

LEG. FINANCE - BILLS 1979 - 1980 1204

HB 969 cont. thru HB 973 1204

1 state financial assistance shall submit an annual financial report to  
2 the Department of Commerce and Economic Development on a form provided  
3 by the Department of Commerce and Economic Development. The Department  
4 of Commerce and Economic Development may, by regulation, require that a  
5 qualified regional association use a uniform system of accounting. A  
6 qualified regional association requesting state assistance shall submit  
7 an annual budget to the Department of Commerce and Economic Development  
8 on or before a date specified by the Department of Commerce and Economic  
9 Development.

10 \* Sec. 4. The commissioner of commerce and economic development shall  
11 direct that no further royalty assessments be collected under AS 16.10.530 on  
12 or after the effective date of an election in the region of a qualified  
13 regional association that approves a salmon enhancement tax in accordance  
14 with AS 43.76.010 - 43.76.015.

15 \* Sec. 5. The approval of a salmon enhancement tax in accordance with  
16 AS 43.76.010 - 43.76.015 constitutes compliance with the requirements of  
17 AS 16.10.530 for the imposition of a mandatory assessment on the sale of  
18 salmon under AS 16.10.530.

19 \* Sec. 6. Sections 1 and 4 of this Act, AS 43.76, and AS 16.10.385 are  
20 repealed.

21 \* Sec. 7. Sections 1 - 4 and 7 of this Act take effect immediately in  
22 accordance with AS 01.10.070(c).

23 \* Sec. 8. Sections 5, 6 and 8 of this Act take effect on the publication  
24 date of a decision by the Alaska Supreme Court in the appeal of State of  
25 Alaska v. Wayne Alex, et al (Supreme Court File No. 5065), if the decision  
26 holds that AS 16.10.530 does not violate the Constitution of the State of  
27 Alaska.

Introduced: 3/21/80  
Referred: Resources and  
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE

2 HOUSE BILL NO. 969

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 salmon fisheries enhancement."

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

8 \* Section 1. FINDINGS AND PURPOSE. (a) The legislature finds that

9 (1) regional aquaculture associations qualified under AS 16.10.380  
10 have been organized in many areas of the state and have initiated salmon  
11 enhancement programs which will result in a general benefit to the state and  
12 a direct benefit to the commercial, subsistence, and sport fisheries;

13 (2) commercial salmon harvesters in most regions where the regional  
14 aquaculture associations are established have initiated self-imposed systems  
15 of harvest assessments to provide financing of efficient regional salmon  
16 enhancement programs;

17 (3) harvest assessments initiated in the regions are either volun-  
18 tary or mandatory, depending on the choice of the commercial salmon harvesters  
19 of each region;

20 (4) the mandatory assessment method initiated by many of the  
21 regional aquaculture associations under the authorization of state law is  
22 currently involved in protracted litigation;

23 (5) in order to ensure the uninterrupted continuation of the  
24 current salmon enhancement programs, it is essential that a revenue source  
25 for regional aquaculture associations be developed before a final judicial  
26 determination of the constitutionality of the mandatory assessments;

27 (6) while future legislatures cannot be legally bound to return  
28 revenues to each region based on the harvest assessments initiated in the  
29 regions, this legislature clearly recognizes this du

1 (b) It is the purpose of this Act to provide a means for continuing a  
2 mandatory method of revenue collection from commercial harvesters of salmon,  
3 and to continue revenue distribution to those regional aquaculture associa-  
4 tions which desire to use this means of ensuring that efficient salmon en-  
5 hancement programs have the necessary financial resources to continue.

6 (c) It is also the purpose of this Act to establish as a legislative  
7 policy the policy of making appropriations to the Department of Commerce and  
8 Economic Development to provide financing for qualified regional associations,  
9 and to base those appropriations on the revenue received from the collection  
10 of the salmon enhancement tax. The legislature may base an appropriation for  
11 a region on the value of fisheries resources caught in the region rather than  
12 the value of the fisheries resources sold in the region when those values  
13 differ. This section does not constitute a limitation on the use which the  
14 legislature may make of the proceeds of the salmon enhancement tax collected  
15 under this chapter.

16 \* Sec. 2. AS 43 is amended by adding a new chapter to read:

17 CHAPTER 76. SALMON ENHANCEMENT TAX.

18 Sec. 43.76.010. SALMON ENHANCEMENT TAX. (a) A person holding a  
19 limited entry permit under AS 16.43.010 - 16.43.380 shall pay a salmon  
20 enhancement tax at the rate of three percent of the value of salmon the  
21 person sells to a processor licensed under AS 43.75.011. The processor  
22 shall collect the salmon enhancement tax at the time of the sale.

23 (b) A salmon enhancement tax may only be levied or collected under  
24 (a) of this section

25 (1) in a region designated by the commissioner of fish and  
26 game for the purpose of salmon production under AS 16.10.375;

27 (2) if there exists in that region an association determined  
28 by the commissioner of fish and game to be a qualified regional associa-  
29 tion under AS 16.10.380; and

1 (3) if the qualified regional association approves the salmon  
2 enhancement tax under AS 43.76.015.

3 Sec. 43.76.015. ELECTION TO APPROVE, REDUCE OR TERMINATE SALMON  
4 ENHANCEMENT TAX. (a) A qualified regional association may not conduct  
5 an election under (b) of this section unless the commissioner of commerce  
6 and economic development approves the form of the notice to be published  
7 by the qualified regional association, the form of the ballot to be used  
8 in the election, and the registration procedure established by the  
9 qualified regional association under (c) of this section. The commis-  
10 sioner of commerce and economic development shall consult with the  
11 commissioner of fish and game before approving the form of the ballot to  
12 be used in an election under (b) of this section to verify the accuracy  
13 of the boundary description in the ballot. After an election is held  
14 under (b) of this section, the salmon enhancement tax takes effect in  
15 the region, if it is approved by a majority vote, upon the effective  
16 date stated in the ballot, or when the election results are certified by  
17 the commissioner of commerce and economic development, whichever is  
18 later. The commissioner of commerce and economic development shall  
19 certify the results of an election under (b) of this section if the  
20 procedural requirements of (b) of this section have been followed.

21 (b) Before a salmon enhancement tax is levied under AS 43.76.010,  
22 the qualified regional association for the region shall hold an initial  
23 public meeting to explain and discuss the necessity for the tax and to  
24 explain the registration procedure established by the qualified regional  
25 association. The qualified regional association shall provide public  
26 notice of the initial meeting by mailing notice at least 20 days before  
27 the meeting to each limited entry permit holder actively participating  
28 in a salmon fishery in the region, by posting the notice at least 20  
29 days before the meeting in at least three public places in the region,

1 and by publishing the notice in at least one newspaper of general circu-  
2 lation, if one exists, in the region at least once a week for three  
3 consecutive weeks before the meeting. The notice shall briefly state  
4 the amount of the tax and a short general description of the purposes  
5 for which the tax is expected to be used. The qualified regional asso-  
6 ciation shall mail a ballot, along with notice of the initial meeting,  
7 to each limited entry permit holder actively participating in a salmon  
8 fishery in the region. The ballot shall ask the question whether a  
9 salmon enhancement tax shall be levied, indicate the boundaries of the  
10 region in which the salmon enhancement tax will be levied, provide an  
11 effective date for the levy of the salmon enhancement tax if the salmon  
12 enhancement tax is approved, and indicate the date on which returned  
13 ballots must be postmarked in order to be counted. At the initial  
14 meeting additional ballots shall be distributed to limited entry permit  
15 holders in attendance who did not return a ballot by mail within the  
16 required time and who actively participate in a salmon fishery in the  
17 region. All ballots (those returned by mail and those voted at the  
18 meeting) shall be counted by a special committee appointed by the quali-  
19 fied regional association for that purpose. After the vote is taken at  
20 the initial meeting, the qualified regional association shall hold a  
21 second public meeting. The qualified regional association shall give  
22 notice of the second meeting by publication in a newspaper of general  
23 circulation in the region each day for five consecutive days and by  
24 mailing notice to each limited entry permit holder who actively parti-  
25 cipates in a salmon fishery in the region at least 14 days before the  
26 second public meeting. At the second meeting a vote by written ballot  
27 shall be taken from among the limited entry permit holders at the  
28 meeting who actively participate in a salmon fishery in the region and  
29 who have not previously voted on the question. These votes shall be

1 counted with the votes counted at the initial meeting. A majority vote  
2 for the salmon enhancement tax is required from the combined total of  
3 the returned ballots and the votes cast at both public meetings, before  
4 a salmon enhancement tax may be levied or collected. A person may not  
5 vote twice.

6 (c) An election to reduce or terminate a salmon enhancement tax  
7 shall be conducted under the same procedural requirements established  
8 under (a) and (b) of this section for an election to approve a salmon  
9 enhancement tax.

10 (d) The qualified regional association shall establish standard  
11 registration procedures for voting on approval, reduction or termination  
12 of the salmon enhancement tax.

13 Sec. 43.76.020. REDUCTION OR TERMINATION OF SALMON ENHANCEMENT  
14 TAX. (a) The salmon enhancement tax levied under AS 43.76.010 may be  
15 reduced to a rate which is less than three percent or may be terminated  
16 by the commissioner of revenue

17 (1) upon the recommendation of the commissioner of commerce  
18 and economic development;

19 (2) upon request of a majority of the board of directors of  
20 the qualified regional association for the region in which the salmon  
21 enhancement tax is levied; or

22 (3) upon majority vote at an election held under (b) of this  
23 section in the region in which the tax is levied.

24 (b) A salmon enhancement tax may be reduced or terminated by the  
25 commissioner of revenue under (a)(3) of this section following an elec-  
26 tion in a region if

27 (1) a petition is presented to the commissioner of commerce  
28 and economic development requesting reduction or termination of the  
29 salmon enhancement tax which is signed by at least 25 percent of the

1 number of persons who were qualified to vote under AS 43.76.015(b) in  
2 the election approving the salmon enhancement tax in the region;

3 (2) an election is held in accordance with AS 43.76.015(c);  
4 the ballot shall ask the question whether the salmon enhancement tax for  
5 the region shall be terminated or reduced, as appropriate; in the case  
6 of termination, the ballot shall be worded so that a "yes" vote is for  
7 continuation of the salmon enhancement tax and a "no" vote is for term-  
8 ination of the salmon enhancement tax;

9 (3) a majority of the people who vote cast a ballot for the  
10 termination or reduction of the salmon enhancement tax; all limited  
11 entry permit holders actively participating in a salmon fishery in the  
12 area are eligible to vote;

13 (4) the qualified regional association provides notice of the  
14 election in accordance with AS 43.76.015(b) within two months after  
15 receiving notice from the commissioner of commerce and economic develop-  
16 ment that a valid petition under (1) of this subsection has been re-  
17 ceived.

18 Sec. 43.76.025. COLLECTION OF TAX AND DISPOSITION OF PROCEEDS.

19 (a) A processor who buys fisheries resources which are subject to the  
20 salmon enhancement tax imposed by AS 43.76.010 shall collect the tax at  
21 the time of purchase, and shall remit the total tax collected during  
22 each month to the Department of Revenue by the last day of the next  
23 month.

24 (b) A processor who collects the salmon enhancement tax shall  
25 maintain records reflecting the location of the catch of the fisheries  
26 resources.

27 \* Sec. 3. AS 16.10 is amended by adding a new section to read:

28 Sec. 16.10.385. ACCOUNTING OF FINANCING RECEIVED AS A RESULT OF  
29 THE SALMON ENHANCEMENT TAX. A qualified regional association requesting

1 state financial assistance shall submit an annual financial report to  
2 the Department of Commerce and Economic Development on a form provided  
3 by the Department of Commerce and Economic Development. The Department  
4 of Commerce and Economic Development may, by regulation, require that a  
5 qualified regional association use a uniform system of accounting. A  
6 qualified regional association requesting state assistance shall submit  
7 an annual budget to the Department of Commerce and Economic Development  
8 on or before a date specified by the Department of Commerce and Economic  
9 Development.

10 \* Sec. 4. The commissioner of commerce and economic development shall  
11 direct that no further royalty assessments be collected under AS 16.10.530 on  
12 or after the effective date of an election in the region of a qualified  
13 regional association that approves a salmon enhancement tax in accordance  
14 with AS 43.76.010 - 43.76.015.

15 \* Sec. 5. The approval of a salmon enhancement tax in accordance with  
16 AS 43.76.010 - 43.76.015 constitutes compliance with the requirements of  
17 AS 16.10.530 for the imposition of a mandatory assessment on the sale of  
18 salmon under AS 16.10.530.

19 \* Sec. 6. Sections 1 and 4 of this Act, AS 43.76, and AS 16.10.385 are  
20 repealed.

21 \* Sec. 7. Sections 1 - 4 and 7 of this Act take effect immediately in  
22 accordance with AS 01.10.070(c).

23 \* Sec. 8. Sections 5, 6 and 8 of this Act take effect on the publication  
24 date of a decision by the Alaska Supreme Court in the appeal of State of  
25 Alaska v. Wayne Alex, et al (Supreme Court File No. 5065), if the decision  
26 holds that AS 16.10.530 is constitutional as applied before July 13, 1979.

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

Original

FISCAL NOTE

I. REQULST

Bill/Resolution No. H B 969  
 Title An act relating to salmon fisheries enhancement  
 Requested by \_\_\_\_\_ Date 3-28-80

II. FISCAL DETAIL

Agency Affected \_\_\_\_\_  
 Program Category Affected \_\_\_\_\_  
 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						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Millions of Dollars)

GENERAL FUND	-0-	approximately 1.5 annually
FEDERAL FUNDS		
OTHER (Specify Fund Source)		

POSITIONS

FULL TIME					
PART TIME					
TEMPORARY					

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

The bill proposes a salmon enhancement tax at 3 percent of the value of salmon sold by a limited entry permit holder to a licensed processor. The tax is to be levied in areas where a qualified regional aquaculture association receives approval for such levy by the majority of the qualified permit holders in the area. The tax can be reduced or terminated by the Commissioner of Revenue upon recommendation of the Commissioner of Commerce and Economic Development and the regional association.

The above estimate is for those regional associations only which did levy mandatory assessments until the assessments were declared invalid by the courts. The estimate is based on data obtained from those regional associations, and some catch and value statistics from the Department of Fish and Game. It is assumed that collections will not be submitted until July 1, 1980

(continued)

IV. DATE 3/28/80 PREPARED BY Jakobson Lorenson  
 AGENCY REVENUE  
 PHONE 62174  
 Original: Legislative Finance  
 cc: Budget and Management  
Prime Sponsor (First Legislator Named)

## ANALYSIS

There are three more regional associations in the State which would qualify for the proposed levy. Potential collections in those areas are not included in the above estimate.



# 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

(11)

# COMMITTEE REPORT

## HOUSE

4/14/80

FURTHER:

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

Mr. Speaker:

The Committee on FINANCE has had HB 970

"An Act making a special appropriation for regional aquaculture associations; 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 HB 970 (Finance)  same title
- new title
- and *reports it* recommends back with individual recommendations
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

Freeman

[Signature]

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

off - no rec

Duncan - no Rec

Montgomery - no Rec

Harold

\_\_\_\_\_

\_\_\_\_\_

Freeman

Vice CHAIRMAN

Original sponsor: Rules Committee by request

Funding Information

General Fund \$1,628,000  
Other Funds -0-  
\$1,628,000

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 970 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation for regional  
7 aquaculture associations; and providing for an effective  
8 date."

