

LEG. FINANCE - BILLS 1977 - 1978 868

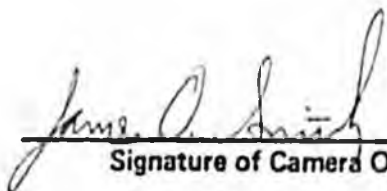
HCR 13 thru HCR 43 868



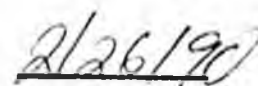
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Signature of Camera Operator



Date

El Paso ALASKA
COMPANY

POUCH 7009
ANCHORAGE, ALASKA 99510

PHONE: 907-279-6501

February 27, 1977

The Honorable Joseph H. McKinnon
Alaska State House of Representatives
Pouch V - State Capitol Building
Juneau, Alaska 99811

Dear Representative McKinnon,

During our conversation in your office last week, you asked for additional information respecting the value of a commitment of the state's surplus royalty gas to El Paso Natural Gas Company in eliciting support for a trans-Alaska gas pipeline route.

We note that the report published by the House Special Committee on the Sale of Royalty Gas states that El Paso needs no additional incentive to work in behalf of its own proposal, and suggests that the value of committing 25% of the state's surplus gas to El Paso is questionable. While we are certainly dedicated to doing everything within our ability to secure approval of the trans-Alaska route, the persuasive force of additional gas supplies for the eight-state El Paso market area is of no less significance than that for Tenneco and Southern. In fact, many knowledgeable experts involved in the gas line issue have singled out California as the state most critical to the success of the trans-Alaska route (next to Alaska, of course!)

As you can see from the attached description of the states served by El Paso, over 55% of the total volume of gas consumed in California is supplied by that company. Moreover, in recent years, El Paso has, through its natural gas deliveries, provided more energy to California than any other company involved in supplying energy of any kind. Nonetheless, it is well known that the State of California does not support our project. The reasons for this fact are complex, but the simple problem we have experienced in persuading California to back the trans-Alaska route is that we have nothing tangible to offer them. For over four years, we have attempted to elicit support on the basis of our friendship and goodwill with our California customers. At the same time, sponsors of the trans-Canadian route have argued successfully that approval of their project with its "western leg" could mean that additional gas supplies from some unnamed source (presumably Mackenzie Delta) would be available to California markets. We know that such argument has no

factual basis, since testimony before the NEB has been that Mackenzie Delta gas will not be exported to U.S. markets. However, Arctic Gas has very effectively used the suggestion of additional Canadian gas via its project to gain California's endorsement.

With the commitment of Alaska's surplus royalty gas to El Paso, we will have at least three means of turning California around on this issue.

- 1) Senators Stevens and Gravel and Congressman Young can write "Dear Colleague" letters to California's U.S. Congressional Delegation, asking for their support on the basis of Alaska's surplus gas offsetting part of the severe curtailments facing California markets.
- 2) The State of Alaska will be able to send representatives to California with the message, "Fellow Americans, we understand your critical needs for natural gas. We will have some royalty gas which will be surplus to our own needs in Alaska, and we are willing to make this excess gas available to your markets provided the trans-Alaska route for the North Slope gas pipeline is approved."
- 3) El Paso itself will be provided with a tool for use in mounting an extensive state-wide public campaign in California. Given this tool (additional natural gas) and sufficient time, we believe that we can generate sufficient public support for our project to reverse the stand of the California administration. We have hired the necessary public relations expertise but it is now up to the Alaska House of Representatives to provide us with the tool to work with. We have encountered several congressional representatives who, after hearing our presentation on the trans-Alaska route, have said, in essence, "Gentlemen, I can see that your project will provide some real benefits for the American gas consumer and the U.S. economy, but until 51% of my constituents tell me to do so, I can not support you." Obviously, our mission in California is to persuade 51% of the population to support the trans-Alaska route. And, as I have said, we have not been able to do it with friendship and goodwill.

The foregoing plans have been described on the basis of their application in California alone. We would, of course, work throughout our 8-state market area.

The Honorable Joseph H. McKinnon
February 27, 1977
Page 3

I don't want to leave you with the impression that we intend to claim that El Paso's share of Alaska's surplus royalty gas would solve all of our customers' gas problems. However, you can see from the attached document that we estimate 15% curtailment in Priority 1 (household) uses in 1981. Alaska's surplus royalty gas could offset a major portion of that curtailment, to the tune of supplying over 190,000 homes which would otherwise be without gas.

Alaska has an opportunity to present itself as a concerned, generous member of the U.S. energy community by offering to share its surplus resources. While we do not wish to suggest anything that is more properly the right of those with the constitutional authority to establish state policy, such as yourself, it would certainly seem that the "generous" approach would be a far more effective means of generating support for Alaska's programs than the "dog in the manger" attitude which some elements in the lower 48 perceive on the part of a few Alaskans.

One final point. The debate in the Senate last week was centered around an amendment which would have compelled El Paso, Tenneco and Southern to support the retention of section 13B of the Alaska Natural Gas Transportation Act of 1976. As you know, section 13B gives Alaska the right to recall its gas from interstate pipelines as Alaska's own needs develop. There are some who fear that the Act may be amended and section 13B repealed. For the record, El Paso supported section 13B when it was first proposed, and we intend to continue to support its retention in the Act. No action by the Alaska Legislature is necessary to force us to do so.

I have attempted to be as brief as possible and still be responsive to your request. If you should want any additional information on this matter, please let me know.

Best regards.

Sincerely,

EL PASO ALASKA COMPANY



Michael C. Holland
Assistant to the Vice President

Attachment

cc: Speaker Malone
Representative Cowper
Representative Gruening

Representative Parr
Representative Hayes
Representative Chatterton

EL PASO NATURAL GAS COMPANY
 NATURAL GAS CONSUMPTION FOR THOSE
 STATES SERVED WHOLLY OR IN PART
 Calendar Year 1975

<u>STATE</u>	<u>EPNG SALES</u>	<u>TOTAL CONSUMPTION</u>	<u>EPNG PERCENT OF TOTAL CONSUMPTION</u>
Arizona	164,704 MMCF ¹	164,704 MMCF	100.0%
California	1,008,158 MMCF	1,807,604 MMCF	55.8%
Colorado	120 MMCF	290,798 MMCF	<1%
Nevada	28,590 MMCF	60,446 MMCF	47.3%
New Mexico	43,336 MMCF	167,220 MMCF	25.9%
Oklahoma	11 MMCF	639,575 MMCF	<1%
Texas	34,627 MMCF	3,911,026 MMCF	<1%
Utah	19 MMCF	123,098 MMCF	<1%

¹MMCF = millions of cubic feet

NATURAL GAS CURTAILMENT IN 1976
 AND ESTIMATED CURTAILMENT IN 1981
1976

	<u>VOLUME</u>	<u>% OF REQUIREMENT</u>
P 1	0	0
P 2	1,731 MMCF	1%
P 3	35,666 MMCF	16%
P 4	2,862 MMCF	21%
P 5	219,809 MMCF	65%
TOTAL	<u>260,068 MMCF</u>	<u>19%</u>

1981

	<u>VOLUME</u>	<u>% OF REQUIREMENT</u>
P 1	83,071 MMCF	15%
P 2	143,261 MMCF	52%
P 3	254,693 MMCF	100%
P 4	11,440 MMCF	100%
P 5	348,723 MMCF	100%
TOTAL	<u>841,188 MMCF</u>	<u>58%</u>

HER 11
" 12
" 13

January 24, 1977

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

Dear Mr. Speaker:

Under the authority of art. III, sec. 18 of the Alaska Constitution, I am transmitting three resolutions giving legislative approval to three royalty natural gas sales.

AS 38.06.055(a) requires that every disposition of state-owned royalty oil or natural gas be approved by concurrent resolution of the legislature before the sale may be consummated. On November 12, 1976, I announced that the state had entered into contracts for the sale of Prudhoe Bay royalty natural gas with Tenneco Alaska, Inc., El Paso Natural Gas Company, and Southern Natural Gas Company, respectively. Those contracts along with supporting information were transmitted to each legislator during the first week this session.

The identical resolutions were submitted to the Senate. We are introducing the resolutions in the House today in order to expedite consideration.

I hope that you agree that these sales are in the best interest of all Alaskans, and I urge your prompt approval.

Sincerely,

Jay S. Hammond
Governor

Introduced: 1/24/77
Referred: Special Committee
on the Sale of Royalty Gas;
and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE CONCURRENT RESOLUTION NO. 13

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 Approving the disposal to El Paso

6 Natural Gas Company of royalty

7 natural gas taken in-kind

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

9 WHEREAS, under AS 38.06.055(a), each house of the legislature must
10 approve by concurrent resolution all sales of state-owned royalty oil or
11 gas before the sale may be consummated; and

12 WHEREAS, the State of Alaska has the right under AS 38.05.180 and its
13 oil and gas leases to receive royalty oil and gas either in-kind or in-
14 value from the Prudhoe Bay Field; and

15 WHEREAS, the commissioner of natural resources has entered into a
16 contract for the sale of 25 per cent of state-owned royalty gas from the
17 Prudhoe Bay Field to El Paso Natural Gas Company; and

18 WHEREAS, the Alaska Royalty Oil and Gas Development Advisory Board
19 approved the contract for the sale of 25 per cent of the state-owned royalty
20 gas from the Prudhoe Bay Field to El Paso Natural Gas Company; and

21 WHEREAS, the legislature has reviewed this contract in detail and con-
22 ducted hearings and otherwise received public input on this contract; and

23 WHEREAS, the legislature finds this contract to be in the public
24 interest of Alaska and its citizens, and further finds that this contract
25 is in compliance with all requirements of law;

26 BE IT RESOLVED by the Alaska State Legislature that Alaska royalty gas
27 sale No. 76-3 and the contract providing for the sale of royalty gas from
28 the Prudhoe Bay gas field pertaining to it, between the state and El Paso
29 Natural Gas Company, is hereby approved.

Approving the disposal to El Paso Natural Gas Company of royalty natural gas taken in-kind.

