

LEG. FINANCE - BILLS 1979 - 1980 1101

HB 437 thru HB 440 1101



RECORDS CERTIFICATION



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James O Smith
Signature of Camera Operator

3/20/90
Date

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST CS HB 437
Bill/Resolution No. _____
Title An Act relating to the sale of certain state land subject to competitive leases...
Requested by House Resources Date 5/08/80

II. FISCAL DETAIL
Agency Affected Department of Natural Resources
Program Category Affected NRMEC
BRU, Program, or Subprogram(s) Affected _____
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)
EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		98.0	0	0	0	0
200 TRAVEL		5.0				
300 CONTRACTUAL		150.0				
400 COMMODITIES		2.0				
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		255.0				

FUNDING (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND		255.0				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME		3.0				
PART TIME						
TEMPORARY						

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

To complete the conversion of all eligible leases within a one year period, the Department anticipates the need for one Land Management Officer III, one Appraiser III, and one Clerk Typist. The contractual funds are necessary for the additional contractual appraisals required to settle disputes arising from the original appraisals.

These estimates are based on the assumption that there are approximately 965 eligible lessees, and that each one will elect to convert the lease to purchase. It is further assumed that approximately 10% of the appraisals will result in disputes, requiring additional appraisals.

IV. DATE 5/08/80 PREPARED BY Ted Smith, Director, Div. of Forest, Land, AGENCY Natural Resources and Water Management PHONE 279-5577
Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

Original sponsor: Resources Committee

Offered: 5/16/80
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 437 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the sale of state land leased under
7 AS 38; and providing for an effective date."

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

9 * Section 1. SALE OF LEASED LAND. (a) The commissioner of natural
10 resources shall offer to sell to a lessee land leased to the lessee before
11 July 1, 1980, under AS 38 if the leased land has been used for a continuous
12 period, or prepared for continuous use after the lease was originally issued,
13 or for the five-year period immediately before July 1, 1980, whichever is
14 less. The purchase price of land offered for sale under this section is an
15 amount equal to the fair market value of the land on the date of the offer to
16 sell less the value of permanent improvements constructed on the land after
17 the land was first leased to a lessee by the state.

18 (b) If a lessee accepts the commissioner of natural resources' offer to
19 sell, the lessee shall send to the commissioner of natural resources an
20 appraisal of the leased land made by a qualified M.A.I. appraiser. If the
21 commissioner of natural resources agrees with the appraisal, he shall send to
22 the lessee an installment contract including the terms specified in (c) of
23 this section. If the commissioner of natural resources disagrees with the
24 appraisal furnished by the lessee, the fair market value of the leased land
25 shall be determined in the following manner:

26 (1) the lessee shall appoint a qualified M.A.I. appraiser to
27 appraise the leased land and shall forward the appraisal to the commissioner
28 of natural resources;

29 (2) if the commissioner of natural resources disagrees with the

1 appraisal obtained by the lessee under (1) of this subsection, the commis-
2 sioner shall appoint a second appraiser to make an appraisal which shall be
3 completed not later than 90 days after receipt of the appraisal required by
4 (1) of this subsection;

5 (3) if the commissioner of natural resources and the lessee dis-
6 agree on the fair market value of the leased land as determined by the ap-
7 praisals required under (1) and (2) of this subsection, the two appraisers
8 shall appoint a third qualified M.A.I. appraiser who shall make a third
9 appraisal of the land which shall be completed not later than 180 days after
10 receipt of the appraisal required by (1) of this subsection; the cost of the
11 third appraisal shall be paid by the state and the lessee equally;

12 (4) after the third appraisal is completed, the two of the three
13 appraisals which are nearest each other in their determination of the fair
14 market value shall be averaged and the result shall be the fair market value
15 of the leased land and shall be binding on the commissioner of natural re-
16 sources and the lessee.

17 (c) After the fair market value is established in accordance with (b)
18 of this section, a lessee may purchase land leased by him under an install-
19 ment contract. The terms of an installment contract offered to a lessee
20 shall be as follows:

21 (1) the lessee shall pay to the commissioner of natural resources
22 an amount equal to five percent of the purchase price at the time he signs
23 the installment contract;

24 (2) the lessee shall pay equal installment payments monthly,
25 quarterly or annually for a term not to exceed 20 years;

26 (3) the lessee shall pay interest at the prevailing rate for real
27 estate mortgage loans made by the federal land bank for the farm credit
28 district for Alaska at the time the contract is signed; and

29 (4) the lessee may accelerate payment of the indebtedness without

1 penalty.

2 (d) If leased land subject to this section is nominated and selected by
3 a municipality to satisfy a general grant land entitlement granted under
4 AS 29.18.201 - 29.18.203, the municipality shall honor the lease or, at the
5 lessee's request, sell the land to the lessee under the same terms and condi-
6 tions as prescribed in this section.

7 (e) Nothing in this section may be construed to preclude judicial
8 review of a final action taken by the Department of Natural Resources to
9 implement this section.

10 (f) This section does not apply to leased state land which is tideland,
11 submerged land, grazing land, or state land leased under AS 38.05.077,
12 38.05.135 - 38.05.280, 38.05.315 or AS 38.35.

13 * Sec. 2. This Act takes effect July 1, 1980.

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Original sponsor: Resources Committee

Offered: 4/29/79
Referred: Rules

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 437

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the sale of certain state land sub-
7 ject to competitive leases; and providing for an effec-
8 tive date."

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

10 * Section 1. SALE OF LEASED LAND. (a) The commissioner of natural
11 resources shall offer to sell to a lessee land leased to the lessee under a
12 lease for which an application was made for conversion to an amended lease
13 under sec. 12, ch. 138 SLA 1977, as amended by sec. 21, ch. 182, SLA 1978.
14 An offer to sell under this section may be made if the leased land has been
15 used for a continuous period, or prepared for continuous use after the lease
16 was originally issued for the five-year period immediately before July 1,
17 1979, whichever is less. The purchase price of land offered for sale under
18 this section is the cost incurred by the Department of Natural Resources for
19 administering the sale of the land plus an amount equal to the fair market
20 value of the land.

21 (b) If a lessee accepts the commissioner of natural resources' offer to
22 sell, the lessee shall send to the commissioner of natural resources an
23 appraisal of the leased land made by a qualified M.A.I. appraiser. If the
24 commissioner of natural resources agrees with the appraisal, he shall send to
25 the lessee an installment contract including the terms specified in (c) of
26 this section. If the commissioner of natural resources disagrees with the
27 appraisal furnished by the lessee, the fair market value of the leased land
28 shall be determined in the following manner:

29 (1) the lessee shall appoint a qualified M.A.I. appraiser to

1 appraise the leased land and shall forward the appraisal to the commissioner
2 of natural resources;

3 (2) if the commissioner of natural resources disagrees with the
4 appraisal obtained by the lessee under (1) of this subsection, the commis-
5 sioner shall appoint a second appraiser to make an appraisal which shall be
6 completed not later than 90 days after receipt of the appraisal required by
7 (1) of this subsection;

8 (3) if the commissioner of natural resources and the lessee dis-
9 agree on the fair market value of the leased land as determined by the
10 appraisals required under (1) and (2) of this subsection, the two appraisers
11 shall appoint a third qualified M.A.I. appraiser who shall make a third
12 appraisal of the land which shall be completed not later than 180 days after
13 receipt of the appraisal required by (1) of this subsection; the cost of the
14 third appraisal shall be paid by the state and the lessee equally;

15 (4) after the third appraisal is completed, the two of the three
16 appraisals which are nearest each other in their determination of the fair
17 market value shall be averaged and the result shall be the fair market value
18 of the leased land and shall be binding on the commissioner of natural re-
19 sources and the lessee.

20 (c) After the fair market value is established in accordance with (b)
21 of this section, a lessee may purchase land leased by him under an install-
22 ment contract. The terms of an installment contract offered to a lessee
23 shall be as follows:

24 (1) the lessee shall pay to the commissioner of natural resources
25 an amount equal to five per cent of the purchase price at the time he signs
26 the installment contract;

27 (2) the lessee shall pay equal installment payments monthly,
28 quarterly or annually for a term not to exceed 20 years;

29 (3) the lessee shall pay interest at eight per cent a year on the

1 unpaid principal balance; and

2 (4) the lessee may accelerate payment of the indebtedness without
3 penalty.

4 (d) If leased land subject to this section is nominated and selected by
5 a municipality to satisfy a general grant land entitlement granted under
6 AS 29.18.201 - 29.18.203, the municipality shall honor the lease or, at the
7 lessee's request, sell the land to the lessee under the same terms and condi-
8 tions as prescribed in this section.

9 (e) Nothing in this section may be construed to preclude judicial
10 review of a final action taken by the Department of Natural Resources to
11 implement this section.

12 (f) This section does not apply to leased state land which is tideland,
13 submerged land or grazing land or state land leased under AS 38.05.315 or
14 AS 38.35.

15 * Sec. 2. This Act takes effect July 1, 1979.

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Introduced: 4/3/79
Referred: Resources

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 HOUSE BILL NO. 437

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the sale of certain state land
7 subject to competitive leases; and providing for an
8 effective date."