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

10 \* Section 1. The sum of \$1,628,000 is appropriated from the general fund  
11 to the Department of Commerce and Economic Development for payment of grants  
12 in the following amounts to the listed regional aquaculture associations:

13 Southern Southeast regional aquaculture association \$691,000  
14 Northern Southeast regional aquaculture association 500,000  
15 Cook Inlet regional aquaculture association 437,000

16 \* Sec. 2. A regional aquaculture association which receives a grant under  
17 sec. 1 of this Act shall return to the Department of Commerce and Economic  
18 Development, in the form and manner of payment acceptable to the commissioner  
19 of commerce and economic development, the difference between the grant re-  
20 ceived by the regional aquaculture association and the amount of the salmon  
21 enhancement tax (AS 43.76.010) collected in the region in which the regional  
22 aquaculture association operates if the salmon enhancement tax is repealed  
23 before the amount collected from the tax in the region equals or exceeds the  
24 amount of the grant. Payments received by the Department of Commerce and  
25 Economic Development under this section shall be deposited in the general  
26 fund.

27 \* Sec. 3. This Act takes effect immediately upon enactment of a version  
28 of an Act entitled "An Act relating to salmon fisheries enhancement."

29

# MEMORANDUM

## State of Alaska

TO:

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

Legislative Affairs

DATE : April 22, 1980

FROM: Vicki Wilson  
House Finance Committee  
Cap Bldg Rm 519  
3795/3796

SUBJECT: ESHB 970 (Finance)

Please prepare a Finance Committee Substitute for HB 970 with the changes noted in the attached copy of the bill and return to me as soon as possible. Thanks.

Original sponsor: Rules Committee by request

Offered: 4/14/80  
Referred: Finance

Funding Information

General Fund	<del>\$1,466,000</del>	<sup>\$1,628,000</sup>
Other Funds	<del>-0-</del>	<sup>0</sup>
	<del>\$1,466,000</del>	<sup>\$1,628,000</sup>

1 IN THE HOUSE

FINANCE  
BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 970 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation for regional  
7 aquaculture associations; and providing for an effective  
8 date."

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

10 \* Section 1. The sum of <sup>1,623,000</sup> ~~\$1,466,000~~ is appropriated from the general fund  
11 to the Department of Commerce and Economic Development for payment of grants  
12 in the following amounts to the listed regional aquaculture associations:

13 Southern Southeast regional aquaculture association \$691,000

14 Northern Southeast regional aquaculture association 500,000

15 Cook Inlet Regional aquaculture association <sup>437,000</sup> ~~275,000~~

16 \* Sec. 2. A regional aquaculture association which receives a grant under  
17 sec. 1 of this Act shall return to the Department of Commerce and Economic  
18 Development, in the form and manner of payment acceptable to the commissioner  
19 of commerce and economic development, the difference between the grant re-  
20 ceived by the regional aquaculture association and the amount of the salmon  
21 enhancement tax (AS 43.76.010) collected in the region in which the regional  
22 aquaculture association operates if the salmon enhancement tax is repealed  
23 before the amount collected from the tax in the region equals or exceeds the  
24 amount of the grant. Payments received by the Department of Commerce and  
25 Economic Development under this section shall be deposited in the genera-  
26 fund.

27 \* Sec. 3. This Act takes effect immediately upon enactment of a version  
28 of an Act entitled "An Act relating to salmon fisheries enhancement."  
29

Original sponsor: Rules Committee by request

Offered: 4/14/80  
Referred: Finance

Funding Information

General Fund	\$1,466,000
Other Funds	-0-
	<u>\$1,466,000</u>

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 970

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation for regional  
7 aquaculture associations; and providing for an effective  
8 date."

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

10 \* Section 1. The sum of \$1,466,000 is appropriated from the general fund  
11 to the Department of Commerce and Economic Development for payment of grants  
12 in the following amounts to the listed regional aquaculture associations:

13 Southern Southeast regional aquaculture association	\$691,000
14 Northern Southeast regional aquaculture association	500,000
15 Cook Inlet Regional aquaculture association	275,000

16 \* Sec. 2. A regional aquaculture association which receives a grant under  
17 sec. 1 of this Act shall return to the Department of Commerce and Economic  
18 Development, in the form and manner of payment acceptable to the commissioner  
19 of commerce and economic development, the difference between the grant re-  
20 ceived by the regional aquaculture association and the amount of the salmon  
21 enhancement tax (AS 43.76.010) collected in the region in which the regional  
22 aquaculture association operates if the salmon enhancement tax is repealed  
23 before the amount collected from the tax in the region equals or exceeds the  
24 amount of the grant. Payments received by the Department of Commerce and  
25 Economic Development under this section shall be deposited in the general  
26 fund.

27 \* Sec. 3. This Act takes effect immediately upon enactment of a version  
28 of an Act entitled "An Act relating to salmon fisheries enhancement."

29

Funding Information  
General Fund \$1,466,000  
Other Funds -0-  
\$1,466,000

Introduced: 3/21/80  
Referred: Resources and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY REQUEST

2

HOUSE BILL NO. 970

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

ELEVENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act making a special appropriation for regional

7

aquaculture associations; and providing for an effective

8

date."

9

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

10

\* Section 1. The sum of \$1,466,000 is appropriated from the general fund

11

to the Department of Commerce and Economic Development for payment of grants

12

in the following amounts to the listed regional aquaculture associations:

13

Southern Southeast regional aquaculture association \$691,000

14

Northern Southeast regional aquaculture association 500,000

15

Cook Inlet Regional aquaculture association 275,000

16

\* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-

17

070(c).

18

19

20

21

22

23

24

25

26

27

28

29

STATE OF ALASKA  
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 11, 1980

SUBJECT: Salmon enhancement tax;  
Grants to regional aquaculture associations  
CSHB 969 and CSHB 970

TO: House Resources Committee  
Attn: Mary Levan, A.A.

FROM: Kenneth E. Vassar  
Legislative Counsel *KV*

Enclosed is the committee substitute you requested for House Bill 970. I believe the language added in section 2 of this bill violates that part of Article II, sec. 13 of the state Constitution which provides:

Bills for appropriations shall be confined to appropriations.

I talked with John Sund about this problem, and he suggested that the language in section 2 might be added instead to House Bill 969. Unfortunately, when I talked to him, I had already sent your committee substitute for House Bill 969 back to you; and when I was able to call you about it, the committee had already reported that bill out of committee. Moreover, the committee has also already reported House Bill 970 out with the changes included in section 2.

I would suggest that House Bill 970 should be returned to its original form and the following amendments made to Committee Substitute for House Bill 969:

Page 7, after line 18

Insert the following new material:

\* Sec. 6. A regional aquaculture association which receives money from an appropriation after April 1, 1980, shall return to the Department of Commerce and Economic Development, in the form and manner of payment

House Resources Committee  
Page 2  
April 11, 1980

acceptable to the commissioner of commerce and economic development, the difference between the money received by the regional aquaculture association and the amount of the salmon enhancement tax (AS 43.76.010) collected in the region in which the regional aquaculture association operates if the salmon enhancement tax is repealed before the amount collected in the region equals or exceeds the amount of the money received by the regional aquaculture association. Payments received by the Department of Commerce and Economic Development under this section shall be deposited in the general fund.

Page 7, line 19

Delete "\* Sec. 6" and insert "\* Sec. 7"

Page 7, line, 21

Delete "\* Sec. 7. Sections 1 - 4 and 7" and insert following:

"\* Sec. 8. Sections 1 - 4, 6 and 8"

Page 7, line 23

Delete "\* Sec. 8. Sections 5, 6 and 8" and insert the following:

"\* Sec. 9. Sections 5, 7 and 9"

Finally, there is a significant problem with the title of Committee Substitute for House Bill 969. It does not express the special effective dates of the bill. Therefore, the following change should be made at page 1, line 6:

After "enhancement" add "; and providing for an effective date"

KEV:ljb

Enclosure



# 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

Introduced: 3/21/80  
Referred: Finance

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 HOUSE BILL NO. 971

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 fisheries enhancement loans; and  
7 providing for an effective date."

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

9 \* Section 1. AS 16.10.510(5) is amended to read:

10 (5) establish amortization plans for repayment of loans, not  
11 to exceed 30 [25] years;

12 \* Sec. 2. AS 16.10.520(b) is amended to read:

13 (b) Loans for the total project costs may be made if the commis-  
14 sioner determines that the applicant has sufficient financial resources  
15 to insure the establishment of an equity position in the project equal  
16 to 10 percent of the loan within 10 [SIX] years or less, either through  
17 a royalty assessment levied under AS 16.10.530 or AS 16.10.540 or other  
18 means approved by the commissioner. For purposes of this subsection,  
19 "total project costs" includes planning and construction costs for the  
20 facility and the cost of operations for not more than the first 10 [SIX]  
21 years. The costs for operations shall be loaned on an annual basis.

22 \* Sec. 3. AS 16.10.520 is amended by adding a new subsection to read:

23 (f) The commissioner may not require the repayment of principal on  
24 a fisheries enhancement loan for the initial period of the loan. The  
25 initial period determined by the commissioner may not be less than six  
26 years or more than 10 years. Interest on the principal may not accrue  
27 during the initial period.

28 \* Sec. 4. Section 3 of this Act also applies to loans made under AS 16.-  
29 10.510 before July 1, 1980.

1 \* Sec. 5. AS 16.10.510(8) and 16.10.520(a) are repealed.

2 \* Sec. 6. This Act takes effect July 1, 1980.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

Hand out  
per  
John Sund

5/15/80

Fishery Related Issues:

HB 971

This bill is an amendment to the aquaculture loan act. The present position of the state is to loan money to construct the nonprofit hatcheries and to loan money for the first years of operations; until the fish return. The borrowed money is to be paid back out of proceeds from the sale of fish which return to a designated area near the site where the fish were released.

The limit on the size of loans is \$3 million for both construction and operation was set in 1974, and is not sufficient to get the job done in 1980. The bill deletes the limit and allows each project to be funded at the level determined to be economically feasible.

The delay payment period on the loans which is presently 6 years is amended to allow a delay of 6 to 10 years. The reason is that since different species of salmon have different life cycles; pinks 2 years, coho 4 years, kings 5 years, chums 3-4 years; a fixed time delay of 6 years effectively prohibits raising anything but pinks. This amendment will allow the delay in the commencement of payments to reflect the life cycle of the specific species of fish which are being raised.

Because of the increase in construction costs and operational costs because of inflation and other factors this bill is probably the most important one dealing with the aquaculture program.

It should also be noted that for the state hatchery program we use borrowed money to construct the facilities; general obligation bonds. But we "expense" all of the operational costs each year; they are funded in the annual budget. With the passage of HB 969 and the implementation of a tax the fishermen will be able to pay for some of the operational costs directly although there will still be a need for borrowing for some operational costs.

(11)

# COMMITTEE REPORT

## HOUSE

3/21/80

FURTHER:

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

Mr. Speaker:

The Committee on FINANCE has had HB 971

"An Act relating to fisheries enhancement loans; 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

80 80  
Vassar

Introduced: 3/21/80  
Referred: Finance

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 HOUSE BILL NO. 971

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 fisheries enhancement loans; and  
7 providing for an effective date."

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

9 \* Section 1. AS 16.10.510(5) is amended to read:

10 (5) establish amortization plans for repayment of loans, not  
11 to exceed 30 [25] years;

12 \* Sec. 2. AS 16.10.520(b) is amended to read:

13 (b) Loans for the total project costs may be made if the commis-  
14 sioner determines that the applicant has sufficient financial resources  
15 to insure the establishment of an equity position in the project equal  
16 to 10 percent of the loan within 10 [SIX] years or less, either through  
17 a royalty assessment levied under AS 16.10.530 or AS 16.10.540 or other  
18 means approved by the commissioner. For purposes of this subsection,  
19 "total project costs" includes planning and construction costs for the  
20 facility and the cost of operations for not more than the first 10 [SIX]  
21 years. The costs for operations shall be loaned on an annual basis.

22 \* Sec. 3. AS 16.10.520 is amended by adding a new subsection to read:

23 (f) The commissioner may not require the repayment of principal on  
24 a fisheries enhancement loan for the initial period of the loan. The  
25 initial period determined by the commissioner may not be less than six  
26 years or more than 10 years. Interest on the principal may not accrue  
27 during the initial period.

28 \* Sec. 4. Section 3 of this Act also applies to loans made under AS 16.-  
29 10.510 before July 1, 1980.

1 \* Sec. 5. AS 16.10.510(8) and 16.10.520(a) are repealed.

2 \* Sec. 6. This Act takes effect July 1, 1980.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND Session

HOUSE ..... BILL ..... NO. 971...

By ... THE FINANCE COMMITTEE ...

"An Act relating to fisheries enhancement loans; and providing for an effective date."

Fisheries enhancement loans

Introduced in the House Mar. 21, 19...80

HISTORY IN THE HOUSE

19 80

Mar 21

Read first time and referred to Committee on

Finance

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. ....



# 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

*Haroff*

**ROBERT V. KYCEK, P.E.**  
CONSULTING ENGINEER

~~XXXXXXXX~~

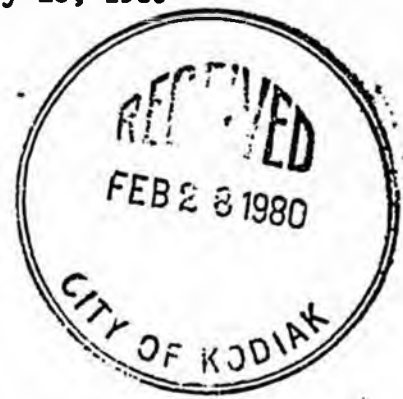
~~XXXXXXXXXXXXXXXXXXXX~~  
~~XXXXXXXXXXXXXXXXXXXX~~  
~~XXXXXXXXXXXXXXXXXXXX~~  
~~XXXXXXXXXXXXXXXXXXXX~~

CIVIL AND STRUCTURAL ENGINEERING  
DESIGNS, REPORTS, AND INSPECTIONS  
PORT DEVELOPMENT AND MARINE STRUCTURES

1803 W. Sixth Street  
Aberdeen, Washington 98520  
(Tel. 206-533-0326)

February 23, 1980

Mr. Clair Harmony  
City Manager  
City of Kodiak  
P.O. Box 1397  
Kodiak, Alaska 99615



Subject: Kodiak Container Wharf (Pier 3)

Dear Mr. Harmony:

A visit to the Kodiak Container Wharf was made on the 25th and 26th of January, 1980 for the purpose of observing damage to the facility which occurred as the result of storm-driven ocean swells on January 20, 1980. Observations of the damage are reported herein.

The attached series of photographs illustrate the resultant storm damage. Damage was most severe along the easterly portion of the container storage yard where several thousand cubic yards of rockfill and armor rock were washed away with corresponding operational loss of 35 to 40 parking stalls for container vans. Replacement of rockfill, armor rock, and repair of electrical and water service was estimated in the order of \$170 - 200,000.

Emergency repair had begun during my visit to the site with several truck-loads of rockfill dumped into the more severely eroded areas (Photo No. 11). The method of repair proposed by the City Engineer (Contract Specifications for Pier 2 & 3 Storm Damage Emergency Repair) was reviewed and found appropriate to bring the container storage area back into operational use.

Not included in the contract for emergency repair is the replacing, reconstructing, or reinforcing storm loosened concrete bulkhead panels.

Inspection of the concrete paneled soldier pile bulkhead revealed continued distress aggravated by bulkhead height and by storm waves. Washout of fill material from behind the bulkhead at the wingwalls, at loose panels, and at sinkholes behind the wharf continue to inhibit full operational useage of the facility. Settlement of bulkhead piles in excess of one-foot below plan elevation along the easterly one-half of the wharf, broken tie-rod ends, a rotated and cracked concrete bulkhead anchor (deadman), and translation and kickout of bulkhead piles leaves little doubt that a creeping structural failure has occurred.

