

LEG. FINANCE - BILLS 1979 - 1980 1395

SCR 33 thru HCR 40 1395



# 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

3/23/90  
Date

Date passed to Senate \_\_\_\_\_

Bill # SAR 33

SENATE FINANCE COMMITTEE  
BILL CHECKLIST

1. Committee Copy-Current Bill ✓
2. History Cover Form ✓
3. Printed Copies:  
Original Bill ✓  
Committee Substitutes or  
Amendments \_\_\_\_\_
4. SFC Committee Report Form ✓
5. Fiscal Information:  
Note in File ✓  
Note Requested ✓ Date 4/29 Hogan  
Other Financial Backup \_\_\_\_\_  
(See Below) \_\_\_\_\_
6. Backup:  
Handouts \_\_\_\_\_  
Letter from Governor \_\_\_\_\_  
Letter from Sponsor \_\_\_\_\_  
Completed Committee Reports \_\_\_\_\_  
Committee \_\_\_\_\_  
Other \_\_\_\_\_

# COMMITTEE REPORT

## SENATE

FURTHER:

4/13/79

Date: April 27, 1979

Mr. President:

The Committee on FINANCE has had SCR 33

relating to a continued study of a direct investment by the state in the Alaska natural gas pipeline project

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 SCR 33  same title  new title
- and recommends passed - without action
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

[Signature]

[Signature]

[Signature]

\_\_\_\_\_

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\_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

[Signature]

[Signature]

[Signature]

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

[Signature]  
CHAIRMAN

Draft

Original sponsor: Rules Committee  
by request

1 IN THE SENATE BY THE FINANCE COMMITTEE

2 CS FOR SENATE CONCURRENT RESOLUTION NO. 33

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 Relating to a continued study of a  
6 direct investment by the state in the  
7 Alaska natural gas pipeline project.

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

9 WHEREAS in 1978 the legislature adopted Senate Concurrent Resolution No.  
10 102 relating to a direct investment by the state in the Alaska natural gas  
11 pipeline project; and

12 WHEREAS in that resolution the legislature recognized the benefits which  
13 may result to the State of Alaska through timely construction of the natural  
14 gas pipeline; and

15 WHEREAS that resolution established a Joint Interim Committee on Gas  
16 Pipeline Financing to review and consider the merits of direct investment by  
17 the State of Alaska in the pipeline project; and

18 WHEREAS the committee was directed, in consultation with the governor,  
19 to determine if direct state financial participation in the pipeline project  
20 appeared to be in the best interests of the state; and

21 WHEREAS, if direct participation was in the best interests of the state,  
22 the committee, again in consultation with the governor, was directed to  
23 propose legislation to authorize a maximum of \$500,000,000 in direct state  
24 financial participation in the pipeline project; and

25 WHEREAS the committee has been organized, co-chairmen elected, and its  
26 work initiated under Senate Concurrent Resolution No. 102; and

27 WHEREAS the committee submitted a written report to the legislature on  
28 January 31, 1979; and

29 WHEREAS, because of delays beyond the committee's control in the develop-

1 ment of data necessary and pertinent to the scheduling of financing and  
2 construction of the Alaska natural gas pipeline, it was considered irrespon-  
3 sible for the committee, in consultation with the governor, to make recommen-  
4 dations regarding state financial participation in the report made to the  
5 legislature on January 31, 1979; and

6 WHEREAS certain matters concerning construction of the Alaska natural  
7 gas pipeline, such as wellhead pricing and rolled-in pricing, have been  
8 resolved satisfactorily by Congress; and

9 WHEREAS the legislative finance division has forecast that state general  
10 fund revenues will be insufficient to support an outright cash investment of  
11 \$500 million even under the most optimistic circumstances;

12 BE IT RESOLVED by the Alaska State Legislature that the Joint Interim  
13 Committee on Gas Pipeline Financing is directed to consult with appropriate  
14 financial and legal experts and obtain for the legislature

15 (1) a formal opinion of bond counsel on whether general obligation  
16 bonds may be legally used to finance state equity participation in the  
17 natural gas pipeline;

18 (2) if bond counsel determines that the use of general obligation  
19 bonds would be legal for this purpose, expert financial opinion on how the  
20 issuance of the bonds would affect the state's ability to finance other  
21 needed capital projects;

22 (3) detailed projections of the state's general fund balances  
23 using diverse income and revenue assumptions in order to determine if there  
24 are any circumstances under which the state could prudently make a direct  
25 cash investment in the gas pipeline; and

26 (4) expert financial and legal opinions on other methods for pro-  
27 viding financial assistance to the gas pipeline project, including the pledg-  
28 ing of Prudhoe Bay royalty gas or the use of revenue bonds; and be it

29 FURTHER RESOLVED that the Joint Interim Committee on Gas Pipeline

1 Financing is directed to monitor the administration's negotiations for the  
2 sale of Prudhoe Bay Royalty Gas; and be it

3       FURTHER RESOLVED that the Joint Interim Committee on Gas Pipeline Financ-  
4 ing is directed to continue its efforts to develop, in consultation with the  
5 governor, a report for the legislature examining the economic feasibility of  
6 the natural gas pipeline and alternative methods by which the legislature may  
7 assist timely construction of the pipeline, including the desirability of  
8 direct financial participation in the pipeline; and be it

9       FURTHER RESOLVED that the Joint Interim Committee on Gas Pipeline Financ-  
10 ing submit a written report to the Second Session of the Eleventh Legislature.

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THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. SCR 33  
 Title Study of a direct investment by the state in the Alaska natural gas pipeline project  
 Requested by Legislative Finance Date 4/19/79

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

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL		20.0				
300 CONTRACTUAL		150.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		170.0				

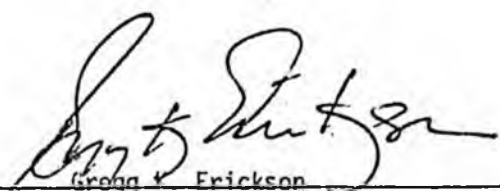
FUNDING (Thousands of Dollars)

GENERAL FUND		170.0				
FEDERAL FUNDS		-0-				
OTHER (Specify)		-0-				

POSITIONS

FULL TIME		-0-				
PART TIME		-0-				
TEMPORARY		-0-				

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

IV. DATE 4/19/79 PREPARED BY   
 AGENCY Legislative Affairs Agency, Research Division  
 PHONE 465-3802  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)  
Colletta/Miles  
 33-001 (Rev. 10/78)  
M. R. Charney  
W. Endicott

4/26/77

Frey says we shouldn't  
need a new fiscal note  
because the original  
note was for \$170,000  
which was a rough  
guesstimate.



THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SCR 33  
Title Study of a direct investment by the state in the Alaska natural gas pipeline project  
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200 TRAVEL		20.0				
300 CONTRACTUAL		150.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		170.0				

FUNDING (Thousands of Dollars)

GENERAL FUND		170.0				
FEDERAL FUNDS		-0-				
OTHER (Specify)		-0-				

POSITIONS

FULL TIME		-0-				
PART TIME		-0-				
TEMPORARY		-0-				

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

IV. DATE 4/19/79 PREPARED BY Grogg K. Erickson  
AGENCY Legislative Affairs Agency, Research Division  
PHONE 465-3802

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

33 001 (Rev. 10/78)  
M. R. Charney  
W. Endicott

9  
In Her 33

~~Friday~~  
Friday

Caloside

~~How  
About  
HJR 33  
That has no  
referral~~

3850

TO: SENATOR COLLETTA  
RE: COMMITTEE BUDGET FY '80 (9 MONTH INTERIM)  
FROM: RANDALL J. MOEN  
DATE: 4/24/79

— PERSONAL SERVICES	
a) Staff Attorney (9 mo. @ \$2500)	\$ 22,500
b) Secretary: Part Time (9 mo. @ \$500)	4,500
— OFFICE (STATE CAPITOL BLDG.)	-0-
— POSTAGE, PHONE & SUPPLIES	1500
— TRAVEL	20,000
— CONTRACTUAL SERVICES <sup>1</sup>	225,000
	<hr/>
TOTAL	\$ 273,500

<sup>1</sup> TO BE USED AS A CONTINGENCY FUND FOR  
CONSIDERING DESIRABILITY OF DIRECT STATE INVESTMENT  
IN NORTHWEST ALASKAN PIPELINE CO.

# **CORRECTION**

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

4/24/79

Mike, Here's the  
Committee Budget breakdown  
for FY '80.

