

FUNDING (Thousands of Dollars)

GENERAL FUND	81.9%	18.5	18.5	18.5	18.5	18.5
FEDERAL FUNDS	4.5%	1.0	1.0	1.0	1.0	1.0
OTHER (Specify)	13.6%	3.1	3.1	3.1	3.1	3.1

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

- Approximately 50 individuals will be affected by this bill with an average of 3.5 years military service.
- The present value of the extra benefits provided by this bill has been calculated to be \$612,000. This bill will be funded with level payments of \$42,000 per year for the next 30 years, resulting in a total system cash outlay of \$1.26 million.
- The state's share in this funding is \$22,575 per year for the next 30 years, or \$667,250. This is equivalent to approximately a .01% increase in the total covered payroll.

Paul B. Arnoldt

IV. DATE May 19, 1978 PREPARED BY Paul B. Arnoldt - Director
 AGENCY Division of Retirement & Benefits
 PHONE 465-4460

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) Judiciary Committee
 Office of the Governor (Keith Specking)

156 84

Introduced: 5/1/78
Referred: State Affairs and
Finance

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE
BY REQUEST

2 HOUSE BILL NO. 956

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to military service credit under the
7 Public Employees' Retirement System of Alaska; and
8 providing for an effective date."

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

10 * Section 1. (a) This section applies to any person who

11 (1) was required to verify his period of military service before
12 July 1, 1977 in order to receive credited service under AS 39.35.340(b) or
13 (c);

14 (2) filed an active military service credit claim under AS 39.35.-
15 340(b) or (c) with the Department of Administration, division of retirement
16 and benefits, before July 1, 1977; and

17 (3) was denied credited service under AS 39.35.340(b) or (c)
18 solely because of his failure to verify his period of military service.

19 (b) A person to whom this section applies is entitled to credited ser-
20 vice under AS 39.35.340(b) or (c) if he verifies his period of military ser-
21 vice before January 1, 1979 and satisfies all applicable requirements of AS
22 39.35.340 other than the July 1, 1977 deadline for verification of military
23 service. No part of AS 39.35.340 is affected by this section other than the
24 July 1, 1977 deadline.

25 * Sec. 2. This Act is retroactive to July 1, 1977.

26 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
27 070(c).

28

29

#

May 19, 1978

Legislative Board of Retirement Benefits analysis and recommendations
on:

House Bill No. 956

The board endorses the attached fiscal note as its fiscal analysis
of HB 956.

A majority of the board (five members) recommends that HB 956 do
pass; one member has no recommendation; and one member was absent.

SUMMARY OF HOUSE BILL NO. 956

Retirement system affected: PERS

Permits a person who should have verified his military service before July 1, 1977, to claim military service credit if he verifies his service before January 1, 1979, provided that he filed a claim for the service before July 1, 1977, but did not verify the service in time.

Takes effect immediately and is retroactive to July 1, 1977.

COMMITTEE REPORT

HOUSE

5/26/78

FURTHER: _____

Date: _____

Mr. Speaker:

The Committee on Finance has had HB 956

"An Act relating to military service credit under the Public Employees' Retirement System of Alaska; 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:

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

5/1/78

Date: May 25, 1978

Mr. Speaker:

The Committee on STATE AFFAIRS has had HB 956
"An Act relating to military service credit under the Public Employees'
Retirement System of Alaska; eff. date."

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

(X) 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:

J. Madley - Do Pass

Jim McKinnon - No Rec.

Donnovan - Do Pass

Hutton - No Pass

Tom Kelly - Do Pass

J. P. Madley
Chairman

5370
McKenzie

Introduced: 5/1/78
Referred: State Affairs and
Finance

BY THE JUDICIARY COMMITTEE
BY REQUEST

1 IN THE HOUSE

2 HOUSE BILL NO. 956

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to military service credit under the
7 Public Employees' Retirement System of Alaska; and
8 providing for an effective date."

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

10 * Section 1. (a) This section applies to any person who

11 (1) was required to verify his period of military service before
12 July 1, 1977 in order to receive credited service under AS 39.35.340(b) or
13 (c);

14 (2) filed an active military service credit claim under AS 39.35.-
15 340(b) or (c) with the Department of Administration, division of retirement
16 and benefits, before July 1, 1977; and

17 (3) was denied credited service under AS 39.35.340(b) or (c)
18 solely because of his failure to verify his period of military service.

19 (b) A person to whom this section applies is entitled to credited ser-
20 vice under AS 39.35.340(b) or (c) if he verifies his period of military ser-
21 vice before January 1, 1979 and satisfies all applicable requirements of AS
22 39.35.340 other than the July 1, 1977 deadline for verification of military
23 service. No part of AS 39.35.340 is affected by this section other than the
24 July 1, 1977 deadline.

25 * Sec. 2. This Act is retroactive to July 1, 1977.

26 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
27 070(c).

28
29
COMMITTEE COPY

ALASKA STATE LEGISLATURE

TENTH.. Legislature SECOND. Session

HOUSE ...BILL..... NO. 956..

By ...THE JUDICIARY COMMITTEE.
BY REQUEST

"An Act relating to military service credit under the Public Employees' Retirement System of Alaska; and providing for an effective date."

PERS military svc. credit

Introduced in the House5-1-78
....., 19....

HISTORY IN THE HOUSE

19 78		Read first time and referred to Committee on State Affairs and Finance																						
May	1	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																							
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																						
		<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																							
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

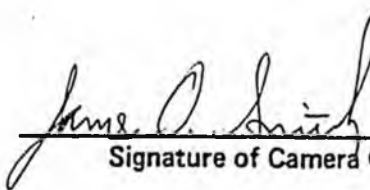
19		Received from Senate
		Concurred in Senate amendment thus adopting:
		Failed to concur in Senate amendment; asked Sen. to recede
		Senate receded from amendment
		Senate failed to recede from amendment
		FCC appointed by House
		FCC appointed by Senate
		FCC adopted
		To enrolling
		Reported correctly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



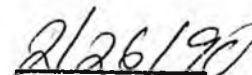
RECORDS CERTIFICATION



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

Introduced: 5/1/78
Referred: Finance

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 HOUSE BILL NO. 957

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 special appropriation for power and
7 water projects; and providing for an effective date."

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

9 * Section 1. The sum of \$15,330,000 is appropriated from the general fund
10 in the following manner:

11 (1) \$10,600,000 to the Department of Revenue for a loan to
12 the municipality of Sitka for continuing design, federal licensing, and
13 commencing construction of the Green Lake hydroelectric project; the
14 terms and conditions of the loan are to be determined by the commis-
15 sioner of revenue in consultation with the commissioner of public works;

16 (2) \$2,430,000 to the power project revolving loan fund
17 established by AS 44.56.170 to carry out the purposes of that loan
18 program;

19 (3) \$2,300,000 to the water resources revolving loan fund
20 within the Department of Commerce and Economic Development for a loan to
21 the Municipality of Anchorage to carry out the purposes of the water
22 resources loan program.

23 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
24 070(c).

ALASKA STATE LEGISLATURE - HOUSE OF REPRESENTATIVES



REPRESENTATIVE RICHARD I. ELIASON

P.O. BOX 143
SITKA, ALASKA 99835

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811

MINORITY WHIP

COMMITTEES
RESOURCES
JUDICIARY

May 11, 1978
Juneau, AK 99811

Rep. Steve Cowper, Chairman
House Finance Committee
Juneau, AK 99811

Dear Steve,

This letter is to reiterate the vital needs of my community of Sitka for the passage of HB 957 or SB 601, "Special Appropriation, Water and Power Projects."

Statistics will confirm that Sitka is the fastest growing community in Southeast Alaska. The Coast Guard recently commissioned an air station in Sitka which brought in 300 people. The U.S. Forest Service Work Center in Sitka has increased our population considerably and as a result the hydroelectric installation at Blue Lake has reached its capacity.