APPENDIX A

1. Photographs of Storm Damage.  
(Photos dated January 26, 1980)

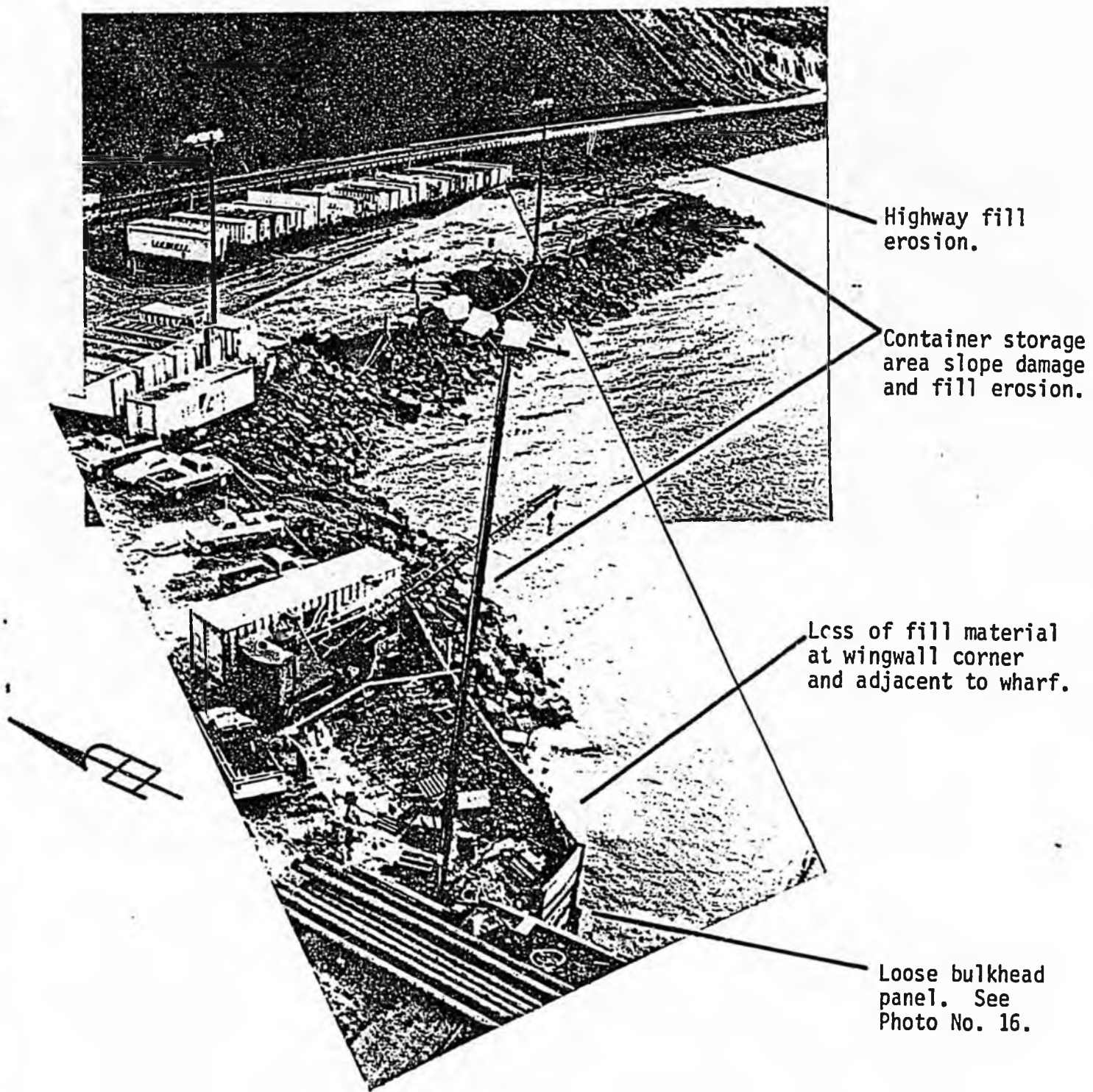


Photo No. 1: Overhead view of the easterly wingwall and of the easterly container storage area. Deterioration by storm wave erosion of the bankline along the container storage area is clearly visible as is erosion of the adjoining highway fill.

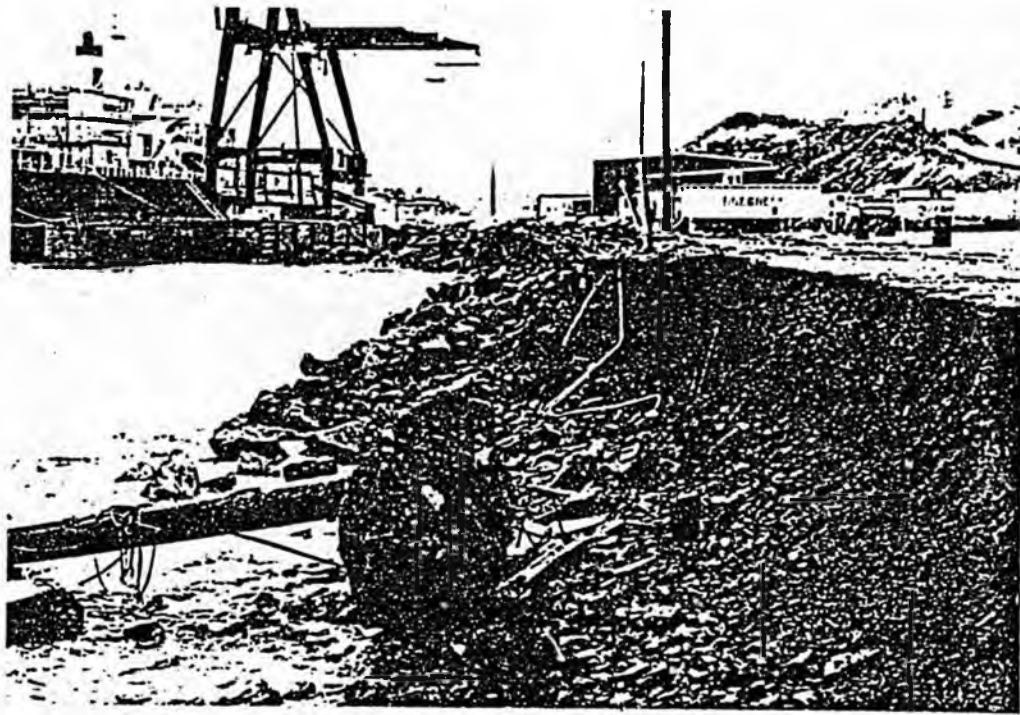


Photo No. 4: View from east end of container storage area looking west. Butt of lightpole visible in center of photo would indicate relatively little initial installation penetration.

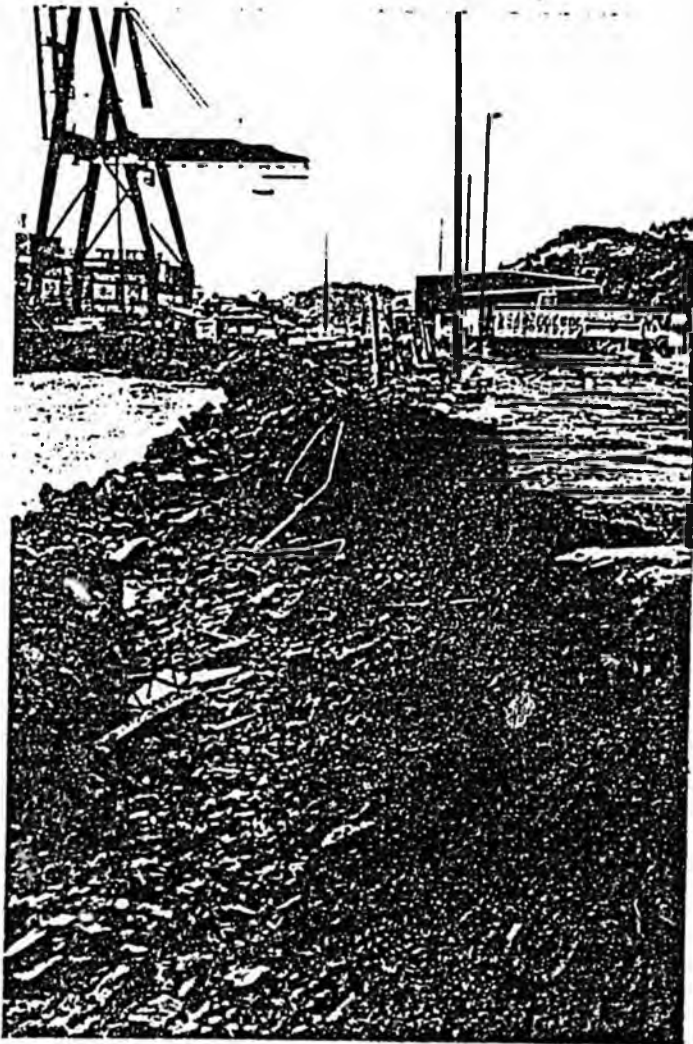


Photo No. 5: View as per Photo No. 4.

# **CORRECTION**

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

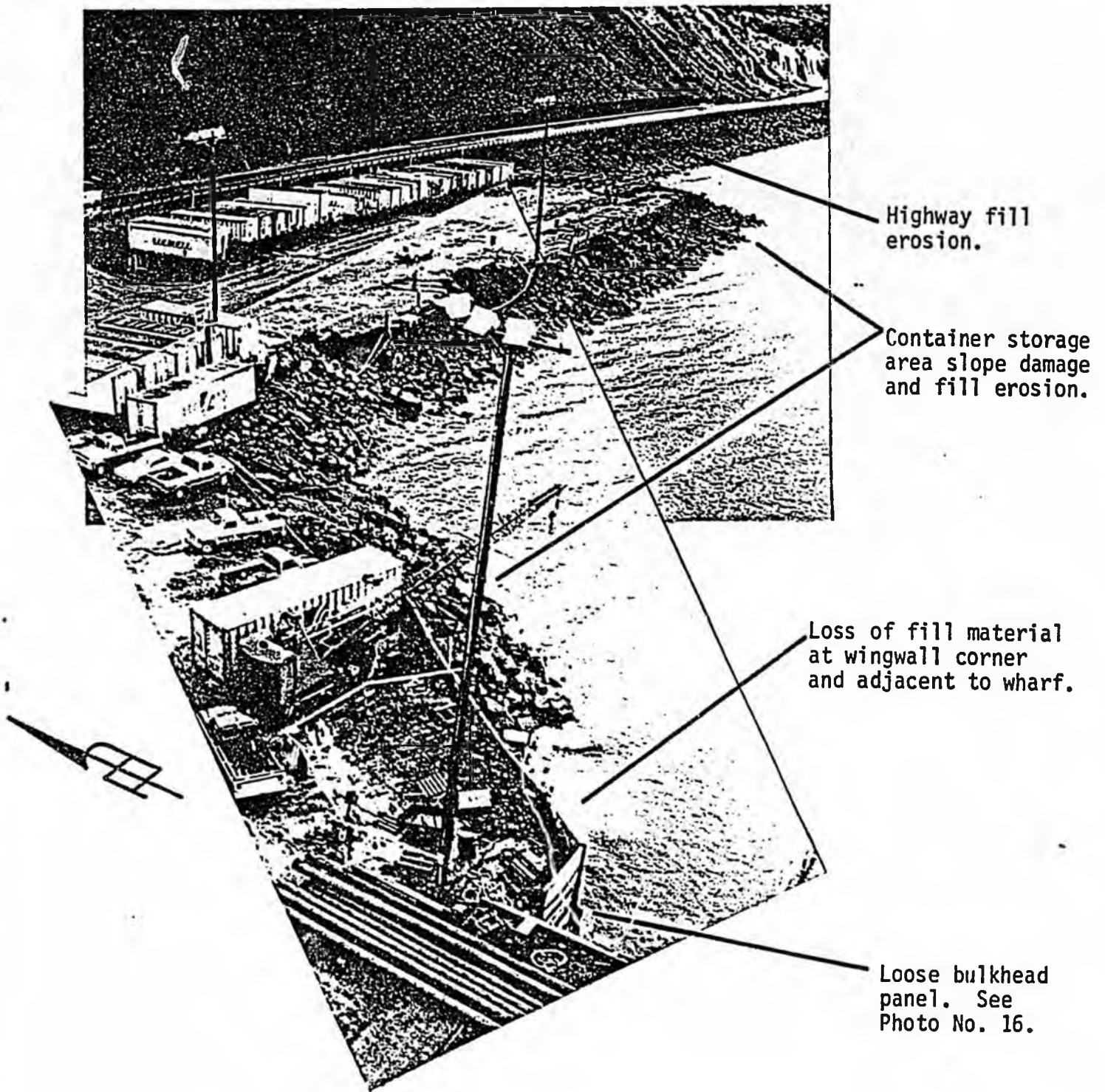


Photo No. 1: Overhead view of the easterly wingwall and of the easterly container storage area. Deterioration by storm wave erosion of the bankline along the container storage area is clearly visible as is erosion of the adjoining highway fill.

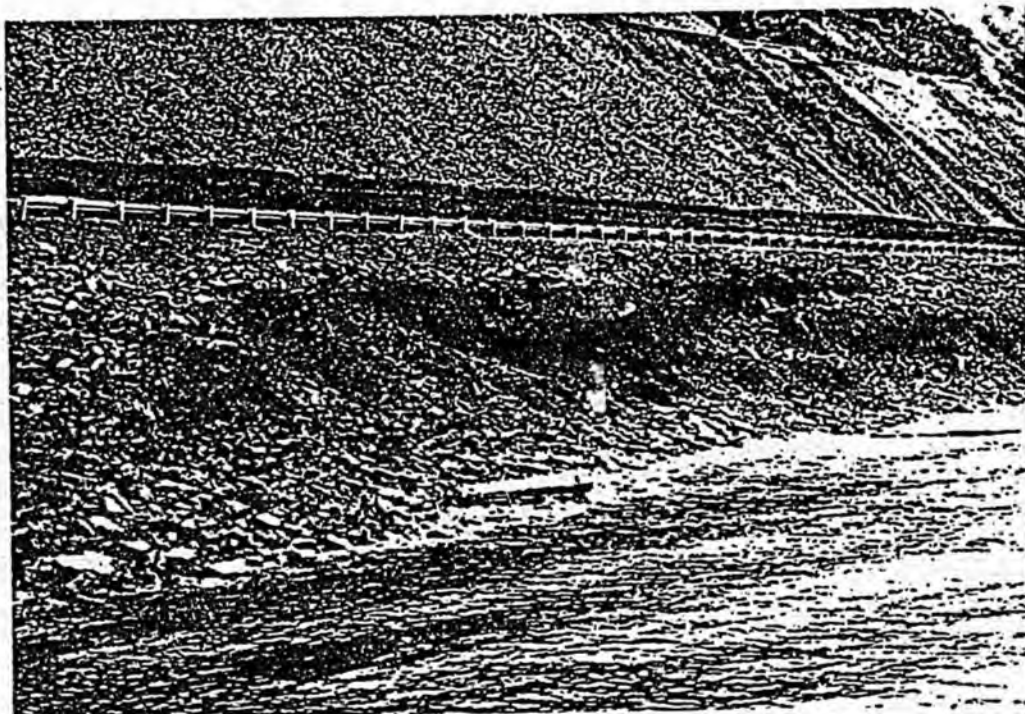


Photo No. 2: Erosion of highway fill adjacent to container storage area.



Photo No. 3: View of easterly corner of container storage area. Fallen lightpole visible at right of photo. Note location of concrete curbing relative to eroded bankline.