COMMITTEE REPORT

HOUSE

2/22/77

_____ Date

Mr. Speaker:

The Committee on FINANCE has had HCR 13 under consideration. A majority of the members of the Committee

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

MEMBERS SIGNING THE MAJORITY REPORT:

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

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

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

_____ Chairman

Approving the disposal to El Paso Natural Gas Company of royalty natural gas taken in-kind.

COMMITTEE REPORT

1-24-77

FINANCE

HOUSE

Feb. 21, 1977 Date

Mr. Speaker:

The Committee on SPECIAL COMMITTEE ON THE SALE OF ROYALTY GAS has had HCR 13

under consideration. A majority of the members of the Committee

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

MEMBERS SIGNING THE MAJORITY REPORT: ~~Clark Lanning, Don't Pass~~

Clark Lanning do not pass

Joe McKinnon Do NOT Pass

Charles H. Pan Do Not Pass

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

W. Whately recommends: Do Pass

Joe L. Hayes recommends: Do Pass

_____ recommends: _____

Clark Lanning
Chairman

Introduced: 1/24/77
Referred: Special Committee
on the Sale of Royalty Gas;
and Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE CONCURRENT RESOLUTION NO. 13

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 Approving the disposal to El Paso
6 Natural Gas Company of royalty
7 natural gas taken in-kind

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

9 WHEREAS, under AS 38.06.055(a), each house of the legislature must
10 approve by concurrent resolution all sales of state-owned royalty oil or
11 gas before the sale may be consummated; and

12 WHEREAS, the State of Alaska has the right under AS 38.05.180 and its
13 oil and gas leases to receive royalty oil and gas either in-kind or in-
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15 WHEREAS, the commissioner of natural resources has entered into a
16 contract for the sale of 25 per cent of state-owned royalty gas from the
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18 WHEREAS, the Alaska Royalty Oil and Gas Development Advisory Board
19 approved the contract for the sale of 25 per cent of the state-owned royalty
20 gas from the Prudhoe Bay Field to El Paso Natural Gas Company; and

21 WHEREAS, the legislature has reviewed this contract in detail and con-
22 ducted hearings and otherwise received public input on this contract; and

23 WHEREAS, the legislature finds this contract to be in the public
24 interest of Alaska and its citizens, and further finds that this contract
25 is in compliance with all requirements of law;

26 BE IT RESOLVED by the Alaska State Legislature that Alaska royalty gas
27 sale No. 76-3 and the contract providing for the sale of royalty gas from
28 the Prudhoe Bay gas field pertaining to it, between the state and El Paso
29 Natural Gas Company, is hereby approved.

REC-11
12
13

January 24, 1977

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

Dear Mr. Speaker:

Under the authority of art. III, sec. 18 of the Alaska Constitution, I am transmitting three resolutions giving legislative approval to three royalty natural gas sales.

AS 31.05.055(a) requires that every disposition of state-owned royalty oil or natural gas be approved by concurrent resolution of the legislature before the sale may be consummated. On November 12, 1976, I announced that the state had entered into contracts for the sale of Prudhoe Bay royalty natural gas with Tenneco Alaska, Inc., El Paso Natural Gas Company, and Southern Natural Gas Company, respectively. Those contracts along with supporting information were transmitted to each legislator during the first week this session.

The identical resolutions were submitted to the Senate. We are introducing the resolutions in the House today in order to expedite consideration.

I hope that you agree that these sales are in the best interest of all Alaskans, and I urge your prompt approval.

Sincerely,

Jay S. Hammond
Governor

ALASKA STATE LEGISLATURE	
TENTH ... Legislature	FIRST.. Session
HOUSE CONCURRENT RES. NO. 13.....	
By THE RULES COMMITTEE BY..... REQUEST OF THE GOVERNOR	
Approving the disposal to El Paso Natural Gas Company of royalty gas taken in-kind.	
El Paso royalty gas taken in-kind	
Introduced in the House 1-24 19.77.	

HISTORY IN THE HOUSE	
1977	Read first time and referred to Committee on Special Committee on the Sale of Royalty Gas; and Finance
Jan. 24	Reported back with recommendation that
	Read second time and
	Read third time and
	PASS Effective Date
	Yeas Yeas
	Nays Nays
	Absent Absent
	Excused Excused
	Reconsideration
	PASS Effective Date
	Yeas Yeas
	Nays Nays
	Absent Absent
	Excused Excused
	Reported correctly engrossed
	Signed by Speaker
	Sent to Senate
CHIEF CLERK OF THE HOUSE	

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

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

COMMITTEE REPORT

SENATE

5/5/77

_____ Date

Mr. President:

The Committee on FINANCE has had CS HCR 27
study of state-facilitated financing of an all-Alaska gas pipeline
under consideration. A majority of the members of the Committee

recommends it do pass

recommends it do not pass

recommends it do pass with attached amendment(s)

recommends it be replaced with CS for _____ and that
CS for _____ do pass

(and) recommends it be referred to the _____
committee

reports it back without recommendation

AND attaches a report of its intent

(other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

_____ 10 rec (1/31) 10 rec (1/31)
_____ 10 rec (1/31) 10 rec (1/31)
_____ 10 rec (1/31) 10 rec (1/31)
_____ 10 rec (1/31) 10 rec (1/31)

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

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

_____ Chairman

Original sponsors: Meekins and Malone

Offered: 4/5/77
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE CONCURRENT RESOLUTION NO. 27

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 Relating to the study of state-facilitated
6 financing of an all-Alaska gas pipeline
7 and state construction and financing of a
8 royalty gas pipeline to Interior and tide-
9 water Alaska.

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

11 WHEREAS the State of Alaska could enhance the chances of certification
12 of an all-Alaska natural gas pipeline if it helped to resolve some of the
13 problems of obtaining financing of an all-Alaska route by directly financing,
14 guaranteeing some portion of the financing, or otherwise effectively assist-
15 ing in the financing; and

16 WHEREAS state-facilitated financing may result in higher wellhead prices
17 for natural gas, thereby benefiting the people of Alaska; and

18 WHEREAS state-facilitated financing may result in lower prices for
19 Alaskan natural gas, thereby benefiting the whole nation; and

20 WHEREAS delay in completion of any natural gas pipeline through Alaska
21 could adversely affect an adequate natural gas supply for the state's in-
22 state domestic and industrial needs;

23 BE IT RESOLVED by the Alaska State Legislature that the Governor is
24 respectfully requested to investigate the feasibility and desirability of the
25 State of Alaska facilitating the financing of an all-Alaska gas pipeline and
26 to make a report with any recommendations to the Tenth Legislature as soon as
27 possible; and be it

28 FURTHER RESOLVED by the Alaska State Legislature that the Governor is
29 respectfully requested to investigate the feasibility and desirability of the

Resolution No. House Concurrent Resolution #27 - CS
 Title Relating to State-facilitated financing of an All-Alaska Gas Pipeline
 Requested by Rep. Russ Meekins Date April 4, 1977

II. FISCAL DETAIL

Agency Affected Department of Revenue
 Program Category Affected Development
 Budget Request Unit(s) Affected Treasury Management

EXPENDITURES (Thousands of Dollars)
 Special

	Appropriation					
	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL	4.0	4.0				
300 CONTRACTUAL	55.0	315.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	59.0	319.0				

FUNDING (Thousands of Dollars)

GENERAL FUND	59.0	319.0				
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME	-0-	-0-				
PART TIME						
TEMPORARY						

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

Three Professional Services Contracts which will include expenses for Travel, Hotel, Meals, Taxi, Limo & Telephone (L.D.) and Administrative Travel.

	FY 77 Special Appropriation	FY 78 Fiscal Note	TOTAL
1. To investigate financing All-Alaska Gas Pipeline	52.5	97.5	
Contract Expenses	2.5	7.5	
Administrative Expenses	4.0	4.0	
	<u>59.0</u>	<u>109.0</u>	
2. To investigate financing thru equity ownership of All-Alaska Gas Pipeline		50.0	
Contract Expenses		10.0	
		<u>60.0</u>	
3. To investigate financing of All-Alaska Royalty Gas Pipeline		140.0	
Contract Expenses		10.0	
		<u>150.0</u>	
	<u>59.0</u>	<u>319.0</u>	<u>378.0</u>

IV. DATE April 5, 1977

PREPARED BY James B. Rhode
 AGENCY AA to Rep. Cooper, Chairman
 PHONE House Finance Committee

Original: Legislative Finance
 cc: Budget and Management
 Below Names (List Legislator Names)

STATE OF ALASKA

DEPARTMENT OF REVENUE

JAY S. HAMMOND, Governor

POUCH SB-JUNEAU 99801

May 20, 1977

The Honorable John Sackett
Chairman, Senate Finance Committee
State Capitol
Juneau, Alaska 99811

Dear Senator Sackett:

The fiscal note attached to HCR 27 may be broken out as follows:

1. The FY 77 special appropriation for contractual services of \$55,000 is for obtaining services of a financial advisor who will provide the following:

a. A review of all matters and materials related to the financing of the proposed all Alaska gas pipeline.

b. Work with the State in the development of studies pertaining to the proposal for financing an all Alaska gas pipeline and suggest alternative plans or modifications for State participation.

c. Assist the State in the evaluation of the merits and risks to be assumed by the State in the event the State guarantees a portion of the proposed financing.

d. Assist the State in the review of the financial terms and conditions of any proposed guaranteed financing or related financing including a review of enabling legislation, guaranteed fund requirements, financial aspects of legal documents and such other activities as the State and the financial advisor deem reasonably appropriate.

e. Attend such meetings, public or private, as are appropriate in the performance of services contracted for.

2. FY 78 fiscal note contractual services for \$109,000 is intended to cover the residual or remaining balances of cost of services to be performed by the financial advisor described in Item 1.

The intent of the proposed contract was to begin in April of FY 77 and conclude in December 31 of FY 78. This explains the reason for the split in the contract amount.

Item No. 2 and Item No. 3 of the fiscal note pertaining to gas pipeline financing and royalty gas pipeline financing are the Department of Revenue estimates

The Honorable John Sackett

-2-

May 20, 1977

of what it would take to get a very preliminary study of the costs of constructing a gas pipeline for royalty gas purposes from Prudhoe Bay to South-central Alaska.