Sincerely,  
Randall

3850

How about  
HJR 33  
That has no  
reference

calendar

~~Monday~~  
~~Friday~~

Mr  
Belmont

TO: SENATOR COLLETTA  
RE: COMMITTEE BUDGET FY'80 (9 MONTH INTERIM)  
FROM: RANDALL J. MOEN  
DATE: 4/24/79

- PERSONAL SERVICES	
a) Staff Attorney (9 mo. @ \$2500)	\$ 22,500
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- OFFICE (STATE CAPITOL BLDG.)	- 0 -
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- CONTRACTUAL SERVICES <sup>1</sup>	225,000
TOTAL	<hr/> \$ 273,500

<sup>1</sup> TO BE USED AS A CONTINGENCY FUND FOR  
CONSIDERING DESIRABILITY OF DIRECT STATE INVESTMENT  
IN NORTHWEST ALASKAN PIPELINE CO.



From The  
**SENATE  
FINANCE COMMITTEE**

Mike SCR 33  
Do you approve?  
This - Yes OK Mike Gallitter  
No \_\_\_\_\_  
Need to know today.  
John

Jane  
3821

or  
Harvey Perka  
3821

Introduced: 4/18/79  
Referred: Finance

BY THE RULES COMMITTEE BY REQUEST  
(for the Joint Interim Committee  
on Gas Pipeline Financing)

1 IN THE SENATE

2 SENATE CONCURRENT RESOLUTION NO. 33

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 Relating to a continued study of a  
6 direct investment by the state in the  
7 Alaska natural gas pipeline project.

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

9 WHEREAS in 1978 the legislature adopted Senate Concurrent Resolution  
10 No. 102 relating to a direct investment by the state in the Alaska natural  
11 gas pipeline project; and

12 WHEREAS in that resolution the legislature recognized the benefits which  
13 may result to the State of Alaska through timely construction of the natural  
14 gas pipeline; and

15 WHEREAS that resolution established a Joint Interim Committee on Gas  
16 Pipeline Financing to review and consider the merits of direct investment by  
17 the State of Alaska in the pipeline project; and

18 WHEREAS the committee was directed, in consultation with the governor,  
19 to determine if direct state financial participation in the project appeared  
20 to be in the best interests of the state; and

21 WHEREAS, if direct participation was in the best interests of the state,  
22 the committee, again in consultation with the governor, was directed to  
23 propose legislation to authorize a maximum of \$500,000,000 in direct state  
24 financial participation in the project; and

25 WHEREAS the committee has been organized, a chairman elected, and its  
26 work initiated under Senate Concurrent Resolution No. 102; and

27 WHEREAS the committee submitted a written report to the legislature on  
28 January 31, 1979; and

29 WHEREAS, because of delays beyond the committee's control in the develop-

1 ment of data necessary and pertinent to the scheduling of financing and  
2 construction of the Alaska natural gas pipeline, it was considered irrespon-  
3 sible for the committee, in consultation with the governor, to make recommen-  
4 dations regarding state financial participation in the report made to the  
5 legislature on January 31, 1979; and

6 WHEREAS certain matters concerning construction of the Alaska natural  
7 gas pipeline, such as wellhead pricing and rolled-in pricing, have been  
8 resolved satisfactorily by Congress; and

9 WHEREAS the legislature still wishes to study the desirability, neces-  
10 sity, and feasibility of state financial participation in the pipeline;

11 BE IT RESOLVED by the Alaska State Legislature that the Joint Interim  
12 Committee on Gas Pipeline Financing is directed to continue its efforts to  
13 develop, in consultation with the governor, a report for the legislature  
14 examining the economic feasibility of the pipeline and alternative methods by  
15 which the legislature may assist timely construction of the pipeline, includ-  
16 ing the desirability of direct financial participation in the pipeline; and

17 BE IT FURTHER RESOLVED that the Joint Interim Committee on Gas Pipeline  
18 Financing submit a written report to the Second regular Session of the  
19 Eleventh Legislature.



# 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

3/23/90  
Date

Date passed to Senate \_\_\_\_\_

Bill # SJR 33

SENATE FINANCE COMMITTEE  
BILL CHECKLIST

- 1. Committee Copy-Current Bill ✓
- 2. History Cover Form ✓
- 3. Printed Copies:
  - Original Bill ✓
  - Committee Substitutes or Amendments —
- 4. SFC Committee Report Form ✓
- 5. Fiscal Information:
  - Note in File \_\_\_\_\_
  - Note Requested \_\_\_\_\_ Date \_\_\_\_\_
  - Other Financial Backup \_\_\_\_\_
  - (See Below) ✓
- Backup:
  - Handouts ✓
  - Letter from Governor \_\_\_\_\_
  - Letter from Sponsor \_\_\_\_\_
  - Completed Committee Reports \_\_\_\_\_
  - Committee \_\_\_\_\_
  - Other \_\_\_\_\_

*Summary description of the  
Solomon Gulele Hydroelectric Project*

ALASKA POWER AUTHORITY

SOLOMON GULCH HYDROELECTRIC PROJECT

SUMMARY

This report summarizes key characteristics of the Solomon Gulch Hydroelectric Project for the purpose of satisfying requirements of Section 180 of Alaska Statute 44.56.

# ALASKA POWER AUTHORITY

## CONTENTS

Introduction

Project Description

Existing Capabilities and Expected Demand

Alternatives Considered

Environmental Impacts

    Air and Water Quality

    Land Use

    Social and Economic Impacts

Engineering Considerations

Project Costs and Financing

Conclusion

# ALASKA POWER AUTHORITY

## INTRODUCTION

The Copper Valley Electric Association, Incorporated (CVEA) was issued a Federal Energy Regulatory Commission License on June 21, 1978 to construct the Solomon Gulch Hydroelectric Project and transmission intertie between the City of Valdez and Glennallen. The Project will cost in excess of \$32 million and was 60 percent financed by Rural Electric Administration (REA) five percent loans and 40 percent by eight percent loans from the National Rural Electric Utilities Cooperative Finance Corporation (CFC).

The Alaska Power Authority, at the request of CVEA, desires to refinance the CFC portion of the Project costs and the amount necessary to establish a reserve fund for the entire Project. The refinancing will be accomplished through the tax exempt revenue bond market with financing security provided by the CFC. The State of Alaska will not have to commit any funds or provide guarantees of indebtedness for the Project financing. The maximum amount of bonds necessary to assist in the refinancing of the Solomon Gulch Project is \$20 million.

# ALASKA POWER AUTHORITY

## PROJECT DESCRIPTION

The Solomon Gulch Hydroelectric Project has been proposed by the Copper Valley Electric Association (CVEA) to serve the growing needs of its service region, primarily in the Valdez and Glennallen areas. The Project would be constructed near the terminal of the Trans-Alaska Pipeline, approximately 4 miles south southeast of the City of Valdez. The proposed system would be a conventional hydroelectric scheme comprising the following features: a principal rockfill dam, 695 feet in crest elevation, to be located at the outlet of Solomon Lake; an auxiliary dam and spillway, to be located approximately 1000 feet east of the principal dam; a powerhouse located near the mouth of Solomon Gulch at Port Valdez; a steel penstock 4 feet in diameter and 3,700 feet in length extending from the reservoir to the powerhouse; and a 104-mile 115 Kv transmission line from the powerhouse to Glennallen. In addition, a pressure reducing turbine generator would be installed in the Trans-Alaska Pipeline and connected to a tailwater pump to recirculate water through the main powerhouse turbines.

The Project would replace an existing dam at Solomon Lake which was constructed in 1907. The principal dam would raise the normal elevation of Solomon Lake from 610 feet to 685 feet. Surface area of the reservoir would increase from 100 to 660 acres and storage capacity would increase from 1,700 acre-feet to 31,500 acre-feet.

The Project would produce 12,000 Kw of capacity and an annual average of 55,596,000 Kwh of energy. This represents an increase of 68 percent in the current (1976) combined capacity of the two systems operated by CVEA. The cost of the Project construction is expected to total \$30.3 million (assume 1977 dollars). The target date for completion of the Project is January 1, 1980.

### Existing Capabilities and Projected Demand

The Copper Valley Electric Association (CVEA) is an REA borrower serving two major communities in Southcentral Alaska, Glennallen and Valdez, and an irregularly shaped area in between. CVEA generates power from two diesel plants with a combined 1976 capacity of 17,746 Kw. One plant, located at Glennallen, had an installed capacity of 7,642 Kw in 1976. The second plant, at Valdez, had a 1976 installed capacity of 10,104 Kw. The two generation and distribution systems are not connected.