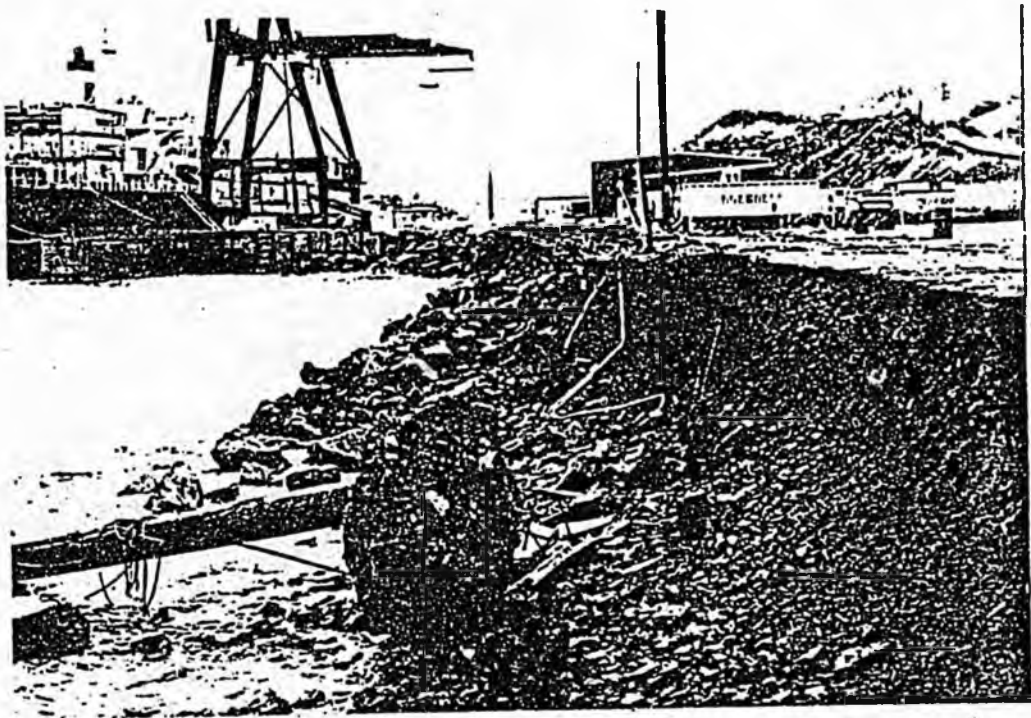


Photo No. 4: View from east end of container storage area looking west. Butt of lightpole visible in center of photo would indicate relatively little initial installation penetration.



Photo No. 5: View as per Photo No. 4.



Photo No. 6: View looking west from east-central portion of container storage area. Lean of electrical receptacle posts initially caused by contact with parked container vans.



Photo No. 7: View looking east from west-central portion of container storage area. Fill in foreground placed by City of Kodiak.

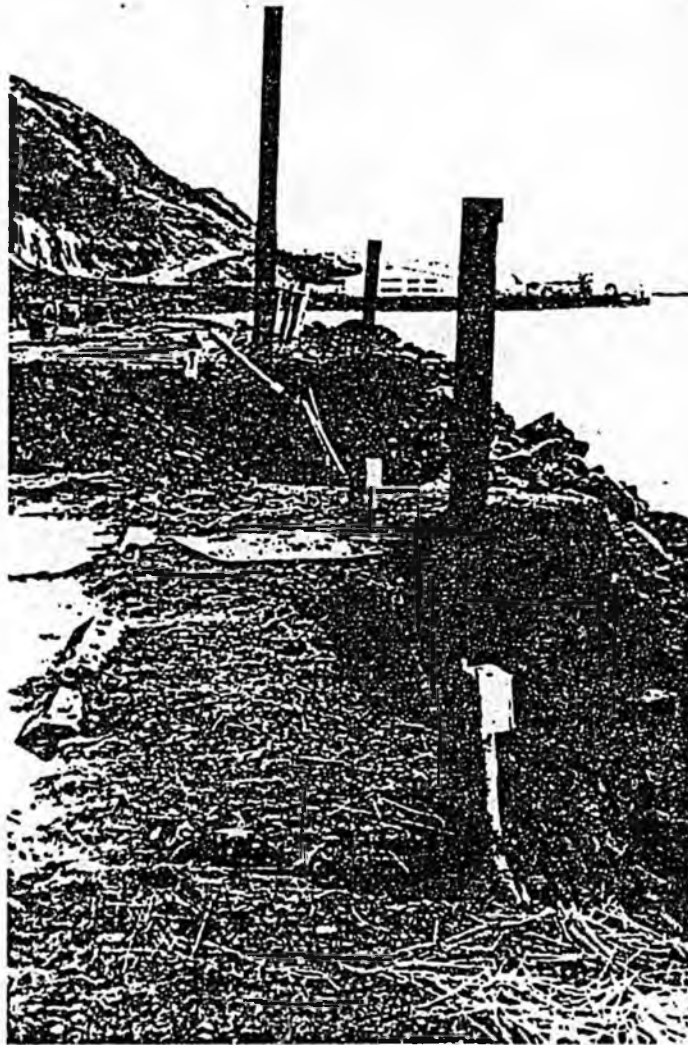


Photo No. 8: View looking east from west-central portion of container storage area.



Photo No. 9: View as per Photo No. 8 above. Large riprap rock displaced downslope.

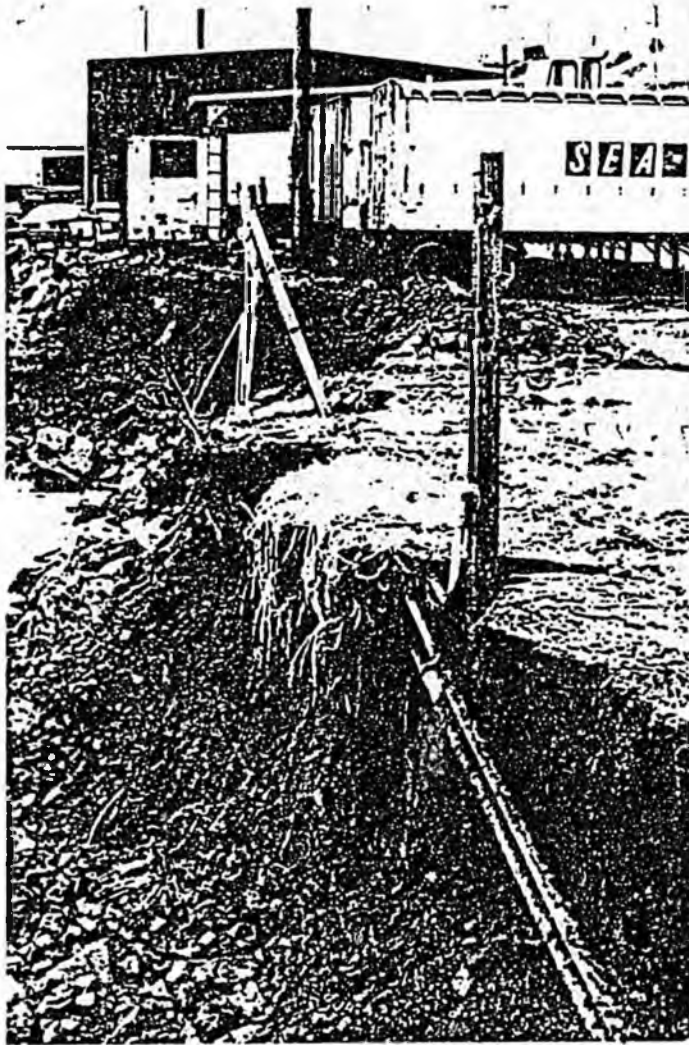


Photo No. 10: View looking west toward intersection of wingwall fill and container storage area. Waterline leak in vicinity of nearest container van in upper right of photo, not visible.



Photo No. 11: View as per Photo No. 10 above. Emergency rock fill being placed to prevent further spalling of bank.



Photo No. 12: Slope erosion northerly of east wingwall. Note location of creosoted piling originally stored on top of bank.

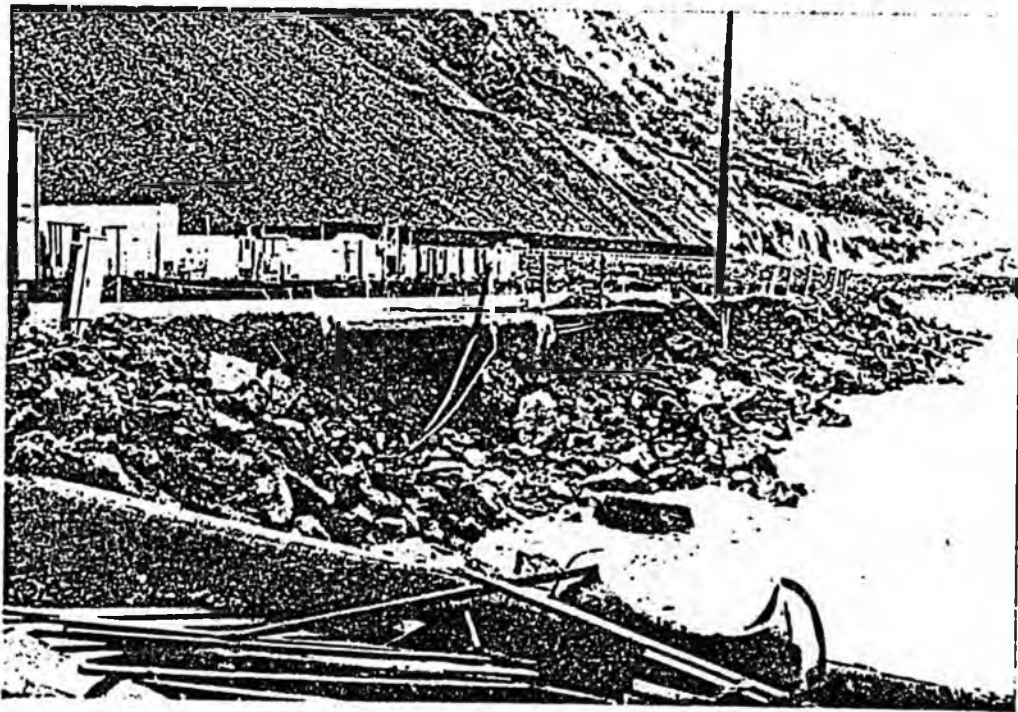


Photo No. 13: Overall view looking east of slope erosion along container storage area.



Photo No. 14: View looking northeasterly along top of east wingwall. Note irregular alignment of wall top.



Photo No. 15: View at corner pile, inside of east wingwall. Due to broken tierods, pile is retained in place by buried steel tension beam installed by City of Kodiak. Loss of fill material caused by wave action through loose panel below.

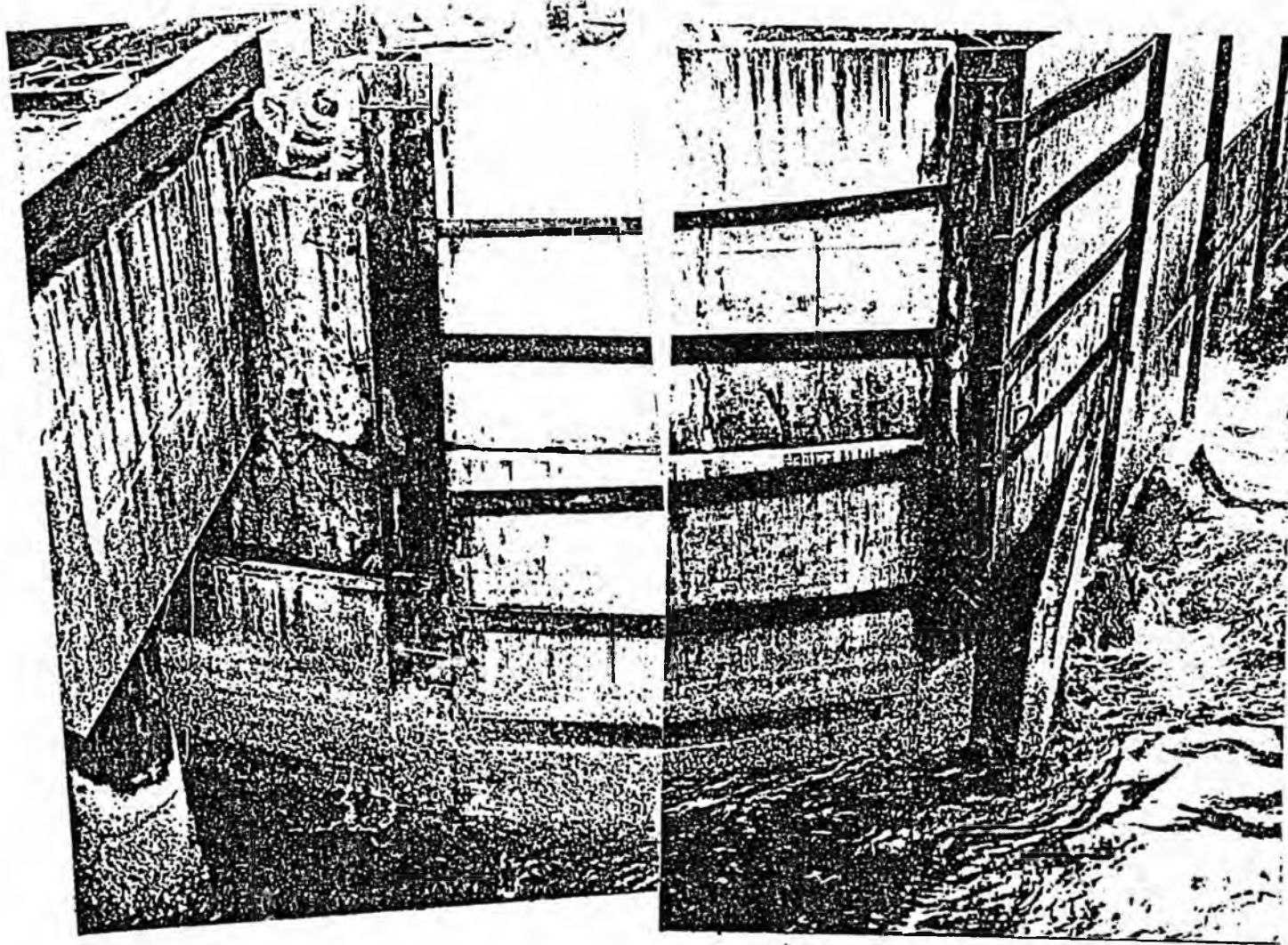


Photo No. 16: View of east end of main wharf bulkhead at junction with east wingwall. Movement of soldier pile adjacent to wharf structure (at left of photo) has broken cast-in-place concrete panel section. Steel straps keep soldier piles from spreading. Steel tierod ends are broken, first three soldier piles.