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

10 * Section 1. SALE OF LEASED LAND. (a) The director of the division of
11 lands, Department of Natural Resources, shall sell to a lessee land leased to
12 that lessee under a lease which was converted to an amended lease under sec.
13 12, ch. 138, SLA 1977 as amended by sec. 21, ch. 182, SLA 1978. The purchase
14 price of the land offered under this section shall be the cost incurred by
15 the Department of Natural Resources for administering the sale of the land
16 plus an amount equal to the fair market value of the land used to establish
17 the annual rent for the lease after the date of conversion under the
18 provisions of sec. 12, ch. 138, SLA 1977 as amended by sec. 21, ch. 182, SLA
19 1978.

20 (b) Not later than October 1, 1979, the director of the division of
21 lands shall send to the lessee an offer to sell the leased land along with an
22 installment payment contract which has been approved by the attorney general.
23 A lessee may purchase land leased by him if, before October 1, 1980, the
24 lessee

25 (1) pays to the director of the division of lands an amount equal
26 to five per cent of the purchase price; and

27 (2) signs and returns the installment payment contract to the
28 director of the division of lands.

29 (c) The terms of an installment payment contract offered to a lessee

1 shall be as follows:

2 (1) the lessee shall pay installment payments monthly, quarterly,
3 or annually for a term not to exceed 20 years;

4 (2) the lessee shall pay installment payments set by the director
5 according to the level-payment basis;

6 (3) the lessee shall pay interest at eight per cent a year on the
7 unpaid principal balance; and

8 (4) the lessee may accelerate payment of the indebtedness without
9 penalty.

10 (d) Land leased by a lessee who fails to accept the offer of the direc-
11 tor of the division of lands before the time specified in (b) of this section
12 shall be offered for sale to the public after expiration of the lease.

13 (e) This section does not apply to leased state land which is tideland,
14 submerged land or grazing land, or state land leased under AS 38.35 or
15 AS 38.05.315.

16 * Sec. 2. This Act takes effect July 1, 1979.

COMMITTEE REPORT

HOUSE

(11)

5/16/80

FURTHER:

Date: _____

Mr. Speaker:

The Committee on FINANCE has had HB 437

"An Act relating to the sale of certain state land subject to competitive leases; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

(9)

COMMITTEE REPORT

HOUSE

5/16

4/8/80

FURTHER: FINANCE

Date: 5/5/80

Mr. Speaker:

(Taken from Rules 4/8/80)

The Committee on RESOURCES has had HB 437

"An Act relating to the sale of certain state land subject to competitive leases; and providing for an effective date."

under consideration ^{a 2nd time} and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with ~~CS~~ ^{CS} for HB 437 (Resources) same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back with ^{individual} ~~one~~ recommendation
- referred to the _____ Committee

MEMBERS SIGNING DO PASS

John D. ...
B. ...

MEMBERS HAVING OTHER RECOMMENDATIONS:

Sen. ... DO NOT PASS
Patrick ... (No Rec.)
Rick ... NO Rec
... - Do Not Pass

B. ...
 CHAIRMAN

COMMITTEE REPORT
HOUSE

Ruler
4/29

FURTHER:

April 3, 1979

Date: 4/27/79

Mr. Speaker:

The Committee on RESOURCES has had HB 437

"An Act relating to the sale of certain state land subject to competitive leases; eff. date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HB 437 same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back ^{and} without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

B. Miles

Alvin Oberknecht

John B. Fisher

Paul F. Howard

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Rich Hallock NO REC

Chet Whitbeck No Rec

Paul Simon

Robert L. Evans Don't Pass

Sam Coon DO NOT PASS

B. Miles
CHAIRMAN

6988
Baldwin

Original sponsor: Resources Committee

Offered: 5/16/80
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 437 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the sale of state land leased under
7 AS 38; and providing for an effective date."

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

9 * Section 1. SALE OF LEASED LAND. (a) The commissioner of natural
10 resources shall offer to sell to a lessee land leased to the lessee before
11 July 1, 1980, under AS 38 if the leased land has been used for a continuous
12 period, or prepared for continuous use after the lease was originally issued,
13 or for the five-year period immediately before July 1, 1980, whichever is
14 less. The purchase price of land offered for sale under this section is an
15 amount equal to the fair market value of the land on the date of the offer to
16 sell less the value of permanent improvements constructed on the land after
17 the land was first leased to a lessee by the state.

18 (b) If a lessee accepts the commissioner of natural resources' offer to
19 sell, the lessee shall send to the commissioner of natural resources an
20 appraisal of the leased land made by a qualified M.A.I. appraiser. If the
21 commissioner of natural resources agrees with the appraisal, he shall send to
22 the lessee an installment contract including the terms specified in (c) of
23 this section. If the commissioner of natural resources disagrees with the
24 appraisal furnished by the lessee, the fair market value of the leased land
25 shall be determined in the following manner:

26 (1) the lessee shall appoint a qualified M.A.I. appraiser to
27 appraise the leased land and shall forward the appraisal to the commissioner
28 of natural resources;

29 (2) if the commissioner of natural resources disagrees with the

note 5/16/80

1 appraisal obtained by the lessee under (1) of this subsection, the commis-
2 sioner shall appoint a second appraiser to make an appraisal which shall be
3 completed not later than 90 days after receipt of the appraisal required by
4 (1) of this subsection;

5 (3) if the commissioner of natural resources and the lessee dis-
6 agree on the fair market value of the leased land as determined by the ap-
7 praisals required under (1) and (2) of this subsection, the two appraisers
8 shall appoint a third qualified M.A.I. appraiser who shall make a third
9 appraisal of the land which shall be completed not later than 180 days after
10 receipt of the appraisal required by (1) of this subsection; the cost of the
11 third appraisal shall be paid by the state and the lessee equally;

12 (4) after the third appraisal is completed, the two of the three
13 appraisals which are nearest each other in their determination of the fair
14 market value shall be averaged and the result shall be the fair market value
15 of the leased land and shall be binding on the commissioner of natural re-
16 sources and the lessee.

17 (c) After the fair market value is established in accordance with (b)
18 of this section, a lessee may purchase land leased by him under an install-
19 ment contract. The terms of an installment contract offered to a lessee
20 shall be as follows:

21 (1) the lessee shall pay to the commissioner of natural resources
22 an amount equal to five percent of the purchase price at the time he signs
23 the installment contract;

24 (2) the lessee shall pay equal installment payments monthly,
25 quarterly or annually for a term not to exceed 20 years;

26 (3) the lessee shall pay interest at the prevailing rate for real
27 estate mortgage loans made by the federal land bank for the farm credit
28 district for Alaska at the time the contract is signed; and

29 (4) the lessee may accelerate payment of the indebtedness without

1 penalty.

2 (d) If leased land subject to this section is nominated and selected by
3 a municipality to satisfy a general grant land entitlement granted under
4 AS 29.18.201 - 29.18.203, the municipality shall honor the lease or, at the
5 lessee's request, sell the land to the lessee under the same terms and condi-
6 tions as prescribed in this section.

7 (e) Nothing in this section may be construed to preclude judicial
8 review of a final action taken by the Department of Natural Resources to
9 implement this section.

10 (f) This section does not apply to leased state land which is tideland,
11 submerged land, grazing land, or state land leased under AS 38.05.077,
12 38.05.135 - 38.05.280, 38.05.315 or AS 38.35.

13 * Sec. 2. This Act takes effect July 1, 1980.

Baldwin

Original sponsor: Resources Committee

Offered: 4/29/79;
Referred: Rules

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 437

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the sale of certain state land sub-
7 ject to competitive leases; and providing for an effec-
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9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. SALE OF LEASED LAND. (a) The commissioner of natural
11 resources shall offer to sell to a lessee land leased to the lessee under a
12 lease for which an application was made for conversion to an amended lease
13 under sec. 12, ch. 138 SLA 1977, as amended by sec. 21, ch. 182, SLA 1978.
14 An offer to sell under this section may be made if the leased land has been
15 used for a continuous period, or prepared for continuous use after the lease
16 was originally issued for the five-year period immediately before July 1,
17 1979, whichever is less. The purchase price of land offered for sale under
18 this section is the cost incurred by the Department of Natural Resources for
19 administering the sale of the land plus an amount equal to the fair market
20 value of the land.

21 (b) If a lessee accepts the commissioner of natural resources' offer to
22 sell, the lessee shall send to the commissioner of natural resources an
23 appraisal of the leased land made by a qualified M.A.I. appraiser. If the
24 commissioner of natural resources agrees with the appraisal, he shall send to
25 the lessee an installment contract including the terms specified in (c) of
26 this section. If the commissioner of natural resources disagrees with the
27 appraisal furnished by the lessee, the fair market value of the leased land
28 shall be determined in the following manner:

29 (1) the lessee shall appoint a qualified M.A.I. appraiser to

1 appraise the leased land and shall forward the appraisal to the commissioner
2 of natural resources;

3 (2) if the commissioner of natural resources disagrees with the
4 appraisal obtained by the lessee under (1) of this subsection, the commis-
5 sioner shall appoint a second appraiser to make an appraisal which shall be
6 completed not later than 90 days after receipt of the appraisal required by
7 (1) of this subsection;

8 (3) if the commissioner of natural resources and the lessee dis-
9 agree on the fair market value of the leased land as determined by the
10 appraisals required under (1) and (2) of this subsection, the two appraisers
11 shall appoint a third qualified M.A.I. appraiser who shall make a third
12 appraisal of the land which shall be completed not later than 180 days after
13 receipt of the appraisal required by (1) of this subsection; the cost of the
14 third appraisal shall be paid by the state and the lessee equally;

15 (4) after the third appraisal is completed, the two of the three
16 appraisals which are nearest each other in their determination of the fair
17 market value shall be averaged and the result shall be the fair market value
18 of the leased land and shall be binding on the commissioner of natural re-
19 sources and the lessee.