If you have any questions concerning the fiscal note please contact me at 465-2350.

Sincerely,



Jim Edenso
Deputy Commissioner

JE:ge

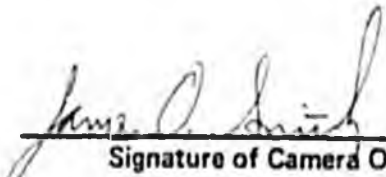




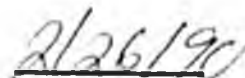
RECORDS CERTIFICATION



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

2/20/77

_____ Date

Mr. Speaker:

The Committee on FINANCE has had ONE

under consideration. A majority of the members of the Committee

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

MEMBERS SIGNING THE MAJORITY REPORT:

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

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

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

Chairman

Original sponsors: Heckins and Malone

IN THE HOUSE

BY THE FINANCE COMMITTEE

CS FOR HOUSE CONCURRENT RESOLUTION NO. 27

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

Relating to the study of state-facilitated financing of an all-Alaska gas pipeline and state construction and financing of a royalty gas pipeline to Interior and tide-water Alaska.

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

WHEREAS the State of Alaska could enhance the chances of certification of an all-Alaska natural gas pipeline if it helped to resolve some of the problems of obtaining financing of an all-Alaska route by directly financing, guaranteeing some portion of the financing, or otherwise effectively assisting in the financing; and

WHEREAS state-facilitated financing may result in higher wellhead prices for natural gas, thereby benefiting the people of Alaska; and

WHEREAS state-facilitated financing may result in lower prices for Alaskan natural gas, thereby benefiting the whole nation; and

WHEREAS delay in completion of any natural gas pipeline through Alaska could adversely affect an adequate natural gas supply for the state's in-state domestic and industrial needs;

BE IT RESOLVED by the Alaska State Legislature that the Governor is respectfully requested to investigate the feasibility and desirability of the State of Alaska facilitating the financing of an all-Alaska gas pipeline and to make a report with any recommendations to the Tenth Legislature as soon as possible; and be it

FURTHER RESOLVED by the Alaska State Legislature that the Governor is respectfully requested to investigate the feasibility and desirability of the

Original sponsors: Meekins and Malone

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BY THE FINANCE COMMITTEE

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4 TENTH LEGISLATURE - FIRST SESSION

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7 and state construction and financing of a
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25 State of Alaska facilitating the financing of an all-Alaska gas pipeline and
26 to make a report with any recommendations to the Tenth Legislature as soon as
27 possible; and be it

28 FURTHER RESOLVED by the Alaska State Legislature that the Governor is
29 respectfully requested to investigate the feasibility and desirability of the

1 State of Alaska constructing and financing a royalty gas pipeline to both
2 Interior and tidewater Alaska, and to make a report with any recommendations
3 to the Tenth Legislature as soon as possible.

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THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Concurrent Resolution #27 - CS
 Title Relating to State-facilitated financing of an All-Alaska Gas Pipeline
 Requested by Rep. Russ Meekins Date April 4, 1977

II. FISCAL DETAIL

Agency Affected Department of Revenue
 Program Category Affected Development
 Budget Request Unit(s) Affected Treasury Management

EXPENDITURES (Thousands of Dollars)

	Special Appropriation					
	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL	4.0	4.0				
200 CONTRACTUAL	55.0	315.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	59.0	319.0				

FUNDING (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
GENERAL FUND	59.0	319.0				
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
FULL TIME	-0-	-0-				
PART TIME						
TEMPORARY						

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

Three Professional Services Contracts which will include expenses for Travel, Hotel, Meals, Taxi, Limo & Telephone (L.D.) and Administrative Travel.

	FY 77 Special Appropriation	FY 78 Fiscal Note	TOTAL
1. To Investigate financing All-Alaska Gas Pipeline	52.5	97.5	
Contract Expenses	2.5	7.5	
Administrative Expenses	4.0	4.0	
	<u>59.0</u>	<u>209.0</u>	
2. To investigate financing thru equity ownership of All-Alaska Gas Pipeline		50.0	
Contract Expenses		<u>10.0</u>	
		60.0	
3. To investigate financing of All-Alaska Royalty Gas Pipeline		140.0	
Contract Expenses		<u>10.0</u>	
		150.0	
	<u>59.0</u>	<u>319.0</u>	<u>378.0</u>

IV. DATE April 5, 1977 PREPARED BY James B. Rhode
 AGENCY AA to Rep. Cowper, Chairman
 PHONE House Finance Committee
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Original sponsors: McElins and Malone

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE CONCURRENT RESOLUTION NO. 27

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 Relating to the study of state-facilitated
6 financing of an all-Alaska gas pipeline
7 and state construction and financing of a
8 royalty gas pipeline to Interior and tide-
9 water Alaska.

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

11 WHEREAS the State of Alaska could enhance the chances of certification
12 of an all-Alaska natural gas pipeline if it helped to resolve some of the
13 problems of obtaining financing of an all-Alaska route by directly financing,
14 guaranteeing some portion of the financing, or otherwise effectively assist-
15 ing in the financing; and

16 WHEREAS state-facilitated financing may result in higher wellhead prices
17 for natural gas, thereby benefiting the people of Alaska; and

18 WHEREAS state-facilitated financing may result in lower prices for
19 Alaskan natural gas, thereby benefiting the whole nation; and

20 WHEREAS delay in completion of any natural gas pipeline through Alaska
21 could adversely affect an adequate natural gas supply for the state's in-
22 state domestic and industrial needs;

23 BE IT RESOLVED by the Alaska State Legislature that the Governor is
24 respectfully requested to investigate the feasibility and desirability of the
25 State of Alaska facilitating the financing of an all-Alaska gas pipeline and
26 to make a report with any recommendations to the Tenth Legislature as soon as
27 possible; and be it

28 FURTHER RESOLVED by the Alaska State Legislature that the Governor is
29 respectfully requested to investigate the feasibility and desirability of the

1 State of Alaska constructing and financing a royalty gas pipeline to both
2 Interior and tidewater Alaska, and to make a report with any recommendations
3 to the Tenth Legislature as soon as possible.
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*original CS in
chief clerk's file on file
& you need to check.*

Original sponsors: Meekins and Malone

1 IN THE HOUSE

BY THE SPECIAL COMMITTEE ON
THE SALE OF ROYALTY GAS

2 CS FOR HOUSE CONCURRENT RESOLUTION NO. 27

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 Relating to the study of state-facilitated
6 financing of an all-Alaska gas pipeline
7 and state construction and financing of a
8 royalty gas pipeline to Interior and tide-
9 water Alaska.

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

11 WHEREAS the State of Alaska could enhance the chances of certification
12 of an all-Alaska natural gas pipeline if it helped to resolve some of the
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16 WHEREAS state-facilitated financing may result in higher wellhead prices
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19 Alaskan natural gas, thereby benefiting the whole nation; and

20 WHEREAS delay in completion of any natural gas pipeline through Alaska
21 could adversely affect an adequate natural gas supply for the state's in-
22 state domestic and industrial needs;

23 BE IT RESOLVED by the Alaska State Legislature that the Governor is
24 respectfully requested to investigate the feasibility and desirability of the
25 State of Alaska facilitating the financing of an all-Alaska gas pipeline and
26 to make a report with any recommendations to the Tenth Legislature as soon as
27 possible; and be it

28 FURTHER RESOLVED by the Alaska State Legislature that the Governor is
29 respectfully requested to investigate the feasibility and desirability of the

1 State of Alaska constructing and financing a royalty gas pipeline to both
2 Interior and tidewater Alaska, and to make a report with any recommendations
3 to the Tenth Legislature as soon as possible.
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THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Concurrent Resolution #27
 Title Relating to State-facilitated financing of an All-Alaska Gas Pipeline
 Requested by House Speaker Hugh Malone and Rep. Russ Meekins Date February 15, 1977

II. FISCAL DETAIL

Agency Affected Department of Revenue
 Program Category Affected Development
 Budget Request Unit(s) Affected Treasury Management

EXPENDITURES (Thousands of Dollars)

	Special Appropriation					
	FY '77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL	4.0	4.0				
300 CONTRACTUAL	55.0	165.0				
400 COMMODITIES		319.0				
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	59.0	169.0				

FUNDING (Thousands of Dollars)

GENERAL FUND	59.0	169.0				
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME	-0-	-0-				
PART TIME						
TEMPORARY						

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

Two Professional Services Contracts which will include expenses for Travel, Hotel, Meals, Taxi, Limo & Telephone (l.d.) and administrative travel.

	FY 77 Special Appropriation	FY 78 Fiscal Note	Total
1. To investigate financing All-Alaska Gas Pipeline	52.5	97.5	
Contract Expenses	2.5	7.5	
Administrative Expenses	4.0	4.0	
	59.0	109.0	
2. To investigate financing thru equity ownership of All-Alaska Gas Pipeline		50.0	
Contract Expenses		10.0	
		60.0	
3. To investigate financing of All-Alaska Royalty Gas Pipeline Contract Expenses	59.0	169.0	228.0

IV. DATE March 17, 1977

ON COMMITTEE INSTRUCTIONS
 PREPARED BY Jim Edonno
 AGENCY Treasury Management
 PHONE 465-2450

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) AA to Rep. Cowper, Chairman
 House Finance Committee

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Concurrent Resolution #27
 Title Relating to State-facilitated financing of an All-Alaska Gas Pipeline
 Requested by House Speaker Hugh Malone and Rep. Russ Meekins Date February 15, 1977

II. FISCAL DETAIL

Agency Affected Department of Revenue
 Program Category Affected Development
 Budget Request Unit(s) Affected Treasury Management

EXPENDITURES (Thousands of Dollars)

	Special Appropriation					
	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL	4.0	4.0				
300 CONTRACTUAL	55.0	165.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	59.0	169.0				

FUNDING (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
GENERAL FUND	59.0	169.0				
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
FULL TIME	-0-	-0-				
PART TIME						
TEMPORARY						

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

Two Professional Services Contracts which will include expenses for Travel, Hotel, Meals, Taxi, Limo & Telephone (L.D.) and administrative travel.

