

LEG. FINANCE - BILLS 1983 - 1984 1844

CSHB 151 cont. - HB 160

1844

ZONING REGULATIONS

(11) Hotels not catering to transient guests and not carrying on merchandising except that which is incidental to the operation of the hotel and for convenience of guests and where there is no exterior display of merchandise;

(12) Schools, public, parochial and private, includes colleges and universities.

(b) Accessory Uses Permitted. Accessory uses permitted are:

(1) Accessory uses customarily incidental to the principal use on the lot;

(2) Signs as provided in Section 49.25.501.

(c) Conditional Uses Permitted. The following uses may be allowed as provided in Section 49.25.600:

(1) Hospital, sanitarium, home for the aged, nursing home, convalescent home;

(2) Public utility and community facilities, such as water and sewage treatment plants, water towers and reservoirs, electrical substations, and power-generating plants, fire and police stations, all without shops, garages or storage yards;

(3) Governmental and municipal uses;

(4) Radio and television stations, transmitters and towers;

(5) Nursery schools, day nurseries, private kindergartens, and child care centers;

(6) Parking lots, commercial;

(7) Mobile home parks;

(8) A professional office or medical-dental clinics which are occupied by five or more persons;

(9) Marina;

(10) Motels (may include bar and/or restaurant), travel trailer parks and other tourist facilities;

(11) Business offices;

(12) Other uses similar to the above mentioned;

(13) Movie theaters, excluding drive-in theaters;

(14) Athletic clubs.

ZONING REGULATIONS

- (d) Dimensional Standards. Dimensional standards are:
 - (1) Minimum lot size 4,800 sq. ft.
No multifamily dwelling may locate on an existing lot of record of less than 4,800 sq. ft.;
 - (2) Minimum lot area per dwelling unit 2,400 sq. ft.
for first dwelling unit;
600 sq. ft. for each additional dwelling unit;
 - (3) Minimum width of a lot at front building line 40 ft.;
 - (4) Minimum lot depth 90 ft.;
 - (5) Maximum lot coverage 60%;
 - (6) Maximum building height 60 ft.;
 - (7) Minimum front yard setback 15 ft.;
 - (8) Minimum rear yard setback 10 ft.;
 - (9) Minimum side yard setback 5 ft.
for one story, 6 feet for two stories, 7 feet for three stories, and two additional feet of side yard for each story over three.

(e) Open Space Standard. One thousand five hundred square feet of open lot area (exclusive of vehicular driveways, maneuvering areas or parking spaces) must be provided with residential developments up to and including twenty-five living units; and twenty square feet of additional such area must be provided for each additional dwelling unit of one or more bedrooms.

(f) Off-street Parking Requirements. Off-street parking requirements are:

- (1) As provided in Section 49.25.500.

(g) Sight-obscuring Structures or Planting.

- (1) The maximum height of a sight-obscuring fence or planting located in a front yard area shall not exceed four feet.
- (2) Corner lots shall have no sight-obscuring plantings or other obstructions over three feet in height within twenty feet from the corner on the intersection; and further provided, where intersecting roads are at a different grade, no

ZONING REGULATIONS

sight-obscuring plantings or structures are permitted which interfere with sight clearance of oncoming traffic. (Serial No. 77-24 § 2 (part), 1977; Serial No. 74-04 § 5, 1974; Serial No. 71-55 § 1, 1971; GJB § 49.25.406).

49.25.407 RO (HIGH RISE RESIDENTIAL-OFFICE) DISTRICT: Purpose: This is a high density multifamily residential district which also permits limited retail, office, and other uses in no more than ten percent of the gross floor area of multifamily structures.

- (a) Principal Uses Permitted. Principal uses permitted are:
- (1) Single-family and duplex dwellings;
 - (2) Multifamily dwellings;
 - (3) Public and semipublic parks, playgrounds, swimming



Transamerica
Title Insurance Company



ANCHORAGE 99501
510 L Street
Suite 100
(907) 277-1481



FAIRBANKS 99701
36 College Road
Box 158
(907) 452-2193



JUNEAU 99801
311 Seward Street
(907) 586-1215

RE: GIERSDORF

DEPARTMENT OF NATURAL RESOURCES
POUCH M
JUNEAU, ALASKA 99811

ORDER NO. 12526

COMMITMENT FOR TITLE INSURANCE

ATTN: HILTON WOLFE

ISSUED BY

Transamerica Title Insurance Company

Transamerica Title Insurance Company, a California corporation herein called the Company, for a valuable consideration, hereby commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the proposed insured named in Schedule A, as owner or mortgagee of the estate or interest covered hereby in the land described or referred to in Schedule A, upon payment of the premiums and charges therefor; all subject to the exceptions and conditions and stipulations shown herein, the Exclusions from Coverage, the Schedule B exceptions, and the conditions and stipulations of the policy or policies requested. (See reverse side of this cover and inside of back cover for printed Exclusions from Coverage and Schedule B exceptions contained in various policy forms.)

This Commitment shall be effective only when the identity of the proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A hereof by the Company, either at the time of the issuance of this Commitment or by subsequent endorsements and is subject to the Conditions and Stipulations on the back cover.

This Commitment is preliminary to the issuance of such policy or policies of title insurance and all liability and obligations hereunder shall cease and terminate 90 days after the effective date hereof or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue such policy or policies is not the fault of the Company.

IN WITNESS WHEREOF, Transamerica Title Insurance Company has caused its corporate name and seal to be hereunto affixed by its duly authorized officers on the date shown in Schedule A.

Transamerica Title Insurance Company

Mauck Christman
AUTHORIZED SIGNATURE

By

By



President

Secretary

SCHEDULE A

1. Effective Date: DECEMBER 21, 1981 AT 8:00 A.M.

Order Number: 12526

2. Policy or Policies to be issued:

	Amount		Premium
(a-2)	(\$1,000.00) Owner's/Purchaser's Policy(Standard) tentative	\$ 150.00

Proposed Insured: DEPARTMENT OF NATURAL RESOURCES

(b-1)	(\$) Loan Policy (ALTA Loan Policy—1970)	\$
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(b-2)	(\$) Loan Policy (Alaska Standard)	\$
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\$

Proposed Insured:

(c-1)	(\$) Leasehold Policy (Alaska Standard)	\$
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Proposed Insured:

3. The estate or interest in the land described or referred to in this Commitment and covered herein is

FEE SIMPLE

4. Title to the FEE SIMPLE estate or interest in said land is at the effective date hereof vested in:

ROBERT GIERSDORF AND LORRAINE V. GIERSDORF, TENANTS BY THE ENTIRETY

5. The land referred to in this Commitment is described as follows:

LOT 8 AND PART OF LOTS 6 AND 7, BLOCK 28, TOWNSITE OF JUNEAU, AND PART OF U.S. MINERAL SURVEY 926, JUNEAU RECORDING DISTRICT, FIRST JUDICIAL DISTRICT, STATE OF ALASKA, DESCRIBED AS FOLLOWS:

BEGIN AT THE SOUTH CORNER OF SAID LOT 8, RUN THENCE NORTH 44°00' WEST ON THE SOUTHWEST LINE OF SAID LOT 8 AND EXTENSION THEREOF, 100.00 FEET; THENCE NORTH 57°52' EAST 108.00 FEET; THENCE SOUTH 32°08' EAST, 97.86 FEET TO THE SOUTHEAST LINE OF SAID LOT 7 AT A POINT 12.56 FEET FROM THE EAST CORNER; THENCE SOUTH 56°52' WEST, 87.44 FEET TO THE POINT OF BEGINNING

SCHEDULE B

II. Schedule B of the policy to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company.

A. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires for value of record the estate or interest or mortgage thereon covered by this commitment.

B. GENERAL TAXES FOR 1982, A LIEN NOT YET DUE AND PAYABLE

1. RESERVATIONS AND EXCEPTIONS AS CONTAINED IN THE U.S. PATENT

2. RIGHTS OF THE PUBLIC AND GOVERNMENTAL BODIES IN AND TO THAT PORTION OF THE ABOVE PROPERTY LYING WITHIN THE LIMITS OF THE STREET

3. DEED OF TRUST AND THE TERMS AND CONDITIONS THEREOF

TRUSTOR: ROBERT GIERSDORF AND LORRAINE V. GIERSDORF, HUSBAND AND WIFE

TRUSTEE: TITLE INSURANCE AGENCY

BENEFICIARY: NATIONAL BANK OF ALASKA

AMOUNT: \$15,000.00

DATED: JULY 11, 1977

RECORDED: JULY 29, 1977 IN BOOK 133 AT PAGE 802

4. DEED OF TRUST AND THE TERMS AND CONDITIONS THEREOF

TRUSTOR: ROBERT GIERSDORF AND LORRAINE V. GIERSDORF, HUSBAND AND WIFE

TRUSTEE: TRANSAMERICA TITLE INSURANCE COMPANY

BENEFICIARY: RUTH C. ALLMAN

AMOUNT: \$89,825.86

DATED: MAY 9, 1974

RECORDED: JUNE 20, 1974 IN BOOK 112 AT PAGE 434

NOTE: SUBORDINATION AGREEMENT AND THE TERMS AND CONDITIONS THEREOF

BY AGREEMENT DATED: DECEMBER 6, 1977

RECORDED: JUNE 24, 1979 IN BOOK 153 AT PAGE 356

THE ABOVE DEED OF TRUST WAS MADE SUBORDINATE TO THAT DEED OF TRUST SHOWN HEREIN AT PARAGRAPH 4

NOTE: THE OWNERS COVERAGE SHOWN HEREIN IS TENTATIVE AND WILL BE AMENDED WHEN THE SALES PRICE HAS BEEN DETERMINED

COMMITMENT CONDITIONS AND STIPULATIONS

1. The term mortgage, when used herein, shall include deed of trust, trust deed, or other security instrument
2. If the proposed insured has or acquires actual knowledge of any defect, lien, encumbrance, adverse claim or other matter affecting the estate or interest or mortgage thereon covered by this Commitment other than those shown in Schedule B hereof, and shall fail to disclose such knowledge to the Company in writing, the Company shall be relieved from liability for any loss or damage resulting from any act or reliance hereon to the extent the Company is prejudiced by failure to so disclose such knowledge. If the proposed Insured shall disclose such knowledge to the Company, or if the Company otherwise acquires actual knowledge of any such defect, lien, encumbrance, adverse claim or other matter, the Company at its option may amend Schedule B of this Commitment accordingly, but such amendment shall not relieve the Company from liability previously incurred pursuant to paragraph 3 of these Conditions and Stipulations.
3. Liability of the Company under this Commitment shall be only to the named proposed insured and such parties included under the definition of insured in the form of policy or policies committed for and only for actual loss incurred in reliance hereon in undertaking in good faith, (a) to comply with the requirements hereof, or (b) to eliminate exceptions shown in Schedule B, or (c) to acquire or create the estate or interest or mortgage thereon covered by this Commitment. In no event shall such liability exceed the amount stated in Schedule A for the policy or policies committed for and such liability is subject to the insuring provisions, the Conditions and Stipulations, and the Exclusions from Coverage of the form of policy or policies committed for in favor of the proposed insured which are hereby incorporated by reference and are made a part of this Commitment except as expressly modified herein.
4. Any action or actions or rights of action that the proposed insured may have or may bring against the Company arising out of the status of the title to the estate or interest or the status of the mortgage thereon covered by this Commitment must be based on and are subject to the provisions of this Commitment.

