

ALASKA LEGISLATURE COMMITTEE BILL FILES - 1987 - 1988 8879

CSSSB 22 cont. thru SB 27 11



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

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April 8, 1987

MEMORANDUM

TO: Representative Sam Cotten

FROM: Ginny Fay *gfay*
Legislative Analyst

RE: Railbelt Energy Analysis
Research Request 87.114 (Supplemental Information)

As part of this agency's analysis of Railbelt energy, you requested that we provide additional information on cogeneration and small electrical power facilities that are covered under the Public Utilities Regulatory Policy Act (PURPA) of 1978. These facilities were generally referred to as PURPA generators in our memorandum of March 18. This memorandum initially covers the regulatory authority pursuant to PURPA and an overview of how these alternative energy regulations have affected electrical power generation in the United States. This is followed by a discussion of the potential effects of State financing of the Bradley Lake project on these types of facilities in the Railbelt. This includes a discussion of the role of the Alaska Public Utilities Commission (APUC) and Federal Energy Regulatory Commission (FERC) in the Bradley Lake Power Sales Agreement.

Regulatory Background and Authority

Precipitated by the Arab oil embargo in 1973 and further accentuated by the inability of pipelines to deliver natural gas to meet winter demands, legislation was proposed by President Carter to curb America's use of oil and gas. The legislation was designed to eliminate the country's dependence on foreign oil while simultaneously conserving "scarce" natural resources. The result of the administration's legislative package was the passage of the National Energy Acts which were signed into law by the President on November 9, 1978.

Contained within the Public Utilities Regulatory Policy Act of 1978 (PURPA) were two sections regarding small power production and cogeneration.² The PURPA was designed to encourage conservation and efficiency in energy use, regulate wheeling of bulk power, and provide incentives for industrial cogenerators and small power producers.³

At present, small-scale renewable technologies are not a major factor in the nation's overall electricity supply, accounting for less than one-half of one percent of total generating capacity. Traditional utility forecasts of electricity supplies have not even included these resources in capacity planning.⁴ Currently, with oil prices falling, renewable energy tax credits being phased out, and cutbacks in federal research and development support, there is a tendency to down play the future role of renewable technologies.⁵ Market penetration of renewable technologies is growing, however, and most have attractive features--including short lead time, modular design characteristics, reduced environmental impacts, and inflation-proof fuel costs--that make them especially appropriate for deployment in today's uncertain utility planning environment.⁶

Although the portion of electrical power generation provided by cogeneration and small power facilities remains small, tremendous growth has occurred in the application of these technologies during the years since enactment of PURPA (Figure 1). Whether measured by the increase in total dollars expended on cogeneration equipment and related systems, by the number of applications for qualifying facility status filed with the Federal Energy Regulatory Commission (FERC), or by the increase in the nation's electrical capacity contributed by PURPA systems, it is clear that these facilities are beginning to contribute significantly to America's energy supply and have become an important factor in planning for the nation's energy needs to the year 2000.⁷ Table I provides information regarding potential electrical power production by cogeneration.

²Section 201, 92 Stat. 3134, 16 U.S.C. § 796(16) through (22), and §210, 92 Stat. 3144, 16 U.S.C. § 824a-3.

³Cogeneration is the sequential production of both electrical (or mechanical) energy and thermal energy from the same primary energy source.

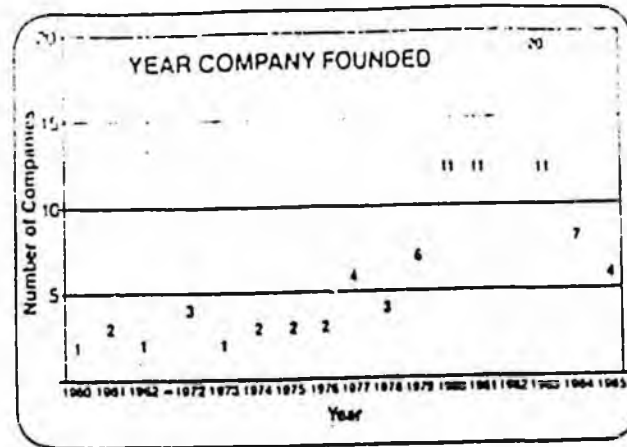
⁴The exception to this is California, which has adopted an avoided cost methodology for electrical capacity production.

⁵Scott A. Fenn, "Renewable Power Generation: Beyond the Shakeout," Public Utilities Fortnightly, November 13, 1986, p. 24.

⁶Ibid., p. 25.

⁷Michael J. Zimmer and Beverly E. Jones, "Cogeneration: Boon or Bane to Consumers?" Public Utilities Fortnightly, June 12, 1986, p. 23.

Figure 1



Source: Fenn, op. cit., p. 27

TABLE I
Summary of Cogeneration Potential Compared to Current Capacity of Operating Power Plants as of 1983 (Megawatts)

STATE	POTENTIAL DISTILLED COGEN. CAPACITY (1)	TOTAL CURRENT DISTILLED ELEC. CAPACITY (2)	COGEN. AS A PERCENT OF TOTAL ELEC. CAPACITY
ALABAMA	1,017	19,199	5.30
ALASKA	185	1,464	12.81
ARIZONA	145	15,015	1.32
ARKANSAS	353	8,796	4.01
CALIFORNIA	3,944	29,821	9.90
COLORADO	135	6,501	2.08
CONNECTICUT	258	6,107	4.23
DELAWARE	188	2,053	9.16
DIST. OF COLUMBIA	1	668	0.12
FLORIDA	1,016	21,993	3.19
GEORGIA	970	17,562	5.24
HAWAII	147	1,482	9.82
IDAHO	21	3,020	1.64
ILLINOIS	1,468	29,710	4.74
INDIANA	502	18,700	2.68
IOWA	482	8,815	5.47
KANSAS	583	9,488	6.14
KENTUCKY	334	15,965	3.34
LOUISIANA	3,298	15,695	21.01
MAINE	529	2,396	22.08
MARYLAND	410	9,816	4.18
MASSACHUSETTS	533	9,910	5.38
MICHIGAN	631	22,058	2.86
MINNESOTA	370	6,610	4.30
MISSISSIPPI	145	5,825	6.61
MISSOURI	371	15,720	1.72
MONTANA	0	3,219	0
NEBRASKA	217	5,895	3.68
NEVADA	5	4,564	0.11
NEW HAMPSHIRE	250	1,536	16.28
NEW JERSEY	1,418	13,785	10.29
NEW MEXICO	704	5,393	3.82
NEW YORK	2,124	32,040	6.64
NORTH CAROLINA	882	18,419	4.79
NORTH DAKOTA	221	3,820	5.77
OHIO	2,103	27,467	7.66
OKLAHOMA	475	12,560	3.78
OREGON	454	10,376	4.29
PENNSYLVANIA	2,512	34,824	7.21
RHODE ISLAND	82	270	30.25
SOUTH CAROLINA	940	12,316	7.59
SOUTH DAKOTA	0	2,432	0
TENNESSEE	654	18,788	3.40
TEXAS	5,110	57,615	8.87
UTAH	72	3,032	2.38
VERMONT	38	949	4.00
VIRGINIA	784	11,513	6.81
WASHINGTON	700	21,808	3.21
WEST VIRGINIA	240	15,154	1.57
WISCONSIN	1,741	10,721	16.54
WYOMING	308	5,920	5.20
TOTALS	29,344 MW	659,483 MW	4.50

SOURCES: (1) Oak Ridge Y-12 Plant Technical Economic Surveys and TRM Energy Development Group, Prepared for U.S. Dept. of Energy, Industrial Cogeneration Potential (1980-2000) for Replication of Your Commercially Realizable Power Plants at the Plant Site (August 1981).

(2) As reported by all utilities to Department of Energy.

This growth in cogeneration and renewable energy facilities has not been achieved without some difficulties. The struggle often has involved a portion of the energy industry which could stand to gain the most from a cooperative partnership with these budding technologies--the electric utilities.⁸ The suppliers and developers of these newer energy technologies have not been dominated by the traditional utility industry. The utility industry, with a few notable exceptions, has been content to allow nonutility companies to develop and serve as a proving ground for these high-risk new technologies. Development of renewable technologies is being carried out principally by a diverse group of nonutility developers ranging from multinational aerospace and petroleum companies to small, entrepreneurial firms founded on the work of a single investor.⁹ One of the principal intents of PURPA was to facilitate the incorporation of these technologies into the electrical regulatory process and markets and thereby encourage their development.

The resistance of utilities is, in part, a result of a broader restructuring of the electrical production industry. Traditionally, electric utilities have enjoyed geographic monopolies under conditions of rapidly growing power consumption. The nationwide decline in growth of electrical demand, coupled with increased competition from unregulated industries (such as the producers of insulation and more efficient lighting systems) and other utilities marketing surplus power, has made the production of electricity a more competitive industry. Perhaps the most important new form of competition for electric utilities in the long run, however, is the emergence of nonutility power producers selling power to the grid under provisions of the PURPA.¹⁰

With the development of PURPA, Congress gave the FERC a mandate to prescribe rules as it determined necessary to encourage cogeneration and renewable power production. Those rules were to require electric utilities to offer to purchase electric energy from PURPA facilities (referred to as "qualifying facilities"). The regulations were to ensure that the rates for such purchases would be just and reasonable to the consumers of the electric utilities and in the public interest, would not discriminate against the PURPA facility, and would result in a rate which would require the utility's customers to pay no more than they would have paid for electricity had the utility produced the electricity or purchased it from another source.¹¹ Thus, the price a utility would pay for electricity produced by a qualifying facility would equal the utility's "avoided cost."

⁸Ibid.

⁹Scott A. Fenn, "Renewable Power Generation: Beyond the Shakeout," p. 26.

¹⁰Ibid., p. 24.

¹¹PURPA § 210(b), 16 U.S.C. § 824a-3(b).

Rates for electricity purchased from qualifying facilities (QF) by electric utilities based on avoided costs fall generally into two categories: capital costs and running or operating costs. The QF is entitled to a capacity payment when the utility can avoid the capital costs of building a new generating unit by purchasing electricity from the QF. Whether or not the utility must incur capital costs to supply the needs of its customers, the utility is expected to save operating costs when it purchases electricity from a QF instead of producing the electricity from its own plants. The operating cost savings are intended to be passed on to the QF in the form of energy payments.¹² The conditions under which capacity costs should be included in avoided costs calculations has been the source of considerable debate on both the state and federal utility regulatory level. The debate is a result of both the regulatory complexities of determining avoided costs and the balancing the interests of utilities, qualified facilities, and electric consumers.

Bradley Lake Project Financing and Power Sales Agreement

The PURPA requires a public utility to purchase electric power and energy from qualifying facilities at the utility's avoided cost. As mentioned above, these avoided costs are the cost a utility would avoid by purchasing power from a qualifying facility rather than generating power itself or purchasing the power elsewhere. As a result of the State subsidy of the Bradley Lake project, avoided cost calculations for the four planned Railbelt PURPA facilities can be expected to be lower than otherwise would be likely.

The developers of all four of the PURPA projects have filed complaints with the Alaska Public Utilities Commission (APUC) against the utility to which they seek to sell power.¹³ Each complaint requests the APUC to determine the avoided cost the utility is required to pay to qualifying facilities under PURPA. The complaints, and particularly the SGI complaint, also seek to prohibit the utilities from making power purchases, such as from the Bradley Lake project, that would eliminate the need for power from the private project.

¹²Robert D. Stewart, Jr., "The Law of Cogeneration in Oklahoma," Public Utilities Fortnightly, November 27, 1986, p. 24.

¹³The four private sector power projects proposed in the Railbelt include AEM Corp. with a 25 Mw "waste coal" project in Healy selling to GVEA; SGI, Inc. with a 50 Mw waste coal project selling to AML&P; Mat-SU Energy Corp. with 20 Mw peat facility selling to MEA; and Valley Energy Corp. with a 15 Mw project fired by wood chips selling output to MEA.