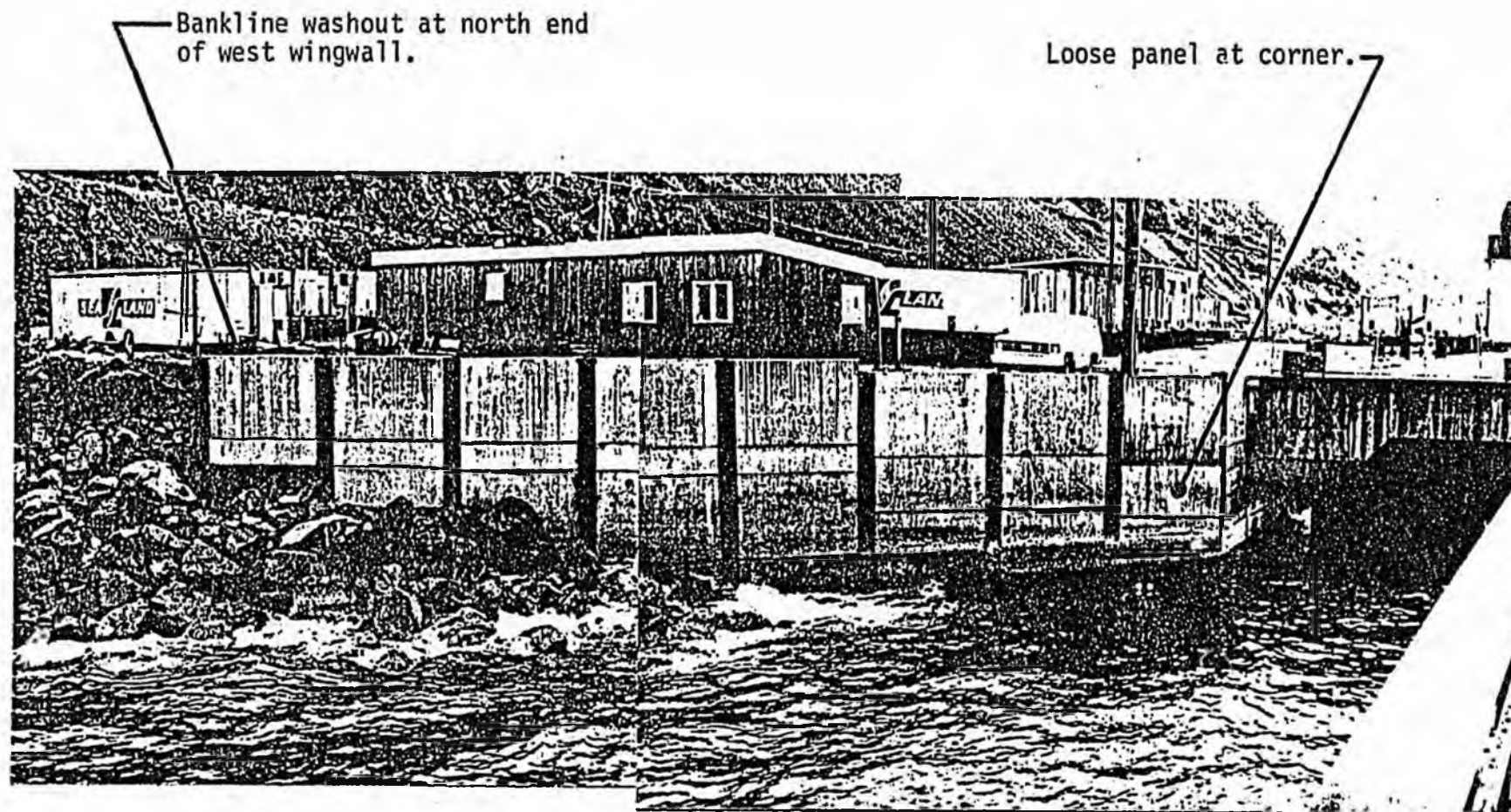


Photo No. 17: Overall view of west wingwall. Storm damage relatively minor in comparison to east container storage area and east wingwall.

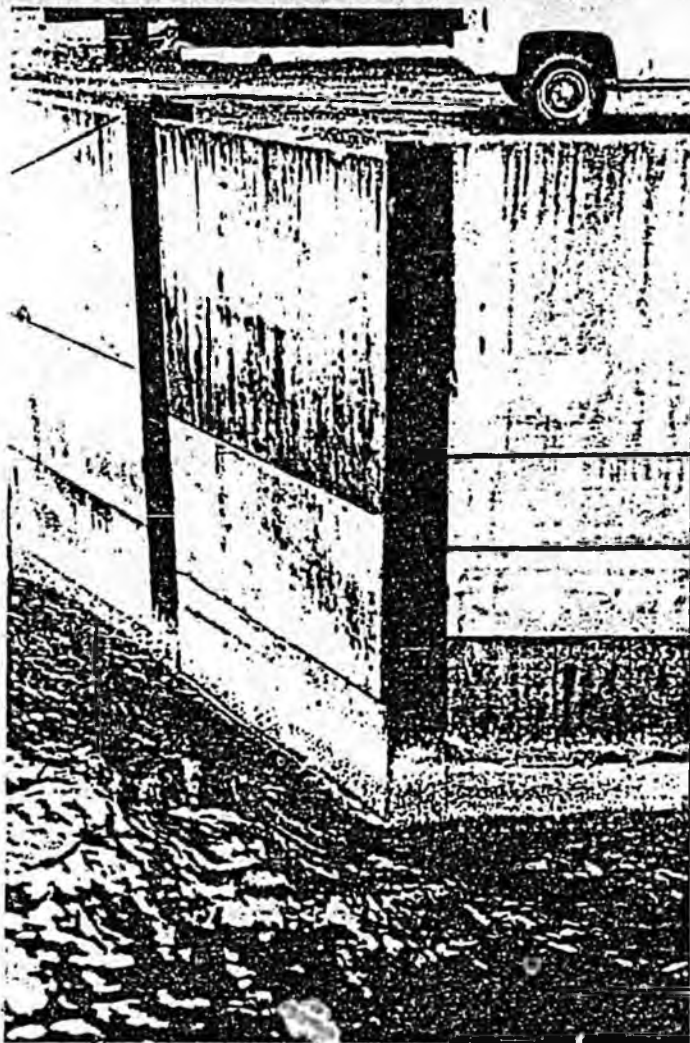


Photo No. 18: View of west wingwall corner. Concrete panel framing into flange of corner soldier pile in danger of falling out in fashion similar to that shown in Photos No. 14 and 16.



Photo No. 19: View of northern end of west wingwall looking north. Fill washed out from behind wall by storm waves.

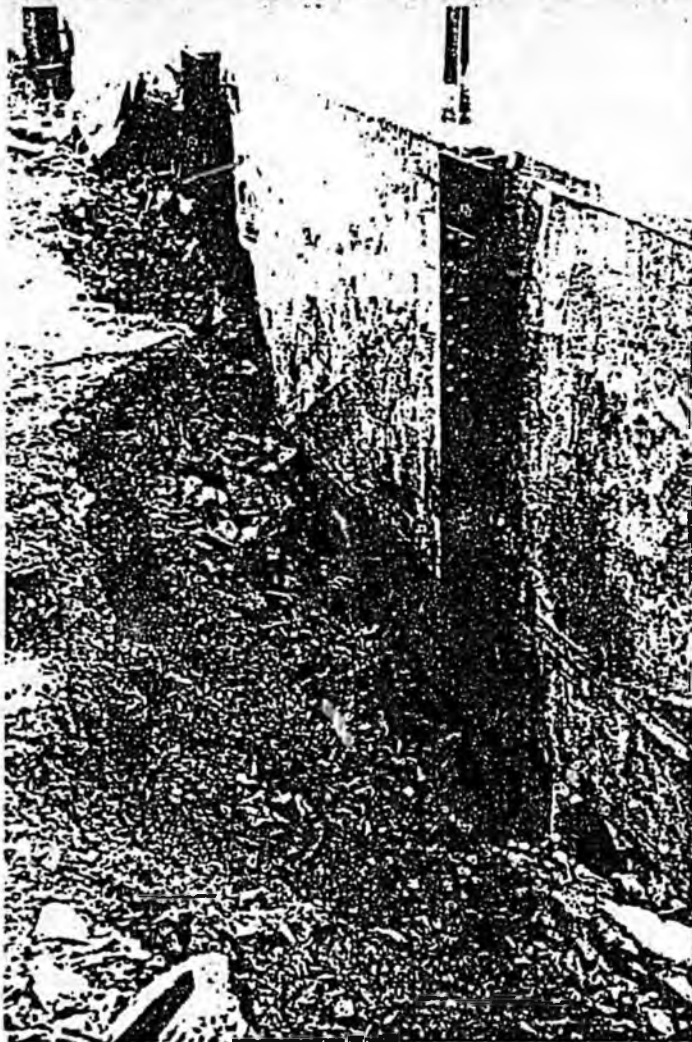
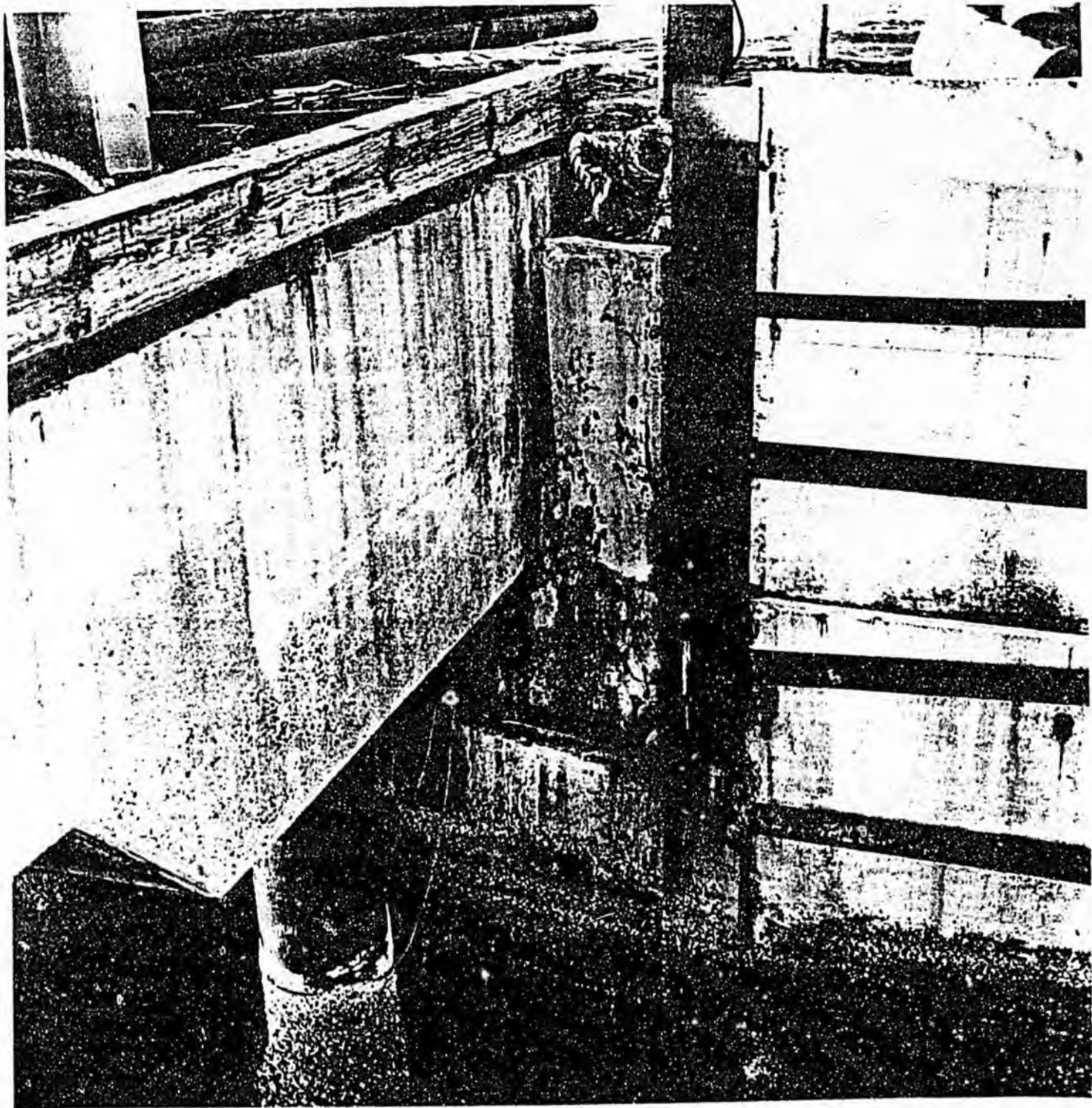


Photo No. 20: View of north end of west wingwall looking south. Eroded fill is daylighted under concrete panel.



Photo No. 21: Sinkhole in rockfill in back of wharf. Typical three places along easterly third of wharf.

SP-10



Kodiak, Alaska  
Pier 3, East wing wall & wharf  
on or about 1-28-80



Kodiak, Alaska

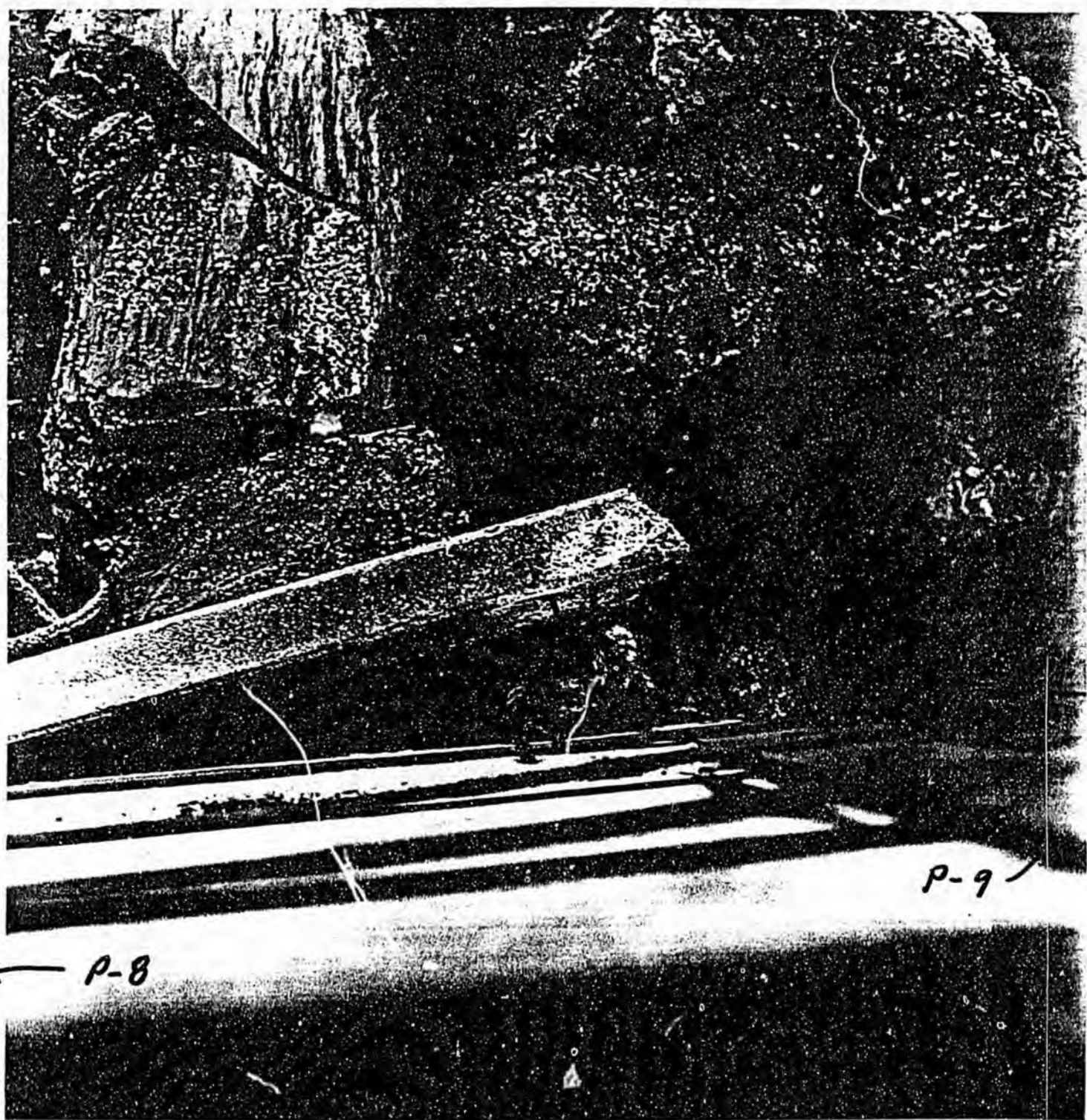
Pier 3 East wing wall  
on or about 1-28-80



Kodisk, Alaska  
PIER 3 West wing wall  
on or about 1-28-80



Kodiak, Alaska  
PIER 3 East wing wall  
on or about 1-28-80



← P-8

P-9 ✓

Kodiak, Alaska  
Pier 3 East wing wall  
on or about 1-28-80



Kodiak, Alaska  
PIER 3 Near East end of wharf  
on or about 1-28-80

JAY S. HAMMOND  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

February 7, 1980

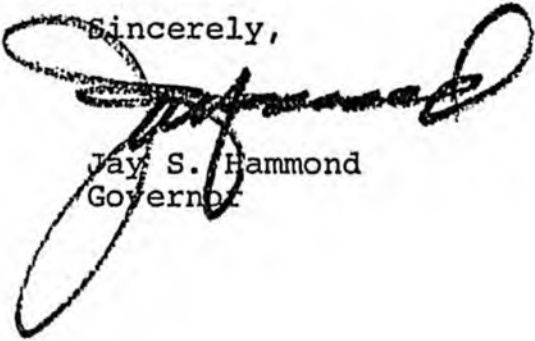
The Honorable Bob Mulcahy  
Alaska State Senator  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Senator Mulcahy:

In order to keep you appraised of the emergency relief actions being taken for the Kodiak Island Borough, I have enclosed copies of my Declaration of Disaster Emergency for the Kodiak Island area, and a letter I sent to President Carter requesting that this area be declared a major disaster area under the provisions of the Disaster Relief Act of 1974, Public Law 288, 93rd Congress.