ASSUMPTIONS AND LIMITING CONDITIONS

Except where expressly stated to the contrary, the following Assumptions and Limiting Conditions are governing upon this appraisal:

- 1) No legal questions are considered in this analysis such as title, encumbrances, etc. The property is considered as if free and clear.
- 2) All dimensions and legal descriptions are assumed to be correct as found through available records or on-the-ground inspections, or the survey furnished us.
- 3) All information as found in data furnished is deemed to be reliable. If any errors are found, the right is reserved to modify the conclusions reached.
- 4) Where the value of the improvements is shown separately, the value of each is segregated as only an aid to better estimating the value of the whole; and the value shown for either may, or may not, be its correct Fair Market Value.
- 5) Only the real property, land and/or building have been valued by the appraisers. No attempt has been made to value the personal property located with the Subject property (unless specifically requested).
- 6) While various "approaches to value" and various mathematical calculations have been used in estimating value, these are but aids to the formulations of the opinion of value expressed by the appraiser in this report. In these calculations, certain arithmetical figures are rounded off to the nearest significant amount.
- 7) The data and conclusions embodied in this appraisal are a part of the whole valuation. No part of this appraisal is to be used out of context, and, by itself alone - no part of this appraisal is necessarily correct, as being only a part of the evidence upon which final judgment as to value is based.
- 8) Employment to make this appraisal does not require testimony in court, unless mutually satisfactory arrangements are made in advance.

ASSUMPTIONS AND LIMITING CONDITIONS (cont'd)

- 9) Disclosure of the contents of this report is governed by both By-laws and Regulations of the American Society of Appraisers and the Society of Real Estate Appraisers. Neither all or any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers or the firm with which he is connected or any reference to the American Society of Appraisers or the Society of Real Estate Appraisers or to the A.S.A designation) shall be disseminated to the public through advertising media, public relations media, news media, sales media or any public means of communication, without the prior written consent and approval of the author(s).

QUALIFICATIONS OF APPRAISER

JUDE A. DUVERNAY

Education:

Pasadena City College 1960-61

1962-63 completed the following courses
at Pasadena City College Extended Day:

- 1--Real Estate Principles
- 2--Real Estate Law

1963-64 completed the following courses
at East Los Angeles College Extended Day:

- 1--Real Estate Appraisals
- 2--Business Law

1973 Awarded the ASA designation as a
Senior Member of the American Society
of Appraisers

1977 Awarded the CRA designation, Cc
Certified Review Appraiser, National
Association of Review Appraisers

Attended numerous seminars on appraising
sponsored by the American Society of
Appraisers and the American Institute of
Real Estate Appraisers

Work Experience: -

1962-64 Southern California Edison Co.
Right of Way and Land Department. Duties
consisted mainly of searching public
records for comparable sales, map and
title work as well as escrows.

1964-66 J A Gallagher & Associates--Real
Estate Appraiser and Acquisition Agent.
May employment with this firm consisted
of both real estate appraising and
acquisition of rights of way.

1966-68 James Reid & Associates, George
Howarth & Associates--Independent Real
Estate Appraisers, Los, Angeles, Calif.

1968-75 Independent Real Estate Appraiser
Los, Angeles, California.

page 2 of 3
Qualifications
J A Duvernay

1975-Present Partner POMTIER, DUVERNAY
& HORAN, Real Estate Appraisers, Property
Management, Property Investment
Consultants, Juneau and Sitka Alaska

Professional
Associations:

Senior Member, American Society of
Appraisers, ASA designation; Senior
Member National Association of Review
Appraisers, CRA designation; Member
American Right of Way Association

Court Appearances:

Qualified as an expert witness in the
Superior Court of the State of Calif:
Ventura County
Los Angeles County

Master Appointments:

Appointed as Master in Superior Court, State
of Alaska, First Judicial District at
Juneau

Types of Court Actions:

Condemnation Proceedings, including Inverse
Condemnation, Domestic relations, property
damage, Board of Equalization

Properties Appraised:

Urban Residential, Single and Multiple
Family, Commercial properties--including
Retail stores and office buildings,
industrial properties, both multi-purpose
and special purpose types, service stations
economic feasibility studies, potential
subdivision lands, acquisition and right
of way appraisals, condominium projects, bot:
proposed and conversions, hospitals, ranches
restaurants, hotels, marinas and
recreational facilities and lands.

Partial List of Clients:

Catholic Diocese of Juneau
City of Wrangell
City of Skagway
City and Borough of Juneau
City and Borough of Haines
Alaska National Bank of the North
Alaska Federal Savings & Loan
B. M. Behrends Bank
First National Bank of Anchorage
First National Bank of Ketchikan
National Bank of Alaska

page 3 of 3

Qualifications
JA Duvernay

State of Alaska, Div of Veterans Affairs
State of Alaska, Div of Marine Transp.
U. S. Coast Guard, Dept of Transp.
U. S. Dept of Agriculture, Forest Service
U. S. Dept of Interior, National Park Service
U. S. Dept of Commerce, National Marine
Fisheries Service
Mattel Toys, Inc
Knudsen Corporation
Capitol Records, Inc
Pacific Telephone Company
General Telephone Company
State of Calif, Dept of Transportation
Gulf Oil Corporation
Gulf Oil Corporation of Canada
Standard Oil Company
Texaco Oil Company
Shell Oil Company
Chevron, USA

Special Projects:

Participated in the Appraisal of Caesar's
Palace Hotel and Casino, Fremont Hotel, &
Casino, Stardust Hotel and Casino at
Las Vegas, Nevada

Participated in the complete reassessment
of the City of Skagway, Alaska for tax
purposes 1977-78

Participated in the complete reassessment
of the City and Borough of Haines, Alaska
for tax purposes 1977-78

Economic Feasibility Study of proposed
residential subdivisions in the Mendenhall
Valley area of the City and Borough of
Juneau.

Economic Feasibility Study of a proposed
ski resort in the Mammoth Lakes area, State
of California

Economic Feasibility Study of proposed yacht
marina, Wilmington, California

COMMITTEE REPORT
HOUSE

(11)

FURTHER:

4/26/83

Date:

4/27/83

Mr. Speaker:

The Committee on FINANCE has had HB 156

"An Act relating to a state grain reserve program; and providing for an effective date."

under consideration and reports it back as follows:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HB 156 (1/11) same title
 new title
- and recommends do PASS
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation Zero Fiscal Note Attached
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

CHAIRMAN

Original sponsor: Shultz

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 156 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTIETH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act establishing the Alaska grain reserve program
7 and the Alaska grain reserve loan fund; and providing
8 for an effective date."

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

10 * Section 1. AS 03 is amended by adding a new chapter to read:

11 CHAPTER 12. ALASKA GRAIN RESERVE PROGRAM.

12 Sec. 03.12.010. ALASKA GRAIN RESERVE PROGRAM ESTABLISHED. The
13 Alaska grain reserve program is established in the Department of
14 Natural Resources for the purpose of assisting state grain producers
15 to develop markets for their products by making loans secured by grain
16 reserves.

17 Sec. 03.12.020. DUTIES OF THE DEPARTMENT. In carrying out the
18 purposes of this chapter the department shall

19 (1) make loans to state grain producers under the con-
20 ditions set out in this chapter;

21 (2) administer and inspect stored grain held as collateral
22 for loans made under this chapter; and

23 (3) administer the Alaska grain reserve loan fund
24 (AS 03.12.040).

25 Sec. 03.12.030. CONDITIONS ON LOANS. (a) The department may
26 make a loan to a state grain producer secured by grain grown by that
27 producer in 1983 or 1984. Grain that is used as collateral for a loan
28 made under this chapter must be graded number four or better.

29 (b) The amount of a loan made under this chapter is determined

1 by multiplying 90 percent of the United States Department of Agriculture
2 target price per ton for the type and grade of grain offered as
3 collateral by the total tonnage of the collateral.

4 (c) The interest rate on a loan made under this chapter is equal
5 to the interest rate on a loan made under AS 03.10.030(a).

6 (d) Grain that is held as collateral for a loan made under this
7 chapter shall be stored in a storage facility approved by the department.
8 The borrower may provide storage for the grain if the department
9 determines that the storage provided by the borrower will adequately
10 protect the department's interest in the grain. The department
11 may inspect a storage facility provided by a borrower at any time
12 and shall adopt regulations setting standards for storage facilities.
13 Storage costs shall be paid to the borrower by the department during
14 the term of the loan at the United States Department of Agriculture
15 grain reserve loan storage rate.

16 (e) A borrower may not remove, sell, or otherwise dispose of
17 grain held as collateral for a loan under this chapter without the
18 consent of the department. All proceeds from the sale of collateral,
19 up to an amount equal to the value originally assigned to that collateral
20 under (b) of this section, plus accrued interest on the portion
21 of the loan secured by that collateral, shall be applied to the
22 outstanding balance of the loan.

23 (f) A loan made under this chapter shall be for a term that may
24 not exceed three years. The borrower shall make annual payments of
25 accrued interest during the term of the loan.

26 (g) In this section references to grain grading standards,
27 target prices, volume or weight calculations and inspection standards,
28 indicate standards, prices, or calculations that are in accordance
29 with applicable United States Department of Agriculture standards.

1 (h) A loan may not be made under this chapter to a producer that
2 is eligible to participate in federal grain reserve loan programs.

3 Sec. 03.12.040. ALASKA GRAIN RESERVE LOAN FUND. The Alaska
4 grain reserve loan fund is established in the department for the
5 purpose of financing loans made under this chapter. The fund consists
6 of appropriations made to it by the legislature.

7 Sec. 03.12.050. ADMINISTRATION OF FUND. The commissioner shall
8 administer the fund in conjunction with the agricultural loan fund
9 board established under AS 03.10.050. A loan in excess of \$25,000 may
10 not be made by the commissioner without the approval of the board.

11 Sec. 03.12.060. REGULATIONS. The department shall adopt regula-
12 tions to carry out the purposes of this chapter.

13 Sec. 03.12.070. ADMINISTRATIVE PROCEDURE ACT. In carrying out
14 the provisions of this chapter the department is subject to the Admin-
15 istrative Procedure Act (AS 44.62).

16 Sec. 03.12.200. DEFINITIONS. In this chapter

17 (1) "commissioner" means the commissioner of natural re-
18 sources;

19 (2) "department" means the Department of Natural Resources;

20 (3) "fund" means the Alaska grain reserve loan fund; and

21 (4) "grain" means barley, wheat or oats.