At the present time, in addition to the Blue Lake hydroelectric plant, we have four (4) diesel generating units. The Borough of Sitka is awaiting delivery of two (2) additional diesel units at the cost of \$2,225,000 which is only to enable us to keep the lights on until we are able to develop our Green Lake project.

HB 957 will fund a loan to the Borough of Sitka so we can continue design and commence construction of an access road to the hydro site this summer. We must obtain interim financing this summer or the construction of the facility will be held back a year which would add at least \$3 million to the total cost and continue to hamper development of the community.

The Borough of Sitka recently completed a harbor development project which reclaimed some three acres of tideland. This area has a deep water, iron sheilded dock which can accomodate the largest fishing vessels in Alaska. The area is ideal for a bottom fishery plant, and there has been considerable interest shown by different fish processors in leasing it for a fish processing plant. The Borough is

May 11, 1978

unable to make this area available for development simply because there is not the electric energy to provide for its needs. The 200 acres of Mental Health land that we obtained last year from the state cannot be developed for home construction because of the lack of electrical energy.

The Borough of Sitka has borrowed \$2 million at an interest rate of 6% from the State of Alaska. HB 957 will enable the Borough to borrow an additional \$10.6 million at 6% interest to keep this project on schedule. With the commitment of these monies, our bond consultants tell us that we will be able to go to the bond market and sell revenue bonds to complete the project at about 2% under what the interest rate would be if we chose to go to the bond market today. The savings over the life of the bond issue will be tremendous.

I am sure you recognize how very important and vitally necessary this interim financing is to our community and I hope that we can obtain positive action on this important issue.

Sincerely yours,



DICK ELIASON
State Representative
District #3

cc: Finance Committee

HB 957

3 May

Please notify Jim

Rhode when this comes

up (making appropriation
to same projects bond for
arbitrage reasons)

COMMITTEE REPORT

HOUSE

5/1/78

FURTHER: _____

Date: _____

Mr. Speaker:

The Committee on FINANCE has had HB 957
"An Act making a special appropriation for power and water projects;
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:

Chairman

5339
Bernier

Introduced: 5/1/78
Referred: Finance

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 HOUSE BILL NO. 957

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 special appropriation for power and
7 water projects; and providing for an effective date."

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

9 * Section 1. The sum of \$15,330,000 is appropriated from the general fund
10 in the following manner:

11 (1) \$10,600,000 to the Department of Revenue for a loan to
12 the municipality of Sitka for continuing design, federal licensing, and
13 commencing construction of the Green Lake hydroelectric project; the
14 terms and conditions of the loan are to be determined by the commis-
15 sioner of revenue in consultation with the commissioner of public works;

16 (2) \$2,430,000 to the power project revolving loan fund
17 established by AS 44.56.170 to carry out the purposes of that loan
18 program;

19 (3) \$2,300,000 to the water resources revolving loan fund
20 within the Department of Commerce and Economic Development for a loan to
21 the Municipality of Anchorage to carry out the purposes of the water
22 resources loan program.

23 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
24 070(c).

25
26
27
28
29
COMMITTEE COPY

ALASKA STATE LEGISLATURE

TENTH Legislature SECOND Session

HOUSE BILL NO. 957

By THE FINANCE COMMITTEE

"An Act making a special appropriation for power and water projects; and providing for an effective date."

power & water projects

Introduced in the House 5-1-1978

HISTORY IN THE HOUSE

19 78	Read first time and referred to Committee on Finance												
May 1	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> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused		
PASS	Effective Date												
Yeas	Yeas												
Nays	Nays												
Absent	Absent												
Excused	Excused												
	<table border="0"> <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>	Reconsideration		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												
	<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> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused		
PASS	Effective Date												
Yeas	Yeas												
Nays	Nays												
Absent	Absent												
Excused	Excused												
	<table border="0"> <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>	Reconsideration		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.



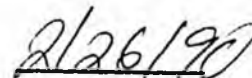
RECORDS CERTIFICATION



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

COMMITTEE REPORT
SENATE

6/8/78

FURTHER: _____

Date: June 10, 1978

Mr. President:

The Committee on FINANCE has had HB 954 special appropriation to the Dept. of Transportation and Public Facilities for acquisition of site for permanent maintenance facilities for state ferries 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:

[Handwritten signatures]

OTHER RECOMMENDATIONS:

[Handwritten signature]
_____ Chairman

COMMITTEE REPORT

SENATE

5/19/78

FURTHER: FINANCE

Date: June 8, 1978

Mr. President:

The Committee on STATE AFFAIRS has had HB 954 special appropriation to the Dept. of Transportation and Public Facilities for acquisition of site for permanent maintenance facilities for state ferries 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 ^{in individual}

() and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS.

OTHER RECOMMENDATIONS:

N. Kuttal Do pass
Ed Miller Do pass
John ... DO PASS

N. Kuttal
 Chairman

MEMO May 23, 1978
TO SENATOR KERTTULA
SENATOR WILLIS
SENATOR SACKETT
FROM SENATOR ZIEGLER
RE: HB 954

*Judy
agenda*

attached

I bet you thought you'd never hear from me again!

HB 954 would appropriate \$ 1 million which, together with additional sums added thereto by the federal government and the City of Ketchikan, would enable maintenance on the ferry fleet or at least a substantial portion thereof to be done in Alaska.

I have been told that this project would be economically feasible and that the state would be the financial beneficiary in the long run. If this information is correct, as per the background material from Representative Gardiner which I have given you, perhaps you might want to give some consideration to the bill in these waning days.

RHZ/pkz

*3
K & J*

*let me know when this
bill comes in.*

Judy

Introduced: 4/28/78
Referred: State Affairs and
Finance

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2 HOUSE BILL NO. 954

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 special appropriation to the Depart-
7 ment of Transportation and Public Facilities for the
8 acquisition of a site for a permanent maintenance
9 facility for state ferries; and providing for an
10 effective date."

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

12 * Section 1. The sum of \$1,000,000 is appropriated from the general fund
13 to the Department of Transportation and Public Facilities for the acquisition
14 of a site suitable for the maintenance of state ferries in Ketchikan.

15 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
16 070(c).

17

18

19

20

21

22

23

24

25

26

27

28

29

#

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF TRANSPORTATION
and PUBLIC FACILITIES

MAINTENANCE AND OPERATIONS

4111 AVIATION AVENUE, POUCH 6900
ANCHORAGE 99502 (TELEX 25-185)

February 22, 1978

Mr. Ira Winograd
Office of Economic Programs
Ketchikan Gateway Borough
344 Front Street
Ketchikan, Alaska 99901

Dear Mr. Winograd:

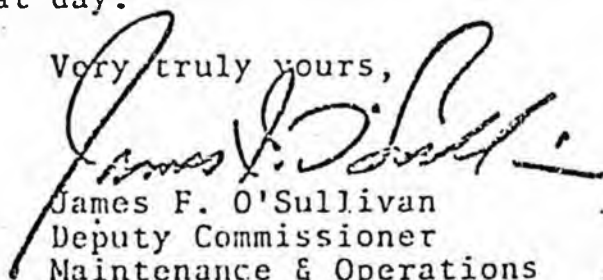
The Alaska Marine Highway System has high hopes that we will soon have Southeastern Alaska maintenance bases available to us. We look forward to the day when only dry docking and associated work will be let to bidders outside Alaska. To that end we are encouraging Southeastern ports to participate with us in activity which will result in new business for those communities.

Our study of this system change was not entered into in 1977 due to the lack of all definitive data. With inauguration of our new winter maintenance and lay up procedure this year, we have now defined our requirements.

We plan to meet with your members during the month of March and our proposal will be laid before you at that time. You may rest assured that this administration - the Governor and Commissioner Harris - are intensely interested in performing the maximum amount of repair and maintenance work on these vessels in the State of Alaska. We wish to give the Southeast communities and the local businesses the opportunity to present their proposals for filling our requirements.

Bill Hudson will coordinate the date of this first meeting. He and I both look forward to that day.