Please be assured that as new developments occur with regard to this situation, I will forward that information to you.

Sincerely,



Jay S. Hammond  
Governor

Enclosures



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

DECLARATION OF DISASTER EMERGENCY

WHEREAS, on the 20th day of January, 1980, an intense winter storm generating high winds with velocities in excess of 50 miles per hour and heavy sea waves coupled with high tides resulted in moderate to severe damages in the Kodiak Island Borough; and

WHEREAS, as a result of the storm, extensive damage was done to private and public properties; and

WHEREAS, resources of the local governments are inadequate to recover from the disaster effects which have caused damages to Kodiak City Port facilities, City of Port Lions dock, ramp and boat harbor facilities, City of Ouzinkie damage to boardwalks adjacent to the harbor, City of Old Harbor and Akhiok sustained extensive shoreline erosion to riprap, the City of Karluk, and the City of Akhiok sustained extensive damage to private housing, e.g. roofing, etc.

NOW THEREFORE, this 5<sup>th</sup> day of February, 1980, I have determined that the damages to the Kodiak Island Borough communities resulting from the storm of January 20, 1980, are of sufficient severity and magnitude to warrant a disaster declaration under Alaska Statutes, Section 26.23.020, and I hereby declare that such a Disaster Emergency exists in order to provide State assistance.

FURTHER, the Director, Alaska Division of Emergency Services, is hereby authorized to allocate from funds available for these purposes such amounts as considered necessary for State individual and public disaster assistance and for necessary administrative and disaster management expenses. The Director, Alaska Division of Emergency Services, is further authorized to task, as necessary, State departments and agencies to provide assistance to cope with the disaster effects as tasked in the State Emergency Plans.

BY

  
Jay S. Hammond, Governor



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

February 5, 1980

The President  
The White House  
Washington, D.C. 20500

Through: Mr. Neal Chaney  
Director, Region 10  
Federal Emergency Management  
Agency  
Federal Regional Center  
Bothell, Washington 98011

Dear Mr. President:

I respectfully request that you declare that a major disaster exists in the State of Alaska under the provisions of the Disaster Relief Act of 1974, Public Law 288, 93rd Congress.

The disaster situation resulted from an intense winter storm, generating high winds, heavy seawave, coupled with high tides, which struck the Kodiak Island, resulting in extensive damage to public and private properties in communities in the tidal areas of the Kodiak Island Borough of this State on January 20, 1980.

The port facilities at the City of Kodiak were topped by the high wind-driven water, causing extensive erosion and destruction to the public docks and shoreline roadways. The dock is the only container ship operation in the area and is the hub of transportation for domestic and foreign shipping. The area utilized for container parking and portions of the dock were rendered unusable and will require extensive repair/replacement. The roadway affected is the only highway to the airport, Coast Guard Base and the southern portion of the Island.

The City of Port Lions suffered damage to its harbor facilities, e.g., float, ramp and boat slips; and the City of Ouzinkie had damage to their harbor area boardwalks.

The communities of Old Harbor and Ahkiok had breakwater damage and extensive erosion; the villages of Karluk and Ahkiok sustained extensive damage to private housing, e.g., roofing, etc.

Total damage estimates at this time are Public \$475,000, and Private \$70,000.

On February 5, 1980, I directed the execution of the State Emergency Plan in accordance with Section 301 of the Law. State and local efforts in response to this disaster situation have been as follows:

The City of Kodiak has: repaired broken water mains to maintain fire protection capability, hauled in immediate essential backfill to provide limited utilization of the dock facility, performed the necessary engineering and have prepared bid documents to proceed with the emergency backfill and rip rap work. The Kodiak Island Borough has dispatched building official personnel to survey damages and estimate dollar amounts in the villages of Port Lions, Ouzinkie, Old Harbor, Akhiok, and Karluk. State response will be directed in support of the Kodiak Island Borough efforts in the area of private housing and individual losses.

I find that the situation is beyond the reasonable capabilities of the State and the affected local governments to effectively alleviate the existing situation.

The magnitude of repair/replacement costs of the public damages would exceed the capabilities of the local government, thereby, having a drastic impact to on-going community programs essential to the people's needs. The State has, within the past fifteen months supported, without federal assistance, five (5) Governor declared Disaster Emergencies with expenditures exceeding 4.5 million dollars. Therefore, the needs of the people would best be served with Federal funding support.

Pursuant to Section 301 of the Law and Federal Disaster Assistant Administration Regulation, I certify that the total of expenditures and obligations for this disaster for which no Federal reimbursement will be requested are expected to exceed \$95,000 in accordance with the following table:

Kodiak Island Borough.....	\$15,000.
(Engineering, assessment, project management, etc.)	
State of Alaska.....	\$80,000.
(To provide assistance to individual/private sector and the necessary highway repairs.)	

Individual Assistance:

Housing.....	\$70,000.....
Individual & Family	
Mass care.....	
Other.....	
Total.....	\$70,000.....

Public Assistance:

Debris & wreckage clearance.....	\$2,000.....
Protective work.....	\$8,000.....
Restoration of Public facilities....	\$460,000.....
Public Safety.....	
Other engineering.....	\$5,000.....
Total.....	\$475,000.....
Grand Total.....	\$545,000.....

I have made direct requests for assistance under other statutory authorities on the following Federal agencies with their response as indicated. Corps of Engineers provided one technical person, to assist the State and borough in initial damage assessments in the City of Kodiak dock area.

I further request other Federal assistance of the following type: restoration of facilities, authorized under the law. Attached is a table of estimated costs broken out by category of public and individual assistance.

Public Assistance:

City of Kodiak dock/roadway.....	\$460,000
City of Port Lions harbor facilities.....	\$50,000
Old Harbor erosion/rip rap.....	\$15,000
Ouzinkie harbor boardwalks.....	\$7,500

I request that the following (boroughs and political sub-divisions) be designated as eligible for this Federal assistance under your declaration:

1. Kodiak Island Borough
2. City of Kodiak

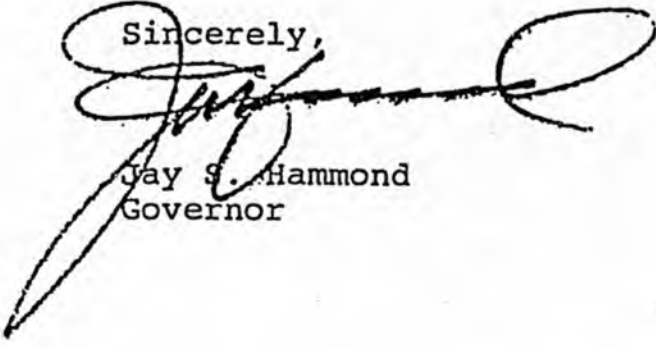
Mr. President

-4-

February 5, 1980

Additional consideration which support the necessity for assistance in this disaster situation are; this is an economically depressed area, due to seasonal economy, e.g., fishing.

Sincerely,



Jay S. Hammond  
Governor



February 20, 1980

Senator Bob Mulcahy  
Pouch V  
Juneau, Alaska 99811

Dear Bob:

As you know, the storm damage of January 20 was substantial at the City's dock facilities. It was somewhere in the neighborhood of \$350,000 for simple restoration.

However, as was experienced in Nome with reconstruction and relocation of their City Hall, simple restoration will not be cost effective. In order to repair the dock facility at Pier 3, we have been advised by professional port engineers that the bulkhead and wing walls must be either reconstructed or replaced with a 50 foot wharf addition.

We are advised that design and construction could be adequately budgeted for \$2.7 million, plus another \$300,000.00 for storm damage repairs to the container storage areas and temporary activities at the container dock itself. The total would be \$3.0 million.

Senator Clem Tillion has indicated his willingness to support State funded port facilities in Kodiak. He termed our harbor as the "premier port" for development with the coming bottomfish industry and we suspect for the impending offshore oil development. In any event, it behooves not only the Port of Kodiak, but also the State of Alaska to secure the existing dock structure and to give consideration for additional future docks.

A recent study by CH2M-Hill indicated the design of the structure is marginally stable and is inadequate to meet the seismic load factors of 6.0 points on the Richter scale to which this area is subject. In the event of such an earthquake it is perceived that the bulkhead holding back fill material behind the dock would give way. This would leave a stable dock facility without vehicle access. Obviously repeated storms will merely repeat the recent damage which will in turn need to be repaired during the years ahead. This is a continuing problem that makes the dock facilities costly and beyond the local agency's means.

It is my understanding that Alaska Emergency Services is forwarding their detailed findings, which have been backed up by Army Corps of Engineers' observations, directly to your office for appropriate legislative initiative.

Senator Bob Mulcahy  
February 20, 1980  
Page 2

The City of Kodiak has hired the lobbying services of Robert Hartig on major projects. He has been directed to assist you concerning this appropriation should you decide to sponsor the bill.

Most sincerely,

CITY OF KODIAK



Clair W. Harmony  
City Manager

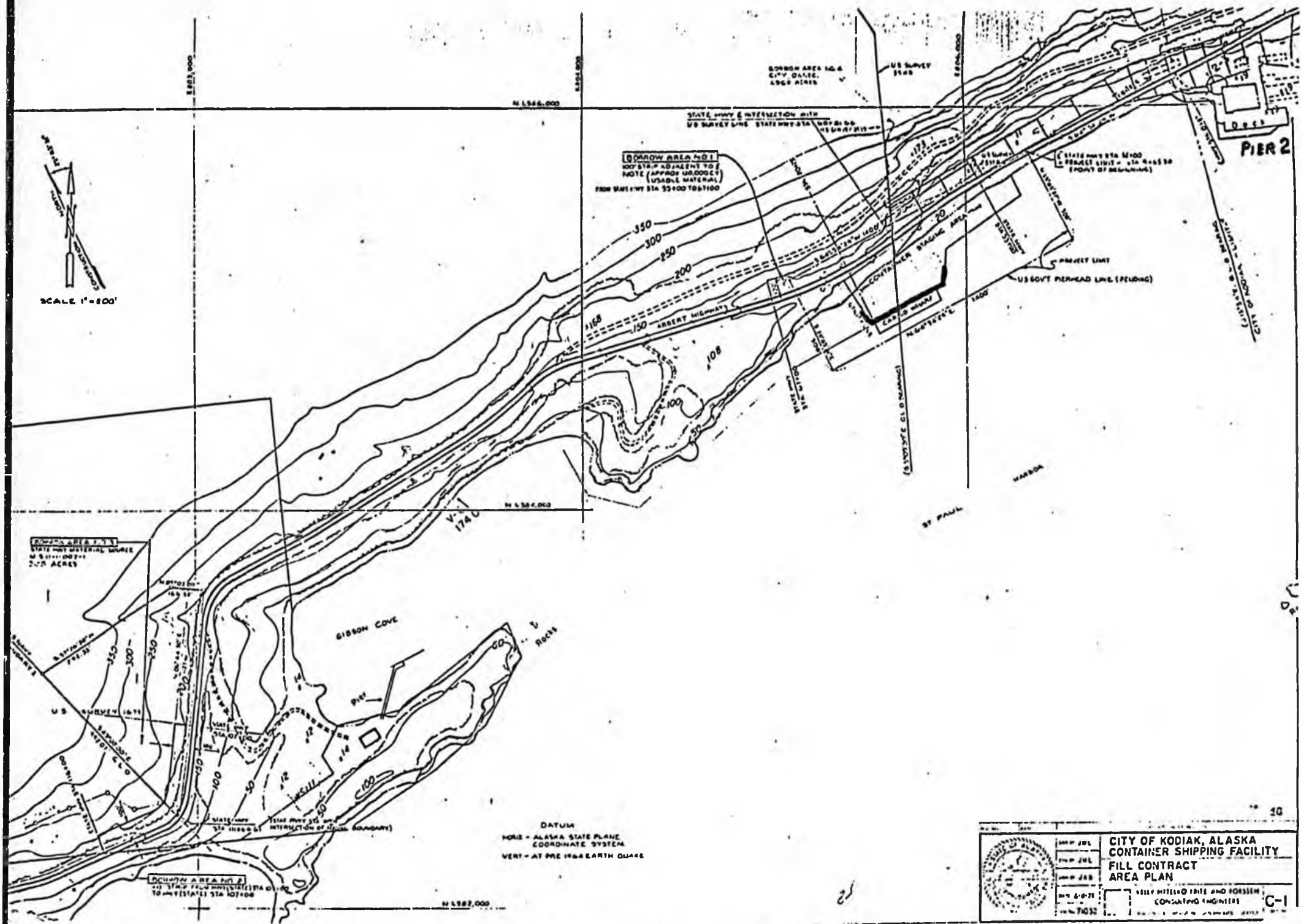
CWH/yb

cc: Robert Hartig, Esq.  
Kodiak City Council  
John Stafford, City Engineer  
Alaska Emergency Services  
Representative Fred Zharoff

Enclosures



SCALE 1"=100'



BORROW AREA NO. 1  
CITY DATE: 1968  
100' X 100'