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21 of this section, a lessee may purchase land leased by him under an install-
22 ment contract. The terms of an installment contract offered to a lessee
23 shall be as follows:

24 (1) the lessee shall pay to the commissioner of natural resources
25 an amount equal to five per cent of the purchase price at the time he signs
26 the installment contract;

27 (2) the lessee shall pay equal installment payments monthly,
28 quarterly or annually for a term not to exceed 20 years;

29 (3) the lessee shall pay interest at eight per cent a year on the

1 unpaid principal balance; and

2 (4) the lessee may accelerate payment of the indebtedness without
3 penalty.

4 (d) If leased land subject to this section is nominated and selected by
5 a municipality to satisfy a general grant land entitlement granted under
6 AS 29.18.201 - 29.18.203, the municipality shall honor the lease or, at the
7 lessee's request, sell the land to the lessee under the same terms and condi-
8 tions as prescribed in this section.

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10 review of a final action taken by the Department of Natural Resources to
11 implement this section.

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13 submerged land or grazing land or state land leased under AS 38.05.315 or
14 AS 38.35.

15 * Sec. 2. This Act takes effect July 1, 1979.

6988
Baldwin

Introduced: 4/3/79
Referred: Resources

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 HOUSE BILL NO. 437

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the sale of certain state land
7 subject to competitive leases; and providing for an
8 effective date."

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

10 * Section 1. SALE OF LEASED LAND. (a) The director of the division of
11 lands, Department of Natural Resources, shall sell to a lessee land leased to
12 that lessee under a lease which was converted to an amended lease under sec.
13 12, ch. 138, SLA 1977 as amended by sec. 21, ch. 182, SLA 1978. The purchase
14 price of the land offered under this section shall be the cost incurred by
15 the Department of Natural Resources for administering the sale of the land
16 plus an amount equal to the fair market value of the land used to establish
17 the annual rent for the lease after the date of conversion under the
18 provisions of sec. 12, ch. 138, SLA 1977 as amended by sec. 21, ch. 182, SLA
19 1978.

20 (b) Not later than October 1, 1979, the director of the division of
21 lands shall send to the lessee an offer to sell the leased land along with an
22 installment payment contract which has been approved by the attorney general.
23 A lessee may purchase land leased by him if, before October 1, 1980, the
24 lessee

25 (1) pays to the director of the division of lands an amount equal
26 to five per cent of the purchase price; and

27 (2) signs and returns the installment payment contract to the
28 director of the division of lands.

29 (c) The terms of an installment payment contract offered to a lessee

COMMITTEE COPY

1 shall be as follows:

2 (1) the lessee shall pay installment payments monthly, quarterly,
3 or annually for a term not to exceed 20 years;

4 (2) the lessee shall pay installment payments set by the director
5 according to the level-payment basis;

6 (3) the lessee shall pay interest at eight per cent a year on the
7 unpaid principal balance; and

8 (4) the lessee may accelerate payment of the indebtedness without
9 penalty.

10 (d) Land leased by a lessee who fails to accept the offer of the direc-
11 tor of the division of lands before the time specified in (b) of this section
12 shall be offered for sale to the public after expiration of the lease.

13 (e) This section does not apply to leased state land which is tideland,
14 submerged land or grazing land, or state land leased under AS 38.35 or
15 AS 38.05.315.

16 * Sec. 2. This Act takes effect July 1, 1979.

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THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. CS HB 437
 Title An Act relating to the sale of certain state land subject to competitive leases...
 Requested by House Resources Date 5/08/80

II. FISCAL DETAIL
 Agency Affected Department of Natural Resources
 Program Category Affected NRMEC
 BRU, Program, or Subprogram(s) Affected _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		98.0	0	0	0	0
200 TRAVEL		5.0				
300 CONTRACTUAL		150.0				
400 COMMODITIES		2.0				
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		255.0				

FUNDING (Thousands of Dollars)

GENERAL FUND	255.0				
FEDERAL FUNDS					
OTHER (Specify Fund Source)					

POSITIONS

FULL TIME	3.0				
PART TIME					
TEMPORARY					

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

To complete the conversion of all eligible leases within a one year period, the Department anticipates the need for one Land Management Officer III, one Appraiser III, and one Clerk Typist. The contractual funds are necessary for the additional contractual appraisals required to settle disputes arising from the original appraisals.

These estimates are based on the assumption that there are approximately 965 eligible lessees, and that each one will elect to convert the lease to purchase. It is further assumed that approximately 10% of the appraisals will result in disputes, requiring additional appraisals.

Ted Smith

IV. DATE 5/08/80 PREPARED BY Ted Smith, Director, Div. of Forest, Land, AGENCY Natural Resources and Water Management
 PHONE 279-5577
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

ALASKA STATE LEGISLATURE

ELEVENTH Legislature FIRST Session

HOUSE ... BILL..... NO. ...437..
By THE RESOURCES COMMITTEE ..

"An Act relating to the sale of certain state land subject to competitive leases; and providing for an effective date."

Sale of certain state land

Introduced in the House4-3... , 19....79

HISTORY IN THE HOUSE

19 79	Read first time and referred to Committee on												
April 3	RESOURCES												
May 16	<i>Finance added</i> Reported back with recommendation that												
	Read second time and												
	Read third time and												
	<table border="0"> <tr><td>PASS</td><td>Effective Date</td></tr> <tr><td>Yeas</td><td>Yeas</td></tr> <tr><td>Nays</td><td>Nays</td></tr> <tr><td>Absent</td><td>Absent</td></tr> <tr><td>Excused</td><td>Excused</td></tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused		
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Reconsideration													
PASS	Effective Date												
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Absent	Absent												
Excused	Excused												
	Reported correctly engrossed Signed by Speaker Sent to Senate												
CHIEF CLERK OF THE HOUSE													

HISTORY IN THE SENATE

19	Read first time and referred to Committee on												
	Reported back with recommendation that												
	Read second time and												
	Read third time and												
	<table border="0"> <tr><td>PASS</td><td>Effective Date</td></tr> <tr><td>Yeas</td><td>Yeas</td></tr> <tr><td>Nays</td><td>Nays</td></tr> <tr><td>Absent</td><td>Absent</td></tr> <tr><td>Excused</td><td>Excused</td></tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused		
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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: VOTE
	Failed to concur in Senate amendment; asked Senate to recede VOTE
	Senate receded from amendment VOTE
	Senate failed to recede from amendment VOTE
	CC appointed by House
	CC appointed by Senate
	CC adopted by House VOTE
	CC adopted by Senate VOTE
	To enrolling Reported correctly enrolled Sent to Governor by Governor
	Filed with Lt. Governor
	Chapter No.



RECORDS CERTIFICATION



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

Jamaal O. Smith
Signature of Camera Operator

3/20/90
Date

Introduced: 4/4/79
Referred: Special Gas Pipeline
Financing Committee

1 IN THE HOUSE

BY THE SPECIAL GAS PIPELINE
FINANCING COMMITTEE

2 HOUSE BILL NO. 438 am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to submission of a financial and
7 Alaska impact plan by the Alaska Gas Pipeline Financing
8 Authority; and providing for an effective date."

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

10 * Section 1. FINDINGS. AS 44.55.100 requires the Alaska Gas Pipeline
11 Financing Authority to submit to the legislature a financial and Alaska
12 impact plan. The statute sets out items which must be included in the plan
13 and a requirement for findings and recommendations on each item. A plan was
14 submitted to the legislature under cover letter dated March 15, 1979. For
15 reasons detailed in the plan, the plan did not meet the requirements of the
16 statute. The legislature finds that the reasons given for not meeting the
17 requirements are compelling, but also finds that the plan submitted is not
18 adequate to comply with the statutory requirements and the purported sub-
19 mission must therefore be treated as a nullity. Amending the date of sub-
20 mission now required by the statute will allow submission of a plan meeting
21 the legal requirements and will avoid the procedural problems which would
22 accompany the rejection of the submission of the plan, since rejection as
23 contemplated by the statute assumes a submission which meets legal require-
24 ments. It is not the intent of the legislature that changing the date of
25 submission change any other part of the statute.