22 * Sec. 2. AS 44.62.330(a) is amended by adding a new paragraph to read:

23 (52) Department of Natural Resources concerning the Alaska
24 grain reserve program (AS 03.12).

25 * Sec. 3. The Alaska grain reserve program and the Alaska grain reserve
26 loan fund established in sec. 1 of this Act terminate January 1, 1988. All
27 money and other assets of the Alaska grain reserve program and all money
28 and other assets in the Alaska grain reserve loan fund, as of January 1,
29 1988, shall be transferred to the general fund on that date. The

1 Department of Natural Resources shall collect loan payments on grain re-
2 serve loans that are outstanding on January 1, 1988 and shall transfer
3 those payments into the general fund.

4 * Sec. 4. AS 03.12 is repealed.

5 * Sec. 5. Section 4 of this Act takes effect January 1, 1988.

6 * Sec. 6. Sections 1 - 3 of this Act takes effect immediately in accor-
7 dence with AS 01.10.070(c).

THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS HB 156 (Loans)
 Title An Act establishing the Ak. Grain Reserve Loan Program
 Requested by House Finance Committee Date 4/27/83

II. FISCAL DETAIL

Agency Affected Department of Natural Resources
 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 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		0				

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

0

FULL TIME						
PART TIME						
TEMPORARY						

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

The reappropriation contained in CS HB 271 (Loans) includes ample funding to pay for the operational expenses of this program.

IV. DATE 4/27/83 PREPARED BY Al Adams, Chair *RPA*
 AGENCY House Finance Committee
 PHONE 465-3706
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/82)

The following individuals are expected to testify on CS HB 156 (Loans) and CS HB 271 (Loans):

Representative Dick Shultz, prime sponsor

Representative Pappy Moss may testify

Sharon Barton, Special Assistant to the Commissioner, Department of Natural Resources

STATE OF ALASKA
FISCAL NOTE

Revision Date , 1983

I. REQUEST

Bill/Resolution No.: CSHB 156 (Loans)
Title: State Grain Reserve Program
Sponsor: Schultz
Requestor: Loans Committee

II. FISCAL DETAIL

Agency Affected: Natural Resources
Program Category Affected:
BRU, Program of Subprogram(s) Affected:

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES		45.0	47.7	50.6		
200 TRAVEL		3.0	3.2	3.4		
300 CONTRACTUAL		3.6	3.8	4.0		
400 COMMODITIES		1.0	1.1	1.2		
500 EQUIPMENT		15.0	--	--		
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING		67.6	55.8	59.2		
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		67.6	55.8	59.2		
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

FULL-TIME		1	1	1		
PART-TIME						
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

CS. SB 170(Res) appropriates funding for operating and capital costs by reallocating \$1.6 million from the Delta II West grain elevator appropriation.

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Sharon Barton Phone: 465-2400
Division: Commissioner's Office Date: 4/25/83

Approved by Commissioner: *Mary Halloran* Date: 4/25/83
Department: Natural Resources

Distribution:

Original to Legislative Finance
Copy to Office of Management and Budget (for Legislature introduced bills)
Copy to Department (for Governor introduced bills)
Copy to Sponsor

CS HB 156 (Loans) analysis:

Equipment costs are explained in the attached sheet. Personal services costs cover inspection requirements and program administration costs. As the official grain inspection agency in Alaska, the Division of Agriculture would be required to furnish personnel and facilities on a statewide basis throughout the year as grain moves to and from the reserve.

MEMORANDUM

State of Alaska

DEPARTMENT OF NATURAL RESOURCES - DIVISION OF AGRICULTURE

TO: Sharon Barton
Special Assistant

DATE: February 10, 1983

FILE NO:

TELEPHONE NO:

FROM: Ed Kern *EJK*
Development Specialist

SUBJECT: Grain Grading
Station Equipment

Carter Day Dockage Tester (FOB Minneapolis, Minn)	\$ 3,744.00
Barley riddle and sieves	216.00
Wheat riddle and sieves	152.00
Burrows (FOB Illinois)	
Boerner divider	595.00
Extension kit	119.00
Barley sieve kit	90.50
Filling hopper and stand	198.00
Boerner weight per bu apparatus (print-out)	1,750.00
Shadow graph scales	928.00
Armstrong scales	610.00
Gram scales	111.50
Laboratory torsion balance scale	470.00
Weight set	137.00
Sieve shaker	795.00
Motomco moisture meter	640.00
Barley pearler	350.00
Miscellaneous (piks, lights, pewter dishers, magnifying glass, etc.)	750.00
	<hr/>
Equipment costs	\$11,656.00
Set-up & freight estimate	3,344.00
	<hr/>
Total	\$15,000.00

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: HB 156 No. 2 Date on Bill: 2/2/83
 Title: State Grain Reserve Prog
 Sponsor: Shultz
 Requestor: _____

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86
Capital				
Operating		67.6	52.6	53.6
Total		67.6	52.6	53.6

b. Revenues:

Revenue	FY 83	FY 84	FY 85	FY 86

2. Source of funds to offset fiscal impact of bill:

3. Assumptions:

As the official grain inspection agency in Alaska, the Division of Agriculture would be required by this bill to provide personnel and facilities to carry out the inspection function on a statewide basis as grain moves to and from the reserve. This fiscal note covers one grain inspector and equipment as listed on the attachment.

4. Disclaimer:

This statement has not been reviewed by the OMB in the Office of the Governor. It therefore does not represent the final estimate of fiscal impact.

Prepared By: Ed Kern
 Division: Agriculture

Phone: 376-3276
 Date: _____

Approved by Commissioner: Maurice J. ...
 Department: Natural Resources

Date: 2/2/83

5. Distribution:

- Original to Legislative Finance
- Copy to OMB
- Copy to Sponsor
- Copy to Requestor

2/15/83

THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. CS HB 156 (Loans)
 Title An Act establishing the Ak. Grain Reserve Loan Program .
 Requested by House Finance Committee Date 4/27/83

II. FISCAL DETAIL
 Agency Affected Department of Natural Resources
 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 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		0				

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

0

FULL TIME						
PART TIME						
TEMPORARY						

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

The reappropriation contained in CS HB 271 (Loans) includes ample funding to pay for the operational expenses of this program.

IV. DATE 4/27/83 PREPARED BY Al Adams, Chair *APA*
 AGENCY House Finance Committee
 Original: Legislative Finance PHONE 465-3706
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

STATE OF ALASKA
THE LEGISLATURE

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


LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 26, 1983

SUBJECT: Grain reserve program/fund
[CSHB 156 (Loans)]

TO: Representative Rick Uehling
Chairman, House Special Committee on Loans

FROM: Richard A. Bradley 
Legislative Counsel

You have requested a sectional analysis of the above described bill.

As a preliminary matter, I must advise you that a sectional analysis or summary of a bill should not be considered an authoritative interpretation of the bill; the bill itself is the best statement of its contents. For a full explanation of any point, please consult the bill itself; if you would like an interpretation of the bill as it may apply to a particular set of circumstances, please address a specific request to this office.

Sec. 1 adds a new chapter, AS 03.12, Alaska Grain Reserve Program.

Sec. 10 is an introductory section: it establishes the program in the Department of Natural Resources and states a purpose.

Sec. 20 establishes the duties of the Department of Natural Resources. It directs the department to make loans under the law, to administer and inspect stored grain held as collateral for loans, and to administer the fund established under AS 03.12.040.

Sec. 30 establishes conditions on loans.

Sec. 30(a) provides that the department may make a loan to a state grain producer secured by grain grown by that producer

Representative Rick Uehling

Page 2

April 26, 1983

during 1983 and 1984. To be used as collateral, the grain must be graded as "number four" or better.

Sec. 30(b) provides that the amount of a loan is determined "by multiplying 90 percent of the United States Department of Agriculture target price per ton for the type and grade of grain offered as collateral by the total tonnage of the collateral."

Sec. 30(c) establishes the interest rate on a loan as the interest rate established under AS 03.10.030(a); that section provides:

Sec. 03.10.030. LIMITATIONS ON LOANS. (a) A farm development, chattel, or irrigation loan made under this chapter

* * *

(4) shall bear interest at a rate that may not be less than eight percent or more than the commercial rate, unless the commercial rate is eight percent or less; in this paragraph "commercial rate" means the prevailing rate of interest at private lending institutions in the state for loans similar to those referred to in this subsection.

Sec. 30(d) relates to the storage of the grain. The department is required to approve a storage facility where grain held as collateral is stored. The borrower may provide the storage if the department is satisfied with the arrangement. The department may inspect a storage facility at any time. Storage costs shall be paid to the borrower by the department during the term of the loan at a rate established by the U.S. Department of Agriculture.

Sec. 30(e) provides that a borrower may not remove, sell, or otherwise dispose of grain held as collateral for a loan without the consent of the Department of Natural Resources. The proceeds from the sale of grain held as collateral, "up to an amount equal to the value originally assigned to that collateral under (a) of this section" plus accrued interest shall be applied to the outstanding balance.

Sec. 30(f) limits the term of a loan to three years. Annual interest payments shall be made during the term of the loan.

Representative Rick Uehling

Page 3

April 26, 1983

Sec. 30(g) ties references to "grain grading standards, target prices, volume or weight calculations and inspection standards" to standards, prices, and calculations that are in accordance with applicable U.S. Department of Agriculture standards.

Sec. 40 establishes the Alaska Grain Reserve Loan Fund. The fund consists of appropriations made by the legislature.

Sec. 50 provides that the commissioner will administer the fund "in conjunction with the agricultural loan fund board established under AS 03.10.050 and a loan may not be made by the commissioner in excess of \$25,000 without the approval of the board. AS 03.10.050 provides:

Sec. 03.10.050. ADMINISTRATION OF FUND. (a) The commissioner shall administer the loan fund in conjunction with the agricultural revolving loan fund board. No loan in excess of \$25,000 may be made by the commissioner without the approval of a majority of the board.

(b) The board is composed of five members appointed by the governor and confirmed by the legislature in joint session. Three members shall be persons with background and experience in Alaska agriculture. Members of the board serve for overlapping three-year terms. Members of the board are not entitled to receive compensation for their services, but shall receive the same travel pay and per diem as provided by law for boards and commissions.

(c) A meeting of the agricultural revolving loan fund board to act on applications for loans is exempt from the public meeting requirements of AS 44.62.310.

Sec. 60 permits the department to adopt regulations.

Sec. 70 provides that the department will follow the Administrative Procedures Act (AS 44.62) in implementing the Act.

Sec. 200 establishes definitions. The only significant definition is that of "grain:" it means "barley, wheat, or oats."

Sec. 2 of the bill establishes an amendment to AS 44.-62.330(a). It makes clear that the Department of Natural

Representative Rick Uehling

Page 4

April 26, 1983

Resources is governed by the Administrative Procedure Act, particularly its provisions of administrative adjudication [AS 44.62.330 et seq.] in implementing the grain reserve program.

