

Leg. Finance-House & Senate Finance Comte Files (1991-1992) 910

1 Storage Tank Assistance Fund 5,324.

2 * Sec. 2. The sum of \$27,000 is appropriated from the general fund to the University of Alaska to
3 pay salary adjustments to employees of the Prince William Sound Community College who have not
4 received salary increases during the last four years because of a collective bargaining dispute.

5 * Sec. 3. The sum of \$380,500 is appropriated to the Office of the Governor, office of management
6 and budget, to pay the 3.6 percent cost-of-living salary adjustment for the Alaska marine highway
7 maritime bargaining units for the period April 1, 1992, through June 30, 1992, from the following
8 sources:

9 General Fund \$165,900

10 Alaska Marine Highway System Fund 214,600.

11 * Sec. 4. The sum of \$90,600 is appropriated from the general fund to the Department of
12 Transportation and Public Facilities, Alaska marine highway system, to satisfy the monetary terms of
13 the collective bargaining agreement with the Marine Engineers Beneficial Association for the fiscal year
14 ending June 30, 1991.

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

4-23-92

STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

OFFICE OF THE GOVERNOR

P.O. BOX 110020
JUNEAU, ALASKA 99811-0020
PHONE: (907) 465-3568

OFFICE OF MANAGEMENT AND BUDGET DIVISION OF BUDGET REVIEW

April 23, 1992

The Honorable Pat Pourchot
Co-Chair
Senate Finance Committee
State Capitol
Juneau, Alaska 99811

Dear Senator Pourchot:

In response to the committee's question this morning regarding the retroactive cost-of-living appropriation being included as an FY 92 "continuation" supplemental, attached is OMB's work paper. As you will note, the retroactive COLA amount is reflected.

Should you need additional information, please let me know.

Sincerely,

Cheryl Frasca
Cheryl Frasca
Director

attachment

cc: Senator Jalmar Kerttula, Co-Chair
Senate Finance Committee Members
J. Shelby Stastny

Continuation FY 92 Supplementals

FY 92 expenditures which continue into FY 93

	GF	Bill
Administration		
Leasing	3,600.0	HB 50
Longevity Bonus	1,602.7	HB 470
Public Defender	396.6	HB 470
Commerce and Economic Development		
Occupational Licensing - Legal Services	92.0	HB 470
Power Cost Equalization	1,200.0	HB 470
Corrections		
Major Medical	2,111.1	HB 50
Operation Costs	8,688.9	HB 470
Court System		
Operating Costs	305.8	HB 50
Education		
Foundation	19,944.7	HB 50
PTPC	87.3	HB 50
Environmental Conservation		
Program Administrative Support	158.5	HB 470
Fish and Game		
Advisory Committees/Regional Council	216.2	HB 50
Health and Social Services		
AFDC	7,585.7	HB 50
Medicaid	917.0	HB 470
Eligibility Determination	288.0	HB 470
McLaughlin Youth Center	205.5	HB 470
API	300.0	HB 470
Harborview	677.0	HB 470
Adult Public Assistance	1,662.3	HB 470
Manillaq Senior Center	197.2	*
Law		
Oil and Gas Litigation	5,000.0	HB 50
Legislature		
Operations	1,951.9	HB 50
Military and Veterans Affairs		
Veterans Death Gratuity	26.4	HB 470
Public Safety		
Search and Rescue	125.0	HB 470
Contract Jails	815.0	*
VPSO	225.0	*
Transportation		
Rural Airports	2,138.8	HB 470
Klondike Highway Maintenance	94.1	HB 470
Southeast Electrical Costs - SOB	106.8	HB 470
All Departments		
COLA - 1/1/92 - 6/30/92	9,644.6	SB 455/ HB 565
Total	70,364.1	

*Funding was in HB 50 but since deleted; anticipate will be included in another vehicle

MEMORANDUM

State of Alaska
Department of Administration

To: Shelby Stastny
Director
Office of Management
and Budget

April 8, 1992

465-2200

From: Nancy Bear Usera
Commissioner
Department of Administration

Subject: Contractual
Wage Adjustments
(COLA)

As the result of grievances filed by various State employee unions, my staff has investigated the methods historically used by the State to calculate "cost of living" allowances. We find that the practice has been to round to tenths of a percent. Consequently, I have partially granted the grievance filed by the Alaska State Employees Association regarding wage adjustments by raising the adjustment from three and fifty-seven hundredths percent to three and six-tenths percent. As it was the State's intent to have all agreements follow the same pattern, this adjustment should be applied to all State employees entitled to cost of living adjustments and, on the basis of equity, to those Executive Branch employees not covered by collective bargaining.

attachment

STATE OF ALASKA
GRIEVANCE FORM
(Attach copies of completed previous step forms)
BARGAINING UNIT GGU
CONTRACT YEAR(s) 1992

1. Name of Grievant All General Government Bargaining Unit Members 2. SSN N/A

3. Mailing Address 3510 Spenard Road, Anchorage AK 99510

4. Job Class All 5. Location All

6. Department/Division/Vessel/Crew All

7. Discussed with supervisor on N/A (Ongoing)

8. Does your grievance stem from a violation of the contract? Yes If so, what provision(s) Preamble; Articles 4, 21, 22, 24, 25, 26; Appendices A, B, C, E, inter alia.