Under current State law--which requires the APUC to review wholesale power sales agreements--the significance of these filings are twofold. First, because the qualifying facilities have filed dockets prior to the APUC review of the Bradley Lake Power Sales Agreement, capital costs of the Bradley Lake project would be included in the calculation of avoided costs. The second factor, however, is that because the Bradley Lake project is the "competing" incremental power purchase, the avoided capital cost would be reduced to the extent that the State subsidizes the construction of Bradley Lake. Given the APUC's authority under the current State law, Bradley Lake capital costs would be included in the calculation of avoided costs for the qualifying facilities in the Railbelt.

If Senate Bill 22--which retroactively removes APUC's authority to review wholesale power sales agreements--is passed, a second scenario results in which Bradley Lake capital costs would not be included in the calculation of avoided costs for power purchases from qualified facilities. This is based on the assumption that the Railbelt utilities will have entered into the Bradley Lake Power Sales Agreement and will have no further need for electrical power generation capacity. Once a generating facility (e.g., Bradley Lake) has been constructed, its capital cost cannot be considered part of a utility's avoided costs.¹⁴ After the completion of the Bradley Lake project, our analysis of Railbelt demand (see our March 18 memorandum) indicates that there will be no additional generating capacity requirements until approximately 1998. Therefore, there would be no avoided capital costs for PURPA facilities. Removal of capital costs in the avoided cost calculations can be expected to have a significant impact on the economic feasibility of planned PURPA generators in the Railbelt.

Avoided costs are calculated on an individual utility basis. If SSSB 22 is passed, only operating costs would be included in the calculation of avoided costs. Because of the complexities and the variability of factors influencing these avoided cost calculations (such as what portion of each utility's electrical generation and/or purchases is Bradley Lake power), it is difficult to estimate the affect of Bradley Lake power on avoided operating costs in the Railbelt. In a recent letter,¹⁵ Ted Moninski, of the APUC, indicated that after the seven Railbelt utilities have signed a contract requiring them to purchase Bradley Lake power, the avoided operating cost to be paid to a qualified facility would most likely be the price of Bradley Lake power--providing the purchasing utility required

¹⁴ Even though Bradley Lake will not have been completed, the take or pay provision of the power sales agreement will commit the signing utilities to Bradley Lake generating capacity.

¹⁵ T.S. Moninski II, letter to Rep. Kay Brown, March 31, 1987.

additional power.¹⁶ The price at which the Alaska Power Authority sells electricity to the Railbelt utilities becomes the incremental cost for the purchase of additional power. If the utility had no power requirements in addition to Bradley Lake power, the avoided costs would probably be below the cost of Bradley Lake power.

The public financing of the Bradley Lake project would lower the cost of Bradley Lake power. A qualifying facility under private financing might not be able to provide power at the avoided cost resulting from the public financing of the Bradley Lake project. Economic theory suggests that private financing of and production from PURPA qualifying facilities will be less with public funding of the Bradley Lake project than without. This implies that, ultimately, the State's financing of Bradley Lake will probably displace or delay at least a portion of private financing and construction of PURPA facilities in the Railbelt. This is based on the assumption that the cost of Bradley Lake power would be considered the the incremental avoided cost.

It is unlikely that Bradley Lake capital costs would be excluded from avoided cost calculations, however, because the APUC also requires the APUC to enforce the obligated, regulated utilities to purchase power from qualifying facilities at avoided cost. Because this is a federal regulation, this aspect of the APUC's review of the Bradley Lake Power Sales Agreement cannot be eliminated by the Alaska State Legislature's removal of APUC's authority to review wholesale power sales agreements as proposed by SSSB 22. If APUC authority is removed, affected parties would most likely petition the APUC under the federal statute. Ultimately, the qualifying facilities would have standing in federal district court and the matter would pass out of State jurisdiction to the FERC. It appears that the State would retain the greatest level of control over the Bradley Lake Power Sales Agreements by not passing SSSB 22.

While there are relatively few cases regarding the application of FERC regulations in a situation analogous to the Railbelt's Bradley Lake project and qualifying facilities, one similar ruling should be noted. In a docket pertaining to the Oglethorpe Power Corporation (REB1-56), the FERC decided that when a utility sells power at wholesale to utilities who in turn distribute electricity at retail, it may collectively excuse the individual retail utilities from the obligation to purchase power from the qualifying facilities and instead allow the obligation to fall upon the wholesale generation and transmission company. Under this FERC ruling, the Oglethorpe Power Corporation was required to purchase power and resell it. This ruling implies that as part of the Bradley Lake Power Sales Agreement, the Alaska Power Authority, as the wholesale distributor of electric power, could be required to purchase and resell power from qualifying facilities.

¹⁶It is uncertain, however, why the APUC would consider Bradley Lake power to be the basis for determining avoided costs rather than any of the utilities' more expensive increments of power.

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The Oglethorpe decision is founded on the idea that the FERC ought to enjoy considerable latitude in making sure that the goals of PURPA--the fostering and encouragement of cogeneration and small power production--will not be compromised. Thus, even though there is no specific PURPA provision or regulation allowing for a waiver of the obligation to purchase electricity from a QF, the FERC decided that such authority was implicit where necessary to accomplish the stated statutory objective. In Oglethorpe, that authority rested upon a catchall clause in PURPA allowing the FERC to adopt "such rules as it determines necessary" to encourage cogeneration development.¹⁷

In the case of Oglethorpe Power, the system was operated in such a way that it was economically practical for the central wholesale arm to coordinate all QF purchases rather than to incur the expense and inconvenience of requiring each retail utility to develop and install an administrative and engineering staff for QF purchase operations. Therefore, the system was allowed to concentrate QF purchases in one spot.

It should be noted that small hydroelectric projects can be qualifying facilities under PURPA. The Bradley Lake project, however, exceeds the 80 Mw capacity limit.

I hope this information is useful. If you have additional question, please do not hesitate to contact me.

¹⁷Bruce W. Rastford, "Pages from the Editor," Public Utilities Fort-
nightly, November 28, 1985, p. 4.

¹⁸ibid.

Testimony of Ralph (Andy) Johnson
May 8, 1987 House Judiciary Committee
SE 22

My name is Ralph (Andy) Johnson. I am a Native Alaskan by birth and inheritance. I am now a retired power engineer who has over forty years of experience in the production, transmission, and distribution of electricity. I received my technical education from college extension courses, correspondence courses and home study.

My power plant experience started in a small hydro-electric power plant at Sisters Lake on Chichagof Island in 1941. (I had worked as a lineman for O.E. Schombel in Haines, Alaska before that.) 1942-1947 in own oil-fired steam powerplant on Japonski Island, Sitka. 1945-1953 electrical contractor, Sitka and Anchorage. 1953-1973 Chugach Electric Association in Anchorage, Knik Arm, 1953-1966 coal-fired steam, 1966-1973 gas-fired, 1957-1973 construction and operation of Cooper Lake Hydro. 1961 and 1973 Bernice Hot Springs power plant, oil then oil or gas-fired gas turbine with waste heat boiler. 1963-1973 International Station power plant in Anchorage, oil, then oil or gas. 1965-1973 Beluga power plant natural gas fired turbines, construction and operation.

In a utility that was growing as fast as CEA was, we could not get money fast enough and would use up at least two year's money every year. We grew from a 9 megawatt peak in 1953 to an 180 megawatt peak in 1972. Part of my job at CEA at that time was to estimate the cost of hydro, diesel, steam and gas turbine power plants, run them on paper for thirty-five years, then recommend to the general manager which type to build, because of the big difference in capital costs of each type. The difference in interest costs more than bought the fuel for a gas turbine.

I was president of CIRI (Cook Inlet Region, Inc.) 1973 to 1975. Under my leadership, the corporation changed from one everyone thought would fail to a start of what it is today.

1975-1979 I was General Superintendent for Homer Electrical Association.

1977 to present I am President of Salamatof Native Association, Inc.

After Dale Teels introduction, I must say I am a friend of Mr. Teel and that I have no connection with his company. In fact, in 1959, before Anchorage Natural Gas was in existence, I tried to get CEA to build a gas turbine power plant in Kenai using cheap Kenai gas. The engineer for CEA and the manager at that time couldn't see a plant in Kenai. But Bud Schultz put the plan in operation in Beluga when he became manager.

Regarding Bradley Lake, two years ago, I proposed to build a gas turbine powered plant in Kenai if the State of Alaska would let me use the \$250 million for thirty-five years. I would have given the utilities the 352 million KWH Bradley Lake would produce, sell them 270 million at \$.02 per KW, then give them back the \$250 million and the power plant.

I made a slightly different proposal this year, copies of which I am giving to you for later reading, plus a cost comparison I made of Bradley Lake versus a gas-turbine.

I am not here to speak on any of the proposals. I am here to speak against the passage of SB 22.

First, I agree with what Mr. Barnes and Mr. Teel have already stated.

Second, the state of the art has progressed to the point where gas turbines with regeneration are the most cost effective and efficient thermal generation units today. CEA's plant at BLPP was, the, or one of the, first gas turbines that was used for base load power generation.

I am now going to comment on several statements made by previous speakers. A statement was made that the production of Bradley Lake (40 MW firm, 90 MW peak) was insignificant in the total Railbelt power system. I agree with this, but why should it cost almost as much as all the rest of the system. We need the APUC to be our watchdog and protect us from this kind of management.

A speaker stated that not knowing what the APUC would do about Bradley Lake cause the utilities to build Soldotna No. 1, a plant that is not going to be needed and cannot be economically run for at least three years. Then he stated that the REA's were very good at looking out for their consumers and a majority of them were in favor of their form of management. All the Germans were for Hitler, but was his management good? We, the consumer, have to pay for all the mistakes REA management makes, so again, we need an unbiased, professional, APUC watchdog.

The report by the Legislative Research Agency, dated 3/18/87, on page 25, shows construction cost of a gas turbine at 350 KW as \$325 million and Bradley Lake at \$244.6 million. Nowhere in the report can I find how these figures were derived. An 80 MW GT installed cost \$30 million today. Gas turbine life has been listed as 20-25 years.

Both CEA and Anchorage Municipal Utility have gas turbines that are over 25 years old and could be used as long as needed. As long as the proper annual repairs are made, a gas turbine will last as long as a hydro plant.

Proper management of a growing utility dictates base loading the most efficient unit and using the older, smaller (usually) unit for peaking. There will usually come a time when the smaller units are so insignificant that the space they occupy is more valuable to be used for some other purpose.

Using existing proposed contract prices today, an 80 MW gas turbine with switch gear and transformer can be turn-keyed for \$30 million. If the balance of the \$250 million Bradley Lake costs is invested and the interest used by the plant, 630,720,000 KWH can be produced for the system for \$0.015 each and save the consumers of the Railbelt about \$1 billion in 35 years, then return the \$250 million.

The fact that a gas turbine of 80 MW capacity which can peak at 90 MW and produce almost twice as many KWH's as Bradley Lake has never mentioned in any of the report seems to me to be a deliberate omission to make Bradley Lake look better.

People say gas is too valuable for other purposes to burn for electrical generation, but it is okay to send it to Japan to use. Why shouldn't we be able to use it for cheap power generation?

Everyone says that Bradley Lake will be cheap power after fifty years. Who knows what we will be using for power fifty years from now? Many things that are commonplace today were not even dreamed of fifty years ago. We might be using fusion, solar, or even dropping rocks in a box.

Please don't remove what little protection a consumer has between him and the utilities.

No government dam has ever been built within the estimated cost. Some of you are quite familiar with Four Dam Pool, sometimes referred to as the Four Damn Fools. Do you want to subject us to the same problems?

Help us to keep a watchdog between us and the REA or APA. Don't pass SB 22 or any other bill that finances Bradley Lake.