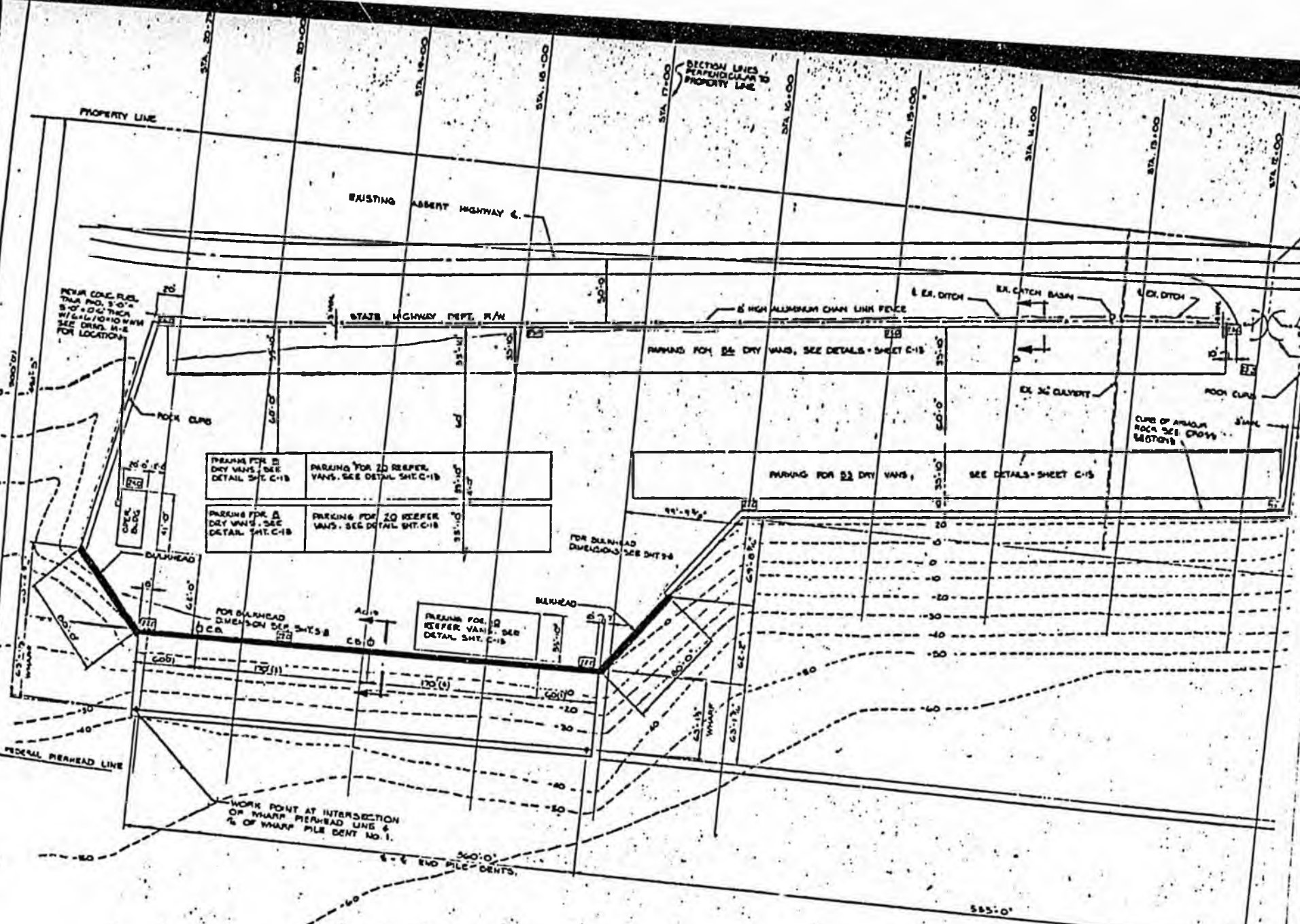
BORROW AREA NO. 1  
100' X 100' ADJACENT TO  
NOTE (APPROX 10,000 CU YD  
USABLE MATERIAL)  
FROM HIGHWAY STA 35+00 TO 67+00

BORROW AREA NO. 2  
STATE HIGHWAY MATERIAL SOURCE  
10' X 100' X 20' DEEP  
2.57 ACRES

BORROW AREA NO. 3  
100' X 100' ADJACENT TO  
NOTE (APPROX 10,000 CU YD  
USABLE MATERIAL)  
FROM HIGHWAY STA 107+00 TO 117+00

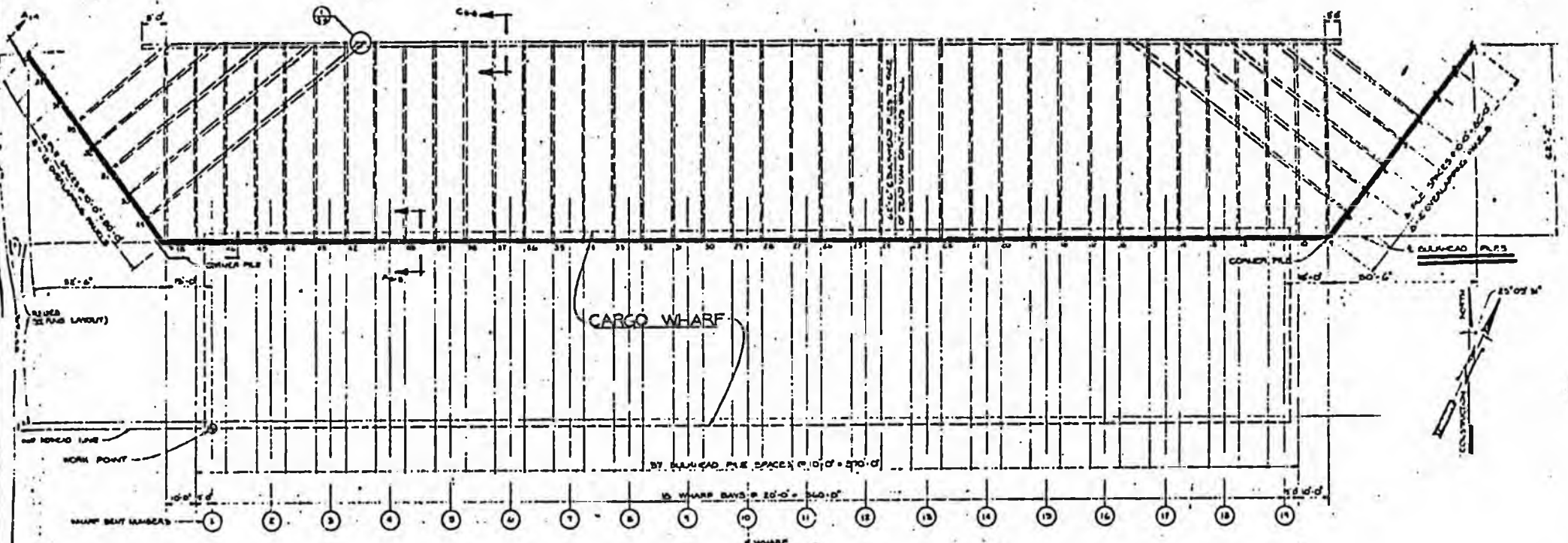
DATUM  
HORIZ - ALASKA STATE PLANE  
COORDINATE SYSTEM  
VERT - AT ME 1968 EARTH QUAD

	DATE JUL 1968	<b>CITY OF KODIAK, ALASKA CONTAINER SHIPPING FACILITY FILL CONTRACT AREA PLAN</b>
	DATE JUL 1968	
	DATE 8-2-71	
	DATE 7-0-72	
	<b>KELLY MILLER, EIT AND FORSBERG CONSULTING ENGINEERS</b>	<b>C-1</b>

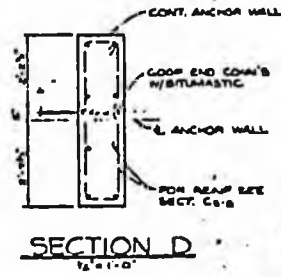
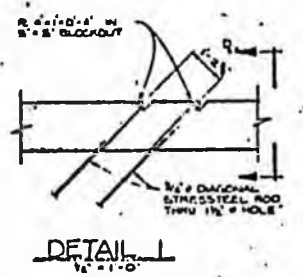
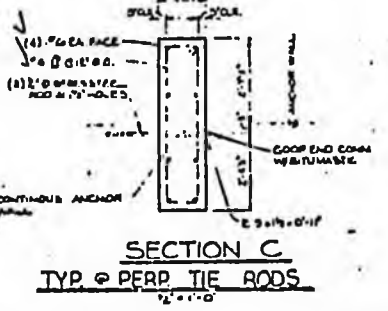
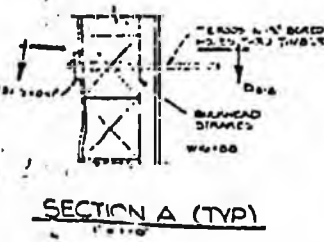
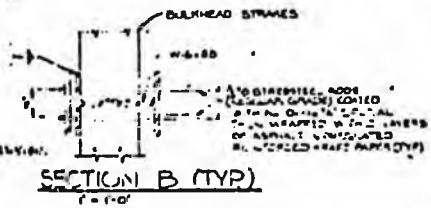


**SITE PLAN**






**BULKHEAD PLAN**



**BULKHEAD PILE SCHEDULE**

A. 1" DIA. BULKHEAD PILES TO BE 100' LONG & PROTECTED AGAINST CORROSION AS SHOWN

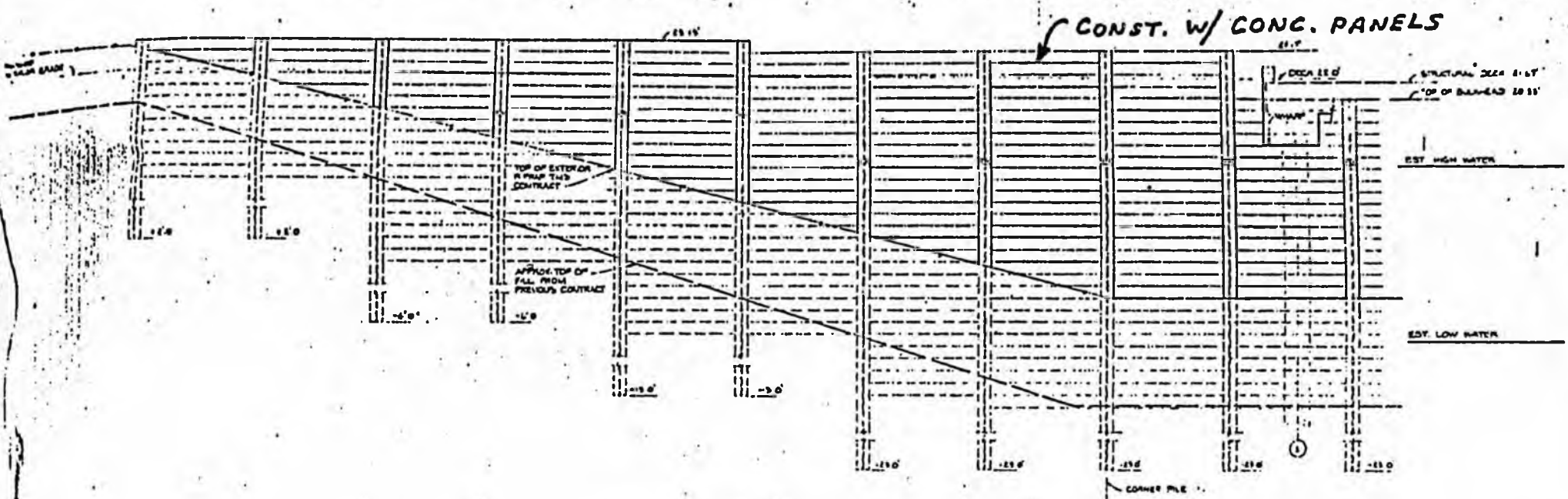
NO.	TYPE	LENGTH FEET	SPACING
1	W-16	22'-11 1/2"	20'-0"
2	W-16	50'-0"	20'-0"
3	W-16	85'-0"	20'-0"
4	W-16	81'-11 1/2"	20'-0"
5	W-16	85'-0"	20'-0"


 No. 500  
 No. 400  
 No. 50  
 No. 100/20/71  
 No. 71008

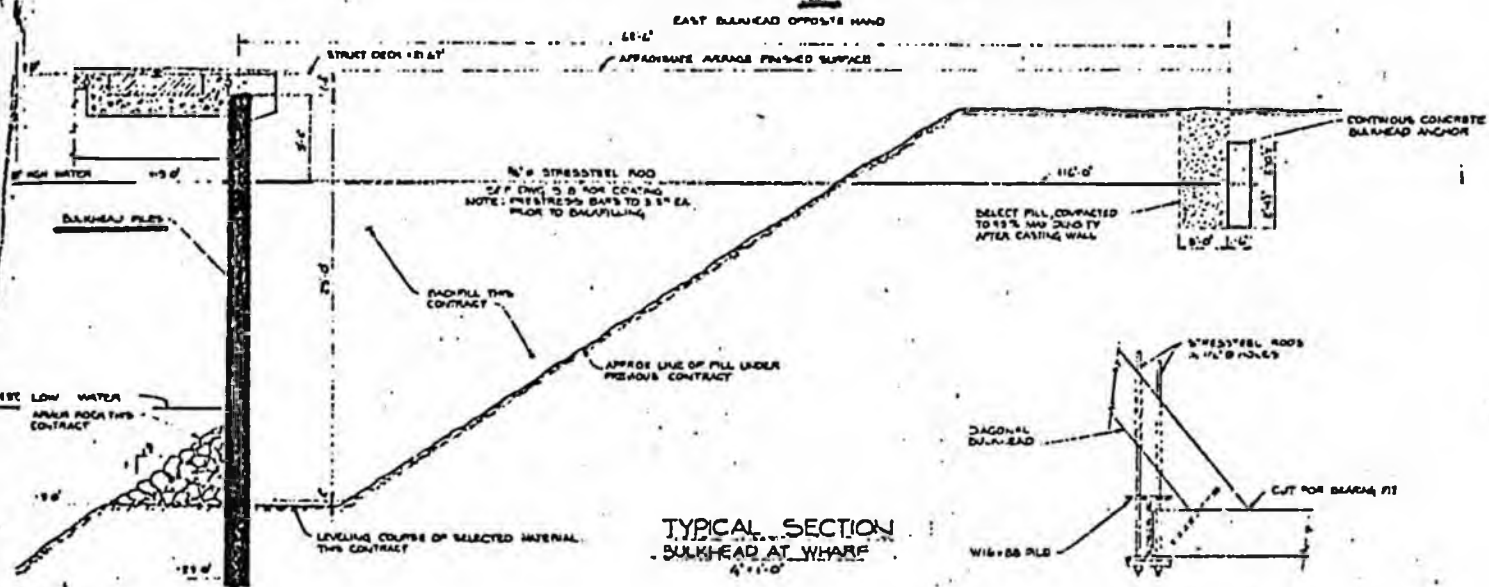
**CITY OF KODIAK, ALASKA**  
**CONTAINER SHIPPING FACILITY**  
**GENERAL CONTRACT**  
**BULKHEAD PLAN**

BILL RITTEDT JR. and JOSEPH  
 CONSULTING ENGINEERS

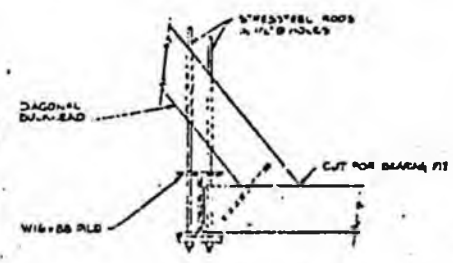
S-8



EXTERIOR ELEVATION OF WEST BULKHEAD - SECTION A



TYPICAL SECTION BULKHEAD AT WHARF



PLAN OF BULKHEAD CONNECTION AT WEST CORNER PILE

	DESIGNED BY	<b>CITY OF KODIAK, ALASKA CONTAINER SHIPPING FACILITY GENERAL CONTRACT BULKHEAD DETAILS</b>
	DRAWN BY	
	CHECKED BY	
	DATE	
NO. 7008		<b>CITY ENGINEERING AND DESIGN CONSULTING ENGINEERS</b>

# STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

## DEPARTMENT OF MILITARY AFFAIRS

ALASKA DIVISION OF EMERGENCY SERVICES

1306 EAST 4TH AVENUE  
ANCHORAGE - 99501

February 20, 1980

The Honorable Bob Mulcahy  
Alaska State Senate  
Capitol Building, Room 514  
Pouch V  
Juneau, Alaska 99811

Dear Senator Mulcahy:

At the request of Mr. Clair Harmony, Kodiak Island City Manager, I am providing background information on the Kodiak Island dock storm damage situation.

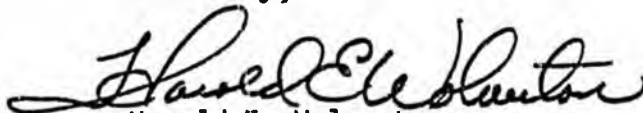
The President declined to issue a Federal Disaster Declaration for this storm occurrence. Therefore the burden falls to City and State participation.