9. Nature of Grievance The State has misinterpreted the 1991 (CPI-U) COLA adjustment.

When did this occur? February 19, 1992

10. Relief Sought That the State implement a 4.6% Cost of Living Adjustment when adjusting salaries pursuant to Article 21, Section 2B.

02/28/92 Charles L. O'Connell Charles L. O'Connell
Date Authorized Submitter's Signature Business Agent III
(See Contract to identify authorized submitter)

11. Name and Title of Respondent Nancy Bear Usara, Commissioner of Administration

12. Date Received March 3, 1992 13. Remarks See Attached

14. Decision Grievance Denied

4/1/92 Nancy Bear Usara
Date Respondent's Signature

It is clear from Mr. O'Connell's cavalier response to Mr. Corso's letter of March 16, 1982, that the union does not intend to make a good faith endeavor to explain its rationale for arriving at a wage adjustment figure of 4.6%. Consequently, the State is left to respond only with that information available to us and deny the instant grievance.

We are obligated to point out that we, too, have verified our figures with the U.S. Department of Labor. Our research has indicated that the State has historically rounded to tenths of a percent rather than hundredths. Though Arbitrator Fogelberg's award was expressed in hundredths of a percent, we believe that consistency dictates that the appropriate wage adjustment be 3.6% and will so instruct the Office of Management and Budget (OMB).

The State is confident that we have complied with Arbitrator Fogelberg's award for Class One employees and the agreement for the Class Two/Three employees incorporating that award in calculating the appropriate wage adjustment. As the union is aware the wage adjustment language of the current agreement stems from the union's proposal to Arbitrator Fogelberg and reflects his award and the parties' agreement to extend the wage adjustment terms of that award to Class Two/Three employees. The record also shows that the union accepted the benefits of the State's calculation methodology in silence when the wage adjustments were implemented in the past. Only now when an apparent benefit arises does the union contest that which stems from its own actions and from which it has accepted the benefit. Consequently, we conclude that the union is precluded by its own acts from disputing the State's actions at this late date.

Owing to the dearth of information supplied and the rush to arbitration, we remain uncertain as to the facts and circumstances giving rise to this grievance. Therefore, should this dispute ultimately be submitted to a third party, the State does not by its answer on the merits at Step Four waive any defense or objections to arbitration on procedural or substantive grounds.

4/9/83131.wp

MEMORANDUM

STATE OF ALASKA Department of Administration Division of Personnel & EEO

To: Cheryl Frasca
Director
Division of Budget Review
Office of Management and Budget
Office of the Governor

Date: February 19, 1992

Thru: Nancy Bear Usera
Commissioner
Department of Administration

Fr: Robert H. King
Director
Division of Personnel & EEO
Department of Administration

Re: Cost of Living Allowance
(COLA) Pay Increases

We have just been advised by the U.S. Bureau of Labor Statistics that the Consumer Price Index for All Urban Consumers (CPI-U) for Anchorage, Alaska, rose by three and fifty seven one-hundredths percent (3.57%) for calendar year 1991. Consequently, Cost of Living Allowances (COLA's) to salaries/wages are contractually due for the bargaining units noted below with respective effective date.

The following groups are due for a 3.57% COLA, on the dates noted.

<u>BARGAINING UNIT</u>	<u>EFFECTIVE DATE/COMMENT</u>
1. General Government Unit (GGU)	
a. "Class 1" employees (AS 23.40.200(a) (1))	Effective July 1, 1992.
b. "Class 2 and 3" employees (AS 23.40.200(a) (2) and (3))	Effective January 1, 1992.
2. Supervisory Unit (SU)	Effective January 1, 1992.
3. Confidential Employees Association (CEA) (K)	Effective January 1, 1992.

- | | |
|---|---|
| 4. Centralized Correspondence Study Education Association (CCSEA) | Effective January 1, 1992. |
| 5. Teachers' Education Association of Mt. Edgecumbe (TEAME) | Effective July 1, 1992. |
| 6. Inlandboatmen's Union of the Pacific (IBU) | Effective April 1, 1992. |
| 7. Marine Engineer's Benevolent Assoc. (MEBA) | Effective April 1, 1992. (Base wage only) |
| 8. Masters' Mates and Pilots (MMP) | Effective April 1, 1992. (Base wage only) |

Please prepare the requests for appropriation which are necessary to fulfill our contractual obligations for these COLAs.

The remaining Unions, LTC, PSEA and AVTECTA, are currently in negotiations and it is unknown what monetary increases, if any, will be agreed upon. If negotiations are concluded and terms ratified while the legislature is in session, any "monetary terms" will be reported and we will ask you to seek any necessary appropriations. If negotiations are not concluded within that time, terms will be reported and funding sought in the next session.

Please do not hesitate to contact me if you have any questions on these matters.