	FY 77 Special Appropriation	FY 78 Fiscal Note	Total
1. To investigate financing All-Alaska Gas Pipeline	52.5	97.5	
Contract Expenses	2.5	7.5	
Administrative Expenses	4.0	4.0	
	<u>59.0</u>	<u>109.0</u>	
2. To investigate financing thru equity ownership of All-Alaska Gas Pipeline		50.0	
Contract Expenses		10.0	
		<u>60.0</u>	
	<u>59.0</u>	<u>169.0</u>	<u>228.0</u>

IV. DATE March 17, 1977 PREPARED BY Jim Edenso

AGENCY Treasury Management

PHONE 465-2350

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

New fiscal note being prepared

Introduced: 2/15/77
Referred: Special Committee on the Sale of Royalty Gas and Finance

1 IN THE HOUSE BY MEEKINS AND MALONE
2 HOUSE CONCURRENT RESOLUTION NO. 27
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 TENTH LEGISLATURE - FIRST SESSION

5 Relating to state-facilitated financing of
6 an all-Alaska gas pipeline.

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

8 WHEREAS the State of Alaska could enhance the chances of certification
9 of an all-Alaska natural gas pipeline if it helped to resolve some of the
10 problems of obtaining financing of an all-Alaska route by directly financing,
11 guaranteeing some portion of the financing, or otherwise effectively assisting
12 in the financing; and

13 WHEREAS state-facilitated financing may result in higher wellhead prices
14 for natural gas, thereby benefiting the people of Alaska; and

15 WHEREAS state-facilitated financing may result in lower prices for
16 Alaskan natural gas, thereby benefiting the whole nation;

17 BE IT RESOLVED by the Alaska State Legislature that the Governor is
18 respectfully requested to investigate the feasibility and desirability of the
19 State of Alaska facilitating the financing of an all-Alaska gas pipeline and
20 to make a report with recommendations, if any, to the Tenth Legislature as
21 soon as possible.

R/O FCS
we is in rfile
add 1 rzu + 1 wrag
*red new fiscal note.

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Introduced: 2/15/77
Referred: Special Committee on the
Sale of Royalty Gas and Finance

1 IN THE HOUSE

BY MEEKINS AND MALONE

2 HOUSE CONCURRENT RESOLUTION NO. 27

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 Relating to state-facilitated financing of
6 an all-Alaska gas pipeline.

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

8 WHEREAS the State of Alaska could enhance the chances of certification
9 of an all-Alaska natural gas pipeline if it helped to resolve some of the
10 problems of obtaining financing of an all-Alaska route by directly financing,
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17 BE IT RESOLVED by the Alaska State Legislature that the Governor is
18 respectfully requested to investigate the feasibility and desirability of the
19 State of Alaska facilitating the financing of an all-Alaska gas pipeline and
20 to make a report with recommendations, if any, to the Tenth Legislature as
21 soon as possible.

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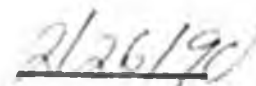
RECORDS CERTIFICATION



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

Date _____

Mr. President:

The Committee on FINANCE has had H.R. 39

under consideration. A majority of the members of the Committee

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

MEMBERS SIGNING THE MAJORITY REPORT:

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

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

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

Chairman

Introduced: 2/24/77
Referred: State Affairs

BY CARPENTER, BENNETT, BROWN,
COWPER, HAYES, PARR, SMITH AND
SWANSON

1 IN THE HOUSE

2 HOUSE CONCURRENT RESOLUTION NO. 30

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 Relating to the North Slope Haul Road.

6 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

7 WHEREAS the legislature enacted AS 19.40.010 - 19.40.080 in 1970, which
8 provides in part at AS 19.40.010(a): "The legislature finds and declares
9 that there is an immediate need for a public highway from the Yukon River to
10 the Arctic Ocean"; and

11 WHEREAS the road now known as the North Slope Haul Road was constructed
12 by Alyeska Pipeline Service Company (Alyeska) under an agreement dated
13 June 11, 1971; and

14 WHEREAS the agreement, in part 3, specifically, provides: "The Highway
15 shall be a State highway and may be used by (Alyeska) ... for the construc-
16 tion and operation of the Trans-Alaska Pipeline"; and

17 WHEREAS the attorney general of the State of Alaska has proclaimed in a
18 letter dated September 7, 1976 to Dr. Robert LeResche of the Office of the
19 Governor, division of policy development and planning: "The Haul Road is a
20 Public Highway."; and

21 WHEREAS the division of policy development and planning has submitted a
22 statement of policy options through which the governor has been advised:

23 "There are conflicting views on the exact statutory authority under which
24 this right-of-way was granted. It is relatively clear, however, that it was
25 granted for the construction of a 'public highway'. It is not totally clear
26 exactly what type of access policy is consistent with this 'public highway'
27 status; whether such a highway must be open to general public access or
28 whether a more restrictive access policy will be legally permissible."; and

29 WHEREAS the division of policy development and planning has made the

1 following recommendation to the governor: "Our recommendation is that the
2 State allow access only to industrial users; that access be controlled
3 through a permit system, and that this policy be declared effective until
4 completion of any natural gas pipeline. The primary reason for endorsing
5 this policy is that it will give the State the greatest flexibility over
6 future management options for the Haul Road. It will also permit completion
7 of land use and transportation planning for the entire Northern region."; and

8 WHEREAS the Alaska Growth Policy Council has made the following recom-
9 mendation to the governor on November 11, 1975: "The Alaska Growth Policy
10 Council endorses the active planning program for the North Slope Corridor by
11 the Bureau of Land Management, State Division of Lands, and other State and
12 Federal agencies. The council recommends that no public use be made of the
13 North Slope Haul Road except by major industrial users, without State ex-
14 pense, pending final decision of land use and transportation in the corri-
15 dor."; and

16 WHEREAS Gene A. Hanna, Division Administrator, Federal Highway Adminis-
17 tration in a memorandum dated December 19, 1975 to Walter B. Parker, Commis-
18 sioner, Department of Highways stated: "... The stipulations made at the time
19 this route [FAS Route No. 681, North Slope Haul Road] was placed on the FAS
20 system and Federal funds were committed to the project were the assurances by
21 the state that the completed roadway would be maintained by the state and
22 would be open for the use of the general public" This correspondence was
23 the result of a desire by Mr. Hanna to notify the state policymakers of the
24 federal position regarding a permanent use policy for the North Slope Haul
25 Road; and

26 WHEREAS on August 23, 1976 the governor announced his interim use policy
27 as being: "The interim policy on the North Slope Haul Road I am announcing
28 has two parts. There is a policy for access, and there is a policy for
29 revenues to meet the costs of opening the Haul Road. My decision is: The

1 road will be opened for use by industrial and mining interests much as it is
2 today. We will expect them to pay for the use of the road, just as they do
3 today."; and he further stated: "This decision is an interim policy, to be
4 in effect until the peak industrial demands for the road have subsided and
5 until the Joint Federal-State Land Use Planning Commission and local govern-
6 ments have developed a rational plan for the sound and profitable management
7 of State and Federal lands in the area affected by the road"; and

8 WHEREAS the Federal-State Land Use Planning Commission has suggested
9 that it will need until June 1978 to complete all planning preparatory to the
10 formulation of a permanent use policy for the North Slope Haul Road;

11 BE IT RESOLVED by the Alaska State Legislature that the State of Alaska
12 be committed to:

13 (1) the submission of a timely and efficient comprehensive land-
14 use and management plan for Northern Alaska; and

15 (2) compliance with a time table for final formulation of the
16 permanent use policy for the North Slope Haul Road which provides for a com-
17 pletion date of all land-use, management, and transportation planning related
18 to the North Slope Haul Road no later than January 1, 1978; and be it

19 FURTHER RESOLVED that the legislature shall establish an interim commit-
20 tee of the Legislative Council consisting of three members of the senate
21 appointed by the president of the senate and three members of the house of
22 representatives appointed by the speaker of the house. No more than one
23 appointee from each body shall be from the membership of the Legislative
24 Council. The committee, to be known as the North Slope Road Committee, shall
25 be responsible for:

26 (1) monitoring and reviewing the progress of the comprehensive
27 land-use and transportation plan for Northern Alaska as it specifically
28 relates to the interim and permanent uses to which the North Slope Haul Road
29 is dedicated; and

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(2) the study of legislative options for implementing a permanent use policy for the North Slope Haul Road; and

(3) submission of a report of its findings and recommendations at the beginning of the Second Session, Tenth Legislature.

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HCR 30
Title Relating to the North Slope Haul Road
Requested by Senator Sackett's Office Date May 20, 1977

II. FISCAL DETAIL

Agency Affected Office of Governor, Division of Policy Development and Planning
Program Category Affected General Government
Budget Request Unit(s) Affected Policy Development and Planning

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES	0	10.7	0	0	-	-
200 TRAVEL	0	1.5	0	0	-	-
300 CONTRACTUAL	0	0	0	0	-	-
400 COMMODITIES	0	0	0	0	-	-
500 EQUIPMENT	0	0	0	0	-	-
600 LAND & STRUCTURES	0	0	0	0	-	-
700 GRANTS, CLAIMS, ETC.	0	0	0	0	-	-
TOTAL	0	12.2	0	0	-	-

FUNDING (Thousands of Dollars)

GENERAL FUND	-	12.2	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (Specify)	-	-	-	-	-	-

POSITIONS

FULL TIME	-	-	-	-	-	-
PART TIME	-	-	-	-	-	-
TEMPORARY	-	6 months	-	-	-	-

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

1. The Division will have to hire one new temporary research analyst (RA2) for six months at a range 16 level.
2. Personal Services: $\$1,630/\text{month} \times 6 \text{ months} \times 1.095 = \$10,709.10$
3. For approximately two months, the new employee will be required to maintain a very close working relationship with the Federal-State Land Use Planning Commission. As a result, travel to and from Anchorage will be frequent. (six trips at approximately \$250/trip)

IV. DATE May 25, 1977 PREPARED BY John Clark/Bill Luria
AGENCY Division of Policy Development and Planning
Original: Legislative Finance PHONE 465-3543/3547
cc: Budget and Management
Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. Senate Bill 107 HCR 30
 Title An act relating to North Slope Haul Road
 Requested by _____ Date Feb. 7, 1977

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

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES	0	\$ 627	655	704	747	792
200 TRAVEL		12	13	13	14	15
300 CONTRACTUAL		1002	1062	1126	1193	1265
400 COMMODITIES		225	239	253	263	284
500 EQUIPMENT		2469	0	0	0	0
600 LAND & STRUCTURES		9903	0	0	0	0
700 GRANTS, CLAIMS, ETC.						
TOTAL		\$14,233	\$1,979	\$2,206	\$2,222	\$2,356

FUNDING (Thousands of Dollars)

	\$14,233	\$1,979	\$2,096	\$2,222	\$ 2,356
GENERAL FUND					
FEDERAL FUNDS					
OTHER (Specify)					

POSITIONS

	6*	6	6	6	6
FULL TIME					
PART TIME					
TEMPORARY	21**	21	21	21	21

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

* 1 EFF III
 3 EFF II
 2 WG II (Oldgr.)