26 * Sec. 2. AS 44.55.100 is amended to read:

27 Sec. 44.55.100. SUBMISSION OF FINANCIAL AND ALASKA IMPACT PLAN.

28 With respect to the bonds of the authority and the project, the
29 authority shall submit to the legislature by the first [60th] day of

1 the Second [FIRST] Session of the Eleventh Legislature a financial and
2 Alaska impact plan for the project. The financial and Alaska impact
3 plan shall be a general description of the status of the project with
4 respect to engineering, technical, financial and regulatory matters
5 relating to the project. In addition, the plan shall include the
6 following specific items as well as findings and recommendations on
7 each item:

8 (1) the proposed methods and procedures by which the project
9 will be financed including the amounts and times of issuance of bonds by
10 the authority;

11 (2) the method of securing the bonds;

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

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

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

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

22 (7) documentation that the project sponsors and contractors
23 have entered into all contracts, including those with the state and
24 appropriate labor organizations, necessary to guarantee that

25 (A) to the extent that qualified workers are available,
26 all workers employed for the construction, operation and mainten-
27 ance of the project will be drawn from the existing and resident
28 Alaska work force;

29 (B) to the extent qualified contractors or firms are

1 available, all vendor, material, labor and professional service
2 contracts and subcontracts related to the project will be awarded
3 to existing resident Alaska contractors or firms;

4 (C) quarterly audits of the performance of the project
5 sponsors under (A) and (B) of this paragraph shall be conducted,
6 and the results of these audits transmitted to the legislature and
7 other interested state officials in a timely manner;

8 (8) the estimated number of Alaska workers who will be
9 employed under the provisions of the contract described in (7)(A) of
10 this section, the estimated total number of workers to be employed on
11 the project during construction, the estimated dollar volume of
12 contracts which will be let to Alaska contractors or firms under the
13 provisions of the contract described in (7)(B) of this section, and the
14 estimated total dollar volume of contracts which will be let for the
15 project during construction;

16 (9) documentation that a minimum capital pool of debt and
17 equity funds equal to at least 150 per cent of the estimated project
18 cost has been committed to the project, in order to provide sufficient
19 capital to insure timely project completion;

20 (10) documentation that the project sponsors have supported
21 and, when appropriate, have filed the necessary documents and exhibits
22 before the appropriate federal or regulatory agencies to provide:

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

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

1 BTU-equivalent price is permissible under applicable federal laws
2 and regulations;

3 (C) that treatment and conditioning costs shall be added
4 onto, and not included in, the minimum average wellhead price
5 contained in (B) of this paragraph;

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

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

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

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

20 (12) the preliminary financial plan for the entire trans-
21 mission system, as prepared for submission to the Federal Energy
22 Regulatory Commission;

23 (13) documentation that the partnership has entered into a
24 contract with the State of Alaska, approved by the appropriate federal
25 regulatory agencies, to pay for or reimburse the state for expenses
26 associated with the following state activities:

27 (A) provision of in-state off-take facilities at
28 locations to be determined by the state;

29 (B) design and development of a computerized three-

1 dimensional Prudhoe Bay reservoir simulation model;

2 (C) study and determination of the state's bond capacity
3 and bond rating, with respect to both the authority bonds and
4 potential state equity-related investment;

5 (D) provision of state personnel and equipment required
6 to carry out the state's supervisory and regulatory functions with
7 respect to construction and operation of the pipeline project;

8 (E) provision of local impact information and planning
9 assistance for communities affected by the pipeline project.

10 * Sec. 3. AS 44.55.110 is amended to read:

11 Sec. 44.55.110. LEGISLATIVE APPROVAL. Either house of the legis-
12 lature may disapprove the financial and Alaska impact plan or an amended
13 version of the plan, and the sale of refunding bonds by a simple
14 resolution. If the plan or an amended version of the plan or the sale
15 of refunding bonds is not approved or conditionally approved by the
16 legislature [OR DISAPPROVED BY EITHER HOUSE] within 60 [30] days after
17 presentation to the legislature, it is disapproved [APPROVED]. The
18 legislature may by concurrent resolution approve the plan or an amended
19 version of the plan with conditions concerning matters included in the
20 plan or amended version of the plan, and the conditional approval
21 becomes effective upon certification to the legislature by the authority
22 that the authority has accepted the conditions and modified the plan in
23 accordance. No bonds or notes may be issued or sold until the approval
24 required by this section has been obtained, and no bonds or notes may
25 be issued or sold except in accordance with the approved plan. Amend-
26 ments to the plan may be submitted before the passage by the authority
27 of the resolution authorizing the sale of bonds and become effective
28 upon approval by the legislature by concurrent resolution.

29 * Sec. 4. Section 1(2), ch. 90 SLA 1978 is amended to read:

1 State assistance to the financing of the project may [will]
2 promote an essential public purpose in assuring timely transportation
3 to market of Prudhoe Bay natural gas.

4 * Sec. 5. This Act takes effect immediately in accordance with AS 01.10.
5 070(c).

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CORRECTION

HOUSE BILL NO. 438

Please discard all copies of HB 438 and retain this corrected copy.

The correction:

The Speaker stated that HB 438 should be changed to show it was introduced by and referred to

Special Gas Pipeline Financing Committee.

Introduced: 4/4/79
Referred: Special Committee
on Gas Pipeline Financing

1 IN THE HOUSE

BY THE SPECIAL COMMITTEE
ON GAS PIPELINE FINANCING

2 HOUSE BILL NO. 438

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to submission of a financial and
7 Alaska impact plan by the Alaska Gas Pipeline Financing
8 Authority; and providing for an effective date."

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

10 * Section 1. FINDINGS. AS 44.55.100 requires the Alaska Gas Pipeline
11 Financing Authority to submit to the legislature a financial and Alaska
12 impact plan. The statute sets out items which must be included in the plan
13 and a requirement for findings and recommendations on each item. A plan was
14 submitted to the legislature under cover letter dated March 15, 1979. For
15 reasons detailed in the plan, the plan did not meet the requirements of the
16 statute. The legislature finds that the reasons given for not meeting the
17 requirements are compelling, but also finds that the plan submitted is not
18 adequate to comply with the statutory requirements and the purported sub-
19 mission must therefore be treated as a nullity. Amending the date of sub-
20 mission now required by the statute will allow submission of a plan meeting
21 the legal requirements and will avoid the procedural problems which would
22 accompany the rejection of the submission of the plan, since rejection as
23 contemplated by the statute assumes a submission which meets legal require-
24 ments. It is not the intent of the legislature that changing the date of
25 submission change any other part of the statute.

26 * Sec. 2. AS 44.55.100 is amended to read:

27 Sec. 44.55.100. SUBMISSION OF FINANCIAL AND ALASKA IMPACT PLAN.
28 With respect to the bonds of the authority and the project, the
29 authority shall submit to the legislature by the 60th day of the Second

1 [FIRST] Session of the Eleventh Legislature a financial and Alaska
2 impact plan for the project. The financial and Alaska impact plan shall
3 be a general description of the status of the project with respect to
4 engineering, technical, financial and regulatory matters relating to the
5 project. In addition, the plan shall include the following specific
6 items as well as findings and recommendations on each item:

7 (1) the proposed methods and procedures by which the project
8 will be financed including the amount and times of issuance of bonds by
9 the authority;

10 (2) the method of securing the bonds;

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

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13 reasonable projections can be made, which will be available to the
14 authority to meet debt service requirement;

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

19 (6) the amount and type of financial support which the
20 Prudhoe Bay natural gas producers have committed in support of the
21 project;

22 (7) documentation that the project sponsors and contractors
23 have entered into all contracts, including those with the state and
24 appropriate labor organizations, necessary to guarantee that

25 (A) to the extent that qualified workers are available,
26 all workers employed for the construction, operation and mainten-
27 ance of the project will be drawn from the existing and resident
28 Alaska work force;

29 (B) to the extent qualified contractors or firms are

1 available, all vendor, material, labor and professional service
2 contracts and subcontracts related to the project will be awarded
3 to existing resident Alaska contractors or firms;

4 (C) quarterly audits of the performance of the project
5 sponsors under (A) and (B) of this paragraph shall be conducted,
6 and the results of these audits transmitted to the legislature and
7 other interested state officials in a timely manner;

8 (8) the estimated number of Alaska workers who will be
9 employed under the provisions of the contract described in (7)(A) of
10 this section, the estimated total number of workers to be employed on
11 the project during construction, the estimated dollar volume of
12 contracts which will be let to Alaska contractors or firms under the
13 provisions of the contract described in (7)(B) of this section, and the
14 estimated total dollar volume of contracts which will be let for the
15 project during construction;

16 (9) documentation that a minimum capital pool of debt and
17 equity funds equal to at least 150 per cent of the estimated project
18 cost has been committed to the project, in order to provide sufficient
19 capital to insure timely project completion;

20 (10) documentation that the project sponsors have supported
21 and, when appropriate, have filed the necessary document and exhibits
22 before the appropriate federal or regulatory agencies to provide:

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

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

1 BTU-equivalent price is permissible under applicable federal laws
2 and regulations;

3 (C) that treatment and conditioning costs shall be added
4 onto, and not included in, the minimum average wellhead price
5 contained in (B) of this paragraph;

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

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

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

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

20 (12) the preliminary financial plan for the entire trans-
21 mission system, as prepared for submission to the Federal Energy
22 Regulatory Commission;

23 (13) documentation that the partnership has entered into a
24 contract with the State of Alaska, approved by the appropriate federal
25 regulatory agencies, to pay for or reimburse the state for expenses
26 associated with the following state activities:

27 (A) provision of in-state off-take facilities at
28 locations to be determined by the state;

29 (B) design and development of a computerized three-

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dimensional Prudhoe Bay reservoir simulation model;

(C) study and determination of the state's bond capacity and bond rating, with respect to both the authority bonds and potential state equity-related investment;

(D) provision of state personnel and equipment required to carry out the state's supervisory and regulatory functions with respect to construction and operation of the pipeline project;

(E) provision of local impact information and planning assistance for communities affected by the pipeline project.