FY92 COLA

	Total	Covered	Non-Covered
Federal Receipts	1,390,700	1,365,656	25,044
General Fund Match	325,200	301,064	24,136
General Fund	5,611,300	4,876,305	734,995
General Fund/Program Receipts	367,000	287,021	79,979
General Fund/Mental Health	170,600	135,397	35,203
Inter-agency Receipts	533,400	404,641	128,759
Agricultural Loan Fund	10,100	10,100	0
State Corporation Receipts	227,000	1,988	225,012
Fish and Game Fund	138,900	135,200	3,700
Science and Technology Endowment Income	6,300	0	6,300
Highway Working Capital Fund	186,100	184,842	1,258
International Airports Revenue Fund	404,500	394,166	10,334
Public Employees Retirement Fund	33,600	28,081	5,519
Second Injury Fund Reserve Account	1,700	1,700	0
Disabled Fishermans Reserve Account	2,100	2,100	0
Surplus Property Revolving Fund	2,300	2,300	0
Teachers' Retirement System Fund	28,500	22,981	5,519
Veterans' Revolving Loan Fund	5,700	5,700	0
Commercial Fishing Loan Fund	17,500	17,465	35
Real Estate Surety Fund	1,000	903	97
Judicial Retirement System	400	400	0
National Guard Retirement System	300	300	0
Training and Building Fund	15,300	15,300	0
Permanent Fund Dividend Fund	58,800	57,062	1,738
Oil and Hazardous Response Fund	167,900	154,641	13,259
Small Business Loan Fund	600	600	0
Tourism Revolving Loan Fund	700	181	519
Capital Improvement Project Receipts	1,154,000	1,108,899	45,101
Power Project Loan Fund	400	0	400
Housing Assistance Loan Fund	24,800	22,612	2,188
Rural Electrification Revolving Loan Fund	100	0	100
Mining Revolving Loan Fund	2,900	2,648	252
Child Care Revolving Loan Fund	600	0	600
Historical District Revolving Loan Fund	200	200	0
Fisheries Enhance Loan Fund	4,000	3,871	129
Alternative Energy Revolving Loan Fund	3,200	3,040	160
Residential Energy Conservation Loan Fund	3,100	2,975	125
Power Development Revolving Loan Fund	8,700	43	8,657
Bulk Fuel Revolving Loan Fund	700	46	654
Alaska Clean Water Loan Fund	1,100	1,100	0
Alaska Marine Highway Fund	65,600	57,649	7,951
Gifts, Grants and Bequests	1,300	1,300	0
Storage Tank Assistance Fund	6,400	5,324	1,076
Total	10,984,600	9,615,801	1,368,799

WALTER J. HICKEL
GOVERNOR

458

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 18, 1992

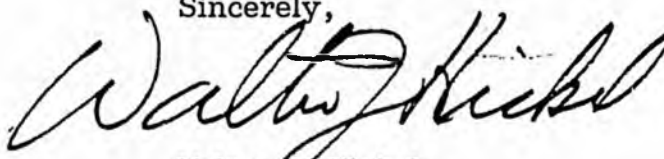
The Honorable Richard I. Eliason
President of the Senate
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear President Eliason:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill making appropriations to pay the costs of a 3.57 percent cost-of-living salary adjustment for public employees, and certain other contract settlement costs.

The appropriations in secs. 1 - 5 of the bill are for salary adjustment costs during the period January 1, 1992 through June 30, 1992. The appropriation in sec. 6 of the bill is to pay certain fiscal year 1991 contract settlement costs.

Sincerely,



Walter J. Hickel
Governor

SB 456

SENATE FINANCE COMMITTEE REPORT

DATE: 4/15/92

FURTHER:

DATE TURNED INTO OFFICE: _____

The Finance Committee considered SENATE BILL NO. 456

"An Act providing for the issuance of general obligation bonds in the amount of \$70,556,000 for the purpose of paying the cost of constructing facilities for the University of Alaska; and providing for an effective date."

and recommends:

- replace with _____ CS _____ (FINANCE)
or adopt previous _____ CS _____ (_____)
 attaches amendment(s)

- same title
 new title
 technical title change (HB only)

adopts _____ letter of Intent

further referral to the _____

- do pass
 do not pass
 no recommendation
 individual recommendations

Die

NEW FISCAL NOTES: Dept/Date

zero fiscal notes _____

fiscal notes _____

appropriation--no fiscal note

DO PASS:

1. _____

Co-Chair: Signature/Recommendation

PREVIOUS FISCAL NOTES: Dept/Date

zero fiscal notes _____

fiscal notes _____

OTHER RECOMMENDATIONS:

2. _____

Co-Chair: Signature/Recommendation

SENATE BILL NO. 456

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Introduced: 3/23/92
 Referred: HES, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act providing for the issuance of general obligation bonds in the amount of
 2 \$70,556,000 for the purpose of paying the cost of constructing facilities for the University
 3 of Alaska; and providing for an effective date."

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

5 * Section 1. For the purpose of paying the cost of constructing facilities for the University of Alaska,
 6 general obligation bonds of the state in the principal amount of not more than \$70,556,000 may be
 7 issued and sold. The full faith, credit, and resources of the state are pledged to the payment of the
 8 principal of and interest and redemption premium, if any, on these bonds. These bonds shall be issued
 9 under the provisions of AS 37.15 as those provisions read at the time of issuance.