Sec. 3 of the bill terminates the program and the fund January 1, 1988. The money and other assets of the program and the fund are transferred to the general fund on that date. If loans are outstanding as of that date, the Department of Natural Resources shall undertake to collect them and deposit the payments to the general fund.

Sec. 4 of the bill repeals AS 03.12 (the provisions established in sec. 1).

Sec. 5 provides that sec. 4 takes effect January 1, 1988, thus implementing sec. 3.

Sec. 6 provides that secs. 1 - 3 of the bill take effect immediately. This effective date thus puts the program enacted in sec. 1 (AS 03.12), the APA amendment added in sec. 2, and the termination provisions in effect immediately. Sections 4 - 6 take effect by operation of law 90 days after enactment but are not, of course, needed until January 1, 1988.

If I may be of further assistance, please advise.

RAB:ljb
16/018

CASELOAD

The communities of Valdez, Glenallen and Cordova are presently served by a single District Court Judge, located in Valdez, and by traveling Superior Court judges from Anchorage.

The following represents the FY 81-82 caseload: (AK Court System Annual Report)

	Valdez	Glenallen	Cordova	TOTAL
FELONIES	11	34	12	= 57
MISD.	196	297	163	= 656
OTHER CRIMES	0	1	5	= 6
TRAFFIC	569	249	474	= 1,292
SM. CLAIMS	118	63	224	= 405
OTHER CIV.	<u>103</u>	<u>54</u>	<u>21</u>	= <u>198</u>
TOTAL:	997	698	899	= 2,594

1/1/83 - 3/31/83 Valdez alone took on 18 felony, 57 small claim, and 20 civil case filings.

The following represents the FY 81-82 caseload for communities now being served individually by a Superior Court judge.

	Petersburg/Wrangl	Barrow	Nome	Kotzebue/Bethel
FELONIES	38	62	17	31
MISD.	421	425	443	640
OTHER CRIMES	12	4	126	9
TRAFFIC	453	3	211	2
SM. CLAIMS	94	104	81	119
OTHER CIV.	<u>41</u>	<u>14</u>	<u>17</u>	<u>3</u>
TOTAL:	1,059	612	895	804

HB 156

WHD

Amendment # _____

Thoro FT

CS HB 156 Leaves

line 27
page 3

delete: general fund

Add: "Division of Agriculture for
the development of future
grain markets"

Introduced: 2/2/83
Referred: Resources, House Special
Committee on State Loans and Finance

1 IN THE HOUSE

BY SHULTZ

2

HOUSE BILL NO. 156

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to a state grain reserve program;
7 and providing for an effective date."

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

9 * Section 1. AS 44.33 is amended by adding a new section to read:

10 Sec. 44.33.480. STATE GRAIN RESERVE PROGRAM. (a) The council
11 shall administer the state grain reserve program under this section.

12 (b) When grain is harvested in the state, graded as number three
13 or better according to the standards of the United States Department
14 of Agriculture, and placed in a storage facility approved by the
15 council, the owner of the grain may use the grain as collateral for a
16 loan from the council under (c) of this section. The owner of grain
17 placed in a storage facility approved by the council who has received
18 a loan under this section may not remove grain used as collateral from
19 the approved storage facility without the approval of the council.

20 (c) The amount of the loan shall be an amount not in excess of
21 the United States target price for the particular grain times 90
22 percent of the total number of bushels of grain offered as collateral.
23 The loan shall bear interest at eight percent a year.

24 (d) As used in this section, "grain" means barley, wheat, and
25 oats.

26 * Sec. 2. This Act takes effect July 1, 1983.

Offered: 4/29/83
Referred: Rules

Original sponsor: Shultz

1 IN THE HOUSE BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 156 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act establishing the Alaska grain reserve program
7 and the Alaska grain reserve loan fund; and providing
8 for an effective date."

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

10 * Section 1. AS 03 is amended by adding a new chapter to read:

11 CHAPTER 12. ALASKA GRAIN RESERVE PROGRAM.

12 Sec. 03.12.010. ALASKA GRAIN RESERVE PROGRAM ESTABLISHED. The
13 Alaska grain reserve program is established in the Department of
14 Natural Resources for the purpose of assisting state grain producers
15 to develop markets for their products by making loans secured by grain
16 reserves.

17 Sec. 03.12.020. DUTIES OF THE DEPARTMENT. In carrying out the
18 purposes of this chapter the department shall

19 (1) make loans to state grain producers under the con-
20 ditions set out in this chapter;

21 (2) administer and inspect stored grain held as collateral
22 for loans made under this chapter; and

23 (3) administer the Alaska grain reserve loan fund
24 (AS 03.12.040).

25 Sec. 03.12.030. CONDITIONS ON LOANS. (a) The department may
26 make a loan to a state grain producer secured by grain grown by that
27 producer in 1983 or 1984. Grain that is used as collateral for a loan
28 made under this chapter must be graded number four or better.

29 (b) The amount of a loan made under this chapter is determined

1 by multiplying 90 percent of the United States Department of Agricul-
2 ture target price per ton for the type and grade of grain offered as
3 collateral by the total tonnage of the collateral.

4 (c) The interest rate on a loan made under this chapter is equal
5 to the interest rate on a loan made under AS 03.10.030(a).

6 (d) Grain that is held as collateral for a loan made under this
7 chapter shall be stored in a storage facility approved by the depart-
8 ment. The borrower may provide storage for the grain if the depart-
9 ment determines that the storage provided by the borrower will ade-
10 quately protect the department's interest in the grain. The depart-
11 ment may inspect a storage facility provided by a borrower at any time
12 and shall adopt regulations setting standards for storage facilities.
13 Storage costs shall be paid to the borrower by the department during
14 the term of the loan at the United States Department of Agriculture
15 grain reserve loan storage rate.

16 (e) A borrower may not remove, sell, or otherwise dispose of
17 grain held as collateral for a loan under this chapter without the
18 consent of the department. All proceeds from the sale of collateral,
19 up to an amount equal to the value originally assigned to that col-
20 lateral under (b) of this section, plus accrued interest on the por-
21 tion of the loan secured by that collateral, shall be applied to the
22 outstanding balance of the loan.

23 (f) A loan made under this chapter shall be for a term that may
24 not exceed three years. The borrower shall make annual payments of
25 accrued interest during the term of the loan.

26 (g) In this section references to grain grading standards,
27 target prices, volume or weight calculations and inspection standards,
28 indicate standards, prices, or calculations that are in accordance
29 with applicable United States Department of Agriculture standards.

1 (h) A loan may not be made under this chapter to a producer that
2 is eligible to participate in federal grain reserve loan programs.

3 Sec. 03.12.040. ALASKA GRAIN RESERVE LOAN FUND. The Alaska
4 grain reserve loan fund is established in the department for the
5 purpose of financing loans made under this chapter. The fund consists
6 of appropriations made to it by the legislature.

7 Sec. 03.12.050. ADMINISTRATION OF FUND. The commissioner shall
8 administer the fund in conjunction with the agricultural loan fund
9 board established under AS 03.10.050. A loan in excess of \$25,000 may
10 not be made by the commissioner without the approval of the board.

11 Sec. 03.12.060. REGULATIONS. The department shall adopt regula-
12 tions to carry out the purposes of this chapter.

13 Sec. 03.12.070. ADMINISTRATIVE PROCEDURE ACT. In carrying out
14 the provisions of this chapter the department is subject to the Admin-
15 istrative Procedure Act (AS 44.62).

16 Sec. 03.12.200. DEFINITIONS. In this chapter

17 (1) "commissioner" means the commissioner of natural re-
18 sources;

19 (2) "department" means the Department of Natural Resources;

20 (3) "fund" means the Alaska grain reserve loan fund; and

21 (4) "grain" means barley, wheat or oats.

22 * Sec. 2.. AS 44.62.330(a) is amended by adding a new paragraph to read:

23 (52) Department of Natural Resources concerning the Alaska
24 grain reserve program (AS 03.12).

25 * Sec. 3. The Alaska grain reserve program and the Alaska grain reserve
26 loan fund established in sec. 1 of this Act terminate January 1, 1988. All
27 money and other assets of the Alaska grain reserve program and all money
28 and other assets in the Alaska grain reserve loan fund, as of January 1,
29 1988, shall be transferred to the general fund on that date. The

1 Department of Natural Resources shall collect loan payments on grain re-
2 serve loans that are outstanding on January 1, 1988 and shall transfer
3 those payments into the general fund.

4 * Sec. 4. AS 03.12 is repealed.

5 * Sec. 5. Section 4 of this Act takes effect January 1, 1988.

6 * Sec. 6. Sections 1 - 3 of this Act takes effect immediately in accor-
7 dance with AS 01.10.070(c).

Offered: 4/29/83
Referred: Rules

Original sponsor: Shultz

1 IN THE HOUSE BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 156 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act establishing the Alaska grain reserve program
7 and the Alaska grain reserve loan fund; and providing
8 for an effective date."

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

10 * Section 1. AS 03 is amended by adding a new chapter to read:

11 CHAPTER 12. ALASKA GRAIN RESERVE PROGRAM.

12 Sec. 03.12.010. ALASKA GRAIN RESERVE PROGRAM ESTABLISHED. The
13 Alaska grain reserve program is established in the Department of
14 Natural Resources for the purpose of assisting state grain producers
15 to develop markets for their products by making loans secured by grain
16 reserves.

17 Sec. 03.12.020. DUTIES OF THE DEPARTMENT. In carrying out the
18 purposes of this chapter the department shall

19 (1) make loans to state grain producers under the con-
20 ditions set out in this chapter;

21 (2) administer and inspect stored grain held as collateral
22 for loans made under this chapter; and

23 (3) administer the Alaska grain reserve loan fund
24 (AS 03.12.040).

25 Sec. 03.12.030. CONDITIONS ON LOANS. (a) The department may
26 make a loan to a state grain producer secured by grain grown by that
27 producer in 1983 or 1984. Grain that is used as collateral for a loan
28 made under this chapter must be graded number four or better.

29 (b) The amount of a loan made under this chapter is determined

1 by multiplying 90 percent of the United States Department of Agricul-
2 ture target price per ton for the type and grade of grain offered as
3 collateral by the total tonnage of the collateral.

4 (c) The interest rate on a loan made under this chapter is equal
5 to the interest rate on a loan made under AS 03.10.030(a).

6 (d) Grain that is held as collateral for a loan made under this
7 chapter shall be stored in a storage facility approved by the depart-
8 ment. The borrower may provide storage for the grain if the depart-
9 ment determines that the storage provided by the borrower will ade-
10 quately protect the department's interest in the grain. The depart-
11 ment may inspect a storage facility provided by a borrower at any time
12 and shall adopt regulations setting standards for storage facilities.
13 Storage costs shall be paid to the borrower by the department during
14 the term of the loan at the United States Department of Agriculture
15 grain reserve loan storage rate.