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

FINANCIAL AND ALASKA IMPACT PLAN

A Report To The First Session
Of The Eleventh Legislature

By

THE ALASKA GAS PIPELINE FINANCING AUTHORITY

March 14, 1979

FINANCIAL AND ALASKAN IMPACT PLANNING REPORT TO THE LEGISLATURE

INTRODUCTION

The following report addresses the requirements of AS 44.55.100 contained in Chapter 55, Alaska Gas Pipeline Financing Authority. This section requires the authority to submit before the 60th day of the first session of the 11th Legislature a general description of the status of the Alaskan Natural Gas Transportation System as sponsored by Northwest Alaskan Natural Gas Transportation Company, a partnership, pursuant to the Alaska Natural Gas Transportation Act (ANGTA) and the President's Decision ["Project"], together with a description, findings, and recommendations on enumerated specific items.

Because of delays and other well-publicized problems with the Project, a financial and Alaskan impact plan for the project as apparently contemplated by AS 44.55.100 is impossible. The project is simply not far enough along for the development of such a study. As a result, this submission is more akin to a status report than a final plan; a final plan will be submitted to the Legislature when, and if, such a plan is possible.

RECOMMENDATION

The Authority respectfully suggests that this financial plan and impact report be conditionally accepted by the Legislature,

and that the Legislature add two conditions. First, that no bonds be sold unless and until the plan is amended and approved by the legislature by concurrent resolution as required by AS 44.55.100. Second, that the amendments include definitive answers to all matters presently unresolved, unanswered, or undocumented, and that all matters reported upon in the present plan be expounded upon and detailed in greater specificity.

The reason for this recommendation is that AS 44.55.100 requires legislative action within 30 days of the report and plan contained herein, or it is approved. The authority does not believe that this report, or any report submitted at this time, could adequately meet the original purpose of § 100. Until the log jam of delays is broken, unresolved issues are resolved, and especially until Congress amends § 103 of the Internal Revenue Code, no worthwhile financial or impact plan is possible. Thus, the purpose of the suggestion contained above is to allow such a plan to be submitted at a more appropriate time and allow the intended purpose of AS 44.55 to be carried out.

GENERAL STATEMENT

The Project organization has passed its initial start-up phase. Northwest Alaskan Pipeline Company, Operator for the partnership, has stated that it has some 115 employees full-time on the project in its offices in Salt Lake City, Utah

CORRECTION

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

and that the Legislature add two conditions. First, that no bonds be sold unless and until the plan is amended and approved by the legislature by concurrent resolution as required by AS 44.55.110. Second, that the amendments include definitive answers to all matters presently unresolved, unanswered, or undocumented, and that all matters reported upon in the present plan be expounded upon and detailed in greater specificity.

The reason for this recommendation is that AS 44.55.100 requires legislative action within 30 days of the report and plan contained herein, or it is approved. The authority does not believe that this report, or any report submitted at this time, could adequately meet the original purpose of § 100. Until the log jam of delays is broken, unresolved issues are resolved, and especially until Congress amends § 103 of the Internal Revenue Code, no worthwhile financial or impact plan is possible. Thus, the purpose of the suggestion contained above is to allow such a plan to be submitted at a more appropriate time and allow the intended purpose of AS 44.55 to be carried out.

GENERAL STATEMENT

The Project organization has passed its initial start-up phase. Northwest Alaskan Pipeline Company, Operator for the partnership, has stated that it has some 115 employees full-time on the project in its offices in Salt Lake City, Utah

and Fairbanks, Alaska. The Company has stated that Fluor Engineers and Constructors, Inc., acting as the project management contractor, is operating in Irvin, California and Fairbanks, Alaska. Field studies relating to landownership, environmental and geotechnical information are underway.

It should be noted that the current status of the Project is approximately one year behind the schedule that was anticipated during the 10th Legislature, which passed AS 44.55.100.

Delays encountered have created an impossibility for definitive estimates or unqualified answers to some of the items requested in AS 44.55.100. While not currently anticipated, further delays may well be encountered. The web of factors for the entire project is extremely complex and interrelated. For example, rights-of-way affects design, which in turn affects cost, both of which affect the plan for financing. Like a cog and a gear, all these factors must dovetail. A checklist of critical items developed by the sponsors and submitted to FERC, is attached. This list illustrates the number of important issues which must be addressed in the near future and which bear on a financing plan as contemplated in AS 44.55.100.

Lest this be construed as pessimistic, it is clear that the sponsors in their public statements are very optimistic that the log jam of delays is weakening and will be broken in the

next few months. The sponsors publically believe that the pace will pick up to normal and the project deadlines will be met.

STATUS

Engineering and Technical Matters

A pipeline preliminary design contract has been let by the company. Approval of pipeline parameters, such as pipe size and pressure has been requested but not acted upon by the FERC. Various geotechnical and technical data studies have been contracted for and are ongoing. A determination of right-of-way alignment being adjacent and within the corridor for TAPS (except where technical considerations require deviation) has been requested of the Secretary of Interior. That action will affect the design and civil engineering requirements for ditching, soil stabilization, and the like.

FINANCIAL MATTERS

A final financing plan has not been prepared. Typically the plan will not be "final" until closing with all of the financial institutions committed to the debt support of the Project. This is projected by the sponsors to coincide with the issuance of the FERC decisions on such questions as tariff and rate of return; as a result, financial planning is only preliminary at this time.

REGULATORY MATTERS

Northwest Alaskan's stated object for regulatory planning is to ensure final filing for a Federal Energy Regulatory Commission (FERC) Certificate of Public Convenience and Necessity on July 1, 1980, and award of an unencumbered certificate by October 31, 1981. Although this schedule is consistent with the planned gas-in-service date of late 1984, there is some doubt that it is realistic in light of the project's past experience.

Northwest Alaskan has stated that it has apprised the federal government's Executive Policy Board of actions prerequisite to timely project completion and specified dates by which action is necessary if schedule delays are to be avoided. FERC has responded in part by accelerating the filing of the project tariff and consideration of other incentive rate of return questions including inflation and scope change adjustments, the project risk premium, and the cost estimate filing.

Accelerated government consideration of other important issues is probable. Outstanding issues are broad-ranging and include, among other things, final specifications of the federal stipulations to be attached to the grant of right-of-way, approval of the proposed pipeline alignment, important regulations relating to manpower and contractor planning, and implementation of important organizational procedures such as appointment of the

Federal Inspector and approval of a limited executive reorganization. Timely resolution of these matters is essential to project completion as planned by the Company.

To assist timely completion of all Northwest Alaskan activities fundamental to the filing, the company has prepared a critical path schedule which focuses specifically on the filing. (see attached).

REQUIRED SPECIFIC ITEMS

- (1) The proposed methods and procedures by which the project will be financed including the amounts and times of issuance of bonds by the authority.

The State's financial participation could fall into two general categories:

- 1) Assistance to the Project without a pledge of the full faith and credit of the State by the issuance of up to \$1 Billion in tax-free revenue bonds. Proceeds therefrom to be invested in debt securities of the Project, as provided in AS 44.55.
- 2) An investment in an equity related security of the Partnership.

No precise method of participation is available at this time. In particular, because of the status of the project, unresolved issues

and §.103 of the Internal Revenue Code, the amounts and times of issuance of bonds by the authority can not now be proposed.

(2) The method of securing the bonds.

The details of security for the tax-free bonds are not yet defined, but only revenue derived from the project will be pledged. Neither the State's credit nor assets are involved in the tax-free revenue bond issue.

(3) Projected debt service requirements of the bonds.

Debt Service Requirements cannot be determined now but would be determined by the market place at the time of issuance of the bonds. A projection of debt service requirements could be made as certain unresolved matters are determined.

(4) Projected revenues for the period of time during which reasonable projections can be made, which will be available to the authority to meet debt service requirements.

Revenue Projections for income to the project will also be affected by the market place criteria at the time of bond issuance.

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

Sec. 13(b) of ANGTA which is currently in force is the State's protection for its right to withdraw its royalty share of the gas stream. By agreement with Governor Hammond in April 1978, John G. McMillian committed the project to the installation of takeoff points at the State's designation. The Company has requested such designation in advance of final pipeline design so that suitable valves may be installed during initial construction. How, when, where, and in what volumes the State wants its gas is for the State to determine and the Gasline Project states that it will honor its promise previously made.

- (6) The amount and type of financial support which the Prudhoe Bay natural gas producers have committed in support of the project.

The Prudhoe Bay Natural Gas Producers have not committed financial support to the Project to date.