10 * Sec. 2. If the issuance of these bonds is authorized by the qualified voters of the state, a special
 11 fund of the state to be known as the "1992 University of Alaska construction fund" shall be established
 12 to which shall be credited the proceeds of the sale of the bonds described in sec. 1 of this Act except
 13 for the accrued interest and premiums.

14 * Sec. 3. (a) The amount of \$70,556,000 is appropriated from the "1992 University of Alaska

1 construction fund" to the University of Alaska to be allocated in accordance with the following projects
2 and estimates:

3	PROJECT	LOCATION	AMOUNT
4	Butrovich Bldg. completion	Fairbanks	\$ 7,100,000
5	Design/build Egan Lib./classroom add.	Juneau	6,046,000
6	Large animal research station	Fairbanks	616,000
7	Seward marine center dock	Seward	4,000,000
8	Remodel UAF Fine Arts/Theater	Fairbanks	3,733,000
9	Design/build UAA/APU library	Anchorage	31,000,000
10	Taku parking pedestrian access	Fairbanks	550,000
11	Remodel Ziegler classroom bldg.	Ketchikan	790,000
12	Design/build KPC liberal arts classroom	Kenai	3,500,000
13	Design/build KOC library/classroom	Kodiak	696,000
14	Design/build MATSU classroom add.	Palmer	5,400,000
15	Remodel PWSCC classroom	Valdez	575,000
16	Design/build KUC food storage facility	Bethel	200,000
17	Design/build BB classroom add.	Dillingham	950,000
18	Design/build geophysical add.	Fairbanks	5,000,000
19	Design/build SC classroom add.	Sitka	400,000

20 (b) The legislature may by law add additional facility projects or reallocate funds between
21 projects described in (a) of this section.

22 * Sec. 4. If the issuance of these bonds is authorized by the qualified voters of the state, the amount
23 of \$246,946 or as much of that amount as is found necessary is appropriated from the general fund of
24 the state to the state bond committee to carry out the provisions of this Act and to pay expenses incident
25 to the sale and issuance of the bonds authorized in this Act. The amounts expended from the
26 appropriation authorized by this section shall be reimbursed to the general fund from the proceeds of the
27 sale of the bonds authorized by this Act.

28 * Sec. 5. The amount withdrawn from the public facility planning fund for the purpose of advance
29 planning for the improvements financed under this Act shall be reimbursed to the fund from the proceeds
30 of the sale of bonds authorized by this Act.

31 * Sec. 6. The question whether the bonds authorized in this Act are to be issued shall be submitted

1 to the qualified voters of the state at the next general election and shall read substantially as follows:

2

Proposition

3

State General Obligation University Construction

4

Bonds \$70,556,000

5

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than \$70,556,000 for the purpose of paying the cost of constructing facilities for the University of Alaska?

6

7

8

Bonds Yes []

9

Bonds No []

10 * Sec. 7. This Act takes effect immediately under AS 01.10.070(c).

SB461

SENATE FINANCE COMMITTEE REPORT

DATE: 4/29/92

FURTHER:

DATE TURNED INTO OFFICE: 5-6-92

The Finance Committee considered

SENATE BILL NO. 461

"An Act relating to establishment of a University of Alaska office of public safety."

and recommends:

- replace with _____ CS _____ (FINANCE)
- or adopt previous _____ CS SB 461 (HES)
- attaches amendment(s)

- same title
- new title
- technical title change (HB only)

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

NEW FISCAL NOTES: Dept/Date

zero fiscal notes _____

fiscal notes _____

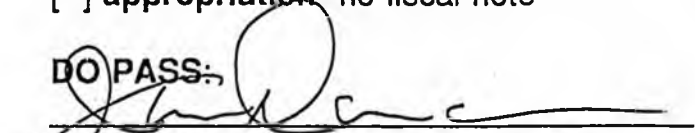
appropriation--no fiscal note

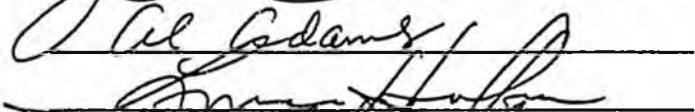
PREVIOUS FISCAL NOTES: Dept/Date


zero fiscal notes Univ. 4-28-92

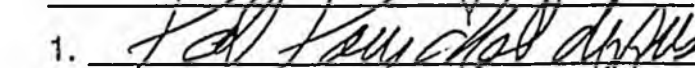
fiscal notes _____

DO PASS:









OTHER RECOMMENDATIONS:

1. Co-Chair: Signature/Recommendation

2. Co-Chair: Signature/Recommendation

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO.

Bill Version: SB 461

(S) Publish Date: 4-29-92

Revised: 4/28/92
Title: UA Office of Public Safety

Department Affected: UNIVERSITY OF ALASKA
BRU: SW Programs and Services
Component: Statewide Services

Sponsor: Judiciary
Requestor: Governor

Component Serial No: 730

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY93	FY94	FY95	FY96	FY97	FY98
OPERATING						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE FD SOURCE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER FUNDS						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: -0-

ANALYSIS (Attach additional pages as necessary)

Changes in CSB 461 (HES) have no fiscal impact. This fiscal note is appropriate.