16 (e) A borrower may not remove, sell, or otherwise dispose of
17 grain held as collateral for a loan under this chapter without the
18 consent of the department. All proceeds from the sale of collateral,
19 up to an amount equal to the value originally assigned to that col-
20 lateral under (b) of this section, plus accrued interest on the por-
21 tion of the loan secured by that collateral, shall be applied to the
22 outstanding balance of the loan.

23 (f) A loan made under this chapter shall be for a term that may
24 not exceed three years. The borrower shall make annual payments of
25 accrued interest during the term of the loan.

26 (g) In this section references to grain grading standards,
27 target prices, volume or weight calculations and inspection standards,
28 indicate standards, prices, or calculations that are in accordance
29 with applicable United States Department of Agriculture standards.

1 (h) A loan may not be made under this chapter to a producer that
2 is eligible to participate in federal grain reserve loan programs.

3 Sec. 03.12.040. ALASKA GRAIN RESERVE LOAN FUND. The Alaska
4 grain reserve loan fund is established in the department for the
5 purpose of financing loans made under this chapter. The fund consists
6 of appropriations made to it by the legislature.

7 Sec. 03.12.050. ADMINISTRATION OF FUND. The commissioner shall
8 administer the fund in conjunction with the agricultural loan fund
9 board established under AS 03.10.050. A loan in excess of \$25,000 may
10 not be made by the commissioner without the approval of the board.

11 Sec. 03.12.060. REGULATIONS. The department shall adopt regula-
12 tions to carry out the purposes of this chapter.

13 Sec. 03.12.070. ADMINISTRATIVE PROCEDURE ACT. In carrying out
14 the provisions of this chapter the department is subject to the Admin-
15 istrative Procedure Act (AS 44.62).

16 Sec. 03.12.200. DEFINITIONS. In this chapter

17 (1) "commissioner" means the commissioner of natural re-
18 sources;

19 (2) "department" means the Department of Natural Resources;

20 (3) "fund" means the Alaska grain reserve loan fund; and

21 (4) "grain" means barley, wheat or oats.

22 * Sec. 2. AS 44.62.330(a) is amended by adding a new paragraph to read:

23 (52) Department of Natural Resources concerning the Alaska
24 grain reserve program (AS 03.12).

25 * Sec. 3. The Alaska grain reserve program and the Alaska grain reserve
26 loan fund established in sec. 1 of this Act terminate January 1, 1988. All
27 money and other assets of the Alaska grain reserve program and all money
28 and other assets in the Alaska grain reserve loan fund, as of January 1,
29 1988, shall be transferred to the general fund on that date. The

1 Department of Natural Resources shall collect loan payments on grain re-
2 serve loans that are outstanding on January 1, 1988 and shall transfer
3 those payments into the general fund.

4 * Sec. 4. AS 03.12 is repealed.

5 * Sec. 5. Section 4 of this Act takes effect January 1, 1988.

6 * Sec. 6. Sections 1 - 3 of this Act takes effect immediately in accor-
7 dance with AS 01.10.070(c).

STATE OF ALASKA
FISCAL NOTE

Revision Date , 1983

I. REQUEST

Bill/Resolution No.: CSHB 156 (Loans)
 Title: State Grain Reserve Program
 Sponsor: Schultz
 Requestor: Loans Committee

II. FISCAL DETAIL

Agency Affected: Natural Resources
 Program Category Affected:
 BRU, Program of Subprogram(s) Affected:

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES		45.0	47.7	50.6		
200 TRAVEL		3.0	3.2	3.4		
300 CONTRACTUAL		3.6	3.8	4.0		
400 COMMODITIES		1.0	1.1	1.2		
500 EQUIPMENT		15.0	--	--		
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING		67.6	55.8	59.2		
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		67.6	55.8	59.2		
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

FULL-TIME		1	1	1		
PART-TIME						
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

CS, SB 170(Res) appropriates funding for operating and capital costs by reallocating \$1.6 million from the Delta II West grain elevator appropriation.

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Sharon Barton Phone: 465-2400
 Division: Commissioner's Office Date: 4/25/83
 Approved by Commissioner: *Mary Halderson* Date: 4/25/83
 Department: Natural Resources

Distribution:

Original to Legislative Finance
 Copy to Office of Management and Budget (for Legislature introduced bills)
 Copy to Department (for Governor introduced bills)
 Copy to Sponsor

CS HB 156 (Loans) analysis:

Equipment costs are explained in the attached sheet. Personal services costs cover inspection requirements and program administration costs. As the official grain inspection agency in Alaska, the Division of Agriculture would be required to furnish personnel and facilities on a statewide basis throughout the year as grain moves to and from the reserve.

MEMORANDUM

State of Alaska

DEPARTMENT OF NATURAL RESOURCES - DIVISION OF AGRICULTURE

TO: Sharon Barton
Special Assistant

DATE: February 10, 1983

FILE NO:

TELEPHONE NO:

FROM: Ed Kero 
Development Specialist

SUBJECT: Grain Grading
Station Equipment

Carter Day Dockage Tester (FOB Minneapolis, Minn)	\$ 3,744.00
Barley riddle and sieves	216.00
Wheat riddle and sieves	152.00
Burrows (FOB Illinois)	
Boerner divider	595.00
Extension kit	119.00
Barley sieve kit	90.50
Filling hopper and stand	198.00
Boerner weight per bu apparatus (print-out)	1,750.00
Shadow graph scales	928.00
Armstrong scales	610.00
Gram scales	111.50
Laboratory torsion balance scale	470.00
Weight set	137.00
Sieve shaker	795.00
Motomco moisture meter	640.00
Barley pearler	350.00
Miscellaneous (piks, lights, pewter dishers, magnifying glass, etc.)	750.00
	<hr/>
Equipment costs	\$11,656.00
Set-up & freight estimate	3,344.00
	<hr/>
Total	\$15,000.00

THE LEGISLATURE OF THE STATE OF ALASKA
THIRTIETH LEGISLATURE

R/E

*Al
4/29*

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS HB 156 (Loans)
Title An Act establishing the Ak. Grain Reserve Loan Program
Requested by House Finance Committee Date 4/27/83

II. FISCAL DETAIL

Agency Affected Department of Natural Resources
Program Category Affected _____
ERU, 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 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		0				

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

0

FULL TIME						
PART TIME						
TEMPORARY						

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

The reappropriation contained in CS HB 271 (Loans) includes ample funding to pay for the operational expenses of this program.

IV. DATE 4/27/83 PREPARED BY Al Adams, Chair
AGENCY House Finance Committee

RPA

A/B

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: HB 156 No. 1 Page 1 of 2 Date on Bill: 2/02/83
Title: An Act relating to a state grain reserve program
Sponsor: Shultz
Requestor: _____

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86
Capital		1980.0	3960.0	5940.0
Operating		4	6	7
Total		1980.4	3960.6	5940.7

b. Revenues:

Revenue		2138.4	4276.8	6415.2
---------	--	--------	--------	--------

2. Source of funds to offset fiscal impact of bill:

Repayment of loans plus interest at 8% per annum.

3. Assumptions:

FY 84 - 20,000 tons of barley harvested and stored; 30 farms
FY 85 - 40,000 tons of barley harvested and stored; 40 farms
FY 86 - 60,000 tons of barley harvested and stored; 50 farms

Loan interest assumes term of one year.

4. Disclaimer:

This statement has not been reviewed by the OMB in the Office of the Governor. It therefore does not represent the final estimate of fiscal impact.

Prepared By: Rep. Dick Shultz Phone: 465-4940
Division: House Resources Date: 2/28/83

Approved by Commissioner: _____ Date: _____
Department: _____

5. Distribution:

Original to Legislative Finance
Copy to OMB
Copy to Sponsor
Copy to Requestor

2/15/83

HB 156 - Grain Reserve

No. 1 Page 2 of 2

	<u>Capital</u>	<u>Operating</u>	
FY 84	\$1,980,000	\$420	20,000 tons at \$110/ton; 90% Loan processing, 30 loans (ASDS \$10 application, plus \$4/bin, avg. 4 bins)
FY 85	\$3,960,000	\$560	40,000 tons at \$110/ton; 90% Loan processing, 40 loans
FY 86	\$5,940,000	\$700	60,000 tons at \$110/ton; 90% Loan processing; 50 loans

Revenues

	<u>Principle</u>	<u>Interest</u>	<u>Total</u>
FY 84	\$1,980,000	158,400	\$2,138,400
FY 85	\$3,960,000	316,800	\$4,276,800
FY 86	\$5,940,000	475,200	\$6,415,200

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: HB 156 No. 2 Date on Bill: 2/2/83

Title: State Grain Reserve Prog

Sponsor: Chulka

Requestor: _____

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86
Capital				
Operative		67.6	52.6	52.6
Total		67.6	52.6	52.6

b. Revenues:

Revenue				
---------	--	--	--	--

2. Source of funds to offset fiscal impact of bill:

3. Assumptions:

As the official grain inspection agency in Alaska, the Division of Agriculture would be required by this bill to provide personnel and facilities to carry out the inspection function on a statewide basis as grain moves to and from the reserve. This fiscal note covers one grain inspector and equipment as listed on the attachment.

4. Disclaimer:

This statement has not been reviewed by the OMB in the Office of the Governor. It therefore does not represent the final estimate of fiscal impact.

Prepared By: Ed Kern Phone: 376-2276
Division: Agriculture Date: _____

Approved by Commissioner: Maurice O'Brien Date: 2/28/83
Department: Natural Resources

5. Distribution:

Original to Legislative Finance
Copy to OMB
Copy to Sponsor
Copy to Requestor

2/15/83

CASELOAD

The communities of Valdez, Glenallen and Cordova are presently served by a single District Court Judge, located in Valdez, and by traveling Superior Court judges from Anchorage.

The following represents the FY 81-82 caseload: (AK Court System Annual Report)

	Valdez	Glenallen	Cordova	TOTAL
FELONIES	11	34	12	= 57
MISD.	196	297	163	= 656
OTHER CRIMES	0	1	5	= 6
TRAFFIC	569	249	474	= 1,292
SM. CLAIMS	118	63	224	= 405
OTHER CIV.	<u>103</u>	<u>54</u>	<u>21</u>	= <u>198</u>
TOTAL:	997	698	899	= 2,594

1/1/83 - 3/31/83 Valdez alone took on 18 felony, 57 small claim, and 20 civil case filings.

The following represents the FY 81-82 caseload for communities now being served individually by a Superior Court judge.

	Petersburg/Wrngl	Barrow	Nome	Kotzebue/Bethel
FELONIES	38	62	17	31
MISD.	421	425	443	640
OTHER CRIMES	12	4	126	9
TRAFFIC	453	3	211	2
SM. CLAIMS	94	104	81	119
OTHER CIV.	<u>41</u>	<u>14</u>	<u>17</u>	<u>3</u>
TOTAL:	1,059	612	895	804

STATE OF ALASKA
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 26, 1983

SUBJECT: Grain reserve program/fund
[CSHB 156 (Loans)]

TO: Representative Rick Uehling
Chairman, House Special Committee on Loans

FROM: Richard A. Bradley
Legislative Counsel *B*

You have requested a sectional analysis of the above described bill.