It was also brought out in the testimony of those from the Railbelt that they would not sign a "take or pay" contract without the intertie line, another \$200 million. The intertie is something that will be needed. Why blackmail the people into paying for Bradley Lake to get it?

Why should we spend \$500 million dollars to get cheaper gas turbine generated power up the Railbelt?

If the state has more money than it knows what to use it for, build Bradley Lake and the intertie.

If you want to do something that will help Alaska, stop Bradley Lake. Build the intertie and pay for it out of the savings in the next 35 years.

Added on May 10, 1987

I see by today's paper that the Finance Committee approved \$4.8 million to study a steam plant (105 MW) at Nenana; to let them spend \$234 million in revenue bonds to give 600 people three years of construction and 500 people permanent jobs, this is what we can expect if SB 22 is passed. Another example why we need a watch dog. Is there no end to what the electrical industry is trying to do to us consumers? As long as anything can be part of the rate, there is no hope for us.

Ralph A. Johnson
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Alaska Consumer Advocacy Program

113 West Seventh Avenue • P.O. Box 103111 • Anchorage, Alaska 99510 • (907) 272-6355 or 278-3663
TESTIMONY OF ALASKA CONSUMER ADVOCACY PROGRAM
ON CS FOR SPONSOR SUBSTITUTE FOR SB NO. 22

Good afternoon, members of the committee. My name is Joel Rothberg, and I am the staff attorney for the Alaska Consumer Advocacy Program (ACAP). On behalf of ACAP I would like to thank the committee for the opportunity to speak here today.

My purpose is to speak first against adoption of those portions of the bill before the committee which would remove wholesale power contracts between the Alaska Power Authority and a public utility from the jurisdiction of the Alaska Public Utilities Commission. Removal of these contracts from APUC jurisdiction would be a severe blow to the interests of Railbelt utility consumers and of the public at large.

ACAP also objects to those parts of the bill which would exempt from regulation utilities with fewer than 500 subscribers unless 25 per cent of the subscribers petitioned the APUC for regulation.

The obvious interest of the utilities in promoting this legislation is that its passage would free them to negotiate wholesale power agreements with the APA for Bradley Lake power without having to subject those contracts openly to the scrutiny of the APUC staff, competing power producers, and other energy production and conservation experts.

Evaluating the benefits of Bradley Lake power necessarily entails resolving extremely complex questions relating to estimation of demand over long periods of time, the costs of various power production methods, possibilities for energy conservation, financing costs, and rates. Difficult as these questions would

be were the main issue only the cost of Bradley Lake power, they are greatly complicated by the claims of alternative energy producers now before the APUC that they can produce power at lower cost than that from Bradley Lake or any existing conventional source.

One of these alternative producers, Valley Energy Corporation, argues that under the federal Public Utility Regulatory Policy Act, or PURPA, because the electricity it will produce from wood chips is more economical than any other source over a 20-year period, MEA, which is in the market for power, must purchase Valley Energy power and will have to do so even if it contracts for power from other sources. Thus, the effect of passage of this legislation is that MEA could be obligated to buy Bradley Lake power under a contract with the APA at the same time that it is obligated to buy Valley Energy power under an order from the APUC.

Utility consumers are entitled to the determination of all these issues by an expert, neutral adjudicator, as it is they who will pay the cost of unnecessarily expensive power and excess power. That adjudicator is the APUC. It cannot be the APA, which is not empowered to adjudicate competing claims of utilities and the public and which makes no pretense of expertise in, for example, demand estimation. The APA certainly cannot claim neutrality; for months the chairman of the APA and members of its staff have worked tirelessly to promote Bradley Lake. The APA has a valuable role to play in the process of deciding whether utilities should be able to buy power from Bradley Lake but it must not be the final decision-maker.

There is no good reason for removing the APA contracts from APUC jurisdiction. The utilities will argue that the delay entailed by APUC review will make financing of Bradley Lake either more expensive or even unavailable. That argument begs the question of why the people of this state should be denied the most thorough, expert, independent evaluation possible from the APUC in evaluating these contracts.

Just as entitled to regulatory protection are consumers in utilities with fewer than 500 subscribers. There is no reason to assume that just because a utility is small its service will always be adequate and its rates reasonable.

These small utilities are usually remote and rural in character. An indication of the kinds of problems that can arise in these settings can be found in the recently issued report of the APUC staff on AVEC operations. The report shows that although AVEC is improving, numerous problems remain in the areas of supervision, accountability, and training of village operators, maintenance, materials management, construction and engineering.

The communities that would lose the benefit of APUC regulation are similar to those in the AVEC system. Without Commission monitoring or effective competition, when service problems arise or rates go up, consumers have no alternative but to take what they are given. In the absence of an indication from these consumers that they do not need the APUC to deal with their utilities, the legislature should not turn its back on them.

MEMORANDUM

State of Alaska

TO: Larry Crawford
Executive Director
Alaska Power Authority

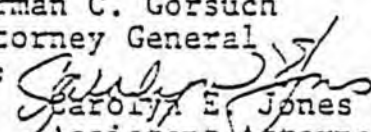
DATE: July ~~24~~³¹, 1984

FILE NO: 166-568-84

TELEPHONE NO: 276-3550

FROM: Norman C. Gorsuch
Attorney General

SUBJECT: APUC jurisdiction
over APA power sales
agreements

By: 
Carolyn E. Jones
Assistant Attorney General

You have asked what jurisdiction, if any, the Alaska Public Utility Commission (APUC) has to review and approve an agreement in which a local utility regulated by the APUC contracts to buy power from the Alaska Power Authority (APA). As we understand the facts, the APA anticipates selling and five local utilities intend to buy hydroelectric power generated by the "Four Dam Pool." One of the regulated utilities has questioned whether the APUC has jurisdiction to approve a wholesale agreement for hydroelectric power and the rates charged under the agreement. We conclude that the APUC has statutory jurisdiction to examine the terms of a local utility's wholesale power agreement with the APA only if the APUC has reason to investigate, as set out in AS 42.05.511, the local utility's management practices involved in entering the wholesale agreement. The APUC does not have authority to review rates or practices of the APA, and does not, in ordinary circumstances, approve a utility's wholesale power purchase agreements.

When the legislature first created the Alaska Power Authority, it provided that any contracts to sell power would be subject to review by the APUC. AS 44.56.090(8). This provision was consistent with the APUC's general authority, set out in AS 42.05.370 ^{1/} to review contracts for the sale of electric power by a public utility because the APA was a public utility as defined in the APUC Act.

1/ AS 42.05.370 provides, in part,

[E]very public utility shall file with the Commission . . . its complete tariff . . . and all classifications, rules, regulations, and terms and conditions under which it furnishes its services and facilities . . . to regulated or municipally owned utility for resale to the public, together with a copy of every special contract with customers which in any way affects or

(Footnote Continued)

166-568-84

Two years later, however, the legislature substantially amended AS 44.56.090 to provide, in part, that the APA would not be subject to the jurisdiction of the APUC. AS 44.56.090(b) (Renumbered in 1981 as AS 44.83.090(b)). In his April 6, 1977 transmittal letter, Governor Hammond stated that the purpose of the proposed amendment was to clarify the relationship between the authority and the APUC by providing that the APUC would not have jurisdiction over the APA. Committee Report - House Finance, April 19, 1978 at . A review of the testimony before both the House and Senate Finance Committees reveals that the practical effect of this clarification was to eliminate problems the authority was having in financing its projects through the sale of bonds. Committee Minutes - House Finance, April 10, 1978 at 374; testimony of Eric Yould, Executive Director, Alaska Power Authority, *id* at 374, 376; testimony of Argetsinger, ("Bond people get very nervous when any outside agency gets into control.").

A second question is whether, in spite of AS 44.83.090(b), the APUC has jurisdiction to review the APA wholesale power agreements as part of its regulation of the purchasing utility. If so, the intent of AS 44.83.090(b) could be defeated. If the APUC has authority to approve or disapprove a wholesale power agreement that the purchasing utility intended to sign with the APA, the practical effect would be the same as if the APA had to submit the agreement to the APUC. The APA would not be able to market its bonds and finance construction of its power projects. Furthermore, while the APUC clearly has the authority to investigate a utility's rates when the utility is the selling utility, we can find no authority in AS 42.05 which would permit the APUC to review these wholesale purchase agreements from the point of view of the utility as a purchaser. See AS 42.05.141 (general powers and duties of APUC include investigating utility's rates and making and requiring just, fair and reasonable rates); AS 42.05.431 (APUC may fix just and reasonable rate after investigation and hearing).

The APUC does, however, have broad statutory authority to examine the management practices of a utility, AS 42.05.511 2/

(Footnote Continued)

relates to the serving utility's rates, tolls, charges, rentals, classifications, services or facilities.

2/ Sec. 42.05.511. Unreasonable management practices. (a)
(Footnote Continued)

166-568-84

. This broad authority has never been interpreted by the Alaska Supreme Court. It is conceivable that the APUC could rely on this power to investigate the wholesale power purchase agreement if it perceived that the utility had engaged in imprudent management by entering the APA agreement. This action, however, would have to be considered extraordinary, and be supported by some evidence of imprudence or inefficiency. Even if the APUC were to conduct such an investigation, it is not clear that disapproving or setting aside a wholesale power agreement with the APA would be a permissible remedy.

CONCLUSION

The APUC lacks the authority to approve or disapprove a wholesale power agreement by which the APA sells its hydroelectric power to a regulated electric utility. Once the APA and the purchasing utility have agreed to the sale and the rates charged under the agreement, no further authorization is necessary to enter into such an agreement. However, this conclusion does not suggest that the APUC would be precluded from examining the APA wholesale power agreements under its broad "management practices" authority in appropriate circumstances.

CEJ:cah

(Footnote Continued)

The commission may investigate the management of a public utility, including but not limited to staffing patterns, wage and salary scales and agreements, investment policies and practices, purchasing and payment arrangements with affiliated interests, for the purpose of determining inefficient or unreasonable practices which adversely affect the cost or quality of service of the public utility.

(b) Where unreasonable practices are found to exist, the commission may, after providing reasonable notice and opportunity for hearing, take appropriate action to protect the public from the inefficient or unreasonable practices and may order the public utility to take the corrective action the commission may require to achieve effective development and regulation of public utility services.

Original sponsor: Coghill

1 IN THE SENATE BY THE FINANCE COMMITTEE
2 CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 22 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act exempting certain telephone and electric
7 utilities and certain transactions from regulation by
8 the Alaska Public Utilities Commission; restricting
9 the authority of the Alaska Public Utilities Commis-
10 sion in considering certain costs in connection with
11 rates charged by a utility and with calculating power
12 cost equalization; and providing for an effective
13 date."

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

15 * Section 1. AS 42.05.431(b) is amended to read:

16 (b) Except as provided in (c) of this section, a [A] wholesale
17 power agreement between public utilities is subject to advance ap-
18 proval of the commission. After a wholesale power agreement is in
19 effect, the commission may not invalidate any purchase or sale obliga-
20 tion under the agreement. However, if the commission finds that rates
21 set in accordance with the agreement are not just and reasonable, the
22 commission may order the parties to negotiate an amendment to the
23 agreement and if the parties fail to agree, to use the dispute resolu-
24 tion procedures contained in the contract.

25 * Sec. 2. AS 42.05.431 is amended by adding a new subsection to read:

26 (c) A wholesale agreement for the sale of power between the
27 Alaska Power Authority and a public utility is not subject to review
28 or approval by the commission.

29 * Sec. 3. AS 42.05.511 is amended by adding a new subsection to read:

1 (d) All costs incurred by a utility in connection with a con-
2 tract with the Alaska Power Authority, including power costs, wheeling
3 charges for facilities owned or leased by the state, and overhead
4 costs associated with the contract, are considered prudent and are
5 allowed in the rates charged by the utility.