4-29-92 date MJ by AMR Conte Aide (initial)

Prepared by: Marsha Hubbard, Director
Division: Statewide Budget Office

Phone: 474-7593
Date: 4/28/92

Approved by: Brian Rogers, Vice President for Finance
Agency: University of Alaska

Date: 4/28/92

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies)

NEW BILL IN
COMMITTEE 42992

CS FOR SENATE BILL NO. 461 (HES)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered: 4/29/92
Referred: Finance

Sponsor(s): SENATE JUDICIARY COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to establishment of a University of Alaska office of public safety."

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

3 * Section 1. AS 14.40 is amended by adding a new section to read:

4 Sec. 14.40.043. UNIVERSITY OF ALASKA OFFICE OF PUBLIC SAFETY. The board
5 of regents may establish an office of public safety and prescribe the conditions of employment
6 of public safety officers employed by the office. University of Alaska public safety officers have
7 general police powers to enforce state and local laws in connection with offenses committed on
8 property of the university.

9 * Sec. 2. AS 18.65.290(5) is amended to read:

10 (5) "police officer" means

11 (A) a full-time employee of the state or a local police department with the
12 authority to arrest and issue citations; detain a person taken into custody until that person
13 can be arraigned before a judge or magistrate; conduct investigations of violations of and
14 enforce criminal laws, regulations, and traffic laws; search with or without a warrant

1 persons, dwellings, and other forms of property for evidence of a crime; carry a concealed
2 weapon; and take other action consistent with exercise of these enumerated powers when
3 necessary to maintain the public peace;

4 (B) an officer or employee of the Department of Transportation and Public
5 Facilities who is stationed at an international airport and has been designated to have the
6 general police powers authorized under AS 02.15.230(a);

7 (C) a University of Alaska public safety officer with general police
8 powers authorized under AS 14.40.043;

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR HOFFMAN

TO: CSSB 461(HES)

Page 1, line 1, after "safety":

Insert "and to village public safety officers"

Page 2, after line 8:

Insert a new subparagraph to read:

"(D) a village public safety officer;"

"To Serve and Protect"

UNIVERSITY OF ALASKA FAIRBANKS

Department of Public Safety

Fairbanks, Alaska • 99775-0720 • (907) 474-7721 • FAX (907) 474-5555

May 1, 1992

The Honorable Pat Pourchot
Senate
State Capitol
Juneau, Alaska 99801-1182

Reference: Senate Bill No. 461

Dear Senator Pourchot:

Due to Director Florian's absence after recent major surgery, I will convey information which I hope proves helpful on this most important legislative issue.

I wish to add my comments in support of Senate Bill No. 461. There are many reasons why it is vital to the University's well-being for this legislation to pass the Senate.

The University Campus in Fairbanks is unique in that not only do students, staff and faculty attend classes and work, but hundreds live in dorms, apartments and homes on campus. This campus hosts many functions and activities drawing thousands of non-affiliated people from many varying areas requiring many different needs.

This Bill will also assist this department in attracting and retaining commissioned officers that have outstanding qualifications and training.

Due to campus environments like ours nation-wide, universities have found it necessary to implement police departments in order to protect the property and lives of the campus community and to reduce the university's associated liabilities.

As commissioned officers, we are able to directly respond to incidents which occur immediately rather than rely on the response by another agency which is sometimes delayed due to circumstances beyond the University's control, such as manpower shortages and emergency responses in their own jurisdictions. Without our police commissions, our officers would not be able to respond or investigate many types of incidents which occur, but would have to rely solely on an outside agency.

**UNIVERSITY OF ALASKA FAIRBANKS****Associated Students University of Alaska Fairbanks**

Fairbanks, Alaska 99775-0220 • (907) 474-7355

Senate Resolution 90/# 18**Title: "A Resolution In Favor of a Commissioned and Armed Security Force"****Sponsors: Muske and Barrett****Date: 29 April 90**

Whereas it has recently been noted that Campus Security is not meeting the safety needs of the university, due to a lack of officers empowered to come to the aid of university residents and patrons; and

Whereas incidents of domestic violence, theft, and rape have increased in recent years, and that the university public and Security face the problem of slow response time from the State Troopers; and

Whereas commissioned and trained security officers should be equipped to face dangerous situations whenever they may arise;

Therefore be It Resolved that the ASUAF Senate support the expansion of UAF Security to include commissioned and armed officers hired by the university to meet the needs of protecting the University community. These officers must carry the same training, qualifications, and duties as officers hired by the Fairbanks Police Department and the Alaska State Troopers;



UNIVERSITY OF ALASKA ANCHORAGE

3211 Providence Drive
Anchorage, Alaska 99508

File
DEPARTMENT OF
PUBLIC SAFETY/PARKING

April 30, 1992

The Honorable Pat Pourchot
Senate District H, Seat A
Juneau, AK 99801-1182

Reference: Senate Bill No. 461

Dear Senator Pourchot:

As the Director of the Department of Public Safety for the University of Alaska Anchorage, I am writing this letter, with attachments, in order to clarify the need for commissioned and certified officers in reference to Senate Bill No. 461.