Governor Hammond declared a Disaster Emergency for the the Kodiak Island Borough which addresses providing assistance for damage to public facilities.

A long range fix for Pier 3 of the Kodiak city dock will likely exceed the routine amount of the Governor's authority under the Disaster Act.

I have included copies of some previous instances of special disaster coping legislation. Our agency will be conducting a planning and operation workshop in Juneau next week. I will contact your office to discuss this situation and answer questions if appropriate.

Sincerely,



Harold E. Wolverton  
Public Assistance Officer

HEW:so

Enclosures: Letter Clair Harmony to Director ADES  
Trip Report HEW - Kodiak Storm damage  
Engineers est. of storm damage repairs  
COE engineering report of Kodiak storm damage  
Governor's declaration  
Governor's letter requesting Presidential declaration  
1975 & 1979 Legislation



January 23, 1980

Edward Newbury, Director  
Division of Emergency Services  
Dept. of Military Affairs  
1306 E. Fourth Ave.  
Anchorage, AK 99501

Dear Mr. Newbury:

On January 20, 1980, a storm hit St. Paul Harbor with south to northwest winds in excess of 53 miles per hour and seas with estimated 8 foot swells. The storm lasted for less than 24 hours, but did considerable damage especially at high tide.

Approximately 8,000 cubic yards of fill material and 3,300 cubic yards of armor rock was washed away from the City Dock (Pier 2) and the container shipping facility (Pier 3). An 8 foot waterline at Pier 3 separated when fill material supporting it washed away. Approximately 485 feet of underground electrical cable, 44 power risers and 1 light pole at Pier 3 were also undermined and damaged by the pounding sea. Erosion damage was not limited to areas protected with just armor rock. More than 600 cubic yards of fill material washed out from behind concrete retaining walls at both the east and west ends of Pier 3. The cost of repairs at Pier 2 and 3 is estimated at between \$200,000 and \$350,000 according to City of Kodiak Engineer, John Stafford.

Most observers agreed this was the worst storm damage they had seen since Piers 2 and 3 were constructed:

As a point of urgency, the security and well being of the St. Paul Harbor, particularly the damaged container dock facilities, is most important as it is the central shipment point for domestic and foreign fish product for Cordova, Bristol Bay, Dutch Harbor and the Aleutians. Both Sea-Land and Amercian President Lines are operating out of these ports through Kodiak for international shipping. The loss of Kodiak's docking facilities, should it become a possibility, would have a direct impact on the international balance of payments due to loss of fish product sales.

Additionally, Port Lions reports storm damage occurring during the same storm with damage in excess of \$50,000 to a 30 foot by 30 foot float. The float has broken up with much of the material lost. The ramp leading to the float is currently hanging from the dock facility and in danger of loss.

Edward Newbury, Director

January 23, 1980

Page 2

We have preliminary reports of damage in Ouzinkie to their boardwalks; in Karluk to their homes; in Ahkiok with breakwater damage; and in Old Harbor with erosion of the bank around their fuel tank. These reports are currently being assessed by the Kodiak Island Borough Building Inspector and will be reported in greater detail by the Borough Manager at a later date.

Alan Beardsley, Kodiak City Mayor and Kodiak Island Borough Civil Defense Committee Chairman, has declared through proclamation a state of emergency. Further storms and high tides will cause even more erosion damage.

City crews have already gone into the damaged area to replace eroded banks with fill material. They are also searching out sites for armor rock and preparing a scope of work to repair the damage. The City of Kodiak needs financial assistance to provide immediate contractor repair of \$200,000 worth of damage to the Pier 3 container storage area and Pier 2 and in the near future \$150,000 for container dock wing wall repair. Besides increased damage due to high tides, Sea-Land has had to relocate 44 vans and find alternate electric connections. To this end, the possibility for assistance for emergency power sources exist, plus a source of armor rock.

Most sincerely,

CITY OF KODIAK

Clair W. Harmony  
City Manager &  
Civil Defense Director

CWH/yb

TO:  Lloyd I. Turner  
Deputy Director  
Alaska Division of Emergency Services

DATE: February 6, 1980

FILE NO:

TELEPHONE NO:

FROM: Harold E. Wolvertson *Hew*  
Southcentral District Supervisor  
Alaska Division of Emergency Services

SUBJECT: Trip Report Kodiak Storm  
Damage to dock facility

I. PURPOSE

For an on-site inspection and to survey damage to Kodiak dock facility due to storm disaster.

II. ACTIVITIES

At 8:00 a.m. on January 28, proceeded to Kodiak accompanied by John Chapman, Corps of Engineers. Arriving at Kodiak, we were met by John Stafford, City Engineer, Kodiak. Mr. Stafford provided maps of the dock area, pictures of the associated storm damage, specifications for bids to be accepted January 30 for emergency repairs entailing backfill, and armor rock to three areas adjacent to Pier Number 3 and one small area adjacent to Pier Number 2. We then proceeded to Pier 3 to survey the damage. The main damage consisted of wash away of armor rock and backfill erosion to the south edge of the east trailer parking area. This was some 450 to 500 feet in length and ranged from 6 to 15 feet in width of erosion area. In addition, in this immediate vicinity some extensive electrical powerline and one 8-inch waterline were affected by the pounding waves and erosion of the supporting fill material. Located at the east and west ends of the center portion of the pier and dock facility are the wing walls which retain backfill. The waves had washed fill rock and some armor rock from behind and under these wing walls, making it moderately dangerous to maneuver or park van trailers in the vicinity of the fill area. In the center portion of the dock facility which is created by "H" pile and concrete panel bulkhead retaining wall and fill material behind. There was evidence of wash out below as new fill had been placed in several holes. Two incidents of a cave-in resulted in a taxicab dropping through the surface and in another incident a worker dropped through the surface to above the knee on one leg. Mr. Chapman took numerous pictures and some estimative measurements as evidence was apparent that seaward shifting of the lower portion of the concrete panels comprising the bulkhead was clearly evident. The armor rock and fill material that wash away at Pier 2 was very minor by comparison, but is included in the emergency work proceeding by the city since further high tides and wave action would attack the roadway serving Pier 2.

Lloyd I. Turner  
Page 2  
February 6, 1980

In addition to city facility damage the state highway between Piers 2 and 3 was impacted considerably by the storm, and armor rock and fill material had been washed away in several spots. The city engineer informed the DOT representative in Kodiak of this activity but had not heard back at the time we were there. It appears that any additional wave or storm activity of moderate proportion could undermine the highway at this location. We then proceeded to the city/borough office facility and met with the City Manager Clair Harmony and the newly appointed Borough Manager Gary Havanec. Later we were joined by the City Mayor Alan Beardsley. Copies of the city disaster declaration and borough disaster declaration were provided. In addition, Mr. Havanec provided damage and dollar estimates to the outlying villages of Port Lions where approximately \$50,000 of damage to harbor facilities was sustained. The communities of Akahiok and Karluk sustained damages, primarily roof failures to the recently built rural native housing units, consisting of lost shingles, etc. The community of Old Harbor sustained damage by erosion in the vicinity of their oil supply tanks. The community of Ouzinkie sustained damage to its boardwalk. Estimated damages by community are listed as follows: Port Lions to the dock facility \$50,000; Old Harbor fuel tank erosion \$15,000; Akahiok housing roof damage \$28,000; Karluk housing roof damage \$42,000; and Ouzinkie boardwalk \$7,500.

The city manager and mayor, as well as the borough manager, inquired as to the disaster emergency declaration process which was explained to both of them from a State Declaration standpoint, and a possibility of proceeding to the Federal government with a Presidential Emergency Declaration-request. Considerable discussion ensued as to the Pier 2 and 3 damages and options for repair. Mr. Chapman and Mr. Stafford discussed the probable damage to the center section, as evidence by the cave-in and wash out at both sides, where the wingwalls do some retaining. In addition, engineering studies and analysis have been done recently. The impact of cave-out in the lower section of the bulkhead retaining wall panels is such that undoubtedly it is impacting on the scissor piles which support the outer section of the pier supporting the main moving crane. Recent engineering indicates that these scissor piles are strained to the near maximum and further pressure in movement of the bulkhead panels could begin buckling the scissor piles with total failure of the crane support; and these results would be catastrophic to say the least.

It was pointed out in our discussion that this (one only) container handling dock facility provides for the city of Kodiak, the entire borough, and some of the Aleutian Chain and Prince William Sound areas. The fisheries industry for a considerable portion of the north pacific area, as is conducted by American Fishing Interests, is heavily supported by the Kodiak area and virtually all marine transportation support is provided by Kodiak harbor. Pier 3 is the only container-ship capable dock facility in this location. In addition, normal commerce, military support, and other marine transportation movements are heavily supported by this one facility.

Lloyd I. Turner  
Page 3  
February 6, 1980

Naturally its loss or serious damage to it delaying all or seriously affecting this marine transportation activity is a serious concern.

We returned to the Pier 3 area to further investigate the electrical repairs necessary and discussed some of them with one resident electrical contractor who had done most of the original installation. Mr. Chapman obtained some material size and took a few additional measurements to be certain he had sufficient facts for his report and damage survey confirmation. We met with the Sealand dock manager briefly and confirmed a few additional facts regarding the storm damage as it had ensued, and a few historical notes as he has been the facility manager about six years.

Mr. Chapman obtained a few additional engineering prints, and we were able to return on the afternoon flight to Anchorage.

Mr. Chapman will rapidly prepare his trip report analysis and estimates of emergency work quantities, dollar amounts, and some analysis of the damage to the center portion behind the crane supporting pier, indicating what further engineering studies may be necessary for total repair determination. In addition, details of electrical repairs to the trailer parking facility which was most seriously impacted by the storm will be prepared.

PROBLEMS:

NONE

RECOMMENDATIONS:

Recommend we maintain liaison with Kodiak as to further details of outlying village damage. Recommend we prepare disaster emergency declaration for the Governor for the entire borough area citing specific villages. Recommend we draft Governor's request to the President for an Emergency Declaration citing total damage in the neighbor of \$2 million dollars which should cover one or two options for the total restoration of Pier Number 3 in Kodiak.

# DISPOSITION FORM

For use of this form, see AR 340-15; the proponent agency is The Adjutant General's Office.

REFERENCE OR OFFICE SYMBOL

NPAEN-DB-ES

SUBJECT

Investigation of the Storm Damage to the Kodiak City Dock Facility

~~THRU~~ ~~NPAEN-DB~~ ~~NPAEN~~ *12/20/80*

FROM NPAEN-DB-ES

DATE 5 Feb 80

CMT 1

Mr. Chapman/lsc/2-2713

TO NPASA-EM

1. The purpose of the field trip to Kodiak on 28 January 1980 was to obtain information necessary for the preparation of an estimated cost of the storm damages to the City docking facility.

2. The inspection was made in the company of Mr. John Stafford, the City Engineer, and Mr. Hal Wolverton of the Alaska Division of Emergency Services.

3. The major area of damage was an area approximately 500' long to the east of the container cargo dock. The bank eroded into the staging area. The electrical system used to furnish power to the cargo containers was damaged to an extent that it will require replacement.

Scope of work to be done:

- a. Remove concrete wheel stops.
- b. Remove electrical distribution panels, conduit, wire, outlet pedestals, poles and floodlights.
- c. Repair broken water line to fire hydrants.
- d. Grade bank prior to rebuilding.
- e. Remove large rock that would interfere with the consolidation of new fill.
- f. Reconstruct storage area and slope bank 1 vertical to 2 horizontal.
- g. Apply filter rock.
- h. Apply armor stone.
- i. Replace electrical outlet pedestals, provide 6 new pedestals that are missing or badly damaged.
- j. Replace light poles and flood lights. Provide one new pole and 4-1000 watt mercury vapor flood lights.
- k. Replace distribution panels.
- l. Run new conduit and wire to panel boards, outlet pedestals, and light poles.

4. There are three other small areas that were eroded by the storm. Reshape and rebuild banks, apply filter and armor rock.

NPAEN-DB-ES

5 Jan 80

SUBJECT: Investigation of the Storm Damage to the Kodiak City Dock Facility

5. There is a potential problem with the dock. The retaining wall along the back-side of the dock has kicked out at the bottom and is resting against the batter piles that support the back side of the dock and the inside crane rail. The fill behind is washing out, causing cave-ins on the surface. The problem with the fill could be much more serious than the surface cave-ins would indicate. This area is essential to the continued use of the dock.

6. The east wing wall is in bad condition and could possibly fail during a bad storm. The city has entered into legal action against the designer for design deficiencies. The failure of this wall would cause erosion of the staging area and possible loss of vans and cargo. The wing wall is approximately 10 to 20' high and 100+ feet long. To remove the existing wall, redesign and construct a new wall is estimated to cost between 150 and 200 thousand dollars.

1 Incl  
1. Cost Estimate

  
JOHN W. CHAPMAN  
Chief, Estimates Section

DESCRIPTION                      PIER III STORM DAMAGE REHAB.

1) Excavation behind bulkhead		
17,000 17m cu. yds. @ \$7/yd.	\$119,000	
(Plan to dump near West Rear for additional staging area)		
2) Removing bulkhead		
56 piles and concrete panels	39,000	
3) Amor Rock placement on newly exposed slope		
3200 cu. yd. @ \$40/cu. yd.	<del>128,000</del> 126,000	
4) Improve East wing slope stability	250,000	
5) Utility relocation		
a) waterline		
450 line ft. \$40/ft.	18,000	
b) electrical modification		
lighting and crane power source	15,000	
6) Wharf structure		
50 ft. 25,340 sq. ft. @ 100/sq. ft.....		
.....	2,534,000	
	<hr/>	
Subtotal	<del>3,110,000</del>	3,101,000
7% engineering and Administration	217,000	
15% contingency	497,710.50	
	<hr/>	
TOTAL		3,815,780.50

Pier II & III storm damage repair

GRAND TOTAL    4,065,780.50

PIER II & III STORM DAMAGE AND REPAIR

- \* 1) Furnish and place open graded, pit run shot rock including removal and disposal of damaged electrical facilities.

8000 cu. yd. @ 7.50/cu. yd. . . . 60,000

- \* 2) Furnish and place armor rock is 13,000

20,300 cu. yd. @ \$30/cu. yd. . . . 69,000

- 3) Electrical Repairs: includes installagion of one each:

Light pole with yd. lights. Furnish and install 22 power risers with associated junction boxes and panels and ug wiring.

. . . . . 70,600

- 4) Furnish and place classified fill (type 1-A)

300 cu. yd. @ 36.67/cu. yd. . . . 11,000

- Pier II

- 5) Furnish and install uhed stops (12' x 12' treated timbers).

44 each @ \$200.00 . . . . . 8,800

Subtotal

~~\$220,000~~ 219,400

Inspection

2% ~~tor~~ +

~~4,500~~

4,300

Administration 1% ~~tor~~ +

~~2,200~~

2,100

Contingencies 10% ~~tor~~ +

~~22,640~~

21,940

TOTAL

~~250,000~~ 248,740

\* that work is contracted and underway

JAY S. HAMMOND  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

February 21, 1980

The Honorable Bob Mulcahy  
Alaska State Senator  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Senator Mulcahy:

Enclosed is a copy of a letter from William H. Wilcox, Associate Director of the Federal Emergency Management Agency, in Washington, D.C., in response to our request for a major disaster declaration because of the Kodiak storm of February 5, 1980.

As you can see, the request for disaster assistance has been denied at the Federal level.

Sincerely,

A handwritten signature in black ink, appearing to read "Jay S. Hammond", written over the typed name and title.

Jay S. Hammond  
Governor

Enclosure