6 * Sec. 4. AS 42.05.711(e) is amended to read:

7 (e) Notwithstanding any other provisions of this chapter, an
8 [ANY] electric or telephone utility that does not gross \$50,000 an-
9 nually or that has fewer than 500 subscribers is exempt from regu-
10 lation under this chapter unless 25 percent of the subscribers peti-
11 tion the commission for regulation. The commission may not combine
12 the revenue or subscribers of different utilities owned by the same
13 company when determining whether a utility is exempt under this sub-
14 section.

15 * Sec. 5. AS 42.05.711 is amended by adding a new subsection to read:

16 (m) The Alaska Power Authority is not a public utility under
17 this chapter.

18 * Sec. 6. AS 44.83.090(b) is amended to read:

19 (b) The authority is not subject to the jurisdiction of the
20 Alaska Public Utilities Commission. Nothing in this chapter [AS 44.-
21 83.010 - 44.83.425] grants the authority any jurisdiction over the
22 services or rates of any public utility or diminishes or otherwise
23 alters the jurisdiction of the Alaska Public Utilities Commission with
24 respect to any public utility, including any right the commission may
25 have to review and approve or disapprove contracts for the purchase of
26 electricity by a public utility other than a wholesale power agreement
27 for the purchase of power from the authority.

28 * Sec. 7. AS 44.83.162 is amended by adding a new subsection to read:

29 (p) In calculating power cost equalization, the commission may

1 not consider costs or kilowatt-hour sales associated with a United
2 States Department of Defense facility.

3 * Sec. 8. Sections 1, 2, and 5 - 7 of this Act are retroactive to
4 June 7, 1986.

5 * Sec. 9. This Act takes effect immediately under AS 01.10.070(c).

SB 23

2/2/88 H Rec

STATE OF ALASKA
1988 LEGISLATIVE SESSION

CSSB 23 (Resources)

BILL VERSION: _____

PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: 2/1/88

Title: Agricultural Rights to Land

Sponsor: Senator Coghill

Requestor: House Resources Committee

Agency Affected: Natural Resources

BRU: Agriculture

Land & Water Public Use

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Applications for contract changes will be processed as existing staff is available. The burden of gathering information to provide clear and convincing evidence that a contract modification is justified will primarily fall to the applicant. Parcel inspections and other field work will be performed as staff and travel funds are available.

Prepared by: Carol Wilson

Phone: 465-2400

Division: Commissioner's Office

Date: 2/1/88

Approved by Commissioner: [Signature]

Date: 2/2/88

Agency: Natural Resources

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

FEB 3 1988

SENATE COMMITTEE REPORT

FURTHER:

5/8/87

DATE TURNED INTO OFFICE

5/15/87

Mr. President:

FINANCE

Committee considered

SB 23

agricultural rights to land.

and recommended:

replace with

CS FOR

) same title

or adopt _____

CS FOR

SB 23 (RIS)

) new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted _____

Committee attached or adopted fiscal note(s)

new

updated or

previous

zero

fiscal impact

MEMBERS SIGNING DO PASS

[Signature]

OTHER RECOMMENDATIONS

[Signature] (Note)
[Signature] (Note)
[Signature] (Note)
[Signature] (Note)

[Signature] No Rec.
Chairman signature and recommendation

Committee Backup Attached

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

REQUEST: _____

Bill Version : CSSB 23 (Resources)
Publish Date : _____

Revision Date: 5/14/87
Title: Agricultural Rights to Land

Agency Affected: Natural Resources
BRU: Agriculture
Land & Water Public Use

Sponsor: Senator Coghill
Requestor Senate Finance

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Applications for contract changes will be processed as existing staff is available. The burden of gathering information to provide clear and convincing evidence that a contract modification is justified will primarily fall to the applicant. Parcel inspections and other field work will be performed as staff and travel funds are available.

Prepared by: Carol Wilson
Division: Commissioner's Office

Phone: 465-2400
Date: 5/14/87

Approved by Commissioner: *Jennie Gosnell*
Agency: Natural Resources

Date: 5-14-87

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

Original sponsor: Coghill

1 IN THE SENATE BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 23 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to agricultural rights to land."

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

8 * Section 1. AS 38.05.059 is repealed and reenacted to read:

9 Sec. 38.05.059. LIMITATIONS AND CONDITIONS ON SALE OR LEASE OF
10 AGRICULTURAL LAND. (a) In a sale of state land classified as agri-
11 cultural land, the use of the land shall be restricted as provided
12 under this section. The commissioner shall convey a fee simple condi-
13 tional title to the surface estate subject to a condition subsequent
14 that the land be used only for agricultural purposes. The commis-
15 sioner shall reserve a right of reentry after notice and an oppor-
16 tunity for a hearing if the land is used for other than agricultural
17 purposes. A reversion of title upon reentry does not affect the
18 validity of a prior lien or security interest on the land.

19 (b) As a condition to the issuance of a lease or a contract of
20 sale of state land classified as agricultural land, the commissioner
21 may require a farm development agreement and the submission of a
22 conservation plan that establish reasonable requirements based on
23 economic feasibility of development and sound agricultural principles.

24 (c) A person purchasing land from the state under (a) - (b) of
25 this section and the successor in interest of a purchaser may request
26 the commissioner to modify conditions imposed in the purchase, except
27 that the commissioner may not modify the fee simple conditional title
28 conveyed by the purchase. The commissioner may not modify a condition
29 imposed in the purchase unless the commissioner determines that the

1 modification is in the public interest and is necessary to

2 (1) rectify a mistake of fact that existed at the time the
3 contract for purchase was entered into;

4 (2) alleviate a substantial hardship not foreseeable by
5 either party at the time the contract to purchase was entered into; or

6 (3) alleviate a financial burden that is substantial, if
7 the modification requires the expenditure of an amount of money or
8 effort

9 (A) comparable to that originally required; and

10 (B) in a specific manner that will more efficiently
11 benefit agricultural development in the state.

12 (d) An application under (c) of this section to modify a condi-
13 tion imposed in the purchase must show by clear and convincing evi-
14 dence that the modification is justified under (c)(1), (2), or (3) of
15 this section. A person granted a modification under (c)(3) of this
16 section may not receive another modification under that paragraph for
17 a period of five years from the date of the modification.

18 (e) The commissioner may not convey title under (a) of this
19 section to a person who has not complied with a farm development
20 agreement or conservation plan, including a modification of an agree-
21 ment or plan, as required by the commissioner.

22 (f) In this section, "agricultural purposes" includes farming,
23 ranching, grazing, and storage or control of agricultural crops or
24 livestock, and the construction of the farm residence of the grantee
25 as well as other buildings commonly needed for agricultural purposes
26 on not more than 20 acres of the land transferred under this section.

27 * Sec. 2. AS 38.05.020(b)(7) is repealed.

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST: _____

Bill Version: SB 23
Publish Date: _____

Revision Date: April 1, 1987
Title: Agricultural Rights to Land

Agency Affected: Natural Resources
BRU: Land and Water Public Use
Agriculture

Sponsor: Senator Coghill
Requestor: Senate Resources

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		97.1	97.1	97.1		
TRAVEL		16.0	16.0	16.0		
CONTRACTUAL		18.0	18.0	18.0		
SUPPLIES		5.0	5.0	5.0		
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		136.1	136.1	136.1		

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND		136.1	136.1	136.1		
FEDERAL FUNDS						
OTHER						
TOTAL		136.1	136.1	136.1		

POSITIONS:

FULL-TIME		2	2	2		
PART-TIME		1	1	1		
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Zeroed by new JWC F/W

Prepared by: Carol J. Wilson Phone: -2400
Division: Commissioner's Office Date: 4/1/87

Approved by Commissioner: Lance Boston Gorsuch Date: 4/2/87
Agency: Natural Resources

- Distribution (by preparer):
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management and Budget
 - Impacted Agency(ies)
 - Senate Secretary

RECEIVED
APR 03 1987

CONTINUATION OF FISCAL NOTE ANALYSIS

FOR BILL/RESOLUTION NO. SB 23

- 100 - 1 Natural Resource Manager I, Range 18A, \$49.9 per year for 3 years. (Division of Agriculture, Palmer)
- 1 Clerk Typist II, Range 7A, \$13.1 per 6 months for 3 years. (Division of Agriculture, Palmer)
- 1 Natural Resource Technician II, Range 12A, \$34.1 per year for 3 years. (Division of Land and Water Management)
- 200 - Field travel by Division of Agriculture staff to inspect parcels throughout the state (from Fairbanks to Gustavus).
- 300 - Aerial photography, field measuring, soil surveys and appraisals.
- 400 - Mapping supplies, field equipment and office supplies.

Of the approximately 400 parcels that are currently covered by agricultural contracts, an estimated 300 parcel owners may request contract modifications. The Division of Land and Water Management position would be responsible for accepting contract change requests and would prepare and process necessary forms and papers. The Division of Agriculture positions would evaluate contract change requests and perform field inspections and surveys, as necessary, to determine the acceptability of proposed changes.

1 IN THE SENATE

BY COGHILL

2

SENATE BILL NO. 23

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to agricultural rights to land."

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

8 * Section 1. AS 38.05.059 is repealed and reenacted to read:

9 Sec. 38.05.059. LIMITATIONS AND CONDITIONS ON SALE OR LEASE OF
10 AGRICULTURAL LAND. (a) During any eight-year period, a person may
11 purchase from the state not more than one parcel of land that is part
12 of an agricultural development project under former AS 4.33.475.

13 (b) In a sale or other disposal of state land classified as
14 agricultural land the use of the land shall be restricted as provided
15 under this section. The commissioner shall convey a fee simple condi-
16 tional title to the surface estate subject to a condition subsequent
17 that the land be used only for agricultural purposes. The commis-
18 sioner shall reserve a right of reentry after notice and an oppor-
19 tunity for a hearing if the land is used for other than agricultural
20 purposes. A reversion of title upon reentry does not affect the
21 validity of a prior lien or security interest on the land.

22 (c) As a condition to the issuance of a lease or a contract of
23 sale of state land classified as agricultural land, the commissioner
24 may require a farm development agreement and the submission of a
25 conservation plan that establish reasonable requirements based on
26 economic feasibility of development and sound agricultural principles.

27 (d) A person purchasing land from the state under (a) - (c) of
28 this section may request the commissioner to modify or remove condi-
29 tions imposed in the purchase. A condition may be modified or removed

1 only on agreement between the grantee or the successor in interest of
2 the grantee and the commissioner.

3 (e) The lessee of state agricultural land shall receive a lease-
4 hold interest in the surface estate subject to the condition subse-
5 quent that the land leased be used only for agricultural purposes.

6 (f) The commissioner may not convey title under (b) of this
7 section to a person who has not complied with a farm development
8 agreement or conservation plan required by the commissioner.

9 (g) In this section, "agricultural purposes" includes farming,
10 ranching, grazing, and storage or control of agricultural crops or
11 livestock, and the construction of the farm residence of the grantee
12 or lessee as well as other buildings commonly needed for agricultural
13 purposes on not more than 20 acres of the land transferred under this
14 section.

15 * Sec. 2. AS 38.05.321(a) is repealed.

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: FINANCE

**FISCAL NOTE(S) ATTACHED **
IN ACCORDANCE WITH AS 24.08.035
(see below)

1/19/87

DATE TURNED INTO OFFICE 5/8/75

Mr. President:

RESOURCES

Committee considered SB 23

relating to agricultural rights to land.

and recommended:

[x] replace with CS SB 23 (Res) [x] same title
[] attached amendment(s) and [] new title

[x] do pass

[] do not pass

[] no recommendation

[] individual recommendations

[] further referral to _____

[] letter of intent adopted and attached

** Committee [x] attached or [] adopted fiscal note(s)
[] zero [x] fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Handwritten signatures]

[Handwritten signature]
Chairman signature and recommendation

[] Committee Backup Attached

SB 25

SENATE COMMITTEE REPORT

FURTHER:

2/4/87

DATE TURNED INTO OFFICE 2/24/87

Mr. President:

FINANCE Committee considered SB 25

providing a special assessment for private airports open for public use; efd.

and recommended:

replace with CS FOR _____) same title
 or adopt _____ CS FOR _____) new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted _____

Committee attached or adopted fiscal note(s)
 new updated or previous DOT/PF
 zero fiscal impact 1/30/87

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Signature]
[Signature]
[Signature]
[Signature]

Rich Uehly (No Rec)

[Signature] **DO PASS**
Chairman signature and recommendation

Committee Backup Attached

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

REQUEST: _____

Bill Version : SB 25

Publish Date : _____

Revision Date: Original

Agency Affected : DOT&PF

Title: Special Assessment for private airports open for public use...