I have been employed as a public safety officer for UAA since 1981. I have been a commissioned officer for that entire period of time and I know that this department had commissioned officers several years prior to my arrival. The issue of having commissioned officers on this campus is not a new one. The campus community, as a whole, has been quite supportive of the actions and duties of my department.

Our commissions, (special peace officers), are currently granted through the Commissioner of the Department of Public Safety for the State of Alaska under AS 18.65.010. They are commissions that are renewable yearly, and which grant approved applicants regular police powers to enforce the laws of the State of Alaska on this campus. The commissions are restrictive as to time and place, and ours indicate that they are in effect while on duty and while on campus only.

These special peace officer commissions have been issued to university employees with police training and backgrounds who meet or exceed the minimum qualifications for certification. However, we are not able to become certified officers through the Alaska Police Standards Council, an issue that would be rectified with the passage of S.B.461.

In a recent letter from Commissioner Burton of the Department of Public Safety, dated 4/17/92, he indicated that he has reviewed the issuance of special peace officer commissions to my staff and has determined that the commissions no longer meet the primary purpose of AS 18.65.010. (See attachment A). He has agreed not to pull

CORRECTION

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

"To Serve and Protect"

UNIVERSITY OF ALASKA FAIRBANKS

Department of Public Safety

Fairbanks, Alaska • 99775-0720 • (907) 474-7721 • FAX (907) 474-5555

May 1, 1992

The Honorable Pat Pourchot
Senate
State Capitol
Juneau, Alaska 99801-1182

Reference: Senate Bill No. 461

Dear Senator Pourchot:

Due to Director Florian's absence after recent major surgery, I will convey information which I hope proves helpful on this most important legislative issue.

I wish to add my comments in support of Senate Bill No. 461. There are many reasons why it is vital to the University's well-being for this legislation to pass the Senate.

The University Campus in Fairbanks is unique in that not only do students, staff and faculty attend classes and work, but hundreds live in dorms, apartments and homes on campus. This campus hosts many functions and activities drawing thousands of non-affiliated people from many varying areas requiring many different needs.

This Bill will also assist this department in attracting and retaining commissioned officers that have outstanding qualifications and training.

Due to campus environments like ours nation-wide, universities have found it necessary to implement police departments in order to protect the property and lives of the campus community and to reduce the university's associated liabilities.

As commissioned officers, we are able to directly respond to incidents which occur immediately rather than rely on the response by another agency which is sometimes delayed due to circumstances beyond the University's control, such as manpower shortages and emergency responses in their own jurisdictions. Without our police commissions, our officers would not be able to respond or investigate many types of incidents which occur, but would have to rely solely on an outside agency.

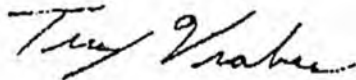
MAY 01 '92 15:11 DAF ADMINISTRATION

The Honorable Pat Pourchot
Senate Bill No. 461
May 1, 1992
Page Two

In addition, commissioned officers with this Department are specially attuned to the unique needs and sensitivities of a campus environment which can be very helpful when dealing with students and the community as a whole. Whenever possible, our officers work closely with individuals concerning various situations in preventative and informative roles rather than always in a reactive role.

In conclusion, I strongly urge your support on Senate Bill No. 461 and if there are any further questions I can answer, please do not hesitate to contact Director Florian or me.

Sincerely,



Terry E. Vrabec
Acting Director

TV/nw

Attachment

**UNIVERSITY OF ALASKA FAIRBANKS**

Associated Students University of Alaska Fairbanks
Fairbanks, Alaska 99775-0220 • (907) 474-7355

Senate Resolution 590/# 18

Title: "A Resolution in Favor of a Commissioned and Armed Security Force"

Sponsors: Muske and Barrett

Date: 29 April 90

Whereas it has recently been noted that Campus Security is not meeting the safety needs of the university, due to a lack of officers empowered to come to the aid of university residents and patrons; and

Whereas incidents of domestic violence, theft, and rape have increased in recent years, and that the university public and Security face the problem of slow response time from the State Troopers; and

Whereas commissioned and trained security officers should be equipped to face dangerous situations whenever they may arise;

Therefore be It Resolved that the ASUAF Senate support the expansion of UAF Security to include commissioned and armed officers hired by the university to meet the needs of protecting the University community. These officers must carry the same training, qualifications, and duties as officers hired by the Fairbanks Police Department and the Alaska State Troopers;



UNIVERSITY OF ALASKA ANCHORAGE

3211 Providence Drive
Anchorage, Alaska 99508

File
DEPARTMENT OF
PUBLIC SAFETY/PARKING

April 30, 1992

The Honorable Pat Pourchot
Senate District H, Seat A
Juneau, AK 99801-1182

Reference: Senate Bill No. 461

Dear Senator Pourchot:

As the Director of the Department of Public Safety for the University of Alaska Anchorage, I am writing this letter, with attachments, in order to clarify the need for commissioned and certified officers in reference to Senate Bill No. 461.

I have been employed as a public safety officer for UAA since 1981. I have been a commissioned officer for that entire period of time and I know that this department had commissioned officers several years prior to my arrival. The issue of having commissioned officers on this campus is not a new one. The campus community, as a whole, has been quite supportive of the actions and duties of my department.