See Attachment

** 18 AED III
 3 Parts classes

IV. DATE February 8, 1977 PREPARED BY [Signature]
 AGENCY State of Alaska - Department of Transportation
 PHONE 465-2121, Ext. 256

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Fiscal Note - SB 107

The amounts on the Fiscal Note for SB 107 are for summer maintenance only. They include the opening of the road in late spring (May), maintenance throughout the summer, and demobilization and shutdown in September.

It is assumed, for the basis of this estimate, the new shop facilities would have to be constructed. A recent inspection of Alyeska facilities leads us to believe that for a summer only operation we could get by with their shop facilities for a few years. Their buildings are temporary and were intended for only a few years use. For a long term operation they would be completely unsatisfactory for winter operation and less than desirable for summers only. They are poorly insulated and Alyeska presently operates in the winter only with generous use of auxiliary oil-fired space heaters. For the long term it is felt that the State could not afford this type of operation.

Under any circumstances it is felt that new utilities systems would have to be installed. While new wells and electrical generation sets are relatively minor problems (it is possible we could salvage part of what Alyeska has in place) the sewer systems are a different matter. The present treatment plants are many times too large for our purposes and we have no desire to add to our manning for an operator at each camp. We feel it would be necessary to install an appropriate type of septic tank installation at each camp.

In summary regarding the camps, information obtained to date leads us to believe that for the long term we should plan on new shop facilities at each location. This would include maintenance stations contemplated at or near the present Alyeska camps located at Five Mile, Coldfoot, Prospect Creek, Deitrich, Atigun, Toolik, Happy Valley and Franklin Bluffs.

Recent refinements of the estimated cost of maintaining the haul road have resulted in two changes from our earlier estimates. The cost of equipment is up approximately 25%. This is accounted for in large part by price increases the last year. Based upon an inspection of the haul road made the week of Jan. 30, 1977, we feel we can reduce our estimated operating cost by about 12%.

A few words regarding timing are in order. If we are to assume summer maintenance of this road in 1978 orders for the additional equipment should be placed no later than mid July of 1977. In addition we should be in a position to award such contracts as may be necessary for maintenance station facilities by about April of 1977. If either of these dates are missed we will be faced with not having the necessary equipment on hand or attempting to operate with either no or out of make shift facilities.

1 IN THE SENATE

BY HUBER

2 SENATE BILL NO. 107

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the North Slope Haul Road."

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

8 * Section 1. AS 19.10 is amended by adding a new section to read:

9 Sec. 19.10.105. NORTH SLOPE HAUL ROAD. (a) The department shall
10 maintain the North Slope Haul Road north of the Yukon River for the use
11 of the traveling public from May 1 to September 30 of each year after it
12 is accepted as a part of the state highway system. The department may
13 enter into agreements with users of the highway for its maintenance for
14 the period from October 1 to April 30 but whenever it is being main-
15 tained it shall also be open to the traveling public. Nothing in this
16 section limits the authority of the department to require special equip-
17 ment which it may consider necessary for safe traveling on the road.

18 (b) The department shall accept the highway constructed under the
19 contract between the Alyeska Pipeline Service Company and the State of
20 Alaska in accordance with the contract if it has been completed to
21 specifications established for its construction as a part of the state
22 highway system.

23 * Sec. 2. AS 38.05.035(a) is amended by adding a new paragraph to read:

24 (15) classify and make available for disposition under state
25 law land of the state along the North Slope Haul Road which may, in the
26 director's judgment, be necessary to serve the traveling public; pend-
27 ing classification, the director shall issue temporary-use permits for
28 no more than a five-year period, with one renewal for a like term, to
29 applicants who agree to provide necessary services for the traveling
30

1 public; the director, with the approval of the commissioner, shall
2 determine the land to be made available under this paragraph and the
3 limitations, conditions, and terms of the permit; the permits shall be
4 offered at public auction to the highest bidder; after classification, a
5 permit holder has the rights granted under the permit and the right to
6 meet the highest bid offered at the first disposal of the land subject
7 to the permit after the expiration of the permit.
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THE LEGISLATURE OF THE STATE OF ALASKA
 HOUSE LEGISLATION

FISCAL NOTE

I. REQUEST

Bill/Resolution _____
 Title Polaris to the North Act
 Reported by Senator Sawchuk Date May 20, 1977

II. FISCAL DETAIL

Agency Affected Office of Governor, Division of Policy Development and Planning
 Program Category Affected General Government
 Budget Request Unit(s) Affected Policy Development and Planning

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES	0	10.7	0	0	-	-
200 TRAVEL	0	1.5	0	0	-	-
300 CONTRACTUAL	0	0	0	0	-	-
400 COMMODITIES	0	0	0	0	-	-
500 EQUIPMENT	0	0	0	0	-	-
600 LAND & STRUCTURES	0	0	0	0	-	-
700 GRANTS, CLAIMS, ETC.	0	0	0	0	-	-
TOTAL	0	12.2	0	0	-	-

FUNDING (Thousands of Dollars)

GENERAL FUND	-	12.2	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (Specify)	-	-	-	-	-	-

POSITIONS

FULL TIME	-	-	-	-	-	-
PART TIME	-	-	-	-	-	-
TEMPORARY	-	6 months	-	-	-	-

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

- The Division will have to hire one new temporary research analyst (RA2) for six months at a range 16 level.
- Personal Services: \$1,630/month X 6 months X 1.095=\$10,709.10
- For approximately two months, the new employee will be required to maintain a very close working relationship with the Federal-State Land Use Planning Commission. As a result, travel to and from Anchorage will be frequent. (six trips at approximately \$250/trip)

IV. DATE May 25, 1977 PREPARED BY John Clark/Bill Luria

AGENCY Division of Policy Development and Planning

Original: Legislative Finance PHONE 465-3543/3547

cc: Budget and Management
 Prime Sponsor (First Legislator Named)

LAA
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House
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See
 5/25

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SENATE CONCURRENT RESOLUTION NO. 22
 Title Opening North Slope Haul Road
 Requested by Legis. Affairs Agency, Research Services Date 4/4/77

II. FISCAL DETAIL

Agency Affected Legislative Affairs
 Program Category Affected General Government
 Budget Request Unit(s) Affected Legislature - Council/Subcommittees

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL		8.1				
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		8.1				

FUNDING (Thousands of Dollars)

GENERAL FUND		8.1				
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

None

FULL TIME						
PART TIME						
TEMPORARY						

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

Six members to have three meetings during interim; one in Fairbanks; one in Anchorage, and one in Prudhoe Bay.

Travel $6 \times 3 \times \$300 = \$5,400$

Per Diem $6 \times 3 \times \$50 \times 3 \text{ days} = \$2,700$

$\$8,100$

IV. DATE 4/4/77 PREPARED BY M. R. Charney

AGENCY Legislative Affairs

PHONE 465-3850

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. HOUSE CONCURRENT RESOLUTION NO. 30
 Title Opening North Slope Haul Road
 Requested by Legis. Affairs Agency, Research Services Date 4/4/77

II. FISCAL DETAIL
 Agency Affected Legislative Affairs
 Program Category Affected General Government
 Budget Request Unit(s) Affected Legislature - Council/Subcommittees

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL		8.1				
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		8.1				

FUNDING (Thousands of Dollars)

GENERAL FUND		8.1				
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS None

FULL TIME						
PART TIME						
TEMPORARY						

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

Six members to have three meetings during interim; one in Fairbanks, one in Anchorage, and one in Prudhoe Bay.