BRU: _____

Sponsor: Bennett

Components : _____

Requestor: Senator Jones

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
----------------	------------	------------	------------	------------	------------	------------

REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
----------------	------------	------------	------------	------------	------------	------------

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

This Bill will not impact DOT&PF. All duties, authorities and responsibilities rest with the municipality and the owner of the airport.

Prepared by: Ron B. Lind

Phone: 465-2171

Division: Plans, Programs and Budget

Date: _____

Approved by Commissioner: [Signature]

Date: 1/30/87

Agency: Department of Transportation and Public Facilities

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

1 IN THE SENATE

BY BENNETT

2

SENATE BILL NO. 25

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act providing a special assessment for private
7 airports open for public use; and providing for an
8 effective date."

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

10 * Section 1. AS 29.45 is amended by adding a new section to read:

11 Sec. 29.45.065. ASSESSMENT OF PRIVATE AIRPORTS OPEN FOR PUBLIC
12 USE. (a) A municipality may provide by ordinance that airports
13 located on private land and open and available for public use may be
14 assessed at full and true value for airport use and not as if sub-
15 divided or used for some other nonairport use. The assessor shall
16 maintain records valuing the land at both full and true value and
17 airport use value. If the land is sold, leased, or otherwise disposed
18 of for uses incompatible with airport use by the public or if the
19 owner converts the land to a use incompatible with airport use by the
20 public, the owner is liable to pay an amount equal to the additional
21 tax at the current mill levy together with eight percent interest from
22 the time of the incompatibility, as if the land had not been assessed
23 for airport use. Payment of the additional tax and interest shall be
24 made to the municipality.

25 (b) To secure the assessment under this section, the owner of
26 the airport shall show that the airport is on private land, is open
27 and available for public use, and is of benefit to the public or
28 municipality. The owner shall apply to the assessor before May 15 of
29 each year that the assessment is desired on forms to be prescribed by

1 the municipality for use of the local assessor and shall include
2 information reasonably required to determine the entitlement of the
3 applicant. If the land is leased for airport purposes, the applicant
4 shall furnish the assessor with a copy of the lease bearing the signa-
5 ture of both the lessee and lessor for the period that the exemption
6 is requested.

7 (c) In this section, "airport" means an area of land or water
8 that is used or intended for use for the landing, takeoff, movement,
9 or parking of aircraft, and the appurtenant areas that are used or
10 intended for use for airport buildings or other airport facilities or
11 right-of-way, together with airport buildings and facilities at the
12 location.

13 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

SENATE AMENDMENT

BY: Transportation Committee

TO: _____ SENATE BILL NO. 25

TO: _____ HOUSE BILL NO. _____

On Page 2, Line 8,

Delete "or intended for use"

On page 2, Lines 9 and 10,

delete "or intended for use"

(TURN IN ORIGINAL AMENDMENT TO SENATE SECRETARY'S OFFICE.
THE AMENDMENT WILL BE NUMBERED, COPIED AND DISTRIBUTED.)

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of Jan 29 1987 5-DAY NOTICE
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: FINANCE

**FISCAL NOTE(S) ATTACHED **
IN ACCORDANCE WITH AS 24.08.035
(see below)

1/19/87

DATE TURNED INTO OFFICE _____

Mr. President:

TRANSPORTATION Committee considered SB 25

providing a special assessment for private airports open for public use; efd,

and recommended:

replace with CS _____ same title
 new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted and attached

** Committee attached or adopted fiscal note(s)
 zero fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Handwritten signatures]

[Handwritten signature]
Chairman signature and recommendation

Committee Backup Attached



210 25

GHEMM COMPANY, Inc.

General Contractors

Phone 452-5191 • Telex 35455

P.O. Box 507

FAIRBANKS, ALASKA 99707

February 6, 1987

Senator Don Bennett
Pouch V
Juneau, Alaska. 99811

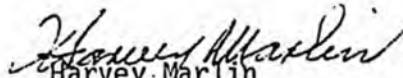
Attention: Chris Christianson

Dear Senator Bennett:

We did just receive a letter from Chuck Gray of the News Miner advising us that you have introduced a bill to give tax relief to private airport land owners.

We at Metro Field most enthusiastically support such a bill. A private airport, in our experience, is anything but a profitable venture. It does provide a convenience to any user, and does no doubt encourage various other expenditures such as airplanes, fuel, maintenance, insurance and land purchase plus improvements- all of which add to a taxable base.

We definitely endorse such a bill.


Harvey Marlin
Vice President



Bradley's Sky Ranch

Gravel Sales — Aircraft Sales — Service — Tiedowns — Fuel — Repair

Equipment Rental
Snow Removal

2571 Old Richardson Highway
North Pole, Alaska 99705
Phone (907) 488-6234 or 488-7020

February 10, 1987

Senator Don Bennett
Attn: Chris Chistianson
Pouch V
Juneau AK 99811

Re: Senate Bill No. 25

Dear Senator Bennett,

We, the owners and operators of Bradley Sky Ranch, do strongly support Senace Bill No. 25.

This airport has existed since 1953. We now have over 100 aircraft based here. The airport has been used by every commuter and air taxi operator in the Interior as well as by government organizations such as: BLM, Federal and State Fish & Game, C.A.P., and the US Army. We have two air taxi services and three aircraft maintenance facilities based here. I would estimate our general aviation movements would outnumber those of Fairbanks International.

One problem which Senate Bill No. 25 would address is that we have over eighty acres in airport and taxiing surface, parking and float pond. Due to recent increases in property assessments (taxes), we have explored several options: reduction in airport size, subdivision and sale, or public dedication.

We do not and have not received any public aid, and therefore, believe that Senate Bill No. 25 would help us to stay in the airport business and continue to serve the public interest.

Sincerely,


Leslie J. Bradley

"We Fly The Arctic"

Editorial Opinion and Comment of



Daily News - Miner

"Independent in All Things . . . Neutral in None"

Other opinions expressed on this page do not necessarily reflect those of the Daily News-Miner.



Airfield options

Private airports face an uncertain future in urbanizing areas such as Fairbanks.

Because these airports require lots of land in comparison to the income they can earn, property taxes can threaten their very existence.

A bill being introduced in the legislature by Sen. Don Bennett (R-Fairbanks) would allow local governments to give a property tax break to private airports that are open to the public. Rather than a break, it would be more of a just tax considering their value to the communities they serve. At present, state law prohibits municipalities like the Fairbanks North Star Borough from offering such tax breaks except to farmland.

Private airports make an important contribution to Alaska aviation. Among other things, they help draw light planes away from major government-run airports that serve airliners and other heavy aircraft. Anything that separates small planes from their bigger brothers increases the safety and convenience of all air travelers.

In addition, they reduce the need to expand government-run airports, reducing the demands on the public purse.

Bennett's bill would not *require* tax relief for private airports; it would only allow such relief. The choice would be up to the local government, just as it should be. And the tax break could be extended only to private airports open to the public.

This bill would cost the state nothing while providing an important and useful option to local government in Alaska. We hope it passes.

SHERMAN LAND DEVELOPMENT
Clyde G. Sherman
210 Northward Building
Fairbanks, AK 99701

February 12, 1987

Senator Don Bennett
ATTN: Chris Christianson
Pouch V
Juneau, AK 99811

Dear Senator Bennett:

Ref: Senate Bill No. 25

Yes, I favor your bill for special assessments of private air fields (rural).

I have a good air field which is needed for community use. I have considered destroying it and putting it into building lots due to the cost of taxes. I realize that once destroyed it can never be replaced, so I have held on.

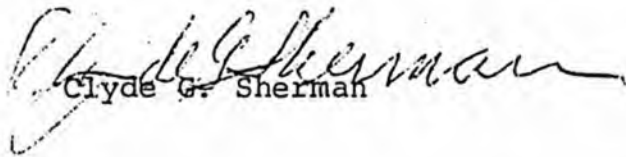
Little do we know how badly we may need these small air fields in the next 20-50 years.

Thank you for your efforts.

One other thing: the Fairbanks North Star Borough prohibits an owner of land adjoining an air strip putting up a hangar. This must be changed. It's worse than preventing a man building a garage for his car.

Don, if anyone needs to be written to or phoned on this, please let me know.

Respectfully yours,


Clyde G. Sherman

CGS:lr
cc: Charles L. Gray
President & General Manager
Daily News Miner

SB 27

2/17/88
H (Field)
*ben (File)

Fiscal Notes

BILL VERSION: CSSB 27 (TRSP)

PUBLISH DATE: _____

*received
& forwarded to
House after
bill R/O.*

FISCAL NOTE

_____ to the crime of _____

Agency Affected: Public Safety

BRU: Alaska State Troopers

Components: Detachments, C.I.B. and
Narcotics

(Thousands of Dollars)

	FY88	FY89	FY90	FY91	FY92	FY93
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL _____

REVENUE _____

FUNDING: (Thousands of Dollars)

GENERAL FUNDS						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

No fiscal impact is anticipated.

*JNR
2/11/88*

Prepared by: Francis C. Allan *G.C.A.*
Division: Alaska State Troopers

Phone: 269-5691

Date: 2/6/88

Approved by Commissioner: Arthur English

Date: 2/6/88

Agency: Public Safety

- Distribution: (by preparer):
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management and Budget
 - Impacted Agency(ies)

RECEIVED
FEB 13 1988

STATE OF ALASKA
1988 LEGISLATIVE SESSION

BILL VERSION: CSSB 27 (TRSP)
PUBLISH DATE: _____

2/17/88
H (Fwd)
then (Fwd)

FISCAL NOTE

REQUEST

Revision Date: _____ Agency Affected: Public Safety
Title: "An Act relating to the crime of
conspiracy." BRU: Alaska State Troopers
Sponsor: Sen. Rodey Components: Detachments, C.I.B. and
Requestor: Senate Finance Narcotics

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY88	FY89	FY90	FY91	FY92	FY93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUNDS						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

No fiscal impact is anticipated.

JNR
2/11/88

Prepared by: Francis C. Allan *F.C.A.*
Division: Alaska State Troopers

Phone: 269-5691
Date: 2/6/88

Approved by Commissioner: Arthur English
Agency: Public Safety

Date: 2/6/88

Distribution: (by preparer):

Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

RECEIVED
FEB 13 1988

Fiscal Notes
received
& forwarded to
House after
bill R/O.

2/12/88 H Gud

STATE OF ALASKA
1988 LEGISLATIVE SESSION

BILL VERSION: CSSB 27 (JUD)
PUBLISH DATE: _____

FISCAL NOTE

REQUEST

Revision Date: _____
Title: "An Act relating to the crime of
conspiracy."
Sponsor: Sen. Rodey
Requestor: House Judiciary

Agency Affected: Public Safety
BRU: Alaska State Troopers
Components: Criminal Investigation
Bureau

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY88	FY89	FY90	FY91	FY92	FY93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUNDS						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

No fiscal impact is anticipated.