As a preliminary matter, I must advise you that a sectional analysis or summary of a bill should not be considered an authoritative interpretation of the bill; the bill itself is the best statement of its contents. For a full explanation of any point, please consult the bill itself; if you would like an interpretation of the bill as it may apply to a particular set of circumstances, please address a specific request to this office.

Sec. 1 adds a new chapter, AS 03.12, Alaska Grain Reserve Program.

Sec. 10 is an introductory section: it establishes the program in the Department of Natural Resources and states a purpose.

Sec. 20 establishes the duties of the Department of Natural Resources. It directs the department to make loans under the law, to administer and inspect stored grain held as collateral for loans, and to administer the fund established under AS 03.12.040.

Sec. 30 establishes conditions on loans.

Sec. 30(a) provides that the department may make a loan to a state grain producer secured by grain grown by that producer

during 1983 and 1984. To be used as collateral, the grain must be graded as "number four" or better.

Sec. 30(b) provides that the amount of a loan is determined "by multiplying 90 percent of the United States Department of Agriculture target price per ton for the type and grade of grain offered as collateral by the total tonnage of the collateral."

Sec. 30(c) establishes the interest rate on a loan as the interest rate established under AS 03.10.030(a); that section provides:

Sec. 03.10.030. LIMITATIONS ON LOANS. (a) A farm development, chattel, or irrigation loan made under this chapter

* * *

(4) shall bear interest at a rate that may not be less than eight percent or more than the commercial rate, unless the commercial rate is eight percent or less; in this paragraph "commercial rate" means the prevailing rate of interest at private lending institutions in the state for loans similar to those referred to in this subsection.

Sec. 30(d) relates to the storage of the grain. The department is required to approve a storage facility where grain held as collateral is stored. The borrower may provide the storage if the department is satisfied with the arrangement. The department may inspect a storage facility at any time. Storage costs shall be paid to the borrower by the department during the term of the loan at a rate established by the U.S. Department of Agriculture.

Sec. 30(e) provides that a borrower may not remove, sell, or otherwise dispose of grain held as collateral for a loan without the consent of the Department of Natural Resources. The proceeds from the sale of grain held as collateral, "up to an amount equal to the value originally assigned to that collateral under (a) of this section" plus accrued interest shall be applied to the outstanding balance.

Sec. 30(f) limits the term of a loan to three years. Annual interest payments shall be made during the term of the loan.

Sec. 30(g) ties references to "grain grading standards, target prices, volume or weight calculations and inspection standards" to standards, prices, and calculations that are in accordance with applicable U.S. Department of Agriculture standards:

Sec. 40 establishes the Alaska Grain Reserve Loan Fund. The fund consists of appropriations made by the legislature.

Sec. 50 provides that the commissioner will administer the fund "in conjunction with the agricultural loan fund board established under AS 03.10.050 and a loan may not be made by the commissioner in excess of \$25,000 without the approval of the board. AS 03.10.050 provides:

Sec. 03.10.050. ADMINISTRATION OF FUND. (a) The commissioner shall administer the loan fund in conjunction with the agricultural revolving loan fund board. No loan in excess of \$25,000 may be made by the commissioner without the approval of a majority of the board.

(b) The board is composed of five members appointed by the governor and confirmed by the legislature in joint session. Three members shall be persons with background and experience in Alaska agriculture. Members of the board serve for overlapping three-year terms. Members of the board are not entitled to receive compensation for their services, but shall receive the same travel pay and per diem as provided by law for boards and commissions.

(c) A meeting of the agricultural revolving loan fund board to act on applications for loans is exempt from the public meeting requirements of AS 44.62.310.

Sec. 60 permits the department to adopt regulations.

Sec. 70 provides that the department will follow the Administrative Procedures Act (AS 44.62) in implementing the Act.

Sec. 200 establishes definitions. The only significant definition is that of "grain:" it means "barley, wheat, or oats."

Sec. 2 of the bill establishes an amendment to AS 44.-
62.330(a). It makes clear that the Department of Natural

Representative Rick Uehling
Page 4
April 26, 1983

Resources is governed by the Administrative Procedure Act, particularly its provisions of administrative adjudication [AS 44.62.330 et seq.] in implementing the grain reserve program.

Sec. 3 of the bill terminates the program and the fund January 1, 1988. The money and other assets of the program and the fund are transferred to the general fund on that date. If loans are outstanding as of that date, the Department of Natural Resources shall undertake to collect them and deposit the payments to the general fund.

Sec. 4 of the bill repeals AS 03.12 (the provisions established in sec. 1).

Sec. 5 provides that sec. 4 takes effect January 1, 1988, thus implementing sec. 3.

Sec. 6 provides that secs. 1 - 3 of the bill take effect immediately. This effective date thus puts the program enacted in sec. 1 (AS 03.12), the APA amendment added in sec. 2, and the termination provisions in effect immediately. Sections 4 - 6 take effect by operation of law 90 days after enactment but are not, of course, needed until January 1, 1988.

If I may be of further assistance, please advise.

RAB:ljb
16/018

STATE OF ALASKA
FISCAL NOTE

Revision Date , 1983

I. REQUEST

Bill/Resolution No.: CSHB 156 (Loans)
 Title: State Grain Reserve Program
 Sponsor: Schultz
 Requestor: Loans Committee

II. FISCAL DETAIL

Agency Affected: Natural Resources
 Program Category Affected:
 BRU, Program of Subprogram(s) Affected:

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES		45.0	47.7	50.6		
200 TRAVEL		3.0	3.2	3.4		
300 CONTRACTUAL		3.6	3.8	4.0		
400 COMMODITIES		1.0	1.1	1.2		
500 EQUIPMENT		15.0	--	--		
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING		67.6	55.8	59.2		
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		67.6	55.8	59.2		
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

FULL-TIME		1	1	1		
PART-TIME						
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

CS SB 170(Res) appropriates funding for operating and capital costs by reallocating \$1.6 million from the Delta II West grain elevator appropriation.

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Sharon Barton Phone: 465-2400
 Division: Commissioner's Office Date: 4/25/83

Approved by Commissioner: *Maury Halloran* Date: 4/25/83
 Department: Natural Resources

Distribution:

Original to Legislative Finance
 Copy to Office of Management and Budget (for Legislature introduced bills)
 Copy to Department (for Governor introduced bills)
 Copy to Sponsor

CS HB 156 (Loans) analysis:

Equipment costs are explained in the attached sheet. Personal services costs cover inspection requirements and program administration costs. As the official grain inspection agency in Alaska, the Division of Agriculture would be required to furnish personnel and facilities on a statewide basis throughout the year as grain moves to and from the reserve.

MEMORANDUM

State of Alaska

DEPARTMENT OF NATURAL RESOURCES - DIVISION OF AGRICULTURE

TO: Sharon Barton
Special Assistant

DATE: February 10, 1983

FILE NO:

TELEPHONE NO:

FROM: Ed Kern 
Development Specialist

SUBJECT: Grain Grading
Station Equipment

Carter Day Dockage Tester (FOB Minneapolis, Minn)	\$ 3,744.00
Barley riddle and sieves	216.00
Wheat riddle and sieves	152.00
Burrrows (FOB Illinois)	
Boerner divider	595.00
Extension kit	119.00
Barley sieve kit	90.50
Filling hopper and stand	198.00
Boerner weight per bu apparatus (print-out)	1,750.00
Shadow graph scales	928.00
Armstrong scales	610.00
Gram scales	111.50
Laboratory torsion balance scale	470.00
Weight set	137.00
Sieve shaker	795.00
Motomco moisture meter	640.00
Barley pearler	350.00
Miscellaneous (piks, lights, pewter dishers, magnifying glass, etc.)	750.00
	<hr/>
Equipment costs	\$11,656.00
Set-up & freight estimate	3,344.00
	<hr/>
Total	\$15,000.00

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: HB 156 No. 2 Date on Bill: 2/2/83
 Title: State Grain Reserve Prog
 Sponsor: Shultz
 Requestor: _____

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86
Capital				
Operating		67.6	52.6	53.6
Total		67.6	52.6	53.6

b. Revenues:

Revenue	FY 83	FY 84	FY 85	FY 86

2. Source of funds to offset fiscal impact of bill:

3. Assumptions:

As the official grain inspection agency in Alaska, the Division of Agriculture would be required by this bill to provide personnel and facilities to carry out the inspection function on a statewide basis as grain moves to and from the reserve. This fiscal note covers one grain inspector and equipment as listed on the attachment.

4. Disclaimer:

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Prepared By: Ed Kern Phone: 376-2276
 Division: Agriculture Date: _____

Approved by Commissioner: Marshall Owen Date: 2/28/83
 Department: Natural Resources

5. Distribution:

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2/15/83

CASELOAD

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STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY


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

MEMORANDUM

April 26, 1983

SUBJECT: Grain reserve program/fund
[CSHB 156 (Loans)]

TO: Representative Rick Uehling
Chairman, House Special Committee on Loans

FROM: Richard A. Bradley 
Legislative Counsel

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Representative Rick Uehling

Page 4

April 26, 1983

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Sec. 5 provides that sec. 4 takes effect January 1, 1988, thus implementing sec. 3.

Sec. 6 provides that secs. 1 - 3 of the bill take effect immediately. This effective date thus puts the program enacted in sec. 1 (AS 03.12), the APA amendment added in sec. 2, and the termination provisions in effect immediately. Sections 4 - 6 take effect by operation of law 90 days after enactment but are not, of course, needed until January 1, 1988.

If I may be of further assistance, please advise.

RAB:ljb
16/018

COMMITTEE REPORT

HOUSE

(11)

FURTHER:

3/4/83

Date: 3/30/83

Mr. Speaker:

The Committee on FINANCE has had HB 160

An Act making a special appropriation to the Department of Education for development of a training program for Alaska aviation; and providing for an effective date.

under consideration and reports it back as follows:

- 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 ^{MINUTE} recommendations Zero Fiscal Note Attached
- referred to the _____ Committee

**MEMBERS SIGNING
DO PASS**

Dean Ristinger

Greg Ward

**MEMBERS HAVING
OTHER RECOMMENDATIONS:**

Robert C. ...

Don ...

Robert C. ...
CHAIRMAN

Introduced: 2/4/83
Referred: Health, Education &
Social Services and Finance

Funding Information
General Fund \$753,000
Other Funds -0-
\$753,000

BY HURLBERT, BETTISWORTH, MCBRIDE,
MALONE AND HERRMANN

1 IN THE HOUSE

2

HOUSE BILL NO. 160

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act making a special appropriation to the Department of Education for development of a training program for Alaska aviation; and providing for an effective date."

7

8

9

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

11 * Section 1. The sum of \$753,000 is appropriated from the general fund
12 to the Department of Education for development of a training program for
13 Alaska aviation.

14 * Sec. 2. The unexpended and unobligated portion of the appropriation
15 made by this Act lapses into the general fund June 30, 1984.