Demand for power in the CVEA service area increased rapidly from 1973 to 1976 due to the increased population and industrial activity generated by construction of the Trans-Alaska Pipeline. The following Table illustrates annual average growth rates for peak demand from 1973 to 1976 and projected growth in demand for the Glennallen and Valdez districts. The Table indicates a substantial decline in the rate of growth of peak demand after 1976 in both districts. Until 1980 growth in demand will remain at higher levels in Glennallen than in Valdez, due to pipeline refrigeration units and pump stations in that area. The Federal Power Commission (now Federal Energy Regulatory Commission) staff has studied the load projections and agree that they appear reasonable, and the Alaska Power Authority staff concurs. According to the projections

# ALASKA POWER AUTHORITY

CVEA will need additional capacity by 1981, when peak demand reaches 7,700 Kw in the Glennallen District and 6,250 Kw in the Valdez District, or a total of 12,950 Kw.

The purpose of the Solomon Gulch Project is to provide, in the most economical manner possible, additional generating capacity, and to interconnect the Glennallen and Valdez distribution systems.

Table 1

Historical and Projected Load Growth,  
CVEA Service Area  
-Average Annual Rate of Growth (%)-

	<u>Glennallen District Peak Demand</u>	<u>Valdez District Peak Demand</u>
1973 to 1976 (actual)	42.1	56.2
1976 to 1980	20.2	4.4
1980 to 1985	5.4	8.2
1985 to 1991	5.4	8.2

The Project will enable CVEA to extend service to existing and future loads in the area, including those of the Alyeska Pipeline Company. The hydroelectric system will replace a system which depends on expensive, nonrenewable diesel fuel. CVEA plans to retain its large diesel units for emergency standby and to dispose of its smaller diesel units. However, the utility may be required to maintain on-site generating facilities at Glennallen and Valdez in order to avoid potential service disruptions caused by a transmission line outage.

## Alternatives Considered

The Environmental Report (ER) by Robert W. Retherford Associates and the Draft Environmental Impact Statement (DEIS) by the Federal Power Commission compares the Solomon Gulch Project to alternative energy sources and alternative hydro sites. The reports indicate that the Solomon Gulch Project is preferable to other alternatives, primarily due to cost and environmental considerations. The reasons for selecting Solomon Gulch over the available alternatives are summarized below.

Diesel power is the most probable alternative to the proposed development, given the fact that CVEA's existing plants are equipped for diesel generation. However, increased use of diesel fuel will be more expensive than the construction and operation of the Solomon Gulch system. The ER reports that in 1980 diesel generation would cost 57.78 mills per Kwh, compared to 39.86 mills for the Solomon Gulch Project. This cost differential is expected to increase in the future, when diesel fuel continues to escalate, and the debt service for Solomon Gulch and the pipeline pressure reducing turbine remain constant.

Oil fired combustion turbines are not considered economical when operated for more than 750 hours per year. In

comparison, the Solomon Gulch system would operate an average of 4,400 hours annually. Combustion turbines are less efficient than diesel units; the annual cost of fuel alone would be almost \$2.3 million, which would be equivalent to the debt service of the Solomon Gulch Project in 1980.

Steam turbine generation is not considered practical at the relatively small scale needed to accommodate the CVEA area needs. This alternative is estimated to cost over \$1,000 per Kwh and is clearly impractical.

Alternatives which are either not commercially available or not applicable to the region and/or CVEA load requirements include solar, wind, geothermal, fuel cells, magneto hydrodynamics, and biological generation. Magneto hydrodynamics is a technique which passes a hot ionized gas, or liquid metal, through a magnetic field. This process is still at the early stages of development.

Alternative Hydroelectric sites in the Port Valdez-Glennallen areas were considered and found to be less well suited to the current and foreseeable needs of CVEA. The sites given consideration are Tebay Lakes, Allison Creek, Lower River, Tazlina River, and the Klutina and Tonsina Rivers. Although the Corps of Engineers study indicates that firm energy output from Allison Creek would be greater than that of Solomon Gulch, the Retherford Study claims that power available from Allison Creek "is not sufficient for CVEA needs."

Tebay Lakes is reportedly a site with excellent potential for a hydroelectric project and may be developed in the future. Tebay Lakes would supply 160 percent more power than the Solomon Lake System, which is said to be more than the level necessary or practical at the present. The cost per Kwh would be 8 percent greater for Tebay Lakes than for Solomon Gulch, based on Retherford Associates estimates. The remaining alternative hydro sites were found to be less desirable than Tebay Lakes. The Lower, Klutina and Tonsina Rivers have been rejected for cost and environmental considerations. Tazlina River is an unfavorable site due to cost and environmental constraints and the fact that the power potential from this source would far exceed demand.

#### Environmental Impacts

The proposed development would directly affect 330 additional acres of wildlife habitat due to the enlargement of Solomon Lake. Most of these lands would be inundated. A portion of alder-covered slopes, now used as wintering areas for mountain goats, and as habitat for bear and other animals, would be lost. In addition, short-term impacts on wildlife and habitat would occur during Project construction due to blasting and construction activity. Over the long run, major imbalances or alterations in the existing ecosystems of the area are not anticipated. There are no endangered species known to inhabit the Project area.

## ALASKA POWER AUTHORITY

During the long term operation phase of the Project, an average of 100 cfs of water would be diverted from Solomon Gulch Creek. This would alter the riparian habitat of areas downstream, but it is not expected to result in any loss of species.

### Air and Water Quality

Operation of the Project would not degrade air quality. However, some temporary impacts on air quality may be experienced during construction, due to exhaust and crankcase emissions from vehicles and construction equipment and the dust generated by drilling and movement of equipment. Noise levels will increase due to blasting, machinery operation, and other construction activities. Project operation will result in some increased noise, particularly in the vicinity of the powerhouse. However, this impact is expected to be minor.

Construction of the dam and dikes would introduce sediment into Solomon Gulch Creek. Other surface waters may experience increased sediment loads due to clearing and earth moving operations along the transmission line route and quarrying and land clearing operations in other Project areas. During Project operation fluctuations in the water level of Solomon Lake may cause soil erosion which would introduce sediments into Solomon Gulch Creek.

Construction of the transmission line may disrupt the thermal stability of permafrost areas, which may cause erosion from surface water runoff, ground subsidence and instability, and frost heaving.

### Land Use

Direct impacts on land use would stem from the inundation of 330 acres of land presently covered with trees and shrub and the removal from alternative uses of 1,250 acres along the transmission line routes. The impact of the Project on regional land use patterns is not expected to be severe. The inundated acres represent an addition to an existing reservoir. The main transmission line would be constructed in a transportation-utility corridor containing the Trans-Alaska Pipeline and the Richardson Highway. However, recreational use of the transmission line corridor is substantial, and existence of the line would interfere with the area's scenic and aesthetic qualities.

An indirect impact on land use would be the prevention of some mining at Midas Mine. Here, a significant copper ore deposit is believed to exist below 800 feet. Mining at lower elevations would be prohibited due to possible flooding from the reservoir.

### Social and Economic Impacts

Project construction activity would focus on the Valdez area, which experienced drastic growth and change during construction of the Trans-Alaska Pipeline. The level and duration of social and economic impacts would depend on a number of factors, including the need to import a Project workforce, the number of workers who would be accompanied by dependents, their length of stay, and the ability of Valdez and other

communities to absorb an increase in demand for housing, public services and consumer goods. In addition to Valdez, Glennallen, Copper Center and other communities along the transmission line corridor may experience impacts from transmission line and substation construction. These impacts would be primarily secondary, short-term economic impacts associated with personal consumption expenditures of the Project workforce.

It is anticipated that 20 to 30 workers would be employed for Project construction. This appears to be a low estimate for the workforce needed to construct a dam, penstock, powerhouse, access road, transmission lines and substations in a 2 1/2 year period. However, if CVEA does manage to complete construction with a 30 person workforce, the impact on Valdez would be minimal. If a "worst-case" scenario is assumed, 100 percent of the workforce would be imported and each newcomer would be accompanied by two dependents. This would result in a temporary population increment of 90, representing less than one percent of the 1975 population of the Project area. It is unlikely that an influx of this magnitude would place an undue burden on the community.

#### Engineering Considerations

Two catastrophic events which could potentially damage the Project to a significant degree are earthquakes and floods. The Valdez area is a part of one of the world's most active seismic zones. The Federal Energy Regulatory Commission (FERC) staff after analysis of the stability of the proposed dam section, recommended that the dam be constructed in thin, well compacted lifts using rock with the maximum size of four feet and with the downstream slope of the structure less than 1.4 to 1.0. With this requirement the structure would be resistant to damage from earthquake accelerations and it is estimated that the proposed dam would withstand an earthquake having an intensity equivalent to the 1964 Valdez earthquake without catastrophic failure. The Commission staff also recommended a spillway size that would easily accommodate the highest probable maximum flood and snow melt.