Very truly yours,



James F. O'Sullivan
Deputy Commissioner
Maintenance & Operations

JFO'S:hj

cc: Representative Terry Gardiner
Representative Oral Freeman
Senator Robert Ziegler, Sr.
Commissioner Donald Harris



Alaska State Legislature

House of Representatives

Committee on Judiciary

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

TO: Senator Ziegler
FROM: Rep. Gardiner
RE: HB 954, Marine Maintenance

DATE: May 22, 1978

Attached are back up materials for HB 954 which would appropriate \$1 million for the development of a marine maintenance facility capable of maintaining Alaska ferries in Ketchikan.

Coupled with \$500,000 of local port funds and \$500,000 of HUD development funds being applied for a total of \$2 million would be available. This would provide 1,100 feet of dock frontage, necessary utilities, a crane and 78,000 sq. ft. of upland dock and land fill area. This would provide the basic elements now missing in Alaska to adequately provide a maintenance program in state.

The Department of Transportation is presently studying several alternatives for the actual maintenance work. This facility would allow the flexibility for all of those alternatives under consideration.

Other organizations such as the U.S. Coast Guard have expressed interest in using such a maintenance facility. Also the port facility can be used by other commercial users and other industries especially during the summer months.



KETCHIKAN GATEWAY BOROUGH

344 FRONT STREET
KETCHIKAN, ALASKA 99901

May 3, 1978

House Finance Committee
Pouch V
Juneau, Alaska 99811

Dear Sirs:

Re: H.B. 954 - Alaska Marine Highway Winter Maintenance

My name is Anthony Nakazawa. I am employed as the Economic Development Specialist for the Ketchikan Gateway Borough. I would like to offer the following testimony in support of H.B. 954:

ALASKA MARINE HIGHWAY WINTER MAINTENANCE PROGRAM

I. Project

To locate an Alaska Marine Highway (A.M.H.) winter maintenance program in Alaska. All non-drydock maintenance will be performed at a site chosen for its ability to enable an efficient and growing State maintenance program.

An additional aspect of the project is the provision of spin-off benefits to the local community. It is preferable for these benefits to accrue to the basic or export sectors because the non-basic sectors are dependent on the ability of local economies to attract outside dollars. The export or basic sectors of an economy refer to the sectors which bring in outside dollars to fuel the local economy. The predominant basic industries in the Southeast maritime communities are regional government, forestry, seafood harvesting and processing, and tourism in descending order of importance. The proposed project will stimulate the basic sector directly and through spin-off effects which will increase investments in the seafood industry.

II. Objectives

The A.M.H. is financed by passenger fares, freight tariffs and a \$16,400,000 public subsidy. A domestic maintenance program will

file

recirculate within the State that part of the subsidy program which is currently drained off by the Puget Sound shipyards. The annual maintenance budget is approximately \$3,500,000 and most of it is for non-drydock work which could be performed in Alaska. The State would also develop an expertise in the repair of large vessels and this can serve as a base for a developing marine repair industry.

A winter maintenance program would have a strategic impact on the seasonal economies of Southeast. The program can reach its full potential to alleviate seasonal unemployment if it is located where there is an adequate reserve labor supply so the resident unemployed will have first chance at new employment. Therefore, it should be located in a large maritime community.

Non-drydock repair work is environmentally clean and in harmony with the maritime orientation of Southeast communities. It satisfies the objectives of economic growth and environmental protection in this harsh, yet fragile environment.

Since the maintenance program entails an influx of outside dollars into the local economy, it expands and diversifies the basic sector of the economy. The long term stability of many Southeastern communities is threatened by their limited ways of obtaining outside dollars. Any activity which provides basic sector diversification will help obtain long run socio-economic stability and stability is a prerequisite for the development of a strong local economy which is able to adapt to changing market conditions.

III. Rationale

A recent study was commissioned by the State of Alaska, Division of Legislative Finance, to explore the feasibility of alternative sites for a marine maintenance program. The report, "Alaska Marine Maintenance Feasibility Study", analyzed market conditions, infrastructure characteristics, and site characteristics for the ports of Ketchikan, Juneau, Sitka, Seward and Kodiak.

Ketchikan was chosen as the most suitable site for a domestic maintenance program and it was noted that Ketchikan has the most highly developed marine repair infrastructure of any of the other study areas. The report also concluded that it is financially feasible to conduct all non-drydock repair work in Alaska.

Several developments, such as increased fishing activity, shipping increases due to oil-gas trade, and Coast Guard activity further complement the decision for A.M.H. winter maintenance in Ketchikan. Within a decade or so the marine repair industry may develop into a growing business in Ketchikan. Due to Ketchikan's mild climatic conditions, it is the only logical site in Alaska to repair and maintain a large domestic fleet of groundfish vessels. In fact, the existence of a repair facility will help secure a domestic groundfish fleet for Alaska. Over time, it is possible to expand the facilities to include dry-docking so that ships in Alaskan waters will be able to avoid the long emergency or off-season run to Puget Sound.

IV. Options

On March 30, 1978 the Division of Marine Highway Systems issued an agenda and policy statement for public discussions. It stated that "In 1978-79 it will be our goal to attempt significant vessel maintenance and repair works in Alaska". This is in accordance with the directions of Governor Hammond. However, they have opted to simply announce their repair specifications in the usual manner except that Alaskans will be given a chance to bid on the projects. Under this option, it is very unlikely that any marine repair work will be completed in Alaska. The State has to give further consideration to sponsorship options if it is serious about a domestic repair program. This consideration can come from the Administration or the Legislature.

There are three basic options for sponsorship:

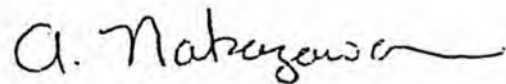
- 1) The State can refuse to make any investment in facilities or equipment and continue to put all items out for bid or crew repair. The problem with this option is that domestic firms cannot afford to gear up for a large contract when they have no guarantee that additional work will be done in their locale in future years. This the option which the administration has chosen. It will not implement a domestic maintenance program.
- 2) The State can establish a state-owned marine maintenance base complete with shops, equipment and a labor force. Under this option the State loses the advantages of competitive biddings and it would be given new administrative burdens.
- 3) The State could finance site acquisition for a permanent maintenance facility. The present combination of bidding and crew labor could be continued. It is reasonable to expect that local firms will gear up for competitive bidding when they know that they have a reasonable chance to obtain work on a yearly basis. Local merchants in Ketchikan who are interested in marine repair business have already met to discuss how they might participate in a bidding process. Under this option, a domestic maintenance program would develop and the State would not have to invest in shops, equipment or additional labor. The acquired site could be managed by setting up a Ketchikan Local Economic Development Corporation as a non-profit private enterprise. It would be eligible for financial loans from the Small Business Administration and other agencies, and it would have the authority to create an industrial park, thus gaining eligibility for Economic Development Administration funding.

A decision as to State participation has to be made. The seasonality of Ketchikan's marine repair industry hinders private capital investments in ship repair facilities. The private market cannot expand and develop facilities sufficient to realize the potential economies available. Washington State operators, who through the assistance

of past public investments, are now able to realize the benefits that capacity considerations and large markets enable them. If Southeast is to remain economically viable, given the present bottlenecks for development, the issues of diversification and stability have to be addressed by the public sector. The third option, while ambitious, is a very feasible approach whose time has come. Public investment is needed to achieve the so-called, but very real, "take-off" stage in developing local economies.

Thank you.

Respectfully,

A handwritten signature in cursive script that reads "A. Nakazawa". The signature is written in dark ink and has a fluid, connected style.

Anthony Nakazawa

Economic Development Specialist
Ketchikan Gateway Borough

NB 954



KETCHIKAN GATEWAY BOROUGH
344 FRONT STREET
KETCHIKAN, ALASKA 99901

April 21, 1978

Terry Gardiner
House of Representatives
Pouch V
Juneau, AK 99811

Dear Terry:

ALASKA MARINE HIGHWAY WINTER MAINTENANCE PROGRAM

I. Project

To locate an Alaska Marine Highway winter maintenance program in Alaska. All non-drydock maintenance will be performed at a site chosen for its ability to enable an efficient and growing State maintenance program.