JNR
2/9/88

Prepared by: Francis C. Allan *F.C.A.*
Division: Alaska State Troopers

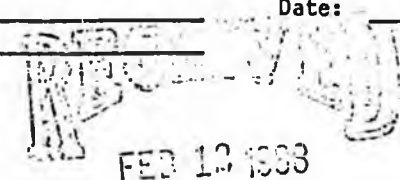
Phone: 269-5691
Date: 1/29/88

Approved by Commissioner: Arthur English *A.A.H.*
Agency: Public Safety

Date: 1/29/88

Distribution: (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)



4/2/88 HQ

STATE OF ALASKA
1988 LEGISLATIVE SESSION

BILL VERSION: CSSB 27
PUBLISH DATE: 5/7/87

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An Act relating to the
crime of conspiracy"
Sponsor: Senator Pat Rodey
Requestor: Judiciary and Finance

Agency Affected: Department of Administration
BRU: Public Defender Agency
Components: Third Judicial District

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES		153.3	159.4	165.8	172.4	179.3
TRAVEL		5.0	5.2	5.4	5.6	5.8
CONTRACTUAL		10.0	10.4	10.8	11.2	11.6
SUPPLIES		2.5	2.6	2.7	2.8	2.9
EQUIPMENT		6.0				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		176.8	177.6	184.7	192.0	199.6

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND		176.8	177.6	184.7	192.0	199.6
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME		3.0	3.0	3.0	3.0	3.0
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

(See attached)

Prepared by: Dana Fabe, Public Defender Phone: 279-7541
Division: Public Defender Agency Date: January 21, 1988

Approved by Commissioner: John Andrews Date: 2/10/88
Agency: Department of Administration

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

LEGISLATIVE FINANCE

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CS SB 27

This bill is intended to assist Alaskan state law enforcement authorities in combatting the criminal efforts of groups organized for illegal purposes. Senate Bill 27 apparently limits its prescriptions to criminals in drug distribution and prostitution schemes. It must be assumed that numerous prosecutions will be pursued under this statute because of the current frequency of arrests for the substantive offenses involved.

The Public Defender Agency must assume that it will be appointed in a large number of such prosecutions just as it is currently appointed with great frequency in drug and prostitution cases.

Cases filed under conspiracy statutes on the federal level and in other states routinely involve substantial attorney time, particularly for preparation of pre-trial motions. Due to the fact that the Department of Law's investigation activity will probably focus on urban areas, the Public Defender is requesting one experienced attorney, a paralegal and a clerk typist to handle representation of clients charged under this bill.

BUDGET ANALYSIS

<u>Personal Services:</u>	Attorney IV	74.8	
	Associate Attorney I	49.2	
	Clerk/Typist III	29.3	
			153.3
<u>Travel:</u>	Expert Witnesses, Investigation, etc.		5.0
<u>Contractual:</u>	Expert Witnesses, Space, etc.		10.0
<u>Supplies:</u>	Office, Law Library, etc.		2.5
<u>Equipment:</u>	(One time) Furniture, Office Machines, etc.		<u>6.0</u>
		TOTAL	176.8

Position Title Attorney IV		No. of Positions 1	Range/Step 24A	Barg. Unit PX	
Time Status PFT	Staff Months 12	Location Anchorage		Election District 92	
Type of Expenditure		Justification			
		<p>This senior felony attorney will be stationed in Anchorage, but will represent defendants on a statewide basis.</p>			
Amount					
1	2				3
Salary	\$56,244.00				
Benefits	18,129.00				
Premium Pay					
Other					
Total Personal Services					\$74,373.00
Travel					5,000.00
Contractual					10,000.00
Commodities					1,000.00
Equipment					2,000.00
Other					-0-
Total Cost					\$92,373.00
Funding Source for Total Cost					
Federal Receipts	1002				
G. F. Match	1003				
General Fund	1004	\$92,373.00			
GF Program Receipts	1005				
Other					

**Request For
New Position**

Agency Department of Administration
 BRU Public Defender Agency
 Component Third Judicial District

FY 89

Page 3 of 5
 Revised Date 1/21/88

Position Title		Associate Attorney I		No. of Positions	1	Range/Step	17A	Barg. Unit	PX
Time Status		Staff Months		Location		Election District			
PFT		12		Anchorage		92			
				Justification					
				This Associate Attorney I will be based in Anchorage but will travel statewide to provide investigative and paralegal services to the case attorney.					
Type of Expenditure			Amount						
1		2		3					
Salary		\$34,920.00							
Benefits		14,241.00							
Premium Pay									
Other									
Total Personal Services				\$49,161.00					
Travel				-0-					
Contractual				-0-					
Commodities				500.00					
Equipment				2,000.00					
Other				-0-					
Total Cost				\$51,661.00					
Funding Source for Total Cost									
Federal Receipts		1002							
G. F. Match		1003							
General Fund		1004		\$51,661.00					
GF Program Receipts		1005							
Other									

**Request For
New Position**

Agency Department of Administration
 BRU Public Defender Agency
 Component Third Judicial District

FY 89

Page 4 of 5
 Revised Date 1/21/88

Position Title Clerk Typist III		No. of Positions 1	Range/Step 8A	Barg. Unit GGU
Time Status PFT	Staff Months 12	Location Anchorage		Election District 92
		Justification		
Type of Expenditure		Amount		
1	2	3		
Salary	\$19,572.00			
Benefits	9,742.00			
Premium Pay				
Other				
Total Personal Services		\$29,314.00		
Travel		-0-		
Contractual		-0-		
Commodities		1,000.00		
Equipment		2,000.00		
Other		-0-		
Total Cost		\$32,314.00		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	\$32,314.00		
GF Program Receipts	1005			
Other				

This Clerk Typist III will be based in Anchorage and will provide clerical support services to the case attorney and associate attorney.

**Request For
New Position**

Agency Department of Administration
 BRU Public Defender Agency
 Component Third Judicial District

Page 5 of 5
 Revised Date 1/21/88

FY 89

FISCAL NOTE

REQUEST:

Revision Date: 1/21/88
Title: "An Act relating to the crime of conspiracy..."
Sponsor: Rodey, Halford, et al.
Requestor: Judiciary, Finance

Agency Affected: Administration
BRU: Office of Public Advocacy
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	103.7	107.8	112.1	116.6	121.3
TRAVEL		5.0	5.2	5.4	5.6	5.8
CONTRACTUAL		85.0	88.4	91.9	95.6	99.4
SUPPLIES		2.5	2.6	2.7	2.8	2.9
EQUIPMENT		6.0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	202.2	204.0	212.1	220.6	229.4

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	202.2	204.0	212.1	220.6	229.4
FEDERAL FUNDS						
OTHER						
TOTAL		202.2	204.0	212.1	220.6	229.4

POSITIONS:

FULL-TIME	0	2.0	2.0	2.0	2.0	2.0
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Brant McGee
Division: Office of Public Advocacy

Phone: 274-1684
Date: 1/20/88

Approved by Commissioner: John Andrews
Agency: Department of Administration

Date: 2/1/88

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

FEB 3 1988

LEGISLATIVE FINANCE

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSSB 27

Prepared by the Office of Public Advocacy

This bill is intended to assist Alaskan state law enforcement authorities in combatting the criminal efforts of groups organized for illegal purposes. Senate Bill 27 apparently limits its prescriptions to criminals in drug distribution and prostitution schemes. It must be assumed that numerous prosecutions will be pursued under this statute because of the current frequency of arrests for the substantive offenses involved.

The Public Defender Agency and the Office of Public Advocacy must assume that it will be appointed in a large number of such prosecutions just as it is currently appointed with great frequency in drug and prostitution cases.

Cases filed under conspiracy statutes on the federal level and in other states routinely involve substantial attorney time, particularly for preparation of pre-trial motions. Due to the fact that the Department of Law's investigation activity will probably focus on urban areas, the Office of Public Advocacy is requesting one experienced attorney and a clerk typist to handle representation of clients charged under this bill.

Enactment of this statute is intended to allow the prosecution of multiple co-defendants. The Office of Public Advocacy is responsible by statute for providing legal representation to all indigent defendants with whom the Public Defender Agency has a conflict of interest. While staff attorneys can represent one co-defendant, in a given case the Office of Public Advocacy must contract with private counsel for the representation of all other co-defendants determined to be indigent by the court. It is anticipated that the complexity of this litigation will dictate high contract costs which are estimated at \$15,000 per defendant. The Department of Law has not estimated the number of prosecutions it will initiate during FY 88. The projected \$75,000 in contract costs is thus based on the assumption the Office of Public Advocacy will be responsible for only five defendants for which it cannot provide staff coverage.

CSSB 27. FISCAL ANALYSIS

<u>Personal Services:</u>	Attorney IV	74.4	
	Clerk Typist III	29.3	
			\$103.7
<u>Travel:</u>	Expert Witnesses, Investigation, etc.		5.0
<u>Contractual:</u>	Contract Attorneys	\$75.0	
	Expert Witnesses, Space, etc.	10.0	
			85.0
<u>Supplies:</u>	Office, Law Library, etc.		2.5
<u>Equipment:</u>	(One Time) Furniture, Office Machines, etc.		<u>6.0</u>
			Total
			\$202.2

Position Title Attorney IV		No. of Positions	Range/Step 24/A	Barg. Unit X
Time Status PFS	Staff Months 12	Location EBA-Anchorage		Election District 8
Type of Expenditure		Justification		
1	2	3		
Salary	56,244	The Anchorage OPA office presently has 3 attorney positions devoted to criminal defense. These attorneys are also handling several major cases outside the Anchorage area as staff coverage and travel is more cost effective than contracting major cases to private attorneys in rural areas. Current caseloads indicate that these three attorneys cannot absorb the additional cases which would result from this legislation. It is necessary that an additional attorney be added to the Anchorage staff to cover the resultant increased caseload.		
Benefits	18,132			
Premium Pay				
Other				
Total Personal Services	74,376			
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost	74,376			
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	74,376		
GF Program Receipts	1005			
Other				

**Request For
New Position**

Agency Administration
 BRU Office of Public Advocacy
 Component _____

Page 4 of 5
 Revised Date _____

FY 89

Position Title Clerk Typist III		No. of Positions 1	Range/Step 8/A	Barg. Unit G	
Time Status PFT	Staff Months 12	Location EBA-Anchorage		Election District 8	
Type of Expenditure		Justification			
		<p>The Anchorage OPA office presently has 3 legal secretary positions providing clerical support to 12 professional positions, 2 vista volunteers, and the VGAL program. The addition of an attorney with a full caseload necessitates the addition of another typist. The clerical workload generated by an additional attorney position cannot be absorbed by the current secretarial staff.</p>			
Amount					
1	2				3
Salary	19,572				
Benefits	9,747				
Premium Pay					
Other					
Total Personal Services					29,319
Travel					
Contractual					
Commodities					
Equipment					
Other					
Total Cost		29,319			
Funding Source for Total Cost					
Federal Receipts	1002				
G. F. Match	1003				
General Fund	1004	29,319			
GF Program Receipts	1005				
Other					

**Request For
New Position**

Agency Administration
 BRU Office of Public Advocacy
 Component _____

Page 5 of 5
 Revised Date _____

FY 89

H (Jud) F
1/20/88

FISCAL NOTE

REQUEST:

Revision Date: January 22, 1988
Title: "An Act relating to the crime of conspiracy..."
Sponsor: Senator Rodev
Requestor: House Judiciary

Agency Affected: Department of Law
BRU: Prosecution
Components: Third Judicial District

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES		148.3	152.7	157.3	162.0	166.9
TRAVEL		10.8	11.1	11.4	11.7	12.1
CONTRACTUAL		17.4	17.9	18.4	19.0	19.6
SUPPLIES		11.4	11.7	12.1	12.5	12.9
EQUIPMENT		9.5	-0-	-0-	-0-	-0-
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		197.4	193.4	199.2	205.2	211.4
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		197.4	193.4	199.2	205.2	211.4
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME		3.0	3.0	3.0	3.0	3.0
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Please see attached analysis.