Potential safety and interference problems that may arise due to locating the Project transmission line adjacent to the Trans-Alaska Pipeline must be studied to specifically identify potential problems and implement any mitigative measures found to be necessary. The pipeline and transportation corridor that presently exists between Glennallen and Valdez is the only feasible routing available for the location of the transmission line.

The CVEA, in cooperation with the Alaska Department of Fish and Game and the U. S. Fish and Wildlife Service, has tentatively agreed to various mitigation measures to address fishery impacts associated with the project. These measures will help to maintain the natural temperature regime and stream flow of Solomon Creek both during Project construction and during operation.

# ALASKA POWER AUTHORITY

## Project Costs and Financing

As stated in the introduction, the Rural Electrification Administration (REA) has agreed to finance 60 percent of the Solomon Gulch Hydroelectric Project at an insured rate of five percent. The remaining 40 percent was financed by the Cooperative Finance Corporation (CFC) at a guaranteed loan rate of approximately eight percent. Overall, the effective rate of the \$32 million loan would be 6.2 percent. Annual debt service would be approximately \$2.4 million per year. By the year 2014, interest payments will have totalled approximately \$51.6 million, and together with the principal of \$32 million, would result in a total debt service requirement of approximately \$83.65 million. A fifty-year present worth levelized cost benefit study by the Federal Energy Regulatory Commission (FERC) of the Project shows that the annual project power benefits would exceed the estimated annual cost by \$2,478,000. Power benefits were estimated using diesel electric generators as the alternative power source. In the first year of Project operation the annual cost for fuel alone for an oil-fired combustion turbine producing an amount of power equal to the Solomon Gulch Project would be greater than the annual fixed cost of the Solomon Gulch Project.

As stated earlier, the Project will add 12,000 Kw of capacity and an average of 54,565 mwh per year of energy to the CVEA electric system to serve the growing loads. Without the transmission intertie between Glennallen and Valdez the Project would supply Valdez with low cost hydroelectric power, but not all of the energy could be used until 1988. With the line, all of the Project energy would be useable by 1980. By 1988, without the transmission intertie, when all Solomon Gulch energy becomes useable at Valdez, the cost of energy at Valdez would be about 21 mills per kwh, while energy at Glennallen would cost about 91 mills per kwh. The Glennallen system would remain isolated and totally dependent upon diesel generation. Also, installation of the pressure reducing turbine in the TAPS pipeline would be delayed until the 1990's (the PRT would be feasible in the 1980's on the combined system). The Solomon Gulch Project is financially feasible as evidenced by the foregoing comments and the fact that the Project has already received financing from the REA and CFC. The Power Authority proposes to refinance the 40 percent portion of Project costs and establish a Project reserve fund for the Solomon Gulch Project by issuing revenue bonds in an amount not to exceed \$20 million with financing security provided by the CFC.

Introduced: \_\_\_\_\_  
Referred: \_\_\_\_\_

IN THE \_\_\_\_\_

BY \_\_\_\_\_

\_\_ JOINT RESOLUTION NO. \_\_

IN THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE - FIRST SESSION

Relating to the Alaska Power Authority, and the incurring of revenue bond indebtedness of the Alaska Power Authority for the Solomon Gulch hydroelectric generating project in and near Valdez, Alaska.

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

WHEREAS, the Copper Valley Electric Association, Inc. has received a Federal Energy Regulatory Commission license for the Solomon Gulch hydroelectric generating project and construction has begun on the project; and

WHEREAS, initial financing for the project has been secured from other sources but it is considered in the public interest to nevertheless finance a portion of the project from the proceeds of the sale of revenue bonds of the Alaska Power Authority; and

WHEREAS, the Alaska Power Authority pursuant to AS 44.56.180 has submitted to the legislature and to the

governor a statement of its recommendations for financing a portion of the Solomon Gulch hydroelectric project and a statement outlining the general design, demonstration of financial feasibility, and maximum amount of revenue bonds necessary for that purpose; and

WHEREAS, pursuant to those recommendations the Alaska Power Authority is to finance a portion of the project only through the issuance of revenue bonds and is not to construct, acquire or own the project; and

WHEREAS, the statements provide that the financing of the project is to be effectuated under an agreement providing that the Alaska Power Authority have ownership rights in the project only as may be necessary to secure the payment of the revenue bond indebtedness; and

WHEREAS, the statements submitted to the legislature and to the governor fully satisfy the conditions set forth in AS 44.56.180 which are necessary to be satisfied prior to the adoption of this resolution; and

WHEREAS, the cost to be incurred in financing a portion of the project will require the issuance of revenue bonds of the Alaska Power Authority in a maximum presently estimated amount not to exceed \$20,000,000; and

WHEREAS, it is deemed to be in the best interests of the State that revenue bonds of the Alaska Power Authority be issued to finance a portion of the cost of the project.

BE ~~IT~~ RESOLVED that the legislature approves the

general design of the Solomon Gulch hydroelectric project in and near Valdez, Alaska and the incurring of revenue bond indebtedness by the Alaska Power Authority in a maximum amount not to exceed \$20,000,000 to pay the cost of financing a portion of the project.

# ALASKA POWER AUTHORITY

## CONCLUSION

This executive summary was prepared by the staff of the Alaska Power Authority to comply with Section 44.56.180 of the enabling statutes of the Power Authority. The maximum amount of bonds estimated to be necessary to refinance a portion of the Solomon Gulch Hydroelectric Project are \$20 million. The Power Authority intends to assist the Copper Valley Electric Association, Incorporated to refinance a portion of the Solomon Gulch Project in conjunction with the Cooperative Finance Corporation. The Power Authority does not intend to design, or construct the Project itself. The Project will be designed, constructed, and operated by the Copper Valley Electric Association, and rights to the capacity of the Project will remain with the Copper Valley Electric Association. Ultimate ownership of all or part of the Project, whether by the Power Authority or the Copper Valley Electric Association, will be determined in the future based upon the optimal financing arrangements. The general design and financial feasibility of the Solomon Gulch Hydroelectric Project is acceptable, and the Project should proceed to construction. The Power Authority recommends that the Legislature adopt a joint resolution approving the general design and financial feasibility of the Solomon Gulch Project, and approve action of the Power Authority to assist in refinancing a portion of the Project in cooperation with the National Rural Electric Cooperative Finance Corporation.

Introduced: 4/11/79  
Referred: Finance

1 IN THE SENATE

BY KERTTULA AND RODEY

2 SENATE JOINT RESOLUTION NO. 33

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 Relating to the sale of revenue bonds  
6 of the Alaska Power Authority for the  
7 Solomon Gulch hydroelectric gener-  
8 ating project.

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

10 WHEREAS the Copper Valley Electric Association, Inc. has received a  
11 Federal Energy Regulatory Commission license for the Solomon Gulch hydro-  
12 electric generating project near Valdez, Alaska, and construction has begun  
13 on the project; and

14 WHEREAS initial financing for the project has been secured from other  
15 sources but it is considered in the public interest to finance a portion of  
16 the project from the proceeds of the sale of revenue bonds of the Alaska  
17 Power Authority; and

18 WHEREAS the Alaska Power Authority has submitted to the legislature and  
19 to the governor a statement of its recommendations for financing a portion of  
20 the Solomon Gulch hydroelectric project, as required in AS 44.56.180(b), and  
21 a statement outlining the general design, demonstration of financial feasi-  
22 bility, and maximum amount of revenue bonds necessary for that purpose; and

23 WHEREAS, according to statements by the authority, it is to finance a  
24 portion of the project only through the issuance of revenue bonds and is not  
25 to construct, acquire or own the project; and

26 WHEREAS the statements by the authority indicate that the project is to  
27 be designed, acquired, and constructed by the Copper Valley Electric Associ-  
28 ation under an agreement with the authority which shall provide that the  
29 authority have ownership rights in the project only as may be necessary to

1 secure the payment of the principal and interest on revenue bonds issued for  
2 the project; and

3 WHEREAS the statements submitted to the governor and to the legislature  
4 fully satisfy the conditions set out in AS 44.56.180 which must be satisfied  
5 before the adoption of this resolution; and

6 WHEREAS the cost to be incurred in financing a portion of the project  
7 will require the issuance of revenue bonds of the authority in a presently  
8 estimated amount not to exceed \$20,000,000; and

9 WHEREAS it is considered to be in the best interests of the state that  
10 revenue bonds of the authority be issued to finance a portion of the cost of  
11 the project;

12 BE IT RESOLVED that the Alaska State Legislature approves the general  
13 design of the Solomon Gulch hydroelectric project near Valdez, Alaska, and  
14 the sale of revenue bonds by the Alaska Power Authority in an amount not to  
15 exceed \$20,000,000 to pay the cost of a portion of the project.