An additional aspect of the project is the provision of spin-off benefits to the local community. It is preferable for these benefits to accrue to the basic or export sectors because the non-basic sectors are dependent on the ability of local economies to attract outside dollars. The export or basic sectors of an economy refer to the sectors which bring in outside dollars to fuel the local economy. The predominant basic industries in the Southeast maritime communities are regional government, forestry, seafood harvesting and processing, and tourism in descending order of importance. The proposed project will stimulate the basic sector directly and through a spin-off effect which will increase investments in the seafood industry.

II. Objectives

The Alaska Marine Highway is financed by passenger fares, freight tariffs and a \$16,400,000 public subsidy. A domestic maintenance program will recirculate within the State that part of the subsidy which is currently drained off to the Puget Sound shipyards. The annual maintenance budget is approximately \$3,500,000 and most of it is for non-drydock work which could be performed in Alaska. The State would also develop an expertise in the repair of large vessels and this can serve as a base for a developing marine repair industry.

A winter maintenance program would have a strategic impact on the seasonal economies of Southeast. The program can reach its full potential to alleviate seasonal unemployment if it is located where there is an adequate reserve labor supply so the resident unemployed will have first chance at new employment. Therefore, it should be located in a large maritime community.

Non-drydock repair work is environmentally clean and in harmony with the maritime orientation of Southeast communities. It satisfies the objectives of economic growth and environmental protection in this harsh, yet fragile environment.

Since the maintenance program entails an influx of outside dollars into the local economy, it expands and diversifies the basic sector of the economy. The long term stability of many Southeastern communities is threatened by their limited ways of obtaining outside dollars. Any activity which provides basic sector diversification will help obtain long run socio-economic stability and stability is a prerequisite for

the development of a strong local economy which is able to adapt ^{to} changing market conditions.

III. Rationale

A recent study was commissioned by the State of Alaska, Division of Legislative Finance, to explore the feasibility of alternative sites for a marine maintenance program. The report, "Alaska Marine Maintenance Feasibility Study", analyzed market conditions, infrastructure characteristics, and site characteristics for the ports of Ketchikan, Juneau, Sitka, Seward and Kodiak. The Sunny Point site in Ketchikan was chosen as the most suitable site for a domestic maintenance program. The report also concluded that it is financially feasible to conduct all nondrydock repair work in Alaska and that Ketchikan has the most highly developed marine repair infrastructure.

^{Sunny Point}
This site is owned by the New England Fish Company and has been proposed for acquisition by the Port of Ketchikan for development as a shipyard or marine terminal site; part of it has also been considered for the Alaska Division of Marine Transportation as a site for ferry terminal expansion. This site is partially filled, and includes a slip now dredged to a depth of 24 MLLW immediately adjacent to the present ferry terminal. This slip is large enough for construction of a 450' wharf on its south side immediately adjacent to the ferry terminal. The slip could be widened by dredging on its north side to open an area for a drydock with spoil used for further tideland filling. The present wharf face is considered capable of rehabilitation as a berth for a 200-350 foot vessel, and could be extended to 500 feet without obstructing the slip. Existing buildings on this site should be capable of rehabilitation as

shops, warehouse and office space. The tract immediately adjacent to the north is the property of the City of Ketchikan and is capable of adding approximately 500 feet of marginal wharf frontage without dredging. The slip area is very well protected from the prevailing southeast wind, while the face of the existing wharf is exposed. The entire Sunny Point site has been offered to the Alaska Division of Marine Transportation for \$3.4 million. However, it is believed that its fair market value is approximately 50% of this figure. This site is now partially developed in a manner compatible with the requirements of a shipyard, and its further development is capable of economical staging.

From a local perspective, an expanded marine repair industry will help alleviate the impending crises that would result from a closure of the Louisiana Pacific pulp mill, which is the largest employer in the community. World pulp market conditions are depressed and the mill continues to consider a termination of activities. Land withdrawals and Native selections will place a further burden on the mill. Louisiana Pacific is currently cutting lumber which was purchased as part of a 50-year sale. However, the forest has not been regenerating as fast as had been projected and there is a very strong possibility that processing activities will terminate at the end of the 50-year sale. If and when the mill closes, there are no plans for a phased slowdown or personnel relocations. Many of Ketchikan's workers are blue collar and do not have a high mobility. From the local perspective, it is imperative that the local economy diversify if it is to avoid severe hardship among residents.

Within a decade or so the marine repair industry may develop into a growing business in Ketchikan. Due to Ketchikan's mild climatic conditions, it is the only logical site in Alaska to repair and maintain a large

domestic fleet of groundfish vessels. In fact, the existence of a repair facility will help secure a domestic groundfish fleet for Alaska. Over time, it is possible to expand the facilities to include dry-docking so that ships in Alaskan waters will be able to avoid the long emergency or off-season run to Puget Sound.

IV. Program

The proposed program consists of a finance and a management package. First round finances will come from the Federal Government and the State Legislature. Second round finances will come from New England Fish Company. Management will be the responsibility of the local non-profit economic development corporation.

On April 18, 1978 the Dept. of Housing and Urban Development announced that an allocation for Fiscal Year 1978 of \$691,000 has been made for Alaska under the Small Cities Community Development Block Grant Program. Grants are divided into comprehensive and single purpose classifications. Comprehensive grants are eligible for multi-year funding up to \$1,000,000 over three years. I propose that the State Department of Commerce and Economic Development and the City of Ketchikan file a joint preapplication on behalf of the Ketchikan Local Economic Development Corporation under the Comprehensive Program for a 3-year \$500,000 grant which will be used to help purchase the Sunny Point Cannery site in preparation for a winter maintenance program. The request will be predicated on an agreement with the seller, New England Fish Company, that all H.U.D. money payments will be invested in the local community to create additional employment in the seafood industry. The State Legislature would finance \$1,000,000 to complete the purchase of the property over time.

The project is attractive to all parties involved in the transaction.

The Director of Community Planning and Development for the Department of Housing and Urban Development, Harry E. McGee, has indicated that H.U.D. would look favorably on a project such as this because it provides significant leverage as it recirculates H.U.D. investments to two basic sectors of the local economy, marine maintenance and seafood industries, thus providing double the impact for each grant dollar expended. The Comprehensive program would meet the four eligible criteria of § 570.423 Federal Rules & Regulations: 1) Address a substantial portion of the identifiable community development needs within a defined concentrated area; 2) Involve two or more activities that bear a relationship to each other, excluding administration, planning and management, and which either in terms of support or necessity are carried out in a coordinated manner; 3) Have a beneficial impact within a reasonable period of time; 4) Be developed through assessment of the applicant's community development, housing and economic needs.

The Borough Assembly of the Ketchikan Gateway Borough has made economic diversification one of its primary goals. It has spent significant amounts of time and money during fiscal 77-78 to diversify the local economy. An Office of Economic Programs has been created and the Assembly endorsed, by Resolution No. 280, the, "1977 Annual Report and Program Projection", of said Office and a representative citizens advisory group, the Ketchikan Overall Economic Development Program Committee. The report discussed the twelve most important projects concerning Ketchikan's economy and two out of the three top priorities were waterfront development and fisheries development.

H.U.D. uses a point system to rank projects according to the following

"In 1978-79 it will be our goal to attempt significant vessel maintenance and repair works in Alaska." This is in accordance with the directions of Governor Hammond. However, they have opted to simply announce their repair specifications in the usual manner except that Alaskans will be given a chance to bid on the projects. Under this option, it is very unlikely that any marine repair work will be completed in Alaska. The State has to give further consideration to sponsorship options if it is serious about a domestic repair program. This consideration can come from the Administration or the Legislature.

There are three basic options for sponsorship. One, the State can refuse to make any investment in facilities or equipment and continue to put all items out for bid or crew repair. The problem with this option is that domestic firms cannot afford to gear up for a large contract when they have no guarantee that additional work will be done in their locale in future years. This is the option which the administration has chosen. It will not implement a domestic maintenance program.