16 * Sec. 3. This Act takes effect July 1, 1983.

The following individual is expected to testify on HB 160:

Vern Hurlbert, prime sponsor

Air carriers seek legislative funds for pilot training

The Associated Press

In an effort to win reductions in soaring insurance premiums, Alaska air carriers are asking the legislature for \$780,000 to fund a pilot training program.

At the annual convention of the Alaska Air Carriers Association over the weekend, pilots and their bosses unanimously endorsed the plan to have air taxi operators offer courses tailor-made for the state's treacherous weather and flying conditions.

"There is just no question that the aviation industry in this state needs more training," said Jim Dodson of the newly formed Alaska Aviation Safety Foundation.

"By additional training we can improve safety, cut accidents and reduce the rates air carriers pay for insurance."

In 1980, in the wake of a National Transportation Safety Board report critical of air taxi operations in Alaska, the association hired American Airline Training Corp. to study possible improvements.

Alaska's rate of non-fatal airplane accidents is five times that of the Lower 48, according to Alan Crawford, regional investigator of the safety board.

The rate of fatal accidents is twice the national average, he said.

"We discovered when we studied Alaskan pilots that most needed more training to learn how to handle many uniquely difficult flying conditions," said Michael Mitchell of American.

"Flying in whiteout conditions and flying where navigation is much more difficult make it important for Alaska pilots to be better trained than those in the Lower 48," he said.

"Flying out of Bethel daily requires more skill than a commercial 747 pilot ever needs," Mitchell said.

The Civil Aeronautics Board requires refresher training for pilots, and Mitchell recommends using manuals with specific Alaska examples.

Lance Wells, executive director of the AACA, said the public would benefit as well from the training because lower insurance premiums could mean lower air fares.

Dodson said several insurance companies already have promised discounts to operators who complete the proposed training program.



ANCHORAGE
DAILY NEWS

7/15/1983

Upgrade pilot training programs in Alaska

Alaska's air carriers have improved their aim considerably in efforts to shoot down the high cost of flying insurance. The target this legislative season is improved pilot training, and there is at least some chance of success.

Last year the industry sought help from Juneau in the form of legal limits to the financial liability facing air carriers in Alaska. Reducing the carriers' (and thus the underwriters') liability, it was thought, would translate into reduced insurance rates. But the legislation went nowhere — presumably because it pinpointed the wrong problem.

The problem with aviation and insurance coverage in Alaska is the high rate of accidents — not the legal responsibilities arising from them. And the high rate of accidents stems too often from human error arising from the combination of harsh weather, natural hazards, navigational difficulties and unwarranted overconfidence known as "the Bush syndrome."

Industry representatives tacitly admit as much in pressing for a state-funded pilot training program tailored to the special demands of Alaska flying conditions. "There is just no question that the aviation industry in this state needs more training," says Jim Dodson, an official of the Alaska Aviation Safety Program. "By additional training we can improve safety, cut accidents and reduce the rates air carriers pay for insurance."

There may be a battle over who will pay for the training. Air carriers have asked the legislature for \$780,000 to fund the second stage of a proposed training program pitched to the needs of Alaska air taxi operators. The Sheffield administration apparently has expressed interest in picking up part of the tab, though a case also could be made for funding the program through a special levy on the industry.

There is little doubt of the pressures, challenges and risks associated with flying in Alaska. But the crucial factor in safely confronting those challenges is the human judgment of pilots who must know their profession better in Alaska than anywhere else in the country. "Flying out of Bethel daily requires more skill than a commercial 747 pilot ever needs," says an official of a company hired to study air carrier operations in Alaska.

That realization alone is enough to justify upgrading pilot training programs in our state. Aviation is a crucial lifeline to every corner of Alaska, and high insurance costs ultimately raise the cost of living throughout the Bush. Working to improve the competence and training of thousands of Alaska pilots can only improve the quality of life in dozens of communities who depend on them.

2/1/83 Daily News

Air carriers seek state-funded pilot training

By CHUCK KLEESCHULTE
Daily News business reporter

Prompted by the promise of reductions in current sky-high insurance rates, Alaska air carriers are pushing hard to get a new pilot training program off the ground.

Air carriers over the weekend voted unanimously to seek \$780,000 from the state's Legislature to fund the second stage of a proposed training program. It is designed so air taxi operators can offer courses for pilots and ground personnel tailor-made for Alaska weather and flying conditions.

"There is just no question that the aviation industry in this state needs more training. By additional training we can improve safety, cut accidents and reduce the rates air carriers pay for insurance," said Jim Dodson, an official of the newly formed Alaska Aviation Safety Foundation, sponsor of the new training program.

The Alaska Air Carriers Association in 1980, fresh on the heels of a National Transportation Safety Board report critical of air taxi operations in Alaska, hired American Airlines Training Corp. of

Texas to study possible improvements in air carrier operations.

The American report completed last year stressed that Alaska's nation-leading air accident rate could be cut if pilots uniformly would be trained to handle Alaska aviation problems and be educated in safety practices so they would avoid wreckless behavior;

"We discovered when we studied Alaskan pilots that most needed more training to learn how to handle many uniquely difficult flying conditions. Flying in white-out conditions and flying where navigation is much more difficult make it important for Alaska pilots to be better trained than those in the Lower 48," says Michael K. Mitchell, an official of American Airlines Training Corp. "Flying out of Bethel daily requires more skill than a commercial 747 pilot ever needs," said Mitchell.

He says Alaska pilots, unlike those in the Lower 48, frequently have to fly by "dead reckoning" and by pilotage; using surface maps and landmarks to determine locations, rather than navigational aides.

Mitchell said Alaska pilots es-

pecially face the danger of overconfidence prompting poor judgment in flight decisions, the so-called "Bush Syndrome."

To overcome such problems Mitchell proposes drafting pilot lessons especially tailored to Alaska problems, course manuals which Alaska air taxi operators will then use to satisfy Civil Aeronautics Board required refresher training.

Such training manuals, Mitchell said, could be written and in use by the end of 1984, provided funding for the safety program is found by this summer.

Lance Wells, executive director of the AACA, says the expenditure to fund the training program would ultimately benefit all air users through lower air fares, possible because of lower insurance liability premiums.

Dodson said several insurance firms have already promised to provide discounts to air taxi operators who complete the proposed safety program. He said the course also might attract other insurance firms to write policies for Alaska air carriers.

At present only Lloyds of Lon-

don underwrites aviation insurance given Alaska's high-risk loss history.

The possibility of lower rates is good news to an industry which already has seen nearly a dozen smaller operators go out of business during the past several years because of rapidly escalating insurance rates — the direct result of the state's high accident rate.

Alaska has a rate of non-fatal air accidents five times the rate of the Lower 48, a rate of fatal accidents twice the national average, says Alan L. Crawford, an NTSB regional investigator in Los Angeles.

Crawford during the carrier's annual convention in Anchorage Saturday urged Alaska officials to find funding for the safety program. Wells says carriers have received a commitment from the Sheffield administration to provide at least part of the amount needed for the program in the state's FY 84 budget now under development.

Wells, however, urged carriers to contact lawmakers to try to obtain full funding for the drafting of the training program.

MEMORANDUM


State of Alaska

TO: Louann Cutler, Professional Assistant
House Finance Committee

DATE: March 1, 1983

FILE NO:

TELEPHONE NO: 465-286J

FROM:  Marshall Lind, Commissioner
Department of Education

SUBJECT: Alaskan Aviation
Safety Foundation

In 1981-82 the Office of Adult and Continuing Education issued and administered a grant of \$300,000 to the Alaska Aviation Safety Foundation to prepare, in part, a final report including:

1. a list of unranked aviation training objectives for Alaskan fixed-base operators;
2. scenarios of typical flight profiles recommended for inclusion in an Alaska aviation training program;
3. specifications for recommending aircrew training devices appropriate for Alaska; and
4. a report of progress made with insurance underwriters relative to potential premium reductions for operators who participate in the program.

Attached is a copy of the final report submitted by the Alaska Aviation Safety Foundation for your review.

Some issues should be considered prior to the issuance of a grant for the development of written training, curricula and materials. The following should be analyzed and considered:

- A. Do existing training programs that prepare Alaskans for licenses address the identified objectives? Can these programs be assisted in modifying their curricula to address the objectives?
- B. FAA accident reports should be examined to substantiate the interviews that were conducted by American Airlines.
- C. Private pilot training is significantly more common in Alaska than commercial pilot training. Therefore, any training program and/or material should coordinate with the training and licensing of private pilots as well as commercial pilots.

- D. The licensing criteria in Alaska may need to be revised if the 25 objectives identified in the American Airlines study are of critical importance to the Alaskan aviation industry.
- E. How will the program be operated/implemented once the curricula are developed?

The Department of Education is concerned that if curricula are developed as a result of the safety foundation's activities it should be of top quality and be available to, if not required of, all institutions involved in the training of pilots.

ALASKAN AVIATION SAFETY FOUNDATION PROPOSAL

BUDGETARY PRICE ESTIMATES

Proposed Start Work Date:

September 1, 1983

Personnel:

AATC Training Specialists (2.5 man-years) \$ 250,000.

Contract Secretarial Support (1.0 man-year) 25,000.

Alaskan Subject Matter Experts (9 man-months) 80,000.

Per Diem: 540 days @ \$150. per day 81,000.

Communications: Telephone and Postage 3,000.

Office Supplies: @ \$200. per month 2,400.

Printing: Progress and Final Reports 3,000.

Air Travel:

Intrastate (via passes) -----

Leased Aircraft 25,000.

Media Production: (Sample AV Program) 100,000.

SUB-TOTAL: \$ 569,400.

G + A: (@ 15%) 85,410.

SUB-TOTAL: \$ 654,810.

Profit: (@ 15%) \$ 98,221.

GRAND TOTAL: \$ 753,031.

ALASKA AVIATION SAFETY FOUNDATION

PROPOSED

AVIATION SAFETY TRAINING PROGRAMS

CONTENT AND BUDGET
SUMMARY

1. Develop and validate the curriculum in the form of 25 lesson plans including instructor ("How to Teach") and student manuals for use by experienced Alaskan aviation operators (pilots, managers, etc.) when training both private and commercial operators to fly aircraft safely in Alaska generally and in specific regions of Alaska. The lesson plans will cover the following most hazardous of aviation operations:
 - a. Gathering weather information
 - b. Interpreting weather information and trends
 - c. Landings and take-offs:
 1. Gravel and sand bars
 2. Lakes
 3. Tundra
 4. Mud
 5. Ice
 6. Beaches
 7. Airstrips
 8. Runways
 9. Snow
 10. Glaciers
 - d. Flight techniques in adverse weather:
 1. Vertigo
 2. Whiteouts/depth perception
 3. Turbulence
 4. Icing
 - e. Navigation/Pilotage
 - f. Mountain flying, general and specific pass flying
 - g. Flight techniques - area specific
 - h. Fuel management and handling
 - i. Cold weather operations

APPROXIMATE COST \$573,400

2. Prepare one or two exemplary audio-visual presentations for use in teaching specific validated lesson plans.

APPROXIMATE COST \$180,000

TOTAL ESTIMATE \$753,400

It is anticipated that Department of Education will issue Request for Proposal bids based on the attached proposal and the Definition of Alaskan Aviation Training Requirements previously completed by the Foundation.