Our commissions, (special peace officers), are currently granted through the Commissioner of the Department of Public Safety for the State of Alaska under AS 18.65.010. They are commissions that are renewable yearly, and which grant approved applicants regular police powers to enforce the laws of the State of Alaska on this campus. The commissions are restrictive as to time and place, and ours indicate that they are in effect while on duty and while on campus only.

These special peace officer commissions have been issued to university employees with police training and backgrounds who meet or exceed the minimum qualifications for certification. However, we are not able to become certified officers through the Alaska Police Standards Council, an issue that would be rectified with the passage of S.B.461.

In a recent letter from Commissioner Burton of the Department of Public Safety, dated 4/17/92, he indicated that he has reviewed the issuance of special peace officer commissions to my staff and has determined that the commissions no longer meet the primary purpose of AS 18.65.010. (See attachment A). He has agreed not to pull

our existing commissions until legislators have had an opportunity to review this pending legislation.

Last year the President of the University of Alaska, Dr. Jerome Komisar, put together a UA Campus Crime Task Force and charged them with developing recommendations concerning the entire scope of the Federal Campus Security Act of 1990. The task force delved into many facets of campus life. The task force learned of Commissioner Burton's proposed reduction of support to the law enforcement efforts of the University. As a result of the task force review, a series of recommendations were forwarded to the president. Recommendation #4 states, "that the University seek the authority to establish its own qualified law enforcement department and that it take the necessary steps to do so as soon as possible". (See attachment B).

The task force also reviewed other options in providing for a way to properly protect the people and the assets of the University. The issue of security guards was discussed as an alternative to commissioned officers and, after some discussion, was ruled out. Security guards, in essence, may provide some degree of protection for the assets of the institution but do not directly address protection for our large population of students, faculty, staff and visitors. Commissioned officers are empowered to take the immediate and appropriate legal steps to deal with issues as they arise. Security guards would have to refer many of these cases to a police department.

The other factor that must be considered is the ability of commissioned officers to control the traffic on campuses. At UAA we currently have an enrollment which exceeds 15,000 students. My staff of 9 commissioned officers expend a great deal of time in enforcing traffic rules. Without commissioned officers, who are empowered to stop and cite traffic offenders, control would cease.

Attachment C will show you the activities of my department since 1988. Most of these activities required the direct response of a commissioned officer. As you can see the level of activity in most categories shows a steady increase. Commissioned officers who receive training specific to their work in a university environment are the preferred solution to dealing with these problems.

Attachment D is a letter from Mr. Michael Turner, Associate Professor and Faculty Coordinator of Advising and Counseling. At my request he wrote this letter to provide information that will further identify the need for commissioned officers on the university campus.

I wish to urge your support of Senate Bill No. 461, and to convey Chancellor Behrend's support on behalf of the UAA community. Should you require any further clarification as to the university's need for this legislation, I am at your disposal.

Sincerely,

Robert Bachand, Director
(907) 786-1120



UNIVERSITY OF ALASKA
Office of the General Counsel
3211 Providence Drive
Anchorage, Alaska 99508
(907) 786-1531

Fairbanks
William R. Kauffman
Vice President and General Counsel
J. Mark Neumayr
Associate General Counsel
Anchorage
Jean S. Sagan
Associate General Counsel

April 17, 1992

Mr. Jeremy Vermilyea
Legislative Coordinator, AS UAF
Wood Center
Fairbanks, Alaska 99775

Dear Mr. Vermilyea:

This shall confirm our phone conversation of Tuesday, April 14, 1992, regarding Senate Bill 461. As I advised you when we spoke, I am currently in the process of drafting proposed policies to facilitate the University's implementation of the authority contained in the legislation, should it pass this session.

The policies will address the reporting lines and oversight authority for the Department of Public Safety within the University of Alaska, the establishment or identification of appropriate advisory bodies, the adoption and maintenance of official operating procedures manuals, and any other relevant considerations that come to my attention. As you already know, last semester both UAA's and UAF's Departments of Public Safety adopted comprehensive operating procedures manuals which are patterned on and consistent with that of the Alaska State Troopers.

I anticipate that the draft proposals will be considered by the Board at its June 11-12, 1992 meeting in Valdez, and that they will be circulated to the respective constituent bodies sufficiently in advance to allow meaningful review and input to the Board at that time.

I hope that this addresses the concerns you have expressed. Please feel free to contact me if I can provide further assistance on this topic.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Jean S. Sagan".