A second option is for the State to establish a state-owned marine maintenance base complete with shops, equipment and a labor force. Under this option the State would lose the advantages of competitive biddings and it would be given new administrative burdens.

The third option is for the State to finance site acquisition for a permanent maintenance facility. The present combination of bidding and crew labor could be continued. It is reasonable to expect that local firms will gear up for competitive bidding when they know that they have a reasonable chance to obtain work on a yearly basis. Local merchants

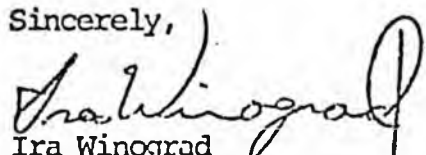
who are interested in marine repair business have already met to discuss how they might participate in a bidding process. Under this option, a domestic maintenance program would develop and the State would not have to invest in shops, equipment or additional labor.

The acquired site would be managed by the Ketchikan Local Economic Development Corporation as a non-profit private enterprise. It would be eligible for financial loans from the Small Business Administration and other agencies, and it would have the authority to create an industrial park, thus gaining eligibility for Economic Development Administration funding.

In order to accomplish this program, the State Legislature must gain a preliminary agreement between N.E.F.C.O. and the State Department of Commerce and Economic Development which will insure a successful H.U.D. Small Cities Comprehensive Program application. The application can be written by the Planning Department of the Ketchikan Gateway Borough and said Department would coordinate with the Local Economic Development Corporation. The State Legislature would have to pursue and obtain \$1,000,000 in funding to match the \$500,000 H.U.D. request which would allow purchase of a site for an Alaska Marine Highway Maintenance program.

I urge your timely review of this proposal. H.U.D. preliminary applications are due between May 1 and May 15, 1978. Please feel free to distribute this proposal to all appropriate parties. I look forward to receiving your comments and I am available for immediate personal consultation.

Thank you for your interest.

Sincerely,

Ira Winograd
Acting Planning Director

MEMORANDUM

May 4, 1978

TO: House Finance Committee

FROM: Ira Winograd, acting planner
Ketchikan Gateway Borough

RE: HB 954, Alaska Marine Highway
Winter Maintenance Facility

The project is to locate an Alaska Marine Highway winter maintenance program in Alaska. All non-drydock maintenance will be performed at a site chosen for its ability to enable an efficient and growing state maintenance program.

An additional aspect of the project is provision of spin-off benefits to the local community. It is preferable for these benefits to accrue to the basic or export sectors because the non-basic sectors are dependent on the ability of local economies to attract outside dollars. The export or basic sectors of an economy refer to the sectors which bring in outside dollars to fuel the local economy.

The predominant basic industries in the Southeast maritime communities are regional government, forestry, seafood harvesting and processing, and tourism in descending order of importance. The proposed project will stimulate the basic sector directly and through a spin-off effect which will increase investments in the seafood industry.

The Alaska Marine Highway is financed by passenger fares, freight tariffs and a \$16,400,000 public subsidy. A domestic maintenance program will recirculate within the state that part of the subsidy which is currently drained off to Puget Sound shipyards. The annual maintenance budget is about \$3,500,000 and

most of it is for non-drydock work which could be performed in Alaska. The state would also develop an expertise in the repair of large vessels and this can serve as a base to develop a marine repair industry.

A winter maintenance program would have a strategic impact on the seasonal economies of Southeast. The program can reach its full potential to alleviate seasonal unemployment if it is located where there is an adequate reserve labor supply so that unemployed residents will have first chance at new jobs. Therefore, it should be located in a large maritime community.

A recent study was commissioned by the State of Alaska, Division of Legislative Finance, to explore the feasibility of alternative sites for a marine maintenance program. The report, "Alaska Marine Maintenance Feasibility Study," analyzed market conditions, infrastructure characteristics, and site characteristics for the ports of Ketchikan, Juneau, Sitka, Seward and Kodiak. The report concluded that it is financially feasible to conduct all non-drydock repair work in Alaska and that Ketchikan has the most highly developed marine repair infrastructure.

From a local perspective, an expanded marine repair industry will help cushion impending crises in the event the Louisiana-Pacific pulp mill were to close, which company officials say is a real possibility because of market conditions and land withdrawals.

Within a decade, the marine repair industry may develop into a growing business in Ketchikan. Because of Ketchikan's mild climate, it is the only logical site in Alaska to repair and maintain a

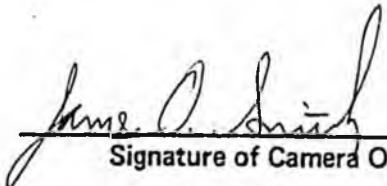
Winter Ferry Maintenance
Ira Winograd
Page 3

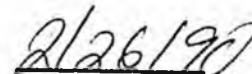
large domestic fleet of groundfish vessels. In fact, existence of a repair facility will help secure a domestic groundfish fleet for Alaska. Over time it is possible to expand the facilities to include drydocking so that ships in Alaska will be able to avoid the long emergency or off-season run to Puget Sound.



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

COMMITTEE REPORT

HOUSE

FURTHER: _____

5-4-88

Date: 5/15/78

Mr. Speaker:

The Committee on FINANCE has had HB 960
"An Act relating to fish and game management."

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 960 (Finance)
and and it do pass 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:

Freeman
W. J. ...
...
...
...
...
...
...
...
...
...

OTHER RECOMMENDATIONS:

...
...
...
...
...
...
...
...
...
...

...
Chairman

Original sponsor: Rules Committee
by request (for the Special
Committee on Subsistence)

Offered: 5/19/78
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 960 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to fish and game management."

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

8 * Section 1. INTENT. The legislature finds that there is a need to
9 develop a statewide policy on the utilization, development and conservation
10 of fish and game resources, and to recognize that those resources are not
11 inexhaustible and that preferences must be established among beneficial users
12 of the resources. The legislature further determines that it is in the
13 public interest to clearly establish subsistence use as the priority bene-
14 ficial use of Alaska's fish and game resources and to recognize the needs,
15 customs and traditions of Alaskan residents. The legislature further finds
16 that beneficial use of those resources by all state residents should be
17 carefully monitored and regulated, with as much input as possible from the
18 affected users, so that the viability of fish and game resources is not
19 threatened and so that resources are conserved in a manner consistent with
20 the sustained-yield principle.

21 * Sec. 2. AS 16.05.090 is amended by adding a new subsection to read:

22 (c) There is established in the Department of Fish and Game a
23 division of subsistence hunting and fishing.

24 * Sec. 3. AS 16.05 is amended by adding new sections to read:

25 Sec. 16.05.094. DUTIES OF DIVISION OF SUBSISTENCE HUNTING AND
26 FISHING. The division of subsistence hunting and fishing shall

27 (1) compile existing data and conduct studies to gather
28 information, including data from subsistence users, on all aspects of
29 the role of subsistence hunting and fishing in the lives of the resi-

1 dents of the state;

2 (2) quantify the amount, nutritional value, and extent of
3 dependence on food acquired through subsistence hunting and fishing;

4 (3) make information gathered available to other appropriate
5 agencies and the legislature in a form suitable for use in developing
6 policies relating to land, water or resource use;

7 (4) assist the legislature or the Board of Fisheries or the
8 Board of Game in determining what uses of fish and game, as well as
9 which users and what methods, should be termed subsistence uses, users,
10 and methods;

11 (5) evaluate the impact of state and federal laws and regu-
12 lations on subsistence hunting and fishing and, when corrective action
13 is indicated, make recommendations to the governor and the legislature;

14 (6) make recommendations to the Board of Game and the Board
15 of Fisheries regarding adoption, amendment and repeal of regulations
16 relating to subsistence hunting and fishing;

17 (7) contract with organizations or individuals capable of
18 assisting the division in carrying out its duties;

19 (8) participate with other divisions in the preparation of
20 statewide and regional management plans so that those plans reorganize
21 and incorporate the needs of subsistence users of fish and game.