- (7) Documentation that the project sponsors and contractors have entered into all contracts, including those with the state and appropriate labor organization, necessary to guarantee that

- (A) to the extent that qualified workers are available, all workers employed for the construction, operation and maintenance of the project will be drawn from the existing and resident work force;
- (B) to the extent qualified contractors or firms are available, all vendor, material, labor and professional service contracts and subcontracts related to the project will be awarded to existing resident Alaska contractors or firms;
- (C) quarterly audits of the performance of the project sponsors under (A) and (B) of this paragraph shall be conducted, and the results of these audits transmitted to the legislature and other interested state officials in a timely manner;

No such documentation exists as no contracts as contemplated by this paragraph have been entered into. With regard to the other items enumerated by paragraph 7, the sponsors have summarized their efforts and estimates as described below in 7(A), 7(B), 7(C), and 8.

7(A) The Company states that efforts have been initiated to more clearly define the size and composition of the project work force for comparison with State information on availability of workers, at all levels, in specific work categories. This will permit:

the affirmative recruitment within Alaska for prospective job openings of a professional and technical nature, for economic reasons

the targeting of cooperative training plans for craft and related positions, with local apprenticeship programs and with State efforts under CETA programs.

7(B) The Company states that initial steps were taken during 1978 to inform Alaskan companies regarding the business opportunities for the project and the steps necessary to insure consideration in connection with contracts, subcontracts, and procurement opportunities. The Company also asserted that procedures determined by the Operator for the Project required inclusion of Alaskan contractors on a competitive basis and that any award to a non-Alaskan is specifically reviewed.

As evidence of their commitment, the company asserted that as of January 2, 1979, excluding office leases pipeline design contract, and early management consultant contracts, 40 percent of all contracts awarded from inception to that date have gone to Alaskan firms and that this represents 80 percent of the total dollar volume for the same period of \$8,558,204.00.

(7)(C) The Company asserts that information for the quarterly performance audits specified in this section will be developed as an integral part of the reporting system for the project with respect to both work force and contracting/procurement data.

The Company also advanced the position that as a general statement with respect to regulatory constraints which bear on the

above paragraph (7) requirements and comments, work force and contracting/procurement measures will necessarily be consistent with regulations issued by the Federal Inspector or designated Federal agency pursuant to Section 17 of the Alaska Natural Gas Transportation Act of 1976 (Public Law 94-586). These regulations will identify the framework for equal opportunity on this project in connection with employment, minority and female business participation, and services, financial aids and other benefits. By the terms of Section 17, these regulations must be similar to those issued pursuant to Title VI of the Civil Rights Act of 1964. A filing has been made with FERC for allowance of costs and providing for a quarterly audit. FERC has not acted to date.

- (8) The estimated number of Alaska workers who will be employed under the provision of the contract described in (7)(A) of this section, the estimated dollar volume of contracts which will be let to Alaska contractors or firms under the provisions of the contract described in (7)(B) of this section and the estimated total dollar volume of contracts which will be let for the project during construction.

As indicated under Section 7 above, the Company has stated that programs are currently underway to update project work force projections. Similar steps have been and are continuing with regard to contracting procurement projections. Final design criteria and scheduling dependent upon other factors can have considerable impact on these projections. The most current information on the total estimated total dollar volume of contracts appear in the following projection by the company:

Peak-day employment currently estimated to approximate 8,000, subject to acceleration to meet deadlines. Based on the peak-day employment, total jobs will approximate 16,000 to 20,000. This estimate is only for jobs directly employed on the pipeline.

The number of contracts and the dollar volume can not be reliably provided at this time, but the Company has stated that it sees no reason that the final percentage ratios would not equal or better experienced to date.

- (9) Documentation that a minimum capital pool of debt and equity funds equal to at least 150 per cent of the estimated project cost has been committed to the project, in order to provide sufficient capital to insure timely project completion.

There is no documentation to date assuring the minimum capital pool. This would be developed as a part of the financial plan and will be final at the time of certification, now publically estimated by the Company to be 1981.

- (10) Documentation that the project sponsors have supported and when appropriate, have filed the necessary documents and exhibits before the appropriate federal or regulatory agencies to provide:

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

- (B) the minimum average wellhead price for Prudhoe Bay natural gas sales that is the higher of \$1.48 per mcf. (or such escalated price as may be provided for by federal law or regulation) or the BTU-equivalent price for Prudhoe Bay oil if the higher BTU-equivalent price is permissible under applicable federal laws and regulations;
- (C) that treatment and conditioning costs shall be added on to, and not included in, the minimum average wellhead price contained in (B) of this paragraph;
- (D) that the minimum average wellhead price described in (10)(B) of this section shall apply only to Prudhoe Bay natural gas;
- (E) that rolled-in pricing shall be used with respect to marketing Alaskan natural gas in contiguous United States or Canadian markets;
- (F) that payment to or reimbursement of the state for items contained in (13) of this section shall be included in the rate base;

(10)(a) At the time of the report, the tariff had just been filed and is being evaluated by state officials.

(b) Gas Pricing Regulations were addressed in the Energy Act of 1978 and were supported by the Company.

(c) Treatment and conditioning costs have been determined by FERC adversely to the purpose of this paragraph in a proposed rulemaking. Comments on this rulemaking are not

due until March 19, and the Company has not, as yet, publically indicated any opposition to the proposed rule.

Ultimately this decision will be mandated by FERC.

(d) With the support of the Company, special provisions were included in the Energy Act of 1978 covering pricing of Prudhoe Bay gas.

(e) Rolled-in pricing was also supported by the Company and included in the Energy Act of 1978.

(f) Will be mandated by FERC. The Company's stated position is that all such costs will be included in the rate base by the Company subject to final determination during or after completion of the pipeline.

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

No such documentation exists as the study described in AS 44.55.100(13)(b) is due to be submitted in the Legislature in April of 1979.

(12) The preliminary financial plan for the entire transmission system, as prepared for submission to the Federal Energy Regulatory Commission.

No preliminary financial plan has been prepared for submission to FERC.

- (13) Documentation that the partnership has entered into a contract with the State of Alaska, approved by the appropriate federal regulatory agencies, to pay for or reimburse the state for expenses associated with the following state activities: (A) provision of in-state off-take facilities at locations to be determined by the state; (B) design and development of a computerized three-dimensional Prudhoe Bay reservoir simulation model; (C) study and determination of the state's bond capacity and bond rating, with respect to both the authority bonds and potential state equity-related investment; (D) provision of state personnel and equipment required to carry out the state's supervisory and regulatory functions with respect to construction and operation of the pipeline project; (E) provision of local impact information and planning assistance for communities affected by the pipeline project.

No such documentation exists, as there is no contract.

NORTHWEST ALASKAN PIPELINE COMPANY

1201 K Street, N.W.
Washington, D.C. 20035
(202) 466-5350

January 17, 1979

Mr. Russell A. Soulen
Acting Executive Director
Executive Policy Board
Alaska Natural Gas Transportation System
U. S. Department of Interior
5th Floor, 1100 L Street, N.W.
Washington, D. C. 20006

RECEIVED

JAN 18 1979

Executive Director - EPB

Re: Check Lists of Required Government Actions

Dear Mr. Soulen:

Enclosed are the following lists of critical government actions necessary to permit completion of the project in the 1984-1985 heating season:

- Federal Energy Regulatory Commission--Alaska Segment
(Thru 9/15/79)
- Federal Government (Excluding FERC)--Alaska Segment
(Thru 4/16/79)
- State of Alaska (Thru 4/16/79)
- Federal Government--Prebuilding (Canadian Imports) Elements
(Thru 6/30/79)

Our letter to you of December 4, 1978, advised members of the Executive Policy Board (EPB) that, due to non-resolution of a number of key regulatory and other issues by the government, project completion during the 1983-1984 heating season is no longer possible. At the January 9, 1979, meeting of the EPB, we made, inter alia, the following points:

- Completion during the 1984-1985 heating season is now the earliest feasible objective and is reflected in Northwest's current planning.
- Such completion is a reasonable, achievable objective. From an engineering and construction viewpoint, the pipeline system unquestionably could be completed by then--indeed, much sooner. The critical path, however, is marked by a series of key government actions that must be taken in a timely manner. These actions are crucial for two reasons. First, many subsequent planning actions with substantial

Mr. Russell A. Soulen
January 17, 1979
Page Two

lead times (e.g., design, cost estimation) hinge on government decisions. Second, a favorable regulatory climate, substantiated by a record of timely and responsive government decisions, particularly on the key issues now pending, is a sine qua non for private sector financing.

To assist government officials in pinpointing the specific actions required, we have prepared the enclosed check lists. The schedule is tight, largely due to the many following steps that must be taken in sequence to obtain financing and to complete the filing with FERC in mid-1980 for a final certificate of public convenience and necessity. We believe the schedule is achievable if there is the requisite determination and dedication of resources by all concerned. For our part, we pledge ourselves to make a maximum effort. From the government, we seek a commitment to overcome obstacles and actively look for ways to help us get the job done. Government actions on a project of this magnitude, in order to be timely and responsive, sometimes must be taken under conditions promising less than complete certainty. We believe there should be acceptance of some degree of risk by the government, in acting promptly, in recognition of both the total risk assumed by the sponsors and of the urgency of this project from a national-interest viewpoint.

We plan to work cooperatively with the government and are confident that the government's commitment to this project will be reaffirmed. We look forward to your response.