The cost estimates (detailed on next page) are Foundation estimates based on a single preliminary survey of potential contractors. Actual bids may be more or less than the estimate.

Lance Wells, Executive Director
Alaska Aviation Safety Foundation
301 West Northern Lights Blvd., Suite 600
Anchorage, Alaska 99503

FUNDING REQUEST
TO
IMPLEMENT AND CONTINUE DEVELOPMENT
OF
ALASKAN AVIATION SAFETY TRAINING PROGRAMS

PREPARED BY:

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Rex Bishop, Chairman

EXECUTIVE DIRECTOR & COUNSEL:

Lance Wells

DATE:

January, 1983

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EXECUTIVE SUMMARY

PURPOSE: What follows is a proposed plan to develop and implement 25 Alaskan aviation safety lesson plans appropriate for advanced safety training of Alaskan aviators in the most hazardous aspects of private and commercial aviation operations. Piloting, ground operations, maintenance and management are examples of the areas covered with first emphasis on piloting. At least one of the lesson plans will be developed using audio/visual media. Additional audio/visual will be developed in the next phase.

BACKGROUND: In 1981 the Alaska Aviation Safety Foundation (Foundation) received funding from the State of Alaska to define Alaskan aviation safety training requirements which would later be used to design a training program for Alaskan aviators. American Airlines Training Corporation won the contract for that study which was Phase I of the development of a "Total Training System". The study was published in a 175 page report entitled Definition of Alaskan Aviation Training Requirements. A limited number of copies are available for examination.

The National Transportation Safety Board and the FAA have reviewed the study and found it to be excellent. Implementation of the training program suggested in the study will have a dramatic, positive impact on safety in Alaska. Numerous

insurance underwriters have indicated the same with respect to insurance rates due to the lower risk they face in a more safety conscious market. This will lead to significantly lower costs to intra-Alaska travelers since over 20% of air fares within Alaska at the present time are attributable to air carriers' insurance costs.

METHODS AND DELIVERABLES: The results of the above study are the basis of Phase II in the development and implementation of a "Total Training System" which consists of 4 phases. The second phase will be the development of 25 lesson plans suitable for use by experienced Alaskan aviation operators when training others to operate safely in specific regions of Alaska. In addition, the Foundation will develop a sample audio-visual training program for at least one of the Phase II lesson plans as an example of what will be done in Phase III of the preparation of a "Total Training System."

The development of these detailed lesson plans anticipate the efforts of experienced education/training specialists on site in Alaska working with highly experienced Alaskan pilots, managers and opinion leaders selected by the industry itself and the Foundation directors. The training specialists have selected several lesson plan formats for use when formulating the information

from Alaskan aviators into instructional materials for use throughout the Alaskan aviation community. As part of the lesson plans, the Foundation will develop instructor's materials explaining how to teach, using current methods and media, each training objective.

FURTHER PHASES: (Not included in current proposal costs.)

Following the completion of Phase II, the Foundation proposes to expand the use of audio/visual media in the presentation of lesson plans selected by Alaskan operators. This will be Phase III of a planned four-phase effort. Phase IV efforts may require the construction of sophisticated aviation simulation training devices. The final result will be a "Total Training System" specifically and regionally designed for the unique Alaskan aviation environment.

FUTURE FUNDING: The Alaska Air Carriers Association and Aviation Safety Foundation are working hard to minimize, if not avoid all together, future requests for funding from the State for these projects and on-going safety training programs. Private funding mechanisms are being developed and it is anticipated that these will supply the on-going needs of the Foundation. Some of the mechanisms

are already in place and others will soon be implemented:

- a. Donations from air carriers themselves
- b. Group insurance dividends and savings
- c. Captive insurance reserve earnings
- d. Standard charitable fund raising from major aviation users.
- e. Fund raising events (safety conferences, etc.)

The present request is, in effect, seed money which will allow the Foundation to start producing fruits and attract more private money. Future State monies may be needed, however, for transition into more sophisticated training modes.

CHAPTER I
INTRODUCTION

This proposal describes a process for the development of a set of approximately 25 plans. These plans will be appropriate for use by experienced Alaskan aviators to teach courses designed to make the learners safer pilots and managers. In addition, the Alaska Aviation Safety Foundation proposes to develop a sample audio-visual training program. This A/V program will demonstrate sophisticated training programs and devices which might be used in teaching more of the lesson plans.

This paper describes the background leading up to the proposed effort in Chapter II. This includes a review of relevant studies by Parker Associates, the National Transportation Safety Board, and a description of the Definition of Alaskan Aviation Training Requirements prepared by the Foundation in 1981 and 1982. Chapter III describes the proposed method for transforming the previously defined training objectives (see page 76) into lesson plans relevant to the unique needs and conditions in Alaska. A description of the deliverables available at the completion of the proposed work is included in Chapter III. Chapter IV describes proposed future efforts which might be expected in the ongoing process of creating a "Total Training System" for private and commercial Alaskan aviation.

CHAPTER II

BACKGROUND

Alaska's dependence on the air taxi industry for delivery of needed goods and services and the safety problems besetting the air taxi operators have been documented in previous studies such as Parker Associates' study, Air Service to Rural Alaska: A Study in Inadequacy and a 1980 National Transportation Safety Board Special Study entitled Air Taxi Safety in Alaska. The NTSB study reported that, "...about 30 percent of all air taxi accidents in the United States occurred in Alaska, and their rate of occurrence was four times that of the accident rate for air taxi operators in the rest of the United States." This accident rate among Alaskan air taxi operators has resulted in a tragic loss of life and injuries sustained, in addition to skyrocketing insurance costs. A recent letter dated January 4, 1983 from the NTSB to the Air Carriers Association points out that the problem identified in 1980 continues to manifest itself in recent accidents. The NTSB urges early implementation of the program proposed by the Foundation in the "Final Report on Definition of Alaskan Aviation Training Requirements." A copy of the letter is attached as Exhibit "A".

The Parker and NTSB studies prompted a search for solutions to a serious problem. An unsuccessful effort was made to identify and obtain an existing Arctic training program.

Inquiries were made of training personnel in the United States Air Force, the Canadian United Forces, and several Scandinavian countries. Existing training programs which were being conducted in Alaska were found to be designed to meet recertification requirements of the Federal Aviation Administration (FAA) and were not responsive to the unique Alaskan operational environment. "Advanced" and "specialized" safety training is necessary for Alaska flying conditions.

The decision was made to develop a specifically designed training program suited to the needs of Alaskan aviators. This training program could be based on accident records compiled by the FAA or the National Transportation Safety Board (NTSB). However, such records were often incomplete and, in fact, represented a list of failures. Instead, it was decided to discover how experienced Alaskan pilots, maintenance and managerial personnel learned to cope with the many challenging problems regularly faced by private and commercial Alaskan aviators. The process of discovery was developed and validated by John Flanagan and reported in Psychological Bulletin in 1954. Flanagan's critical incident methodology, in conjunction with traditional job analysis procedures, is the basis for the interviewing process used in this study.

After careful consideration, the State of Alaska provided

funding for the study. The funds were included with those to be administered by the Alaska State Department of Education. American Airlines Training Corporation won the contract and assisted the Foundation with the study.

The goal of the Foundation is to provide effective, advanced flight, operations and management training in Alaska, based on information gathered from experienced Alaskan aviators with excellent safety records.

This training will produce highly-qualified, professionally oriented pilots, mechanics and managers and will result in a lower accident rate. The Air Carriers Association has worked with insurance underwriters attempting to obtain insurance premium reductions for individuals and commercial operators who participate in the proposed Alaskan aviation training programs offered by the Association and the Foundation. Several underwriters have expressed support for the concept of reducing insurance premiums and making direct contributions to the Foundation (a charitable institution) if the Foundation starts producing fruits in the near future. Two underwriters already are, based on assurances that training programs will be forthcoming soon.

During the course of the study, the investigators travelled to 58 locations (cities, towns, villages) throughout Alaska; interviewed approximately 177 air taxi operators and pilots;

visited numerous aviation facilities; and attended several aviation related seminars and lectures.

The questionnaire used in the interviews was designed by the research team and modified in response to changes suggested by the Foundation Board of Directors, and to respondents' comments and answers during the first interviews. The interviews were conducted on a one-to-one basis and lasted an average of two hours. Background information, flight techniques and operational conditions in the Alaskan environment were collected from the interviews. Respondents provided a variety of specific techniques which have helped them to prevent hazardous situations from becoming serious accidents. The information in the completed questionnaires was organized into an outline form using a computer. This outline of information provided a data base from which the training objectives were synthesized. The final report contains the unvalidated information from the questionnaires and the training objectives starting at page 76.

The Alaskan aviation training objectives indicate what needs to be taught, the instructional media and devices appropriate for presenting the information, and how to evaluate mastery of the objectives. The training objectives will serve as the basis for further development of an Alaskan aviation training program.

REGIONALIZED APPROACH

Based on information collected in formal pilot interviews and informal conversations with many other Alaskans interested in aviation, a complete Alaskan training system would have to be regionally oriented. There are sufficient differences in flying conditions among geographic regions to warrant training that addresses specific regions in which a pilot operates. Such a regionalized approach would also enable pilots to spend as little time as possible away from their home base to complete a training program. In addition, aviation training in Alaska will emphasize the development and improvement of judgment and decision-making skills rather than the manipulative skills associates with aircraft operation.

In addition to identifying training requirements that address piloting and mechanical skills and competencies, the study also investigated the management of air taxi operations. It became obvious to the research team that some operators in Alaska manage safe, profitable air taxi services. Those factors that contribute to such an operation were identified and serve as training requirements for air taxi management training.

GENERAL FINDINGS: The information collected from the interviews showed that, although some training requirements and the

training objectives to meet those requirements were applicable to Alaskan aviation in general, the majority were specific to different geographical areas in the State and also to different types and configurations of aircraft (single engine, ski, helicopter, multi-engine, float, etc.). It was also recognized that the primary emphasis of an Alaskan training system should be the development of decision making skills on the part of the pilot rather than manipulative flying skills. For example, the training emphasis should be on when to make a 180° turn to escape adverse weather or leave a mountain pass, and include specific operational procedures to be performed on the basis of such a decision.

PRELIMINARY RESULTS: The study identified several factors that had to be considered in the design of an Alaskan aviation training system:

PRIVATE AND COMMERCIAL

1. The primary objective of the training system should be acceptable and applicable to private and commercial aviation operators conducting flight operations in a uniquely stressful environment due to weather, geographic, and other adverse operational conditions.

REGIONALLY SPECIFIC

2. The training system should be tailored to specific