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# RECORDS



# CERTIFICATION

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

James O. Smith  
Signature of Camera Operator

3/23/90  
Date

(11)

# COMMITTEE REPORT

## HOUSE

1/31/80

FURTHER:

Date: 1-21-80

Mr. Speaker:

The Committee on FINANCE has had HCR 35

"Relating to a study of a rail line from Fairbanks to the Ladue Valley."

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 HCR 35  same title  
 new title
- and recommends it be passed
- AND attaches a "Letter of Intent"  New Fiscal Note \$30.0 1/24
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

Freeman

Smith

McKinnon

Smith

Rogers

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Freeman  
Vice CHAIRMAN

Original sponsors: Moss and Rogers

Offered: 1/31/80  
Referred: Finance

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE  
2 CS FOR HOUSE CONCURRENT RESOLUTION NO. 35  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 ELEVENTH LEGISLATURE - SECOND SESSION

5 Relating to a study of a rail line  
6 from Fairbanks to the Ladue Valley.

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

8 WHEREAS it is essential that transportation links be developed if  
9 Alaska, and especially interior Alaska, is ever to attain its full potential;  
10 and

11 WHEREAS, traditionally, railroad systems have been in the forefront of  
12 the development of new territories, no matter where they have existed in the  
13 world; and

14 WHEREAS construction of a railroad line from Fairbanks to Ladue Valley,  
15 through Big Delta, Tok, and 40 Mile, would open a vast new area to mineral  
16 exploitation; and

17 WHEREAS construction of such a rail line would advance realization of  
18 the ultimate goal of a rail linkup with the Canadian rail system; and

19 WHEREAS aerial surveys have been conducted of the proposed route, but  
20 up-to-date estimates of the cost of construction of the line are needed;

21 BE IT RESOLVED by the Alaska State Legislature that the Legislative  
22 Council study

23 (1) the cost of constructing a rail line from Fairbanks to Delta;  
24 and

25 (2) the cost of constructing a rail line from Delta to the Ladue  
26 Valley; and be it

27 FURTHER RESOLVED that the Legislative Council report the results of this  
28 study to the First Session of the Twelfth Legislature within 10 days of the  
29 date it convenes.

#

Original sponsors: Moss and Rogers

Offered: 1/31/80  
Referred: Finance

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE  
2 CS FOR HOUSE CONCURRENT RESOLUTION NO. 35  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 ELEVENTH LEGISLATURE - SECOND SESSION

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16 exploitation; and

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22 Council study

23 (1) the cost of constructing a rail line from Fairbanks to Delta;  
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25 (2) the cost of constructing a rail line from Delta to the Ladue  
26 Valley; and be it

27 FURTHER RESOLVED that the Legislative Council report the results of this  
28 study to the First Session of the Twelfth Legislature within 10 days of the  
29 date it convenes.

#

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS for HJR 35  
 Title Relating to a study of a rail line from Fairbanks to the Ladue Valley.  
 Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Legislative Affairs  
 Program Category Affected General Government  
 BRU, Program, or Subprogram(s) Affected Legislative Council  
 (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		30.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

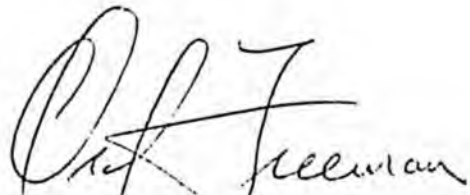
FUNDING (Thousands of Dollars)

GENERAL FUND		30.0				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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



Oral Freeman, Vice Chairman  
House Finance Committee  
April 24, 1980

IV. DATE \_\_\_\_\_ PREPARED BY \_\_\_\_\_  
 AGENCY \_\_\_\_\_  
 PHONE \_\_\_\_\_  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS for HJR 35  
Title Relating to a study of a rail line from Fairbanks to the Ladue Valley.  
Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Legislative Affairs  
Program Category Affected General Government  
BRU, Program, or Subprogram(s) Affected Legislative Council  
(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		30.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						


FUNDING (Thousands of Dollars)

GENERAL FUND		30.0				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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



Oral Freeman, Vice Chairman  
House Finance Committee  
April 24, 1980

IV. DATE \_\_\_\_\_ PREPARED BY \_\_\_\_\_  
AGENCY \_\_\_\_\_  
PHONE \_\_\_\_\_  
Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. COMMITTEE SUBSTITUTE FOR HOUSE CONCURRENT RESOLUTION NO. 35  
 Title Relating to a study of a rail line from Fairbanks to the Ladue Valley  
 Requested by Legislative Finance Date 2/4/80

II. FISCAL DETAIL

Agency Affected LEGISLATIVE AFFAIRS  
 Program Category Affected GENERAL GOVERNMENT  
 BRU, Program, or Subprogram(s) Affected LEGISLATIVE COUNCIL  
 (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 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

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

POSITIONS

NONE

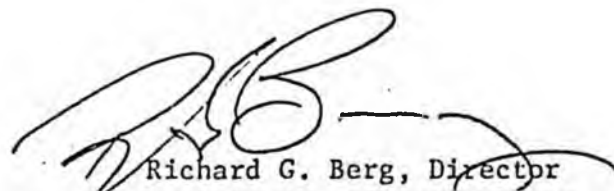
FULL TIME						
PART TIME						
TEMPORARY						

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

Assumption: Department of Transportation and Public Facilities is engaged in a study covering this subject and will continue to completion. House Research Agency will monitor to assure compliance with resolve.

IV. DATE 2/5/80

PREPARED BY  
AGENCY  
PHONE

  
Richard G. Berg, Director  
Legislative Affairs Agency  
465-3850

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

HB-625

The purpose of this bill is almost self explanatory in that it request a study to determine what the present cost would be for the construction of the railraod extension to the Alaska Border. It requests the study to be made in two sections -- the Fairbanks to Delta extension would be needed before the Delta-Ladue information. The reason for this is that there is an immediate need for this first phase to the agriculture project, Fort Greely, and the new mineral fields betwaen Delta and Tok.

We have made many strides in the past as to the feasibility of this proposed railroad but never a firm price tag study.

# *City of Delta Junction*

*Box 229*

*Delta Junction, Alaska 99737*

*The North End of the Alaska Highway*

## RESOLUTION 80-

WHEREAS, the extension of the Alaska Railroad to the Canadian border will enable agricultural products to be shipped more economically to market, and;

WHEREAS, the dike used as a portion of the Rail bed along the boundaries of the City of Delta Junction will protect it from erosion by the Delta River, and:

WHEREAS, the dike would eliminate the need for additional construction of protective measures, by the City of Delta Junction, and by the Army Corps of Engineers, and;

WHEREAS, construction of the Railroad Line from Fairbanks to Ladue Valley, through Delta Junction, Tok and 40 Mile, would open a vast new area to mineral exploitation, and;

WHEREAS, construction of such a Rail Line would advance realization of the ultimate goal of a rail linkup with the Canadian rail system, and;

WHEREAS, aerial surveys have been conducted of the proposed route, but up-to-date estimates of the cost of construction of the line are needed.

NOW THEREFORE BE IT RESOLVED by the city council of the Delta Junc-

tion, Alaska, that the Rail Road be extended through Delta Junction to the Canadian Border.

Elizabeth A. Leng, Mayor Elizabeth A. Leng

Hilda Smith Councilmember

Kenneth E. Smith Councilmember

Harold W. Roberts Councilmember

Frank Colombo Councilmember

Howard A. Johnson Councilmember

\_\_\_\_\_ Councilmember

Dated this 19<sup>th</sup> day of February, 1980.

ATTEST  
Estelle Schumy  
city clerk

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. COMMITTEE SUBSTITUTE FOR HOUSE CONCURRENT RESOLUTION NO. 35  
 Title Relating to a study of a rail line from Fairbanks to the Ladue valley  
 Requested by Legislative Finance Date 2/4/80

II. FISCAL DETAIL  
 Agency Affected LEGISLATIVE AFFAIRS  
 Program Category Affected GENERAL GOVERNMENT  
 BRU, Program, or Subprogram(s) Affected LEGISLATIVE COUNCIL  
 (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 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

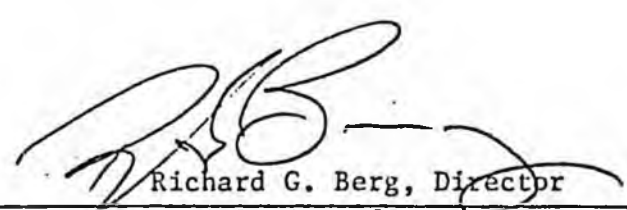
POSITIONS

NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

Assumption: Department of Transportation and Public Facilities is engaged in a study covering this subject and will continue to completion. House Research Agency will monitor to assure compliance with resolve.