Yours truly,

NORTHWEST ALASKAN PIPELINE COMPANY


R. R. Meyer
President

Enclosures

Copy to (w/encl's.): Members, Executive Policy Board
Mr. Amos C. Mathews, Alaska State Pipeline
Coordinator

January 17, 1979

FEDERAL ENERGY REGULATORY COMMISSION

Check List of Critical Actions^{1/}
for Alaska Highway Gas Pipeline Project
(Thru 9/15/79)

<u>Action</u>	<u>Required Date of Action</u>
1. Initiate proceeding to implement Sec. 110 of NGPA relating to production-related costs.	1/22/79
2. Initiate proceeding to resolve scope change/inflation/cost control issues relating to IROR.	2/1/79
3. FERC's Alaskan Delegate submits report to Commission regarding project risks during construction, excluding IROR risks, to be used as a basis for rulemaking to determine the project Risk Premium needed for addition to the Operation Phase Rate to obtain the Non-Incentive Rate, which is used to compute AFUDC. (in response to Order No. 17A.)	2/15/79
4. Initiate proceeding to establish zone of reasonableness for project rate of return in response to Northwest filing about 1/31/79. ^{2/}	2/15/79
5. Initiate proceeding on project tariff based on: (1) tariff filed by sponsors about 3/1/79 and (2) report to Commission on tariff issues by FERC's Alaskan Delegate (submitted 1/31/79).	3/1/79
6. Initiate rulemaking to determine Project Risk Premium (based on 2/12/79 report noted above).	3/1/79
7. Issue final order implementing Sec. 110 of NGPA concerning production-related costs. ^{3/}	3/15/79

1/ Actions needed are among those required to permit project completion in the 1984-1985 heating season and draw heavily on FERC's Order No. 17 and 17A. The actions listed pertain only to the Alaska segment of the project.

2/ The Marginal Rate logically could be established incident to this proceeding.

3/ The facilities for gathering, treating, processing and compressing Prudhoe Bay gas are not included in the Alaska Natural Gas Transportation System, as defined in the President's Decision. Nevertheless, early resolution by FERC of all issues related to their

<u>Action</u>	<u>Required Date of Action</u>
8. Issue environmental assessment on gas conditioning plant.	3/30/79
9. Issue final order on scope change/inflation/cost responsibility issues relating to IROR.	4/2/79
10. Issue final order establishing Project Risk Premium (applicable during pre-construction and construction periods).	4/2/79
11. Issue order approving all project expenditures through 12/31/78, and commence periodic audits. (Northwest will make filing about 1/31/79.)	4/15/79
12. Issue final order establishing rate of return zone of reasonableness.	4/15/79
13. Issue final order approving 1260 psig design pressure, 48" pipe diameter, and initial system capacity of 2.0 to 2.4 Bcf/d (in response to Northwest's letter to FERC's Alaska Gas Project Office dated 10/27/78. A recently requested amplifying report will be submitted by Northwest about 2/1/79).	5/1/79
14. Issue final order approving project tariff (filed by Northwest Alaskan about 3/1/79).	5/1/79
15. Initiate rulemaking to set Operation Phase Rate. (Northwest will file sufficient information on financing considerations to allow evaluation of financial risks along with all other operation phase risks. This filing will follow Northwest's project tariff filing by about two weeks.)	5/1/79
16. Issue final order approving Operation Phase Rate.	6/30/79
17. Initiate rulemaking to establish Center Point and IROR Risk Premium.	7/15/79
18. Issue final order establishing Center Point and IROR Risk Premium.	9/15/79

January 17, 1979

Federal Government
(Excluding FERC)

Check List of Critical Actions^{1/}
for Alaska Highway Gas Pipeline Project
(Thru 4/16/79)

<u>Action</u>	<u>Responsibility</u>	<u>Required Date of Final Action</u>
1. Advise Northwest of likely extent of land in Alaska in vicinity of pipeline classified as "wetlands," and specify any special government requirements affecting construction on these lands, which could have substantial cost impact (in response to Northwest's letter to EPB of 12/14/78).	EPB Agencies (Corps of Engineers lead)	?/2/79
2. Resolve right-of-way and preconstruction entry procedures for Native Allottee lands (BIA's Juneau Office letter of July 18, 1978, indicates procedures will be provided when coordinated with BLM; Northwest letter to Alaska State Director, BLM of Jan. 10, 1979, refers.) Resolution needed to avoid delaying pending field activities.	DOI (BLM/BIA)	2/2/79
3. Submit Limited Executive Reorganization plan to Congress (as soon as relevant committees are organized and ready).	OMB/White House	2/15/79
4. Issue Executive Order formally establishing Executive Policy Board	OMB/White House	2/15/79
5. Advise Northwest of Haines pipeline right-of-way availability, about 160 miles of which is planned to be coincident with the gas pipeline alignment (in response to Northwest letter to GSA 3/20/78; letters to EPB 4/11/78, 12/4/78, 12/18/78, and 1/8/79 also pertain).	EPB (GSA, DOI)	2/16/79

^{1/}Actions needed are critical to project completion in the 1984-1985 heating season by Federal agencies other than FERC for which a separate check list

<u>Action</u>	<u>Responsibility</u>	<u>Required Date of Final Action</u>
6. Provisionally approve pipeline alignment, including resolution of proximity to TAPS as a "compatible use" of the R.O.W. as requested in Northwest's letter to EPB of 12/18/78).	EPB (DOI)	2/16/79
7. Definitively resolve issues concerning Northwest's reimbursement of Department of the Interior expenses (as requested in letter to Secretary Andrus of 12/5/78, with copies to EPB Executive Director).	DOI	3/5/79
8. Specify any limitations on use of Yukon River Bridge as support for gas pipeline. (The "critical" nature of this item is still under evaluation; Northwest will initiate separate correspondence as appropriate.)	EPB (DOT/DOI)	3/12/79
9. Provide definitive statement concerning any restrictions or special conditions to be imposed on right-of-way acquisition or construction in Tetlin Wildlife Refuge, recently withdrawn by Public Land Order 5653. The statement also should cover any other areas on or adjacent to the proposed pipeline alignment. (Northwest is not yet certain this is an area of "critical" concern; upon completion of evaluation, separate correspondence will be submitted as appropriate.)	DOI	3/12/79
10. Advise Northwest of proposed contractual terms for Agreement and Grant of Right-of-Way for Federal Lands in Alaska. In addition, specify what, if any, stipulations or other requirements are planned other than those worked out with the EPB, (For cost estimation and to obtain financing, it will be important to avoid open-ended provisions or other sources of uncer-	DOI.	3/15/79

<u>Action</u>	<u>Responsibility</u>	<u>Required Date of Final Action</u>
11. Provide Northwest with draft of proposed terms for joint surveillance and monitoring agreement with the State of Alaska (Note: to the extent the provisions of this agreement involve any expansion of the scope of Northwest's obligations or liabilities or any alteration in governmental jurisdiction relative to the project, Northwest is directly affected -- even though not a party to the agreement -- and should be consulted in order to provide appropriate input and to reflect these considerations in its cost estimation and other planning.)	EPB/State of Alaska	3/15/79
12. Nominate the Federal Inspector	White House	3/15/79
13. Approve staged design concept (Northwest will submit its recommendations in the very near future).	EPB	3/30/79
14. Issue <u>final</u> stipulations, covering general, environmental, and technical matters (responsive to Northwest's letter to EPB of 10/27/78).	EPB/Agencies	3/30/79
15. Definitively resolve criteria for trench blasting in proximity to the Trans Alaska Oil Pipeline System (TAPS) to permit trench blasting at a nominal 60-80 feet of line separation. (The EPB's Technical Committee provided recommended criteria to the EPB principals by memorandum dated 8/29/78; however, formal endorsement has not yet been given).	EPB (CE)	3/30/79
16. Approve the Limited Reorganization Plan	U.S. House & Senate	4/16/79

<u>Action</u>	<u>Responsibility</u>	<u>Required Date of Final Action</u>
Confirm the Federal Inspector	U.S. Senate	4/16/79
Provide waiver on line pipe wall thickness in areas of parallel encroachment to Haul Road R.O.W. (Northwest will submit formal request when alignment is provisionally approved; current plans call for about 44 miles of pipeline alignment adjacent to the Haul Road.)	DOT	4/16/79

Check List of Supporting Actions
(Thru 4/16/79)

<u>Action</u>	<u>Responsibility</u>	<u>Required Date of Final Action</u>
1. Respond to Northwest's request for clarification on use of blasting mats (in letter to EPB of 9/8/78).	EPB (CE lead)	2/2/79
2. Advise Northwest of Federal support requirements at Fort Wainwright (in response to Northwest letter of 11/21/78).	EPB Agencies	2/2/79
3. Resolve issues concerning Federal regulations to Implement Equal Employment Opportunity (EEO) and Minority Business Enterprise (MBE) under Section 17 of the Alaska Natural Gas Transportation Act (responsive to Northwest's letter to EPB of 9/21/79).	EPB (DOI)	2/16/79

January 17, 1979

State of Alaska

Check List of Critical Actions^{1/}
for Alaska Highway Gas Pipeline Project
(Thru 4/15/79)

<u>Action</u>	<u>Required Date of Final Action</u>
1. Provisionally approve pipeline alignment on State lands, including joint use of rights-of-way and permit areas with TAPS as a "compatible use" (as requested in Northwest's letter to S.P.C.O. of 12/19/78).	2/16/79
2. Specify any known limitations on use of Yukon River Bridge as support for gas pipeline. (It is not yet certain that this is a "critical" action; upon completion of evaluation, Northwest will submit separate letter.)	3/12/79
3. Advise Northwest of proposed contractual terms for Right-of-Way Lease for State-owned lands. This should include a complete statement of all liabilities and obligations that Northwest would be asked to assume (e.g., socioeconomic stipulations, road maintenance). It should be accompanied by a complete listing of any limitations or requirements that would be imposed in the form of stipulations attached to the lease or to any permits issued by the State. (Note: this information is essential for the project's cost estimate which will be included in the financial risk analysis, marketability studies, and financial prospectus. It also is essential for obtaining equity support for the project.)	3/15/79

^{1/} Actions needed are among those that provide critical inputs to key decisions necessary to permit project completion in the 1984-1985 heating season. Although not in such a "critical" category, the following supporting action is noted:

Advise Northwest of the State's support requirements at Fort Wainwright (in response to Northwest letter to S.P.C.O. of 11/21/78). Response due to Northwest 2/2/79.