Travel 6 x 3 x \$300 = \$ 5,400

Per Diem 6 x 3 x \$50 x 3 days = \$ 2,700

\$ 8,100

IV. DATE 4/4/77 PREPARED BY M.C.R. Charney
 AGENCY Legislative Affairs
 PHONE 465-3850
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HCR 30
 Title Relating to the North Slope Haul Road
 Requested by Senator Sackett's Office Date May 20, 1977

II. FISCAL DETAIL

Agency Affected Office of Governor, Division of Policy Development and Planning
 Program Category Affected General Government
 Budget Request Unit(s) Affected Policy Development and Planning

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES	0	10.7	0	0	-	-
200 TRAVEL	0	1.5	0	0	-	-
300 CONTRACTUAL	0	0	0	0	-	-
400 COMMODITIES	0	0	0	0	-	-
500 EQUIPMENT	0	0	0	0	-	-
600 LAND & STRUCTURES	0	0	0	0	-	-
700 GRANTS, CLAIMS, ETC.	0	0	0	0	-	-
TOTAL	0	12.2	0	0	-	-

FUNDING (Thousands of Dollars)

GENERAL FUND	-	12.2	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (Specify)	-	-	-	-	-	-

POSITIONS

FULL TIME	-	-	-	-	-	-
PART TIME	-	-	-	-	-	-
TEMPORARY	-	6 months	-	-	-	-

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

- The Division will have to hire one new temporary research analyst (RA2) for six months at a range 16 level.
- Personal Services: \$1,630/month X 6 months X 1.095=\$10,709.10
- For approximately two months, the new employee will be required to maintain a very close working relationship with the Federal-State Land Use Planning Commission. As a result, travel to and from Anchorage will be frequent. (six trips at approximately \$250/trip)

IV. DATE May 25, 1977 PREPARED BY John Clark/Bill Luria
 AGENCY Division of Policy Development and Planning
 Original: Legislative Finance PHONE 465-3543/3547
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)



RECORDS CERTIFICATION



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

James A. Smith
Signature of Camera Operator

2/26/90
Date

COMMITTEE REPORT

HOUSE

4-27-77

Date

Mr. Speaker:

The Committee on FINANCE has had HCR 38 under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for HCR 38 and that CS for HCR 38 do pass
- (and) recommends it be referred to the _____ committee
- reports it back without recommendation
- AND attaches a report of its intent
- (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

_____	_____	_____
_____	_____	_____
_____	_____	_____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____	recommends: <u>NI</u>	_____
_____	recommends: _____	_____
_____	recommends: _____	_____



 Chairman

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

HCR 38

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. HOUSE CONCURRENT RESOLUTION NO. 38 - CS
 Title Establishing Toll-Free Telephone Service
 Requested by Representative Sally Smith Date 3/18/77

II. FISCAL DETAIL
 Agency Affected Department of Admin.-Legislative Affairs-Court System
 Program Category Affected General Government
 Budget Request Unit(s) Affected All Administrative Services BRU's of Affected Agencies

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		282.2	376.2	376.2	376.2	376.2
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	None	282.2	376.2	376.2	376.2	376.2

FUNDING (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
GENERAL FUND		282.2	376.2	376.2	376.2	376.2
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
FULL TIME		None				
PART TIME						
TEMPORARY						

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

Please see details of service which could be implemented. Rather than restricting service to legislature, this would make the service available to all State offices in Juneau or Centres. At a meeting with RCA representative and interested legislators, it was the consensus that the service commence October 1, 1977. The cost has been estimated using 500 additional calls per day or 132,000 calls a year. A further breakdown by branch of government has been made and three distinct appropriations are requested for each (totaling \$282,000)-F. Y. 78 for three-fourths year.

Dept. of Admin Exec. Branch 71,280 calls x \$2.85 \$203,148 or \$203,100	Legislative Affairs Legis. Branch 26,400 calls x \$2.85 \$75,240 or \$75,100	Court System Jud. Branch 1,320 calls x \$2.85 \$3,762 or \$3,800
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IV. DATE 3/18/77 PREPARED BY H. B. Charney
 AGENCY Legislative Affairs
 PHONE 465-3850
 Original Legislative Finance
 cc Budget and Management
 Prime Sponsor (List Legislator Name)

Original sponsors: Smith, Gardiner,
Heckina and Nakak

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE CONCURRENT RESOLUTION NO. 38

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 Relating to public participation in state
6 government through toll-free telephone
7 service.

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

9 WHEREAS during the legislative session public interest in legislative
10 activities is extremely high; and

11 WHEREAS news coverage of the legislature by the media and the Alaska
12 Public Broadcasting Commission is admirable but information on many activi-
13 ties of both the Senate and House is immediately available for public
14 response; and

15 WHEREAS the cost of a toll-free telephone service would be minimal in
16 comparison with the benefits achieved by public participation in the govern-
17 mental process; and

18 WHEREAS now that the daily activities of the legislature are viewed via
19 television by thousands of Alaskans in all parts of the state, the addition
20 of toll-free telephone access would bring government closer to the public;
21 and

22 WHEREAS the Legislative Council has been, and is, active in developing
23 direct access to the legislature by the public; and

24 WHEREAS public access to the executive and judicial branch offices
25 located in the state capital and served by the conrox system is an addi-
26 tional means of providing even broader public participation in government;

27 BE IT RESOLVED by the Alaska State Legislature that the Legislative
28 Council is directed to continue to develop means for public access to the
29 legislature and to establish as the first step to arriving at the final

1 solution a toll-free telephone service to the legislature, enabling anyone in
2 the State of Alaska to contact his legislator or to obtain legislative infor-
3 mation; and be it

4 FURTHER RESOLVED that the Legislative Council is directed to coordinate
5 the implementation of toll-free telephone service for the state capital and
6 to report on the effectiveness of the system by the first day of the Second
7 Session of the Tenth State Legislature.

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Original sponsors: Smith, Gardiner,
Heekins and Hakak

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE CONCURRENT RESOLUTION NO. 38

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 Relating to public participation in state
6 government through toll-free telephone
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19 television by thousands of Alaskans in all parts of the state, the addition
20 of toll-free telephone access would bring government closer to the public;
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23 direct access to the legislature by the public; and

24 WHEREAS public access to the executive and judicial branch offices
25 located in the state capital and served by the centrox system is an addi-
26 tional means of providing even broader public participation in government;

27 BE IT RESOLVED by the Alaska State Legislature that the Legislative
28 Council is directed to continue to develop means for public access to the
29 legislature and to establish as the first step to arriving at the final

1 resolution a toll-free telephone service to the legislature, enabling anyone in
2 the State of Alaska to contact his legislator or to obtain legislative infor-
3 mation; and be it

4 FURTHER RESOLVED that the Legislative Council is directed to coordinate
5 the implementation of toll-free telephone service for the state capital and
6 to report on the effectiveness of the system by the first day of the Second
7 Session of the Tenth State Legislature.

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MEMORANDUM

State of Alaska

TO: Legislative Affairs

DEPT. _____
DIV. _____
SEC. _____

DATE : 4-22-77

FROM: Rebecca Enger
House Finance

SUBJECT: CS HCR 38

Please prepare a CS per the
attached and return to me in
Room 411 Monday morning. Thanks.

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE CONCURRENT RESOLUTION NO. 38

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 Relating to public participation in state
6 government through toll-free telephone
7 service.

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16 comparison with the benefits achieved by public participation in the govern-
17 mental process; and

18 WHEREAS now that the daily activities of the legislature are viewed via
19 television by thousands of Alaskans in all parts of the state, the addition
20 of toll-free telephone access would bring government closer to the public;
21 and

22 WHEREAS the Legislative Council has been, and is, active in developing
23 direct access to the legislature by the public; and

24 WHEREAS public access to the executive and judicial branch offices
25 located in the state capital and served by the centrex system is an addi-
26 tional means of providing even broader public participation in government;

27 BE IT RESOLVED by the Alaska State Legislature that the Legislative
28 Council is directed to continue to develop means for public access to the
29 legislature and to establish as the first step to arriving at the final solu-

1 tion a toll-free telephone service to the legislature, enabling anyone in the
2 State of Alaska to contact his legislator or to obtain legislative informa-
3 tion; and be it

4 FURTHER RESOLVED that the Legislative Council is directed to coordinate
5 the implementation of toll-free telephone service for the state capital and
6 to report on the effectiveness of the system by the first day of the Second
7 Session of the Tenth State Legislature.

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THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. HOUSE CONCURRENT RESOLUTION NO. 38
 Title Establishing Toll-Free Telephone Service
 Requested by Representative Sally Smith Date 3/18/77

II. FISCAL DETAIL
 Agency Affected Department of Admin.-Legislative Affairs-Court System
 Program Category Affected General Government
 Budget Request Unit(s) Affected All Administrative Services BRU's of Affected Agencies

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		282.2	376.2	376.2	376.2	376.2
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	None	282.2	376.2	376.2	376.2	376.2

FUNDING (Thousands of Dollars)

GENERAL FUND		282.2	376.2	376.2	376.2	376.2
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		None				
PART TIME						
TEMPORARY						

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

Please see details of service which could be implemented. Rather than restricting service to legislature, this would make the service available to all State offices in Juneau on Centrex. At a meeting with RCA representative and interested legislators, it was the consensus that the service commence October 1, 1977. The cost has been estimated using 500 additional calls per day or 132,000 calls a year. A further breakdown by branch of government has been made and three distinct appropriations are requested for each (totaling \$282,000)-F. Y. 78 for three-fourths year.

Dept. of Admin Exec. Branch 71,280 calls x \$2.85	Legislative Affairs Legia. Branch 26,400 calls x \$2.85	Court System Jud. Branch 1,320 calls x \$2.85
\$203,148 or \$203,100	\$75,240 or \$75,300	\$3,762 or \$3,800

IV. DATE 3/18/77 PREPARED BY H. E. Charney
 AGENCY Legislative Affairs
 PHONE 465-3850
 Original Legislative Finance
 cc Budget and Management
 Prime Sponsor (First Legislator Named)

Original sponsors: Smith, Gardiner,
Meekins and Nakak

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE CONCURRENT RESOLUTION NO. 38

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 Relating to public participation in state
6 government through toll-free telephone
7 service.

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

9 WHEREAS during the legislative session public interest in legislative
10 activities is extremely high; and

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19 television by thousands of Alaskans in all parts of the state, the addition
20 of toll-free telephone access would bring government closer to the public;
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22 WHEREAS the Legislative Council has been, and is, active in developing
23 direct access to the legislature by the public; and

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25 located in the state capital and served by the centrex system is an addi-
26 tional means of providing even broader public participation in government;

27 BE IT RESOLVED by the Alaska State Legislature that the Legislative
28 Council is directed to continue to develop means for public access to the
29 legislature and to establish as the first step to arriving at the final solu-

1 tion a toll-free telephone service to the legislature, enabling anyone in the
2 State of Alaska to contact his legislator or to obtain legislative informa-
3 tion; and be it

4 FURTHER RESOLVED that the Legislative Council is directed to coordinate
5 the implementation of toll-free telephone service for the state capital and
6 to report on the effectiveness of the system by the first day of the Second
7 Session of the Tenth State Legislature.