IV. DATE 2/5/80 PREPARED BY  Richard G. Berg, Director  
 AGENCY Legislative Affairs Agency  
 PHONE 465-3850  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

HB-623

The purpose of this bill is almost self explanatory in that it request a study to determine what the present cost would be for the construction of the railroad extension to the Alaska Border.

It requests the study to be made in two sections — the Fairbanks to Delta extension would be needed before the Delta-Ladue information. The reason for this is that there is an immediate need for this first phase to the agriculture project, Fort Greely, and the new mineral fields between Delta and Tok.

We have made many strides in the past as to the feasibility of this proposed railroad but never a firm price tag study.

# *City of Delta Junction*

Box 229

*Delta Junction, Alaska 99737*

*The North End of the Alaska Highway*

## RESOLUTION 80-

WHEREAS, the extension of the Alaska Railroad to the Canadian border will enable agricultural products to be shipped more economically to market, and;

WHEREAS, the dike used as a portion of the Rail bed along the boundaries of the City of Delta Junction will protect it from erosion by the Delta River, and:

WHEREAS, the dike would eliminate the need for additional construction of protective measures, by the City of Delta Junction, and by the Army Corps of Engineers, and;

WHEREAS, construction of the Railroad Line from Fairbanks to Ladue Valley, through Delta Junction, Tok and 40 Mile, would open a vast new area to mineral exploitation, and;

WHEREAS, construction of such a Rail Line would advance realization of the ultimate goal of a rail linkup with the Canadian rail system, and;

WHEREAS, aerial surveys have been conducted of the proposed route, but up-to-date estimates of the cost of construction of the line are needed.

NOW THEREFORE BE IT RESOLVED by the city council of the Delta Junc-

Original sponsors: Moss and Rogers

Offered: 1/31/80  
Referred: Finance

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE CONCURRENT RESOLUTION NO. 35

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 Relating to a study of a rail line  
6 from Fairbanks to the Ladue Valley.

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

8 WHEREAS it is essential that transportation links be developed if  
9 Alaska, and especially interior Alaska, is ever to attain its full potential;  
10 and

11 WHEREAS, traditionally, railroad systems have been in the forefront of  
12 the development of new territories, no matter where they have existed in the  
13 world; and

14 WHEREAS construction of a railroad line from Fairbanks to Ladue Valley,  
15 through Big Delta, Tok, and 40 Mile, would open a vast new area to mineral  
16 exploitation; and

17 WHEREAS construction of such a rail line would advance realization of  
18 the ultimate goal of a rail linkup with the Canadian rail system; and

19 WHEREAS aerial surveys have been conducted of the proposed route, but  
20 up-to-date estimates of the cost of construction of the line are needed;

21 BE IT RESOLVED by the Alaska State Legislature that the Legislative  
22 Council study

23 (1) the cost of constructing a rail line from Fairbanks to Delta;  
24 and

25 (2) the cost of constructing a rail line from Delta to the Ladue  
26 Valley; and be it

27 FURTHER RESOLVED that the Legislative Council report the results of this  
28 study to the First Session of the Twelfth Legislature within 10 days of the  
29 date it convenes.

#

# **CORRECTION**

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

# *City of Delta Junction*

*Box 229*

*Delta Junction, Alaska 99737*

*The North End of the Alaska Highway*

## RESOLUTION 80-

WHEREAS, the extension of the Alaska Railroad to the Canadian border will enable agricultural products to be shipped more economically to market, and;

WHEREAS, the dike used as a portion of the Rail bed along the boundaries of the City of Delta Junction will protect it from erosion by the Delta River, and:

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Elizabeth A. Leng, Mayor

Elizabeth A. Leng

Hilda Smith Councilmember

Kenneth E. Smith Councilmember

Harold W. Kirsner Councilmember

Fran. Colombo Councilmember

Edward A. Simon Councilmember

\_\_\_\_\_ Councilmember

Dated this 19<sup>th</sup> day of February, 1980.

ATTEST

Estelle Schumy  
city clerk

Original sponsors: Moss and Rogers

Offered: 1/31/80  
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE CONCURRENT RESOLUTION NO. 35

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 Relating to a study of a rail line  
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23 (1) the cost of constructing a rail line from Fairbanks to Delta;

24 and

25 (2) the cost of constructing a rail line from Delta to the Ladue  
26 Valley; and be it

27 FURTHER RESOLVED that the Legislative Council report the results of this  
28 study to the First Session of the Twelfth Legislature within 10 days of the  
29 date it convenes.

#

Introduced: 1/16/80  
Referred: State Affairs

1 IN THE HOUSE

BY MOSS AND ROGERS

2 HOUSE CONCURRENT RESOLUTION NO. 35

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 Relating to a study of a rail line  
6 from Fairbanks to the Ladue Valley.

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

8 WHEREAS it is essential that transportation links be developed if  
9 Alaska, and especially interior Alaska, is ever to attain its full potential;  
10 and

11 WHEREAS, traditionally, railroad systems have been in the forefront of  
12 the development of new territories, no matter where they have existed in the  
13 world; and

14 WHEREAS construction of a railroad line from Fairbanks to Ladue Valley,  
15 through Big Delta, Tok, and 40 Mile, would open a vast new area to mineral  
16 exploitation; and

17 WHEREAS construction of such a rail line would advance realization of  
18 the ultimate goal of a rail linkup with the Canadian rail system; and

19 WHEREAS aerial surveys have been conducted of the proposed route, but  
20 up-to-date estimates of the cost of construction of the line are needed;

21 BE IT RESOLVED by the Alaska State Legislature that the Legislative  
22 Council study

23 (1) the cost to the state of constructing a rail line from  
24 Fairbanks to Delta; and

25 (2) the cost to the state of constructing a rail line from Delta to  
26 the Ladue Valley; and be it

27 FURTHER RESOLVED that the Legislative Council report the results of this  
28 study to the First Session of the Twelfth Legislature within 10 days of the  
29 date it convenes.



# 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

3/23/90  
Date

THE LEGISLATURE OF THE STATE OF ALASKA  
 ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST SCSHCR 35 (Finance)  
 Bill/Resolution No. \_\_\_\_\_  
 Title \_\_\_\_\_  
 Requested by Sen. Hoffman Date 5/14/80

II. FISCAL DETAIL Legislative Council  
 Agency Affected \_\_\_\_\_  
 Program Category Affected General Government  
 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	-0-	250,000	-0-	-0-	-0-	-0-
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	250,000	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	250,000	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The Senate Finance Committee substitute expands the ~~scope~~ scope of work to include ~~studies of the~~ cost benefit analyses of rail lines in various parts of the state. ~~It is estimated that~~ such studies can be conducted with a total of \$250,000.

IV. DATE \_\_\_\_\_ PREPARED BY Geo.  
 AGENCY \_\_\_\_\_  
 PHONE \_\_\_\_\_  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

COMMITTEE REPORT  
SENATE

FURTHER: None

5/5/80

Date: 5-14-80

Mr. President:

The Committee on FINANCE has had CSHCR 35  
study of a rail line from Fairbanks to the Ladue Valley

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 CSHCR 35  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

*See ROR/K - sometimes*

Original sponsors: Moss and Rogers

Offered: 1/31/80  
Referred: Finance

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE  
2 CS FOR HOUSE CONCURRENT RESOLUTION NO. 35  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 ELEVENTH LEGISLATURE - SECOND SESSION  
5 Relating to a ~~study~~ *studies* of a rail lines  
6 ~~from Fairbanks to the Ladue Valley.~~

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

8 WHEREAS it is essential that transportation links be developed if  
9 Alaska, and especially interior Alaska, is ever to attain its full potential;  
10 and

11 WHEREAS, traditionally, railroad systems have been in the forefront of  
12 the development of new territories, no matter where they have existed in the  
13 world; and

14 WHEREAS construction of a railroad line from Fairbanks to Ladue Valley,  
15 through Big Delta, Tok, and 40 Mile, would open a vast new area to mineral  
16 exploitation; and

17 WHEREAS construction of such a rail line would advance realization of  
18 the ultimate goal of a rail linkup with the Canadian rail system; and

19 WHEREAS aerial surveys have been conducted of the proposed route, but  
20 up-to-date estimates of the cost of construction of the line are needed;

21 BE IT RESOLVED by the Alaska State Legislature that the Legislative  
22 Council ~~study~~ *conduct a cost benefit analysis*

23 ~~(1) the cost of constructing a rail line from Fairbanks to Delta;~~  
24 ~~and to the Con. border ~~and other~~~~

25 ~~(2) the cost of constructing a rail line from Delta to the Ladue~~  
26 ~~Valley; and be it ~~construction as directed by the Legislative Council~~~~  
*such other cost benefit analysis of Alaska rail line*

27 FURTHER RESOLVED that the Legislative Council report the results of this  
28 study to the First Session of the Twelfth Legislature within 10 days of the  
29 date it convenes.