22 * Sec. 4. AS 16.05.221 is amended to read:

23 Sec. 16.05.221. BOARDS OF FISHERIES AND GAME. (a) For purposes
24 of the conservation and development of the fishery resources of the
25 state, there is created the Board of Fisheries composed of nine [SEVEN]
26 members appointed by the governor, subject to confirmation by a majority
27 of the members of the legislature in joint session. The [APPOINTED]
28 members shall be residents of the state and shall be appointed without
29 regard to political affiliation [OR GEOGRAPHICAL LOCATION OF RESIDENCE].

1 The commissioner is not a member of the Board of Fisheries, but shall be
2 ex officio secretary.

3 (b) For purposes of the conservation and development of the game
4 resources of the state, there is created a Board of Game composed of
5 nine [SEVEN] members appointed by the governor, subject to confirmation
6 by a majority of the members of the legislature in joint session. The
7 [APPOINTED] members shall be residents of the state, and shall be ap-
8 pointed without regard to political affiliation [OR GEOGRAPHICAL LOCA-
9 TION OF RESIDENCE]. The commissioner is not a member of the Board of
10 Game, but shall be ex officio secretary.

11 * Sec. 5. AS 16.05.251 is amended by adding a new subsection to read:

12 (b) The Board of Fisheries shall adopt regulations in accordance
13 with the Administrative Procedure Act (AS 44.62) permitting the taking
14 of fish for subsistence uses unless the board determines, in accordance
15 with the Administrative Procedure Act, that adoption of such regulations
16 will jeopardize or interfere with the maintenance of fish stocks on a
17 sustained-yield basis. Whenever it is necessary to restrict the taking
18 of fish to assure the maintenance of fish stocks on a sustained-yield
19 basis, or to assure the continuation of subsistence uses of such re-
20 sources, subsistence use shall be the priority use. If further restric-
21 tion is necessary, the board shall establish restrictions and limita-
22 tions on and priorities for these consumptive uses on the basis of the
23 following criteria:

- 24 (1) customary and direct dependence upon the resource as the
25 mainstay of one's livelihood;
- 26 (2) local residency; and
- 27 (3) availability of alternative resources.

28 * Sec. 6. AS 16.05.255 is amended by adding new subsections to read:

29 (b) The Board of Game shall adopt regulations in accordance with

1 the Administrative Procedure Act (AS 44.62) permitting the taking of
2 game for subsistence uses unless the board determines, in accordance
3 with the Administrative Procedure Act, that adoption of such regulations
4 will jeopardize or interfere with the maintenance of game resources on a
5 sustained-yield basis. Whenever it is necessary to restrict the taking
6 of game to assure the maintenance of game resources on a sustained-yield
7 basis, or to assure the continuation of subsistence uses of such re-
8 sources, subsistence use shall be the priority use. If further restric-
9 tion is necessary, the board shall establish restrictions and limita-
10 tions on and priorities for these consumptive uses on the basis of the
11 following criteria:

12 (1) customary and direct dependence upon the resource as the
13 mainstay of one's livelihood;

14 (2) local residency; and

15 (3) availability of alternative resources.

16 (c) In accordance with sound game management practices, the Board
17 of Game shall establish open seasons for game species which coincide
18 with the time of year when each species is most edible.

19 * Sec. 7. AS 16.05.257(a) is amended to read:

20 (a) The Board of Game, at its regularly scheduled annual meeting,
21 shall consider and may adopt regulations providing for subsistence
22 hunting in a game management unit or subunit or a portion of a unit or
23 subunit upon

24 (1) recommendation of the department, based on biological
25 evidence;

26 (2) the recommendation [MAJORITY VOTE] of the active local
27 advisory committees for that game management unit or subunit or a por-
28 tion of a unit or subunit;

29 (3) the written petition of not less than 100 interested

1 residents of that game management unit or subunit; or

2 (4) the written petition of not less than 25 interested
3 residents of an area which is requested for establishment as a subsis-
4 tence area within a game management unit or subunit.

5 * Sec. 8. AS 16.05.257(c) is repealed and re-enacted to read:

6 (c) No regulations may be adopted by the Board of Game under (a),
7 (b) or (f) of this section unless, in addition to the requirements of AS
8 44.62.180 - 44.62.290, the department

9 (1) holds public hearings, after reasonable notice, at least
10 30 days before the meeting at which the regulation is to be adopted,
11 with at least one of the hearings being held in close proximity to the
12 area potentially affected;

13 (2) presents at the hearings the information provided for in
14 (e) of this section;

15 (3) makes the information provided for in (e) of this section
16 available to the appropriate advisory committees and to petitioners if
17 consideration of adoption of regulations was prompted by petitions under
18 (a)(3) or (4) of this section; comments shall be received by the board
19 until 10 days before any adoption of regulations.

20 * Sec. 9. AS 16.05.257(d) is amended to read:

21 (d) A petition submitted under (a)(3) - (4) of this section shall
22 contain a complete description of the area requested as a subsistence
23 area and a specification of the species within the area considered
24 necessary for subsistence use. A petition or request made under (a)(2),
25 (3) or (4) of this section must be filed with the department at least
26 75 days before the next scheduled meeting of the board.

27 * Sec. 10. AS 16.05.257(e) is repealed and re-enacted to read:

28 (e) The department shall investigate every petition or request
29 made under (a)(2), (3) or (4) of this section and provide the following

1 information: (1) the concentration and carrying capacity of the species
2 to be affected; (2) the concentration of other species; (3) the extent
3 of competition of other species with the affected species in the area;
4 (4) the current hunting practices in the area, including numbers of
5 animals taken and by what methods and means, whether the take is sub-
6 sistence or recreational, and characteristics of the hunters; (5) the
7 past and present dependence of persons in the area for subsistence use
8 of a species; (6) the biomass of the species to be affected; (7) the
9 population trends in the area; and (8) whether the population is able to
10 support a nonsubsistence harvest.

11 * Sec. 11. AS 16.05.257(h)(1) is amended to read:

12 (1) "subsistence hunting" means the taking of game animals by
13 a state resident for subsistence uses by means defined by the Board of
14 Game [FOOD OR CLOTHING FOR PERSONAL OR IMMEDIATE FAMILY USE];

15 * Sec. 12. AS 16.05.257(h)(2) is repealed and re-enacted to read:

16 (2) "subsistence hunting area" means an area in which only
17 subsistence hunting of the affected species is permitted and which is
18 managed for maximum food potential.

19 * Sec. 13. AS 16.05.257 is amended by adding a new subsection to read:

20 (i) The Board of Game may make no decision denying, creating or
21 changing a subsistence hunting area unless based on specific written
22 findings of fact regarding all the information provided in accordance
23 with (e) of this section. No subsistence hunting area may be created if
24 the board determines that creation of such an area will jeopardize or
25 interfere with the maintenance of game populations on a sustained-yield
26 basis.

27 * Sec. 14. AS 16.05.290 is amended to read:

28 Sec. 16.05.290. COMPENSATION OF BOARD MEMBERS. Each member of a
29 board is entitled to travel expenses, [AND \$100] per diem, and \$100 in

1 compensation for each day going to and from and for each day in actual
2 attendance at board meetings and other meetings or conferences author-
3 ized by a board.

4 * Sec. 15. AS 16.05.930 is amended by adding a new subsection to read:

5 (e) This chapter does not prevent the traditional barter of fish
6 and game taken by subsistence hunting or fishing, except that the com-
7 missioner may prohibit the barter of subsistence-taken fish and game by
8 regulation, emergency or otherwise, if a determination on the record is
9 made that the barter is resulting in a waste of the resource, damage to
10 fish stocks or game populations, or circumvention of fish or game
11 management programs.