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THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. HOUSE CONCURRENT RESOLUTION NO. 38
 Title Establishing Toll-Free Telephone Service
 Requested by Representative Sally Smith Date 3/18/77

II. FISCAL DETAIL
 Agency Affected Department of Admin.-Legislative Affairs-Court System
 Program Category Affected General Government
 Budget Request Unit(s) Affected All Administrative Services BRU's of Affected Agencies

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		282.2	376.2	376.2	376.2	376.2
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	None	282.2	376.2	376.2	376.2	376.2

FUNDING (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
GENERAL FUND		282.2	376.2	376.2	376.2	376.2
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
FULL TIME		None				
PART TIME						
TEMPORARY						

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

Please see details of service which could be implemented. Rather than restricting service to legislature, this would make the service available to all State offices in Juneau on Centrex. At a meeting with RCA representative and interested legislators, it was the consensus that the service commence October 1, 1977. The cost has been estimated using 500 additional calls per day or 132,000 calls a year. A further breakdown by branch of government has been made and three distinct appropriations are requested for each (totaling \$282,000)-F. Y. 78 for three-fourths year.

Dept. of Admin Exec. Branch 71,280 calls x \$2.85 \$203,148 or \$203,100	Legislative Affairs Legis. Branch 26,400 calls x \$2.85 \$75,240 or \$75,300	Court System Jud. Branch 1,320 calls x \$2.85 \$3,762 or \$3,800
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IV. DATE 3/18/77 PREPARED BY H. R. Charney
 AGENCY Legislative Affairs
 PHONE 465-3850
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Introduced: 3/15/77
Referred: Finance

1 IN THE HOUSE

BY SMITH, GARDINER, MEEKINS
AND NAKAK

2 HOUSE CONCURRENT RESOLUTION NO. 38
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 TENTH LEGISLATURE - FIRST SESSION

5 Establishing toll-free telephone service
6 within the legislature for constituent
7 use.

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

9 WHEREAS during the legislative session public interest in legislative
10 activities is extremely high; and

11 WHEREAS news coverage of the legislature by the media and the Alaska
12 Public Broadcasting Commission is admirable, but information on many activi-
13 ties of both the Senate and House is not immediately available for public
14 response; and

15 WHEREAS the cost of a toll-free telephone service would be minimal in
16 comparison with the benefits achieved by public participation in the legis-
17 lative process; and

18 WHEREAS now that the daily activities of the legislature are viewed via
19 television by thousands of Alaskans in all parts of the state, the addition
20 of toll-free telephone access would bring government closer to the public;
21 and

22 WHEREAS the Legislative Council has been, and is, active in developing
23 direct access to the legislature by the public;

24 BE IT RESOLVED by the Alaska State Legislature that the Legislative
25 Council is directed to continue to develop means for public access to the
26 legislature and to establish as the first step to arriving at the final solu-
27 tion a toll-free telephone service to the legislature, enabling anyone in the
28 State of Alaska to contact his legislator or to obtain legislative informa-
29 tion.

HCR 38

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. HOUSE CONCURRENT RESOLUTION NO. 38
 Title Establishing Toll-Free Telephone Service
 Requested by Representative Sally Smith Date 3/18/77

II. FISCAL DETAIL
 Agency Affected Department of Admin.-Legislative Affairs-Court System
 Program Category Affected General Government
 Budget Request Unit(s) Affected All Administrative Services BRU's of Affected Agencies

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		282.2	376.2	376.2	376.2	376.2
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	None	282.2	376.2	376.2	376.2	376.2

FUNDING (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
GENERAL FUND		282.2	376.2	376.2	376.2	376.2
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
FULL TIME		None				
PART TIME						
TEMPORARY						

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

Please see details of service which could be implemented. Rather than restricting service to legislature, this would make the service available to all State offices in Juneau on Centrex. At a meeting with RCA representative and interested legislators, it was the consensus that the service commence October 1, 1977. The cost has been estimated using 500 additional calls per day or 132,000 calls a year. A further breakdown by branch of government has been made and three distinct appropriations are requested for each (totaling \$282,000)-F. Y. 78 for three-fourths year.

Dept. of Admin Exec. Branch	Legislative Affairs Legis. Branch	Court System Jud. Branch
71,280 calls	26,400 calls	1,320 calls
x \$2.85	x \$2.85	x \$2.85
\$203,148 or \$203,100	\$75,240 or \$75,300	\$3,762 or \$3,800

IV. DATE 3/18/77 PREPARED BY H. K. Charney
 AGENCY Legislative Affairs
 PHONE 465-3850
 Original: Legislative Finance
 cc: Budget and Management
Prime Sponsor (First Legislator Named)

LEGISLATIVE INQUIRE ON TOLL FREE INWARD CALLING TO JUNEAU

In response to a request by Legislative Affairs RCA Alascom offers the following as information.

Several alternatives were investigated as a means to offer inward bound to Juneau toll free calling services to all citizens of the State.

A meeting was held March 15th with Legislative Affairs to discuss the alternatives which were: Foreign Exchange service, Zenith service, and toll free (to the originator) 465 service. It was the concensus after discussing the alternatives that toll free (to the originator) 465 service was the best option. This service would accomplish the goals of the project as laid out by Legislative Affairs.

Basically the service would automatically reverse bill all calls to 465 exchange numbers. This service would affect all in State initiated calls and would exclude out of State calls. These calls would be billed at the appropriate tariff rate for reversed-charge intrastate calls. The service would involve all 465 prefixed numbers.

The following list describes the features of this system:

1. Can serve all telephone locations in the State
2. Could be implemented in a minimum time frame following a firm order and appropriate regulatory approval if necessary
3. Uses the existing network that all telephone users are familiar with by allowing users to place their calls in the normal manner
4. Would provide originated toll free calling to the State Centrex
5. The use of the existing network would tend to eliminate contention problems for users
6. A plan such as this would provide a usage sensitive method of billing favorable to the State
7. According to Juneau Douglas Telephone Company this plan would require little or no expansion of the Centrex equipment
8. No operator intervention unless needed
9. Would provide Direct Inward Dialing (DID) service thus utilizing the full features of the existing Centrex system
10. Should not require additional Centrex operator staff
11. Would provide individual call billing
12. Directory information could be easily distributed through direct mail. (example: inclusion with yearly tax form mail outs)
13. Possibility exists that billing could be handled using computer techniques such as magnetic tape for more efficient billing by the State to their own entities
14. Would provide access to State Government for all citizens
15. Would provide access to Juneau from all other State Government locations thus eliminating some of the internal administrative problems encountered by each unit with long distance billing

LEGISLATIVE INQUIRY ON TOLL FREE INWARD CALLING TO JUNEAU
PAGE TWO

16. System could provide citizen feedback on major issues before the Legislative body
17. System is not unique to Juneau. The same system could be utilized if a State Centrex were provided for the new capital
18. Because of individual call billing and the possible use of computerized printouts a close watch could be maintained to uncover abuses on the system
19. Could be done on a trial basis to establish track record and determine the cost effectiveness and efficiencies

COST

We have no effective means without historical data to determine the cost of this plan. Costs above what the State presently pays for incoming State business calls would depend entirely on the citizens desires to use the system. We can, however, use the figures based on the cost for calls originating from Juneau 465 numbers to other locations in the State to establish an estimated per call cost of \$2.85. Using this estimate, if this plan stimulated 100 calls per day above normal State business calls it would cost \$285.00 per day or based on a 22 day month \$6,270 per month. Two hundred calls per day equates to \$12,540 per month.



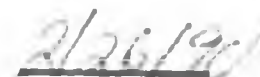
RECORDS CERTIFICATION



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

5/10/77

May 10, 1977 Date

Mr. President:

The Committee on FINANCE has had HCR 43
approving Tesoro-Alaskan Petroleum Company agreement
under consideration. A majority of the members of the Committee

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

MEMBERS SIGNING THE MAJORITY REPORT:

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

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

Chairman

4
HCR 43

TO: The Senate and House Resources
Committees

April 6, 1977

FROM: George C. Silides, P. E.

GCS

Notes on SCR 37 and HCR 43 - approving the extension of the Tesoro agreement to purchase royalty crude oil taken in kind.

1. Article XII of the contract between the State and Alaska Oil and Refining Company, to which Tesoro is the legal successor, indicates that the construction and operation of a refinery in Alaska is a pertinent part of the contract. Had the refinery not been built, State reserved the right to cancel the contract to deliver oil.

2. Notwithstanding any FEA mandatory allocation regulations, it can be argued that, in view of the foregoing requirement to construct a refinery as a condition to purchase oil, the State has an obligation to supply an in-state refinery built to process royalty oil - availability of royalty being sufficient and price equal to that of other in-state purchasers.

3. The original contract granted Tesoro the right to extend the contract for two successive three year periods, subject to any new terms and conditions mutually agreed upon by Tesoro and the State.

4. While Tesoro is not willing to give up its allocation rights, it is willing to enter into a temporary, one year, extension until the State gets its act together.

5. The price continues to be the highest average price currently allowed and paid for like oil throughout the field plus 2 cents a barrel for quantities over 15,000 barrels/day. In addition, the State secured an adjustment of 3 cents a barrel instead of 5 cents for each degree API gravity below 40; a net gain of 2 cents 'bbl for each degree.

In the event of price deregulation, the price paid to the State under this contract will rise to meet the deregulated price.

6. There is no competing proposal to refine the royalty oil requested.

7. Considering all of the information available and different factors involved, it appears that approving a one year extension of the Tesoro contract is in the best interests of the State.

8. With direct reference to the original contract and manner in which it was entered into, I have found upon examination that, while former Commissioner Tom Kelly might have created

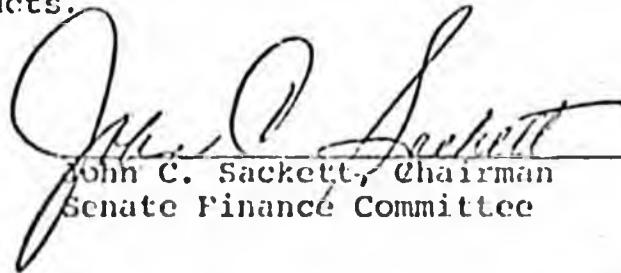
a favored status purchaser, he also drove a hard bargain in favor of the State. The State is well protected in the matter of price, default, and in the matter of the purchaser being required to take, at the option of the State, all royalty taken in kind and surplus to the internal needs of the State, regardless of the available amount.