#

Delivered to  
Legis ~~for~~ Affairs  
5-15-80  
8:15 am

Original sponsors: Moss and Rogers

Offered: 1/31/80  
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE CONCURRENT RESOLUTION NO. 35

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 Relating to <sup>studies</sup> ~~a study~~ of ~~a~~ rail lines.  
6 ~~from Fairbanks to the Ladue Valley.~~

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

8 WHEREAS it is essential that transportation links be developed if  
9 Alaska, and especially interior Alaska, is ever to attain its full potential;  
10 and

11 WHEREAS, traditionally, railroad systems have been in the forefront of  
12 the development of new territories, no matter where they have existed in the  
13 world; and

14 WHEREAS construction of a railroad line from Fairbanks to Ladue Valley,  
15 through Big Delta, Tok, and 40 Mile, would open a vast new area to mineral  
16 exploitation; and

17 WHEREAS construction of such a rail line would advance realization of  
18 the ultimate goal of a rail linkup with the Canadian rail system; and

19 WHEREAS aerial surveys have been conducted of the proposed route, but  
20 up-to-date estimates of the cost of construction of the line are needed;

21 BE IT RESOLVED by the Alaska State Legislature that the Legislative  
22 Council ~~study~~

(1) CONDUCT A COST BENEFIT ANALYSIS

~~(1) the cost of constructing a rail line from Fairbanks ~~to the~~~~

~~and~~ TO THE CANADIAN BORDER; AND

(2) CONDUCT SUCH OTHER COST BENEFIT ANALYSES OF ALASKA RAIL LINE

~~(2) the cost of constructing a rail line from Delta to the ~~border~~~~

25 CONSTRUCTION AS DIRECTED BY THE LEGISLATIVE COUNCIL;  
26 ~~and~~ and be it

27 FURTHER RESOLVED that the Legislative Council report the results of this  
28 study to the First Session of the Twelfth Legislature within 10 days of the  
29 date it convenes.

#

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SCS HCR 35 (Fin)  
Title \_\_\_\_\_  
Requested by Senator Hohman Date 5/14/80

II. FISCAL DETAIL

Agency Affected Legislative Council  
Program Category Affected General Government  
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	-0-	250,000	-0-	-0-	-0-	-0-
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	<b>-0-</b>	<b>250,000</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

FUNDING (Thousands of Dollars)

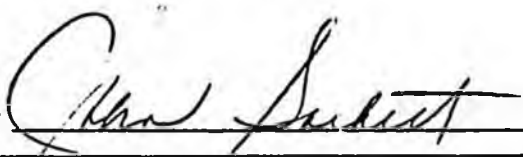
GENERAL FUND	-0-	250,000	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The Senate Finance Committee Substitute expands the scope of work to include cost benefit analyses of rail lines in various parts of the state. Such studies can be conducted with a total of \$250,000.

IV. DATE 5/14/80 PREPARED BY   
AGENCY \_\_\_\_\_  
PHONE \_\_\_\_\_  
Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)

Introduced: 1/16/80  
Referred: State Affairs

1 IN THE HOUSE

BY MOSS AND ROGERS

2 HOUSE CONCURRENT RESOLUTION NO. 35

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 Relating to a study of a rail line  
6 from Fairbanks to the Ladue Valley.

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

8 WHEREAS it is essential that transportation links be developed if  
9 Alaska, and especially interior Alaska, is ever to attain its full potential;  
10 and

11 WHEREAS, traditionally, railroad systems have been in the forefront of  
12 the development of new territories, no matter where they have existed in the  
13 world; and

14 WHEREAS construction of a railroad line from Fairbanks to Ladue Valley,  
15 through Big Delta, Tok, and 40 Mile, would open a vast new area to mineral  
16 exploitation; and

17 WHEREAS construction of such a rail line would advance realization of  
18 the ultimate goal of a rail linkup with the Canadian rail system; and

19 WHEREAS aerial surveys have been conducted of the proposed route, but  
20 up-to-date estimates of the cost of construction of the line are needed;

21 BE IT RESOLVED by the Alaska State Legislature that the Legislative  
22 Council study

23 (1) the cost to the state of constructing a rail line from  
24 Fairbanks to Delta; and

25 (2) the cost to the state of constructing a rail line from Delta to  
26 the Ladue Valley; and be it

27 FURTHER RESOLVED that the Legislative Council report the results of this  
28 study to the First Session of the Twelfth Legislature within 10 days of the  
29 date it convenes.

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. COMMITTEE SUBSTITUTE FOR HOUSE CONCURRENT RESOLUTION NO. 35  
 Title Relating to a study of a rail line from Fairbanks to the Ladue Valley  
 Requested by Legislative Finance Date 2/4/80

II. FISCAL DETAIL  
 Agency Affected LEGISLATIVE AFFAIRS  
 Program Category Affected GENERAL GOVERNMENT  
 BRU, Program, or Subprogram(s) Affected LEGISLATIVE COUNCIL  
 (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 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

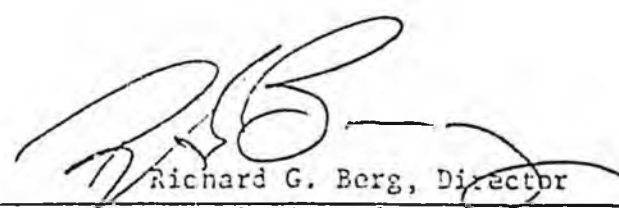
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

Assumption: Department of Transportation and Public Facilities is engaged in a study covering this subject and will continue to completion. House Research Agency will monitor to assure compliance with resolve.

IV. DATE 2/5/80 PREPARED BY  Richard G. Berg, Director  
 AGENCY Legislative Affairs Agency  
 Original: Legislative Finance PHONE 465-3850  
 cc. Budget and Management  
 Prime Sponsor (First Legislator Named)

HB-64

The purpose of this bill is almost self explanatory in that it request a study to determine what the present cost would be for the construction of the railraod extension to the Alaska Border. It requests the study to be made in two sections — the Fairbanks to Delta extension would be needed before the Delta-Ladue information. The reason for this is that there is an immediate need for this first phase to the agriculture project, Fort Greely, and the new mineral fields between Delta and Tok. We have made many strides in the past as to the feasibility of this proposed railroad but never a firm price tag study.

# *City of Delta Junction*

Box 229

*Delta Junction, Alaska 99737*

*The North End of the Alaska Highway*

## RESOLUTION 80-

WHEREAS, the extension of the Alaska Railroad to the Canadian border will enable agricultural products to be shipped more economically to market, and;

WHEREAS, the dike used as a portion of the Rail bed along the boundaries of the City of Delta Junction will protect it from erosion by the Delta River, and;

WHEREAS, the dike would eliminate the need for additional construction of protective measures, by the City of Delta Junction, and by the Army Corps of Engineers, and;

WHEREAS, construction of the Railroad Line from Fairbanks to Ladue Valley, through Delta Junction, Tok and 40 Mile, would open a vast new area to mineral exploitation, and;

WHEREAS, construction of such a Rail Line would advance realization of the ultimate goal of a rail linkup with the Canadian rail system, and;

WHEREAS, aerial surveys have been conducted of the proposed route, but up-to-date estimates of the cost of construction of the line are needed.

NOW THEREFORE BE IT RESOLVED by the city council of the Delta Junc-

tion, Alaska, that the Rail Road be extended through Delta Junction to the Canadian Border.

Elizabeth A. Leng, Mayor

Elizabeth A. Leng

Hilda Smith Councilmember

Samuel E. [unclear] Councilmember

George W. [unclear] Councilmember

Frank [unclear] Councilmember

Edward A. [unclear] Councilmember

[unclear] Councilmember

Dated this 19<sup>th</sup> day of February, 1980.