Prepared by: Richard I. Pegues, Director Phone: 465-3672
Division: Administrative Services Date: January 22, 1988
Approved by Commissioner: Richard I. Pegues / FOR 1
Grace Berg Schaible, Atty. Gen. Date: January 22, 1988
Agency: Department of Law

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

RECEIVED
JAN 26 1988

LEGISLATIVE FINANCE

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSSB 27 (Jud.)

This bill makes it a crime for two or more persons to "conspire" together to violate state or municipal laws regarding drugs, prostitution, or unlawful exploitation of a minor. Enactment of this bill will permit state attorneys to prosecute conspirators even though the crime that was the object of a conspiracy may not have been completed.

With the limits set by the bill, the major focus of enforcement attention will be upon the major narcotics rings which have appeared in the state during the last few years, although up to one major unlawful exploitation case may be expected each year.

Investigation and prosecution of large-scale drug trafficking cases is extremely time-consuming and labor intensive, as would also be the investigation and prosecution of prostitution or a child exploitation ring. Major narcotics rings are carefully planned and organized, and it requires the same degree of planning and organization to detect, investigate, infiltrate, and ultimately break the rings. A good example is the single big drug case that the state was able to pursue in FY 85 -- the "Black Gold" heroin ring in Anchorage. The case involved 29 separate individuals (most charged with selling heroin), almost all of whom were granted separate trials, thus creating 29 cases out of a single operation. So far there have been no acquittals, although a few defendants have fled the state and are now fugitives.

The "Black Gold" investigation required the "full-time" (12 hours a day, 6 or 7 days a week) direction and legal assistance of two experienced prosecutors for over two months. In addition to obtaining over 25 search warrants, the prosecutors consulted on a daily, sometimes hourly, basis with and guided the efforts of three teams of officers: a "surveillance" team varying from 10-20 officers to keep track of the members of the ring; a "buy" team of 4-8 officers working closely with informants to purchase narcotics; and an "investigation" team of 2-6 officers who compile telephone records and other evidence in order to discover links between individuals and organizations.

Under a conspiracy law, the scope of enforcement authority would be expanded to include more persons involved in the ring, leading to larger and more complicated investigations and prosecutions, but leading to more effective enforcement of our drug, prostitution and child exploitation laws. Effective enforcement of these laws, especially at this point in Alaska's history, is critical. With the opening of the new international wing at the Anchorage airport, there has been an increase in the number of international flights with passengers "off-loading" in Anchorage. With new routes of access to Alaska, and new types to drugs to deal in, traffickers will have a field day. We must try to prevent the infiltration into the state of new organizations intended to fill the void left by the prosecution of the

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSSB 27 (Jud.)

Resek-Marin family (FY 84), the Black Gold ring (FY 85) and, most recently, the Azzarella-Serra organizations (FY 86). Likewise, the State's current economic downturn makes those suffering from sharply reduced incomes particularly vulnerable to prostitution and child exploitation schemes.

Considering the increase in sophisticated narcotics trafficking, and the efforts necessary to adequately meet this threat, the Department of Law believes that it will need the dedicated services of at least two full-time attorneys, a paralegal, and a secretary in Anchorage. The U.S. Department of Justice recently awarded \$823,000 in federal grant monies to the state under the Anti-Drug Abuse Act of 1986. Most of these monies will be subgranted to the Department of Public Safety; however, up to \$170,000 will be retained by the Department of Law to fund two attorney positions. One of these positions must be dedicated to handling forfeitures of contraband, vehicles and weapons seized from drug dealers. Consequently, only one grant funded attorney, without support personnel, will be available for the investigation and prosecution of major drug traffickers. The department is therefore requesting fiscal note funds to pay for one additional prosecutor, one paralegal assistant, and one legal secretary. This is particularly appropriate if consipracies other than drug trafficking are to be prosecuted because the federal drug grant funded positions can only be used for anti-drug enforcement/prosecution purposes. It is anticipated that federal grant monies, to pay for the other drug prosecutor, and the forfeitures attorney, will be available at least through FY 90.

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSSB 27 (Jud.)

Fiscal Summary - CSSB 27 (Jud.)

	<u>Atty IV</u>	<u>P/A II</u>	<u>Leg. Sec. I</u>	<u>Total</u>
71000	72.3	43.9	32.1	148.3
72000	5.4	5.4	-0-	10.8
73000	6.6	6.6	4.2	17.4
74000	4.2	4.2	3.0	11.4
75000	1.5	1.5	6.5	9.5
	<hr/>	<hr/>	<hr/>	<hr/>
Total	90.0	61.6	45.8	197.4

Costs beyond FY 89 include a 3% annual inflation factor, less one-time equipment costs.

Position Title Attorney IV		No. of Positions 1	Range/Step 24A	Darg. Unit PX	
Time Status PFT	Staff Months 12	Location EBA - Anchorage		Election District 8	
Type of Expenditure		Justification			
		<p>This is the first of three positions that will be needed to provide prosecution services of defendants who conspire to violate state and municipal laws regarding drugs, prostitution, and child exploitation. Investigation and prosecution of large-scale drug trafficking cases, prostitution, and child exploitation rings is extremely time consuming and labor intensive and will require a minimum of one attorney. Allocation to the full-working level of Attorney IV for this position is recommended because of the seriousness of the crimes being prosecuted.</p>			
Amount					
1	2				3
Salary	56,244				
Benefits	16,028				
Premium Pay					
Other					
Total Personal Services					72,272
Travel					5,400
Contractual					6,600
Commodities					4,200
Equipment					1,500
Other					
Total Cost		89,972			
Funding Source for Total Cost					
Federal Receipts	1002				
G. F. Match	1003				
General Fund	1004	89,972			
GF Program Receipts	1005				
Other					

**Request For
New Position**

Agency Department of Law
 BRU Prosecution
 Component Third Judicial District

FY 89

Page 1 of 3
 Revised Date 1/22/88

Position Title Paralegal Assistant II		No. of Positions 1	Range/Step 16A	Barg. Unit GGU
Time Status PFT	Staff Months 12	Location EBA - Anchorage		Election District 8
Justification				
Type of Expenditure			Amount	
1	2	3		
Salary	34,424			
Benefits	11,847			
Premium Pay				
Other				
Total Personal Services		43,911		
Travel		5,400		
Contractual		6,600		
Commodities		4,200		
Equipment		1,500		
Other				
Total Cost		61,611		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	61,611		
GF Program Receipts	1005			
Other				

This is the second of three positions that will be needed to provide prosecution services of defendants who conspire to violate state and municipal laws regarding drugs, prostitution, and child exploitation. Investigation and prosecution of large-scale drug trafficking cases, prostitution, and child exploitation rings is extremely time consuming and labor intensive and will require the services of a skilled paraprofessional in the preparation of evidence. Allocation to the paralegal assistant II, full working level is recommended.

**Request For
New Position**

Agency Department of Law
 BRU Prosecution
 Component Third Judicial District

Page 2 of 3
 Revised Date 1/22/88

FY 89

Position Title Legal Secretary I		No. of Positions 1	Range/Step 10B	Barg. Unit GGU
Time Status PFT	Staff Months 12	Location EBA - Anchorage		Election District 8
Type of Expenditure		Amount		
1	2	3		
Salary	22,716			
Benefits	9,334			
Premium Pay				
Other				
Total Personal Services		32,050		
Travel		-0-		
Contractual		4,200		
Commodities		3,000		
Equipment		6,500		
Other				
Total Cost		45,750		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	45,750		
GF Program Receipts	1005			
Other				
		Justification		
		<p>This is the third of three positions that will be needed to provide prosecution services of defendants who conspire to violate state and municipal laws regarding drugs, prostitution, and child exploitation. Investigation and prosecution of large-scale drug trafficking cases, prostitution, and child exploitation rings is extremely time consuming and labor intensive and generates substantial legal documentation, including: search warrants, subpoenas, motions, affidavits, and legal memoranda. Consequently, full-time secretarial services will be required. Allocation to the legal secretary I level is recommended in view of the heavy documentation load.</p>		

**Request For
New Position**

Agency Department of Law
 BRU Prosecution
 Component Third Judicial District

Page 3 of 3
 Revised Date 1/22/88

FY 89

SENATE COMMITTEE REPORT

FURTHER:

5/7/87

DATE TURNED INTO OFFICE 5/14/87

Mr. President:

FINANCE Committee considered SB 27

crime of conspiracy

and recommended:

replace with CS FOR _____) same title
 or adopt _____ CS FOR SB 27 (Jud)) new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted SFC

Committee attached or adopted fiscal note(s)

new updated or previous
 zero fiscal impact

MEMBERS SIGNING DO PASS

Paul Frost.

OTHER RECOMMENDATIONS

Paul Frost (No Rec)
Jim Duncan (No Rec)
Rich (No Rec)
W. Keefe (No Rec)

Alma B. ... No Rec.
Chairman signature and recommendation

Committee Backup Attached

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version : CSSB 27(Jud)

Publish Date : _____

REQUEST: _____

Revision Date: 13 May, 1987
 Title: "An act relating to the crime of
 conspiracy":
 Sponsor: Sen Rodey
 Requestor: _____

Agency Affected: Department of Law
 BRU: Prosecution
 Components: Third Judicial District

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Michael Thill
 Division: Senator Zharoff's Staff

Phone: 465-4922
 Date: 13 May, 1987

Approved by Commissioner: Senator Zharoff
 Agency: Senate Finance Committee

Date: 13 May, 1987

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

REQUEST: _____
 Revision Date: 13 May, 1987
 Title: An act relating to the crime of
conspiracy:
 Sponsor: Sen Rodev
 Requestor: _____

Bill Version: CSSB 27 (Jud)
 Publish Date: _____

Agency Affected: Administration
 BRU: Office of Public Advocacy
 Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Michael Thill Phone: 465-4922
 Division: Senator Zharoff's Staff Date: 13 May 1987

Approved by Commissioner: Senator Zharoff Date: 13 May 1987
 Agency: Senate Finance Committee

- Distribution (by preparer):
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management and Budget
 - Impacted Agency(ies)
 - Senate Secretary

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

REQUEST: _____

Bill Version: CSSB 27(Jud)
Publish Date: _____

Revision Date: 13 May, 1987
Title: An act relating to the crime of
conspiracy;
Sponsor: Sen Rodey
Requestor: _____

Agency Affected: Department of Administration
BRU: Public Defender Agency
Components: Third Judicial District

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Michael Thill
Division: Senator Zharoff's Staff

Phone: 465-4922
Date: 13 May, 1987

Approved by Commissioner: Senator Zharoff
Agency: Senate Finance Committee

Date: 13 May, 1987

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

ADOPTED
5/14/87

Proposed Senate Finance Committee Letter of Intent for CSSB
27(Jud):

Due to the difficulty in projecting estimates for the crime of conspiracy, it is the intent of the Senate Finance Committee to attach zero fiscal notes to CSSB 27(Jud). Additionally, if appropriations in the FY88 operating budget for the Office of Public Advocacy, the Public Defender Agency, and the Department of Law are inadequate to meet the statutorily imposed mandate of CSSB 27(Jud), those agencies may seek additional funding through supplemental appropriations.

Original sponsors: Rodey, Halford,
Szymanski, et al.

1 IN THE SENATE BY THE JUDICIARY COMMITTEE
2 CS FOR SENATE BILL NO. 27 (Judiciary)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the crime of conspiracy to commit
7 a felony involving delivery of certain controlled
8 substances, promotion of prostitution, or unlawful
9 exploitation of a minor."

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

11 * Section 1. AS 11.31 is amended by adding new sections to read:

12 Sec. 11.31.120. CONSPIRACY. (a) An offender commits the crime
13 of conspiracy if, with the intent to promote or facilitate a felony
14 offense relating to the delivery of a controlled substance under
15 AS 11.71.010 - 11.71.040, a felony offense relating to promotion of
16 prostitution under AS 11.66.110 - 11.66.120, or unlawful exploitation
17 of a minor under AS 11.41.455, the offender agrees with one or more
18 persons to engage in or cause the performance of that offense and the
19 offender or one of the persons does an overt act in furtherance of the
20 conspiracy.