SENATE JOURNAL

SENATE FINANCE COMMITTEE

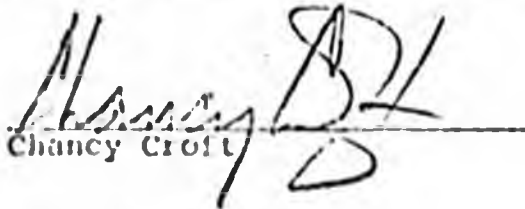
LETTER OF INTENT ON HCR 43

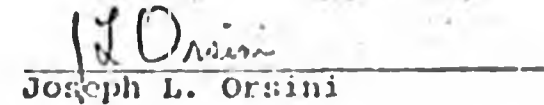
It is the intent of the Senate Finance Committee in recommending the approval of HCR 43, that the State of Alaska incorporate in any future negotiations with Tesoro-Alaska Petroleum Company an effort to secure some benefits to the Alaska consumer, including but not limited to lower fuel prices and greater availability of petroleum products.

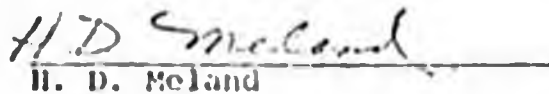

John C. Sackett, Chairman
Senate Finance Committee


George H. Hohman


Clem V. Tillion


Chancy Croft


Joseph L. Orsini


H. D. Meland


John Butrovich

MEMORANDUM

DEPARTMENT OF NATURAL RESOURCES
OFFICE OF THE COMMISSIONER

TO:

Jay S. Hammond
Governor

DATE

March 14, 1977

FROM:

Jack Roderick
Deputy Commissioner

SUBJECT:

Extension of the Tesoro-Alaskan
Petroleum Corporation Contract
for Purchase of Cook Inlet
Crude Oil.

Forwarded herewith are the following documents relating to subject extension agreement. This agreement was approved by the Alaska Royalty Oil and Gas Development Advisory Board on March 8, 1977.

1. Reason for Extension of Agreement for the Sale and Purchase of State Royalty Oil to Tesoro-Alaskan Petroleum Corporation.
2. Memo by Commissioner Martin to the Royalty Board dated February 22, 1977 relating to various approvals required by the Board and signed copies of the approvals.
3. Declarations and Finding of the Commissioner Pursuant to Alaska Statute 38.05.183(c) relating to competitive bid procedures.
4. Extension of Agreement for the Sale and Purchase of State Royalty Oil dated March 8, 1977.
5. Agreement for the Sale and Purchase of State Royalty Oil dated January 31, 1969.

The above is submitted for your consideration for submission to the Legislature for approval.

STATE
of ALASKA

MEMORANDUM

DEPARTMENT OF NATURAL RESOURCES
OFFICE OF THE COMMISSIONER

TO: Members, Alaska Royalty Oil and Gas
Development Advisory Board

DATE February 22, 1977

FROM: Guy R. Martin
Commissioner

Guy R. Martin

SUBJECT: Extension of Tesoro-Alaskan
contract for purchase of
Cook Inlet crude oil.

Under the statute creating the Alaska Royalty Oil and Gas Development Advisory Board, the Board must grant its prior written approval to a sale of royalty oil or gas. The Board must also give its consent or approval to several other matters related to a sale. This memorandum is intended to present a formal request to the Board for all approvals necessary to effectuate a sale in compliance with the statutory obligations of AS 38.05 and AS 38.06.

1. Pursuant to AS 38.06.050(c) and AS 38.05.183(a) and (c), I ask this Board to waive the requirement that royalty crude oil from the Cook Inlet Basin be offered for sale by competitive bid.
2. Pursuant to AS 38.05.182 and AS 38.05.183 and AS 38.06.050(a), I hereby ask this Board to grant its consent to take royalty crude oil from the Cook Inlet Basin in-kind and to approve the sale of that crude oil to Tesoro-Alaska Petroleum Corporation pursuant to the terms of the agreement entitled "Agreement for the Sale and Purchase of State Royalty Oil" dated 31st January, 1969 between the State of Alaska and Alaskan Oil and Refining Company and the Extension Agreement between the State of Alaska and Tesoro-Alaska Petroleum Corporation (legal successor to Alaskan Oil and Refining Company) dated February 22, 1977.

Page 2
Alaska Royalty Board
February 22, 1977

3. Pursuant to AS 38.06.050(b) I hereby ask the Board to grant approval or rejection of all other applications to purchase royalty crude oil from the Cook Inlet Basin leases which are inconsistent with the proposed sale.

I have, in the past, advised the Board of the status of negotiations for the extension of this agreement for the sale of royalty crude oil from the Cook Inlet Basin. All of the approvals which I am now requesting of the Board have been discussed by the Board in conceptual terms. I am prepared to present to the Board the specific policy basis and to answer any questions the Board members may have.

GRM:jl

Reason for Extension of Agreement for the
Sale and Purchase of State Royalty Oil to
Tesoro-Alaskan Petroleum Corporation

This is regarding the extension of the agreement entitled "Agreement for the Sale and Purchase of the State Royalty Oil" dated 31st January, 1969 between the State of Alaska and Alaskan Oil and Refining Company. Tesoro-Alaskan Petroleum Corporation has become the legal successor to Alaskan Oil and Refining Company.

The effective date of the original agreement was January 1, 1970 (date of first delivery of crude) and ends eight (8) years from date of first delivery (January 1, 1978). However, Article XII.3 of the original agreement states that "Purchaser is granted the right for two (2) successive three (3) year periods to extend this contract by giving the State written notice thereof not less than seven (7) months prior to the end of the then expiring term. Any such renewal shall be upon such terms and conditions as the parties may agree to." The intent of the original contract does provide for the extensions as stated, however, it is believed to be in the interest of both the State and Tesoro to rewrite the basic agreement to reflect future anticipated changes in the petroleum industry in Alaska, FEA price regulations, and considerations relating to the Mandatory Petroleum Allocation Regulations when they become

known during the next year. At the present time, there is not believed to be sufficient incentive for the State to take any other course than to extend the current agreement for a short time.

The Federal Energy Administration currently controls the ceiling price of all domestic crude oil, including that produced in the Cook Inlet. The Extension Agreement provides for the maximum known price which could be obtained under these regulations.

During the next year the State will learn much more about the future price or value of Cook Inlet crude as a result of the marketing of North Slope crude and related Federal price regulations. It is not currently known whether the price or value of North Slope crude will affect the price or value of Cook Inlet crude. An important consideration is that Cook Inlet crude is a much higher quality than North Slope crude. The State should have this information available before negotiating a new long term contract with Tesoro to insure that the best price possible is obtained and the interests of the State are protected.

The State presently receives the following for its royalty oil produced in the Cook Inlet Basin:

Base Price for 40.0+ Degree API Crude

East Side (Old Oil) \$5.26 per Barrel

West Side (Old Oil) \$5.035 per Barrel

Adjustment for each full

degree API Gravity below 40.0 -\$0.05 per Barrel

Adjustment for all oil over

15,000 BPD +\$0.02 per Barrel

Adjustment for all oil

classified as New Oil +\$5.85 per Barrel

Adjustment for transportation

all oil -\$0.056 per Barrel

Note: Cleaning and dehydration charge 2.5¢/Bbl 1976

(Paid by Tesoro) 5.85¢/Bbl 1977

The Federal price controls allow for a gravity adjustment reduction of 3¢ per Barrel for each full degree of API gravity below 40.9 API gravity. However, the original agreement calls for the 5¢ per Barrel indicated above which is the basis for the current payment. The State has received gravity adjustment as specified under the Federal Price controls for the Extension agreement.

Should the State allow the contract to expire and take the oil in value, it is possible that it would not be allowed to do so if Tesoro-Alaskan objected since they would claim relief

from FEA under the Mandatory Petroleum Allocation Regulations in that crude oil Buyer/Seller relationships are currently frozen unless the Buyer desires to terminate the agreement. Certainly, Tesoro does not wish to terminate their supply of crude oil.

Tesoro-Alaskan is also the largest refiner in the State and supplies a large portion of the petroleum market. It may be considered that it is in the State's interest to assure them an adequate crude supply. Tesoro currently supplies a larger quantity of products to the State than royalty oil purchased.

The extension for one (1) year gives the State needed time to determine its best course since further information will be available to develop a contract in the best interest of the State, particularly since there is little advantage to do otherwise. The State needs one full year lead time to complete a contract due to the requirement in the lease form to give six months notice to producers for the State to take oil and gas in-kind and an additional six months allowance for Royalty Board and Legislative approval.

This extension will also allow time for the Department of Natural Resources to determine if this oil should be disposed of by competitive bid if another bidder for the oil for in-state use can be obtained. Presently no other known qualified bidder exists.

TESORO-ALASKAN PETROLEUM COMPANY

Extension of the Agreement to Purchase State
Royalty Crude Oil

Findings and Conclusions of the Commissioner
Pursuant to Alaska Statute 38.05.183(c)

Alaska Statute, AS 38.05.183(c), requires that the Commissioner of Natural Resources make public, in writing, the specific findings and conclusions upon which a determination not to use competitive bid procedures is based for a sale of Alaska royalty oil or gas. Publication is to follow approval of the determination by the Alaska Royalty Oil and Gas Development Advisory Board. On March 8, 1977, the Royalty Board did approve the Commissioner's determination to waive the competitive bidding requirement for sale of royalty oil to the Tesoro-Alaskan Petroleum Company by extending for one (1) year the agreement entitled "Agreement for the Sale and Purchase of State Royalty Oil" dated 31st January 1969 between the State of Alaska and Alaskan Oil and Refining Company. (Tesoro-Alaskan Petroleum Corporation has become the legal successor to Alaskan Oil and Refining Company.) Accordingly, these written findings and conclusions are submitted in fulfillment of the requirements of AS 38.05.183(c).