<u>Action</u>	<u>Required Date of Final Action</u>
4. Provide Northwest with draft of proposed terms for joint surveillance and monitoring agreement with the Federal Government. (Note: to the extent the provisions of this Agreement involve any expansion of the scope of Northwest's obligations or liabilities or any alteration in governmental jurisdiction relative to the project, Northwest is directly affected-- even though not a party to the agreement-- and should be consulted in order to provide appropriate input and to reflect these considerations in its cost estimation and their planning.)	3/15/79
5. Issue final stipulations, covering general, environmental, and technical matters (responsive to Northwest's letter of 10/27/78).	3/30/79
6. Concur in waiver of line pipe wall thickness in areas of parallel encroachment to Haul Road R.O.W. (Northwest will submit formal request to U.S. Department of Transportation when alignment is provisionally approved; current plans call for about 44 miles of pipeline alignment adjacent to the Haul Road.)	4/16/79

Note: Throughout the period covered by this checklist, intensive work should be underway to implement the provisions of the following actions by the Tenth Alaska Legislature:

- Provision of up to \$1 billion in revenue bonds (Senate Bill No. 603)
- Provision of up to \$500 million in equity funds (Senate Concurrent Resolution No. 102)

Also during this period, royalty gas contracts should be negotiated.



RECORDS CERTIFICATION



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

James O. Smith
Signature of Camera Operator

3/20/90
Date

COMMITTEE REPORT

HOUSE

FURTHER:

April 5, 1979

Date: _____

Mr. Speaker:

The Committee on FINANCE has had HB 440

"An Act continuing the existence of the Board of Nursing and amending the laws regulating the nursing profession; eff. date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

Introduced: 4/5/79
Referred: Finance

6781
Brodley

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2 HOUSE BILL NO. 440

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act continuing the existence of the Board of
7 Nursing and amending the laws regulating the nursing
8 profession; and providing for an effective date."

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

10 * Section 1. AS 08.03.010 is amended by adding a new subsection to read:

11 (f) The following board has the termination date provided by this
12 subsection: Board of Nursing (AS 08.68.010) -- June 30, 1983.

13 * Sec. 2. AS 08.68.010 is amended to read:

14 Sec. 08.68.010. CREATION AND MEMBERSHIP OF BOARD OF NURSING.

15 There is created a Board of Nursing, consisting of seven members
16 appointed by the governor. One member shall be currently involved in
17 institutional nursing service, one member in community or public health
18 nursing and one member [TWO MEMBERS] in basic or continuing nursing
19 education, one nurse at large, and three [TWO] persons who have no
20 direct financial interest in the health care industry.

21 * Sec. 3. AS 08.68.020 is amended to read:

22 Sec. 08.68.020. TERM OF OFFICE. Members serve staggered terms of
23 four [FIVE] years and until their successors are appointed. The terms
24 of the public members on the board shall be set so that they do not
25 expire at the same time. Vacancies on the board shall be filled for the
26 unexpired term.

27 * Sec. 4. AS 08.68.410(5) is amended to read:

28 (5) "practice of professional nursing" means the performance
29 for compensation of observation, care and counsel of the ill, injured,

HB 440

1 or infirm, or the maintenance of health or prevention of illness of
2 others, the supervision and teaching of personnel; or the administration
3 of medications and treatments prescribed by a licensed physician or
4 dentist which require substantial specialized judgment and skill based
5 on knowledge and application of the principles of biological, physical,
6 and social science; but the foregoing do not include acts of medical
7 diagnosis and [OR] the prescription of medical therapeutic or corrective
8 measures unless authorized by regulations promulgated [JOINTLY] by [THE
9 STATE MEDICAL BOARD AND] the Board of Nursing and as implemented by the
10 Board of Nursing;

11 * Sec. 5. AS 08.03.010(c) is amended to read:

12 (c) Upon termination, each board listed in [(a) AND (b) OF] this
13 section shall continue in existence until June 30 of the next succeeding
14 year for the purpose of concluding its affairs. During this period,
15 termination does not reduce or otherwise limit the powers or authority
16 of each board. One year after the date of termination, a board not
17 continued shall cease all activities.

18 * Sec. 6. An incumbent member does not lose membership on the board
19 because of the reallocation of the membership enacted by sec. 2 of this Act
20 but all appointments after the effective date of this Act must be consistent
21 with AS 08.68.010.

22 * Sec. 7. AS 08.03.010(a)(4) is repealed.

23 * Sec. 8. This Act takes effect immediately in accordance with AS 01.10.-
24 070(c).

ALASKA STATE LEGISLATURE

ELEVENTH Legislature FIRST Session

HOUSE BILL NO. 440

By THE COMMERCE COMMITTEE

"An Act continuing the existence of the Board of Nursing and amending the laws regulating the nursing profession; and providing for an effective date."

Board of Nursing

Introduced in the House 4-5, 1979

HISTORY IN THE HOUSE

1979
April 5 Finance

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 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:
VOTE

Failed to concur in Senate amendment; asked Senate to recede
VOTE

Senate receded from amendment
VOTE

Senate failed to recede from amendment
VOTE

CC appointed by House

CC appointed by Senate

CC adopted by House
VOTE

CC adopted by Senate
VOTE

To enrolling
Reported correctly enrolled
Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No.

Introduced: 4/5/79
Referred: Finance

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2 HOUSE BILL NO. 440

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act continuing the existence of the Board of
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11 (f) The following board has the termination date provided by this
12 subsection: Board of Nursing (AS 08.68.010) -- June 30, 1983.

13 * Sec. 2. AS 08.68.010 is amended to read:

14 Sec. 08.68.010. CREATION AND MEMBERSHIP OF BOARD OF NURSING.

15 There is created a Board of Nursing, consisting of seven members
16 appointed by the governor. One member shall be currently involved in
17 institutional nursing service, one member in community or public health
18 nursing and one member [TWO MEMBERS] in basic or continuing nursing
19 education, one nurse at large, and three [TWO] persons who have no
20 direct financial interest in the health care industry.

21 * Sec. 3. AS 08.68.020 is amended to read:

22 Sec. 08.68.020. TERM OF OFFICE. Members serve staggered terms of
23 four [FIVE] years and until their successors are appointed. The terms
24 of the public members on the board shall be set so that they do not
25 expire at the same time. Vacancies on the board shall be filled for the
26 unexpired term.

27 * Sec. 4. AS 08.68.410(5) is amended to read:

28 (5) "practice of professional nursing" means the performance
29 for compensation of observation, care and counsel of the ill, injured,

1 or infirm, or the maintenance of health or prevention of illness of
2 others, the supervision and teaching of personnel; or the administration
3 of medications and treatments prescribed by a licensed physician or
4 dentist which require substantial specialized judgment and skill based
5 on knowledge and application of the principles of biological, physical,
6 and social science; but the foregoing do not include acts of medical
7 diagnosis and [OR] the prescription of medical therapeutic or corrective
8 measures unless authorized by regulations promulgated [JOINTLY] by [THE
9 STATE MEDICAL BOARD AND] the Board of Nursing and as implemented by the
10 Board of Nursing;

11 * Sec. 5. AS 08.03.010(c) is amended to read:

12 (c) Upon termination, each board listed in [(a) AND (b) OF] this
13 section shall continue in existence until June 30 of the next succeeding
14 year for the purpose of concluding its affairs. During this period,
15 termination does not reduce or otherwise limit the powers or authority
16 of each board. One year after the date of termination, a board not
17 continued shall cease all activities.

18 * Sec. 6. An incumbent member does not lose membership on the board
19 because of the reallocation of the membership enacted by sec. 2 of this Act
20 but all appointments after the effective date of this Act must be consistent
21 with AS 08.68.010.

22 * Sec. 7. AS 08.03.010(a)(4) is repealed.

23 * Sec. 8. This Act takes effect immediately in accordance with AS 01.10.-
24 070(c).