21 (b) If an offender commits the crime of conspiracy and knows
22 that a person with whom the offender conspires to commit a crime has
23 conspired or will conspire with another person or persons to commit
24 the same crime, the offender is guilty of conspiring with that other
25 person or persons to commit that crime, whether or not the offender
26 knows their identities.

27 (c) In a prosecution under this section, it is not a defense

28 (1) that the defendant belongs to a class of persons who by
29 definition are legally incapable in an individual capacity of

1 committing a crime that is an object of the conspiracy; or

2 (2) that a person with whom the defendant conspires could
3 not be guilty of a crime that is an object of the conspiracy because
4 of

5 (A) lack of criminal responsibility or other legal
6 incapacity or exemption;

7 (B) unawareness of the criminal nature of the conduct
8 in question or of the criminal purpose of the defendant; or

9 (C) any other factor precluding the culpable mental
10 state required for the commission of the crime.

11 (d) In a prosecution under this section, it is a defense that,
12 if the criminal objective were achieved, the defendant would not be
13 legally accountable under AS 11.16.120(b) for the conduct of the
14 person with whom the defendant conspired.

15 (e) In a prosecution under this section it is an affirmative
16 defense that the defendant, under circumstances manifesting a volun-
17 tary and complete renunciation of the defendant's criminal intent,
18 gave timely warning to law enforcement authorities or otherwise made
19 proper effort to prevent the commission of the crime that was the
20 object of the conspiracy. Renunciation by one conspirator does not
21 affect the liability of another conspirator who does not join in the
22 renunciation.

23 (f) The liability of a conspirator for offenses committed in
24 furtherance of the conspiracy, including a crime that is an object of
25 the conspiracy, shall be determined under AS 11.16.

26 (g) A person may not be convicted under this section solely on
27 the basis of the uncorroborated testimony of a person with whom the
28 defendant conspired.

29 (h) Conspiracy is a

1 (1) class A felony if the object of the conspiracy is a
2 crime punishable as an unclassified felony;

3 (2) class B felony if the object of the conspiracy is a
4 crime punishable as a class A felony;

5 (3) class C felony if the object of the conspiracy is a
6 crime punishable as a class B felony;

7 (4) class A misdemeanor if the object of the conspiracy is
8 a crime punishable as a class C felony.

9 Sec. 11.31.125. DURATION OF CONSPIRACY FOR PURPOSES OF LIMITA-
10 TIONS OF ACTIONS. For purposes of applying AS 12.10 governing limita-
11 tions of actions, in a prosecution under AS 11.31.120, conspiracy is a
12 continuing course of conduct that terminates

13 (1) when all the crimes related to delivery of controlled
14 substances, promotion of prostitution, or unlawful exploitation of a
15 minor that are its object are completed;

16 (2) when the agreement is abandoned by the defendant and by
17 the person with whom the defendant agreed; or

18 (3) as to an individual defendant, when the defendant
19 abandons the agreement by advising the person with whom the defendant
20 agreed of the defendant's abandonment or the defendant informs law
21 enforcement authorities of the existence of the conspiracy and of the
22 defendant's participation in it.

23 * Sec. 2. AS 11.31.140 is amended to read:

24 Sec. 11.31.140. MULTIPLE CONVICTIONS BARRED. (a) It is not a
25 defense to a prosecution under AS 11.31.100 - 11.31.120 [AS 11.31.100
26 OR AS 11.31.110] that the crime that is the object of the attempt,
27 conspiracy, or solicitation was actually committed pursuant to the
28 attempt, conspiracy, or solicitation.

29 (b) A person may not be convicted of more than one crime defined

1 by AS 11.31.100 - 11.31.120 [AS 11.31.100 OR AS 11.31.110] for conduct
2 designed to commit or culminate in commission of the same crime.

3 (c) A person may not be convicted on the basis of the same
4 course of conduct of both (1) a crime defined by AS 11.31.100 - 11.-
5 31.120 [AS 11.31.100 OR AS 11.31.110]; and (2) a crime that is an
6 object of the attempt, conspiracy, or solicitation.

7 (d) This section does not bar inclusion of multiple counts in a
8 single indictment or information charging commission of a crime de-
9 fined by AS 11.31.100 - 11.31.120 [AS 11.31.100 OR AS 11.31.110] and
10 commission of the crime that is the object of the attempt, conspiracy,
11 or solicitation.

12 * Sec. 3. AS 11.31.140 is amended by adding a new subsection to read:

13 (e) If a person conspires to commit more than one crime under
14 AS 11.31.120, the person commits only one crime of conspiracy if the
15 multiple crimes are the object of the same agreement.

B

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

REQUEST:

Revision Date: January 30, 1987
 Title: "An Act relating to the
 crime of conspiracy"
 Sponsor: Senator Rodev
 Requestor: Judiciary and Finance

Bill Version: SB27
 Publish Date: _____

Agency Affected: Department of Administration
 BRU: Public Defender Agency

Components: Third Judicial District

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		147.9	153.8	160.0	166.4	173.1
TRAVEL		5.0	5.2	5.4	5.6	5.8
CONTRACTUAL		10.0	10.4	10.8	11.2	11.7
SUPPLIES		2.5	2.6	2.7	2.8	2.9
EQUIPMENT		6.0				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	171.4	172.0	178.9	186.0	193.5

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

by SFC note

GENERAL FUND	-0-	171.4	172.0	178.9	186.0	193.5
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	171.4	172.0	178.9	186.0	193.5

POSITIONS:

FULL-TIME	-0-	3.0	3.0	3.0	3.0	3.0
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

(See attached)

Prepared by: Lana Fabe, Public Defender

Division: Public Defender Agency

Phone: 279-7541

Date: January 30, 1987

Approved by Commissioner: [Signature]

Agency: _____

Date: 2/5/87

Distribution (by preparer):

- Legislative Finance -
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. SB 27

PREPARED BY THE PUBLIC DEFENDER AGENCY

This bill is intended to assist Alaskan state law enforcement authorities in combatting the criminal efforts of groups organized for illegal purposes. Senate Bill 27 apparently limits its prescriptions to criminals in drug distribution and prostitution schemes. It must be assumed that numerous prosecutions will be pursued under this statute because of the current frequency of arrests for the substantive offenses involved.

The Public Defender Agency must assume that it will be appointed in a large number of such prosecutions just as it is currently appointed with great frequency in drug and prostitution cases.

Cases filed under conspiracy statutes on the federal level and in other states routinely involve substantial attorney time, particularly for preparation of pre-trial motions. Due to the fact that the Department of Law's investigation activity will probably focus on urban areas, the Public Defender is requesting one experienced attorney, a paralegal and a clerk typist to handle representation of clients charged under this bill.

SB 27 FISCAL ANALYSIS

<u>Personal Services:</u>	Attorney IV	74.8	
	Paralegal II	44.8	
	Clerk/Typist III	28.3	
			147.9
<u>Travel:</u>	Expert Witnesses, Investigation, etc.		5.0
<u>Contractual:</u>	Expert Witnesses, Space, etc.		10.0
<u>Supplies:</u>	Office, Law Library, etc.		2.5
<u>Equipment:</u>	(One time) Furniture, Office Machines, etc.		<u>6.0</u>
		TOTAL	171.4

B3

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: SB 27
Publish Date: _____

REQUEST _____

Revision Date: _____
Title: An Act Relating to the Crime of
Conspiracy . . .
Sponsor: Rodey, et al.
Requestor: Senate Judiciary

Agency Affected: Administration
BRU: Office of Public Advocacy
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES		103.1	107.2	111.5	116.0	120.6
TRAVEL		5.0	5.2	5.4	5.6	5.8
CONTRACTUAL		85.0	88.4	91.9	95.6	99.4
SUPPLIES		2.5	2.6	2.7	2.8	2.9
EQUIPMENT		6.0				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	201.6	203.4	211.5	222.0	228.7

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

by SFC note

GENERAL FUND	-0-	201.6	203.4	211.5	222.0	228.7
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	201.6	203.4	211.5	222.0	228.7

POSITIONS:

FULL-TIME	-0-	2.0	2.0	2.0	2.0	2.0
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary See attached.

Prepared By: Brant McGee, Public Advocate
Division: Office of Public Advocacy

Phone: 274-1684
Date: February 2, 1987

Approved by Commissioner: Garrey Peska
Agency: Department of Administration

Date: _____

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. SB 27

Prepared by the Office of Public Advocacy

This bill is intended to assist Alaskan state law enforcement authorities in combatting the criminal efforts of groups organized for illegal purposes. Senate Bill 27 apparently limits its prescriptions to criminals in drug distribution and prostitution schemes. It must be assumed that numerous prosecutions will be pursued under this statute because of the current frequency of arrests for the substantive offenses involved.

The Public Defender Agency and the Office of Public Advocacy must assume that it will be appointed in a large number of such prosecutions just as it is currently appointed with great frequency in drug and prostitution cases.

Cases filed under conspiracy statutes on the federal level and in other states routinely involve substantial attorney time, particularly for preparation of pre-trial motions. Due to the fact that the Department of Law's investigation activity will probably focus on urban areas, the Office of Public Advocacy is requesting one experienced attorney and a clerk typist to handle representation of clients charged under this bill.

Enactment of this statute is intended to allow the prosecution of multiple co-defendants. The Office of Public Advocacy is responsible by statute for providing legal representation to all indigent defendants with whom the Public Defender Agency has a conflict of interest. While staff attorneys can represent one co-defendant, in a given case the Office of Public Advocacy must contract with private counsel for the representation of all other co-defendants determined to be indigent by the court. It is anticipated that the complexity of this litigation will dictate high contract costs which are estimated at \$15,000 per defendant. The Department of Law has not estimated the number of prosecutions it will initiate during FY 88. The projected \$75,000 in contract costs is thus based on the assumption the Office of Public Advocacy will be responsible for only five defendants for which it cannot provide staff coverage.

SB 27 FISCAL ANALYSIS

<u>Personal Services:</u>	Attorney IV	\$74.8	
	Clerk Typist III	28.3	\$103.1
<u>Travel:</u>	Expert Witnesses, Investigation, etc.		5.0
<u>Contractual:</u>	Contract Attorneys	\$75.0	
	Expert Witnesses, Space, etc.	10.0	85.0
<u>Supplies:</u>	Office, Law Library, etc.		2.5
<u>Equipment:</u>	(One Time) Furniture, Office Machines, etc.		<u>6.0</u>
		Total	\$201.6

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

*2/2/87 - Lock of
SFC memo/R
noted this
date
February*

REQUEST: _____

Bill Version: SB 27
Publish Date: _____

Revision Date: _____
Title: "An Act relating to the crime
of conspiracy."
Sponsor: Sen. Rodey
Requestor: Senate Judiciary Committee

Agency Affected: Department of Law
BRU: Prosecution
Components: Third Judicial District

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		207.2	213.4	219.8	226.4	233.2
TRAVEL		16.2	16.7	17.2	17.7	18.2
CONTRACTUAL		24.2	24.9	25.6	26.4	27.2
SUPPLIES		15.6	11.1	11.4	11.7	12.1
EQUIPMENT		11.0	-0-	-0-	-0-	-0-
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		274.0	266.1	274.0	282.2	290.7

CAPITAL						
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REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

by SFC note

GENERAL FUND		274.0	266.1	274.0	282.2	290.7
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME		4.0	4.0	4.0	4.0	4.0
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Please see attached analysis.

Richard I. Pegues

Prepared by: Richard I. Pegues, Director
Division: Administrative Services

Phone: 465-3672
Date: Jan. 29, 1987

Approved by Commissioner: Ronald W. Lorenson
Agency: Department of Law

Date: Jan. 29, 1987

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)
Senate Secretary