12 * Sec. 16. AS 16.05.940 is amended by adding new paragraphs to read:

13 (26) "subsistence uses" means the customary and traditional
14 uses in Alaska of wild, renewable resources for direct personal or
15 family consumption as food, shelter, fuel, clothing, tools, or trans-
16 portation, for the making and selling of handicraft articles out of
17 nonedible by-products of fish and wildlife resources taken for personal
18 or family consumption, and for the customary trade, barter or sharing
19 for personal or family consumption; for the purposes of this paragraph,
20 "family" means all persons related by blood, marriage, or adoption, and
21 any person living within the household on a permanent basis;

22 (27) "barter" means the exchange or trade of fish or game or
23 their parts

24 (A) for other fish or game or their parts; or

25 (B) for other food or for nonedible items if the ex-
26 change is of a limited and noncommercial nature.

27 * Sec. 17. AS 24.20 is amended by adding new sections to read:

28 Sec. 24.20.600. SUBSISTENCE COMMITTEE ESTABLISHED. The Subsistence
29 Committee is established as a permanent interim committee of the

1 legislature. The establishment of the committee is a recognition that
2 continuous and intensive legislative study and involvement in the sub-
3 sistence lifestyle is necessary to insure that the subsistence lifestyle
4 remains a viable way of life for those who live it through choice or
5 necessity.

6 Sec. 24.20.610. MEMBERSHIP. The Subsistence Committee is composed
7 of three members of the house appointed by the speaker of the house, and
8 three members of the senate appointed by the president of the senate;
9 however, two of the three members from each house shall be the chairman
10 of the standing resources committee or his designee and one other member
11 of the committee. The membership from each house shall include at least
12 one member from each of the two major political parties. The committee
13 elects a chairman from among its members.

14 Sec. 24.20.620. TERM OF MEMBERSHIP. The Subsistence Committee
15 shall be organized within 15 days after the organization of each legis-
16 lature. Members serve for the duration of the legislature during which
17 they are appointed. If they are reelected or their term of office ex-
18 tends into the next succeeding legislature, they continue to serve until
19 reappointed or the appointment of their successor.

20 Sec. 24.20.630. VACANCIES. When a vacancy occurs in the member-
21 ship of the Subsistence Committee, the presiding officer of the house
22 incurring the vacancy shall choose a successor.

23 Sec. 24.20.640. MEETINGS. The Subsistence Committee may meet
24 during sessions of the legislature and during the interim between ses-
25 sions at such times and places in the state as the chairman may deter-
26 mine. Members may receive, for the minimum time required to get to and
27 from meetings and for the period while attending meetings, the same
28 travel and per diem allowances provided by law for members of the legis-
29 lature when attending sessions, except that members of the committee

1 receive no per diem during the legislative sessions other than the per
2 diem allowance paid to other members of the legislature.

3 Sec. 24.20.650. STAFF. The Legislative Affairs Agency shall pro-
4 vide the Subsistence Committee with professional and clerical assistance
5 under the auspices of the Legislative Council.

6 Sec. 24.20.660. DUTIES. The Subsistence Committee shall

7 (1) gather information on all aspects of subsistence hunting
8 and fishing and the role of subsistence in the lives of the residents of
9 the state;

10 (2) monitor the activities of state officers and agencies
11 which affect the use of subsistence resources;

12 (3) evaluate the impact of federal laws, regulations, and
13 policies which affect subsistence;

14 (4) receive public comment on governmental action affecting
15 subsistence;

16 (5) review regulations adopted by the Board of Fish and the
17 Board of Game which affect subsistence.

18 Sec. 24.20.670. POWERS. (a) The Subsistence Committee has the
19 following powers:

20 (1) to organize and adopt rules for the conduct of its busi-
21 ness;

22 (2) to hold public hearings;

23 (3) to call upon all state officials, agencies, and insti-
24 tutions to give full cooperation to the committee and its staff by
25 collecting and furnishing information, conducting studies and writing
26 recommendations;

27 (4) to sponsor legislation in accordance with AS 24.30.-
28 060(b), including resolutions annulling regulations.

29 (b) Nothing in secs. 600 - 680 of this chapter authorizes the

1 referral by the presiding officer of either house of legislation to the
2 committee at regular or special sessions of the legislature.

3 Sec. 24.20.680. REPORTS. The Subsistence Committee shall submit a
4 summary report of its findings and recommendations to each legislature.

5 * Sec. 18. AS 24.30.060(b) is amended to read:

6 (b) Bills introduced by the Legislative Council shall be delivered
7 with a letter of explanation to the rules committee of either house and
8 bear the inscription "Rules Committee by Request of the Legislative
9 Council"; bills introduced by the Subsistence Committee shall be de-
10 livered with a letter of explanation to the rules committee of either
11 house and bear the inscription "Rules Committee by request of the Sub-
12 sistence Committee"; bills introduced by the Administrative Regulation
13 Review Committee shall be delivered with a letter of explanation to the
14 rules committee of either house and bear the inscription "Rules Commit-
15 tee by Request of the Administrative Regulation Review Committee"; bills
16 introduced by the Legislative Budget and Audit Committee shall be de-
17 livered with a letter of explanation to the rules committee of either
18 house and bear the inscription "Rules Committee by Request of the Legis-
19 lative Budget and Audit Committee." Bills presented by the governor
20 shall be delivered with a letter to the rules committee of either house
21 and bear the inscription "Rules Committee by Request of the Governor";
22 bills so presented and inscribed shall be received as bills carrying the
23 approval of the governor as to policy and budget impact. The governor
24 may submit a statement of purpose and effect with each bill and appear
25 personally or through a representative before any committee considering
26 legislation.

27 * Sec. 19. The permanent interim Subsistence Committee established in AS
28 24.20.600, enacted in sec. 17 of this Act expires December 31, 1984.

29 * Sec. 20. The governor shall appoint persons to the seats added under AS

1 16.05.221, amended in sec. 4 of this Act, to the Board of Fisheries and the
2 Board of Game within 30 days of the effective date of this Act.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

#

To Finance Committee

HOUSE JOURNAL
LETTER OF INTENT

HB 960: "An Act relating to fish and game management."

This bill is intended to provide a coordinated plan for clarifying what subsistence use of fish and game is and for documenting subsistence uses so that they can be integrated into fish and game management planning. This bill also provides a legislative framework for the State's policy of recognizing subsistence as the priority use of fish and game.

Sections two through four: These sections provide for the creation of a division of subsistence hunting and fishing. Presently, the Department of Fish and Game has divisions of commercial fishing, sport fishing and game. As subsistence is to be the highest priority of the Department of Fish and Game, there is an obvious need for the gathering of information about subsistence hunting and fishing and the making of informed recommendations to the boards of fisheries and game. Presently, research is not being specifically directed towards the subsistence hunting and fishing economy of the state. Rather, specific species studies are conducted to determine the health of the species and the harvest to be allowed. This method does not consider the entire range of resources available to subsistence users and therefore does not allow for realistic regulations based upon the overall needs of the subsistence users. A division of subsistence given the tasks set forth in section four would have the information to make recommendations as to the needs of the subsistence users.

Sections six and seven: These two sections, which are virtually identical for the Boards of Fisheries and the Board of Game, are intended to statutorily set out the priority given to subsistence use of fish and game resources. While there are presently regulations for subsistence fishing, there is no mechanism for the promulgation of subsistence hunting regulations except with the creation of subsistence hunting areas pursuant to A.S. 16.05.257. Section seven would allow for these regulations so that subsistence hunting could be distinguished by separate regulations from sports hunting. Further, these sections set forth a priority of users if restrictions are needed because of the unavailability of resources. The priority list is an attempt to insure that those with the most dependence upon the fish and game resources are the last to be restricted.

If there is a need to restrict the taking of fish or game in order to avoid damaging the fish stocks or game populations, or in order to assure that subsistence users may continue to take fish or game, it is the intent of the Committee that sports or commercial use be restricted before subsistence use. If these restrictions are inadequate, restriction of subsistence use as well is authorized based upon the dependence on the resource, the local residence of the subsistence users, and the availability of alternate resources. It is the intent of the Committee that decisions and determinations by the Board of Fisheries and the Board of Game will be subject to complete public scrutiny and that reasons will be given for any action or any failure to act.