ATTEST

Estelle Schumy  
city clerk

**SENATE  
JOURNAL SUPPLEMENT**

5/15/80

Thursday

No. 37

**FISCAL NOTE**

SCS  
CS  
HCR  
35

**I. REQUEST**  
 Bill/Resolution No. SCS HCR 35 (Fin)  
 Title \_\_\_\_\_  
 Requested by Senator Hohman Date 5/14/80

**II. FISCAL DETAIL**  
 Agency Affected Legislative Council  
 Program Category Affected General Government  
 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	-0-	250 000	-0-	-0-	-0-	-0-
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	<b>-0-</b>	<b>250,000</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

**FUNDING** (Thousands of Dollars)

GENERAL FUND	-0-	250 000	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

**POSITIONS**

FULL TIME						
PART TIME						
TEMPORARY						

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

The Senate Finance Committee Substitute expands the scope of work to include cost benefit analyses of rail lines in various parts of the state. Such studies can be conducted with a total of \$250,000.

**IV. DATE** 5/14/80 **PREPARED BY** *Carl S. ...*  
**AGENCY** \_\_\_\_\_  
**PHONE** \_\_\_\_\_



# 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

3/23/90  
Date



SENATE AMENDMENT

By Senate State Affairs Committee

To: \_\_\_\_\_ SENATE BILL No. SCR 40

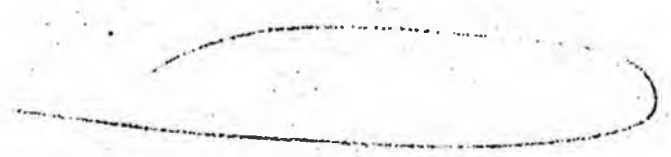
To: \_\_\_\_\_ HOUSE BILL No. \_\_\_\_\_

PAGE: 1

LINE: 28

- Delete 31 after May

Insert 15 after May



*See 14 note*

Introduced: 1/15/80  
Referred: State Affairs  
and Finance

BY THE RULES COMMITTEE BY  
REQUEST OF THE LEGISLATIVE  
COUNCIL (for the Interim  
Committee on Services for  
the Elderly)

1 IN THE SENATE

2 SENATE CONCURRENT RESOLUTION NO. 40

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 Relating to expansion of the period  
6 during which older Alaskans may  
7 travel free on the state marine  
8 highway system.

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

10 WHEREAS, since 1974, in response to House Concurrent Resolution No. 52,  
11 the state marine highway system has provided for travel on ferries by persons  
12 65 years of age and older on a space-available basis within Alaska without  
13 charge during the months of November to April, inclusive; and

14 WHEREAS this service has been used by increasing numbers of older  
15 Alaskans, permitting travel on the marine highway system at no cost while  
16 increasing the number of foot passengers and revenues from ancillary services  
17 on vessels of the system; and

18 WHEREAS the "off-season" travel months for the marine highway system  
19 overlap the free period for senior citizens by one month at each end of the  
20 fare period; and

21 WHEREAS, on the basis of records of passenger service maintained by the  
22 division of marine highways, it appears that the division could accommodate  
23 extension of the free period for older Alaskans by two months, to correspond  
24 to the dates of "off-season" schedules for the ferry system, with little or  
25 no detriment to the services provided all passengers;

26 BE IT RESOLVED that the Alaska State Legislature respectfully requests  
27 the Governor to direct the division of marine highways to expand the period  
28 during which older Alaskans may travel on vessels of the marine highway  
29 system without charge from October 1 to the following May 31 annually.

A M E N D M E N T

OFFERED IN THE SENATE:

By: Senate Finance Committee

To: \_\_\_\_\_ SENATE BILL No. SCR 40

HOUSE BILL No. \_\_\_\_\_

PAGE: 1

LINE: 28

Delete "May 31" and insert "May 1"

*W/drawn by Senator Ray*

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. Senate Concurrent Resolution No. 40 Relating to expansion of the  
 Title period during which older Alaskans may travel free on the State marine highway syst  
 Requested by Rules Committee by request of Legislative Council. Date January 15, 1980

II. FISCAL DETAIL  
 Agency Affected Department of Transportation and Public Facilities  
 Program Category Affected Marine Highway Systems  
 Budget Request Unit(s) Affected Southeast and southwest vessel operations

EXPENDITURES (Thousands of Dollars)

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

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-					
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME	-0-					
PART TIME	-0-					
TEMPORARY	-0-					

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

The extension of the period during which older Alaskans (65) may travel free on State marine highway systems' vessels would have no impact on existing operations or budget. Travel is restricted to space available after all revenue passengers are taken care of.

Administration of this program would be simplified if the period covered under this program coincided with the systems' published winter schedule (October 1 to May 1). Passenger loads are not generally heavy during the winter schedule. After May 1, each year there would be a real possibility of one of the older Alaskans being bumped from one of our vessels by a revenue paying passenger.

Records are not available to estimate the impact on revenues which would result from this change proposed by SCR 40.

IV. DATE January 21, 1980 PREPARED BY James R. Eide, Director  
 AGENCY Division of Marine Highway Systems  
 PHONE 465-3950  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

CATEGORY: TRANSPORTATION

AGENCY: TRANSPORTATION AND PUBLIC FACILITIES

PROGRAM: MARINE TRANSPORTATION

BRU (S): MARINE TRANSPORTATION

The Marine Transportation BRU is responsible for the development and operation of the water oriented segment of Alaska's transportation system. The Alaska Marine Highway System exists for the primary purpose of providing regular, dependable surface transportation to coastal communities whenever a Marine Highway is the economically feasible alternative. The Marine Transportation BRU operates a transportation network divided into two physically unconnected sub-systems. The Southeast sub-system includes coastal waterways from Skagway in the north to Seattle in the south, with connections to principle communities in Southeast Alaska and Prince Rupert, Canada. It should be noted that the Marine Highway connects with land highway routes at Prince Rupert, Seattle, Skagway and Haines; four large "mainline" vessels and three smaller "feeder" vessels service 16 communities and 55,000 to 60,000 Alaskans in this area. The Southwest sub-system includes the coastal waterways of Prince William Sound, Cook Inlet, and the Gulf of Alaska, going as far south and west as Kodiak Island. Service is provided by two vessels, one operating primarily in the Cook Inlet, Gulf of Alaska area and one which services Cordova, Valdez and Whittier. Approximately 20,000 Alaskans live in this area.

Historically, the annual maintenance and repair of the Marine Highway System's vessels has been performed in the Puget Sound area. Recently, however, the Division of Marine Transportation has developed a program where a portion of this work will be done at Alaska ports with Alaskan labor.

COMPONENT DESCRIPTION	79 AUTH	79 FINAL	79 ACT	80 AUTH	80 SUPL	80 RP	GOVERNOR
SOUTHEAST VESSEL OPERATIONS	28359.9	28553.0	28539.2	25539.7			31701.1
SOUTHEAST VESSEL OVERHAUL			2008.5	3707.3			4860.7
SOUTHEAST SHORE FACILITIES	1849.9	1886.5	1885.5	1390.9			1871.4
SOUTHWEST VESSEL OPERATIONS	5459.1	5577.7	5181.1	5346.3			6378.0
SOUTHWEST VESSEL OVERHAUL			387.9	497.1			985.1
SOUTHWEST SHORE FACILITIES	480.7	490.5	471.4	508.5			593.1
ADMINISTRATION	1480.0	1511.5	1506.4	1492.5			1779.2
ADMINISTRATION-CIP							40.3
** TOTAL	37629.6	38019.2	39980.0	38482.3			48208.9
** CHANGE VERSUS 80 AUTH							25.2%
OBJECT DESCRIPTION							
PERS. SERV.	24044.0	24272.1	24571.4	24951.0			28817.8
TRAVEL	158.4	158.4	1018.2	153.3			244.0
CONTRACTUAL	5686.7	5848.2	5530.1	5830.5			7292.8
COMMODITIES	7597.4	7597.4	8175.0	7463.4			11652.9
EQUIPMENT	143.1	143.1	685.3	81.1			201.4
FUNDING SOURCE							
GENERAL FUND	37174.3	37563.9	39678.2	38359.4			47674.4
PGM RECEIPTS	392.3	392.3	45.1	59.9			428.5
OTHER FUNDS	63.0	63.0	256.7	63.0			106.0
** GENERAL FUND CHANGE VS. 80 AUTH							24.2%
POSITIONS							
FULL-TIME	572.1	572.1	577.1	537.6			704.5
PART-TIME	138.1	138.1	138.1	151.4			172.4
TEMPORARY	34.0	34.0	34.0	29.0			
STAFF MONTHS	9555.9	9555.9	9555.9	8718.6			8449.6