Subsection C is intended to ensure that game meat is not wasted as a result of a hunt which is not allowed during a portion of the year when the meat is not edible. As the game resources are very limited, this subsection makes certain that the entire animal can be utilized.

Section eight: This section does two things. First, it makes clear that the Board of Game must consider subsistence hunting area proposals at its regularly scheduled annual meeting. Second, it allows the Board of Game to consider recommendations from the active local advisory committees which are located in the area where the subsistence hunting proposal is being made without also needing a recommendation from the other advisory committees which have concurrent jurisdiction, it is only

HOUSE JOURNAL

Intent HB 960
page 2

necessary to have the committee located in the affected area to make its recommendation rather than other committees which may not have any interest in the area being proposed.

Section nine: This section deals with the problem of not having sufficient information to present to the Board of Game when they are making their determinations. If the Board of Game is required to make investigations and present this information at the hearings, the participants will be able to make relevant comments. Subsection (C) (3) allows for the petitioners to dispute the investigations which have been made. Presently most of the hearings only deal with the participants personal observations. More meaningful hearings could be conducted if biological and user information were required.

Section ten: This section mandates a seventy-five (75) day period by which time a petition must be filed with the Department of Fish and Game. This time period is included to enable the Department to make the investigation required under section eleven.

Section eleven: This section requires the Department of Fish and Game to make detailed investigation concerning subsistence hunting area proposals. The Board of Game has rejected proposals in the past stating that they did not have enough information before them to justify their creation. The only agency which is capable of providing this information is the Department of Fish and Game. Therefore, to require the Department to make this investigation would force the Board of Game to make its decisions based upon the relevant data rather than being able to deny them out of hand. As the Board has not approved any of the proposals in the past, the changes in this section would require the Board to follow the legislative history of the law and would provide a mechanism for reviewing the Board's decision.

Section twelve: This section expands the uses which can be made of game taken in subsistence areas. Presently, the uses allowed are much more restrictive than the customary and traditional uses made of fish and game.

Section thirteen: The definition of subsistence hunting is changed so that non-subsistence hunting of the species which is the subject of a petition or report will not be allowed. Sports hunting of other species is allowed so long as the subsistence hunting is not interfered with.

Section fourteen: This section, like section eleven is intended to assure that any decisions regarding subsistence zones made by the Board of Game are made on the basis of adequate information.

Section fifteen: This section provides for a \$100 dollar per day compensation fee to be given to members of the Board of Fisheries and the Board of Game in addition to travel expenses and \$100 per day per diem.

Section sixteen: This section provides for the barter of subsistence caught fish and game as barter is defined in section seventeen, subsection 27 below. As barter is customary and traditional use of fish and game products, there is no necessity for it to be outlawed as is presently the case. However, if barter is to be allowed, the Department of Fish and Game should be allowed to control it so that there are no abuses. This is provided for in section sixteen. Barter is a means of rounding out a subsistence users diet and simply because one resource is available in an area and another is not should not force people to consume only what they can take themselves. The definition of barter specifically prohibits the selling of subsistence caught fish and game but does not limit what other consideration can be given.

HOUSE JOURNAL

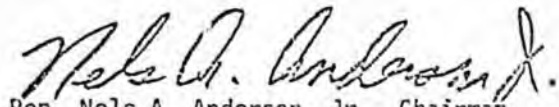
Intent Hb 960
page 3

Section seventeen: Subsection (26) defines what uses can be made of subsistence caught fish and game. It allows it to be used for direct personal or family consumption, for barter as defined in subsection (27) and for sharing the subsistence caught fish and game with other persons. This subsistence caught fish and game which is shared can then only be used for personal or family consumption. This subsection also broadens the definition of family to include the extended family situation.

Sections eighteen through twenty: The Special Committee on Subsistence recognizes the necessity for the establishment of a permanent legislative Subsistence Committee in addition to a division of subsistence in the Alaska Department of Fish and Game. This committee will be active in assisting the ADF&G in the establishment of the Subsistence Division and will ensure that the department structures that division in accordance with legislative intent. After the division has been established, the committee will continue its involvement with the division in an oversight role.

The committee further recognizes the need for future legislative action on the subsistence issue. The permanent interim committee will be able to conduct the hearings and research which will produce effective legislation. The permanent committee will also be able to effectively deal with federal legislation and federal regulations which will have an impact on subsistence uses of Alaska lands, and should participate in the development and implementation of any cooperative management agreements effecting fish and game resources.

A permanent Subsistence Committee would also monitor the activities of the Board of Fisheries and the Board of Game to see that the regulatory process is operating in a fair and equitable manner and that it is receptive to the needs of subsistence users.


Rep. Nels A. Anderson, Jr., Chairman
Special Committee on Subsistence

PROPOSED AMENDMENTS TO CSHB 960

Delete section 2 (page 1, line 21) and section 4 (page 2, line 1)

This allows the Commissioner to appoint the head of the Subsistence Division

Delete section ⁶~~7~~ (c) (page 4, line 24) and replace with:

"(c) In accordance with sound game management practices, the Board of Game shall establish open seasons for game species which coincide with the time of year when each specie is most edible."

Delete section ¹⁶~~17~~ (27) (page 8, line 1) and replace with:

"(27) "barter" means the the exchange or trade of fish or game or their parts (A) for other fish or game or their parts, or (B) for other food or for non-edible items if such exchange or trade is of a limited and non-commercial nature.

①

ALASKA DEPARTMENT OF FISH AND GAME COMMENTS ON
HOUSE BILL NO. 960 "An Act relating to fish and game
management."

In general, the Department of Fish and Game is opposed to the passage of H.B. 960, although certain sections certainly are desirable. Our main comments are listed below:

Sec. 3 AS 16.05.090(c): The Department of Fish and Game objects to a Division of Subsistence because it delegates too much power to the Division. It also would complicate management decisions needlessly. The Department feels it can accomplish the intent of this Section within the existing organization provided that support funding is made available.

Sec. 16.093: The Director of Subsistence would be appointed by the Governor and it is not clear who would have administrative control over the programs of the Division. The special status of this Division could undercut the authority of the Commissioner and the Boards and cause serious problems of coordinated management.

Sec. 16.05.221 (a)(b): Membership of the Boards is biased unnecessarily toward user groups. The Department is in favor of not designating Board seats by user group or geographical area but having qualified people who would serve the best interests of the State and of all citizens.

Sec. 7 AS 16.05.255 (c): The Department recommends deletion because this requires a subjective determination. The Board of Game has found that no consensus exists among users of game on the issue of

(2)

palatability. The edibility of game apparently is directly proportional to the nutritional state of the consumer.

Sec. 11 AS 16.05.257 (e): The Department recommends deletion because it places too great a demand on the Department and funds are not available to acquire this information in the time frame that would be required.

Sec. 14 AS 16.05.257 (i): The Department recommends deletion in line with our comments on Sec. 11. Records are kept of all decisions made by the Boards of Fisheries and Game (tape recordings).

Sec. 16 AS 16.05.930(e): The Department feels that the definition of subsistence fishing as contained presently in Alaska Statute 16.05.940(17) should be modified to permit barter.

Sec. 17 AS 16.05.940(26): The Department recommends utilization of language presently in H.R. 39, Title VII (April 24) as follows:

Sec. 703. As used in this Act, the term "subsistence uses" means the noncommercial (except as provided under paragraph (2)) customary and traditional utilization within the State of wild, renewable resources for (1) direct personal or family use for food, shelter, fuel, clothing, tools, or transportation; (2) the making and selling of handicraft articles (including clothing), but only out of nonedible by-products of fish and wildlife taken for such personal or family use; or (3) customary trade, barter, or sharing for personal or family use among subsistence users.

Sec. 17 AS 16.05.940(27); The Department recommends utilization of language presently contained in S.B. 506 as follows:

"barter" means to exchange, trade for, or otherwise give and receive subsistence-taken fish or game or their parts in exchange for other subsistence-taken fish or game or their parts.