Jean S. Sagan
Associate General Counsel



UNIVERSITY OF ALASKA FAIRBANKS

Associated Students University of Alaska Fairbanks
Fairbanks, Alaska 99775-0220 • (907) 474-7355

April 27, 1992

Representative Max F. Gruenberg Jr.
Alaska State Legislature
State Capitol Room 216
Juneau, AK 99801-1182

Dear Representative Gruenberg,

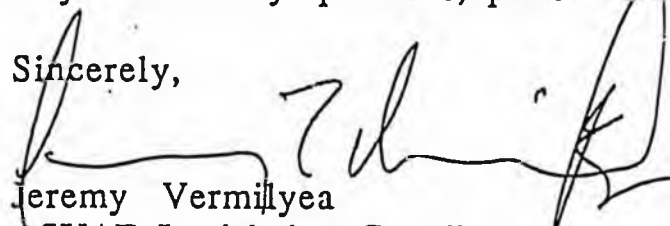
I am writing this letter in regards to several conversations I have had with Stan Robbins about SB 461, "An act relating to the establishment of a University of Alaska Office of Public Safety." We have discussed some concerns the students of UAF had with the bill in its present form, mainly the fact that the bill does not provide for input from the University community as to the implementation and operation of a new department of Public Safety.

Since those discussions I have spoken with Jean Sagan, Associate General Counsel for the university. Ms. Sagan has assured me that there will be student, faculty and staff input on the statewide and campus levels when implementing the new department. A copy of a letter written from Ms. Sagan to myself is attached.

It is because of this assurance that the students of UAF will support SB 461, and any similar legislation that may come from the House of Representatives. The establishment of a University of Alaska Office of Public Safety will remove much of the red tape that exists within the system currently, and will provide for improved safety for all patrons of the campuses.

If you have any questions, please feel free to contact me.

Sincerely,


Jeremy Vermilyea
ASUAF Legislative Coordinator

Attachment A

STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

DEPARTMENT OF PUBLIC SAFETY

P.O. BOX 111200
JUNEAU, ALASKA 99811-1200
PHONE: (907) 465-4322

OFFICE OF THE COMMISSIONER

Received
4/21/92

April 17, 1992

Mr. Robert Bachand, Director
University of Alaska Anchorage
3211 Providence Drive
Anchorage, AK 99508

Dear Mr. Bachand:

Re: Special Police Commissions

Thank you for meeting with Colonel John R. Murphy, Director of the Division of Alaska State Troopers, to discuss the Special Police Commissions which are issued to employees of the University's Department of Public Safety under the authority vested in me under AS 18.65.010.

The standard under AS 18.65.010 for reviewing applications for a Special Police Commission is whether or not the special officer is "necessary to aid or assist the division of state troopers." At the time that commissions were first issued to security officers of the University of Alaska Anchorage, the Alaska State Troopers assumed the responsibility of providing law enforcement on the Anchorage campus.

Today, the Anchorage Police Department is the law enforcement agency responsible for providing primary law enforcement on the Anchorage Campus of the University of Alaska. As such, enforcement action taken by Officers of the University's Department of Public Safety primarily assists the Anchorage Police Department as opposed to the Division of Alaska State Troopers.

Therefore, as the Anchorage Police Department is the law enforcement agency primarily responsible for responding to requests for assistance at the Anchorage Campus because the campus is within their jurisdiction, it is my view that the Special Officer Commissions that have been issued to your employees under AS 18.65.010 should be revoked, as they no longer meet the primary purpose of the statute.

It is not my intent to question or diminish the amount of assistance that has been provided over the years to the Division of Alaska State Troopers by University security officers.

Mr. Robert Bachand
April 17, 1992
Page 2

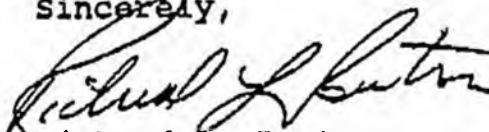
My purpose in initiating this review is to ensure that any Special Officer Commissions that are issued are done so properly and in accordance with the statute.

I recognize that the revocation of these commissions may be disruptive to your agency. Additionally, given the fact that a bill has been introduced by the Legislature relating to the establishment of a University of Alaska Office of Public Safety, and further delineating that the officers have general police powers to enforce state and local laws, I will delay the cancellation of these commissions until after the Legislature has had an opportunity to review this legislation, thereby reducing the impact on the University.

There is currently one application for a commission pending in my office (Thomas H. Chivers). I am delaying any action on this application--I believe it would be best to see if the Legislature passes the above-referenced legislation.

Thank you for support of the Department of Public Safety, Division of Alaska State Troopers, and for your understanding as we review these special police commissions.

Sincerely,



Richard L. Burton
Commissioner

cc: Colonel John R. Murphy, Director
Division of Alaska State Troopers

4. A STATEMENT OF POLICIES CONCERNING THE ENFORCEMENT AUTHORITY OF UNIVERSITY SECURITY PERSONNEL AND ITS WORKING RELATIONSHIP WITH STATE AND LOCAL POLICE AGENCIES AND RECOMMENDED POLICIES TO ENCOURAGE THE PROMPT REPORTING OF CRIMES.

Although the University of Alaska bears responsibility for providing a reasonably safe and secure learning and working environment for its students and staff, as well as for visitors to its campuses, the University has no authority to hire, appoint or designate individuals to enforce the laws on its property. Enforcement authority currently comes in the form of special commissions granted to individual University personnel at the discretion of the Commissioner of Public Safety for the State of Alaska. The commissions are granted for one year at a time for the purpose of assisting AST in the enforcement of state law. At this time the UAA campus has nine commissioned officers, UAF has four commissioned officers, and none of the other campuses have any commissioned officers. Because the UAA campus falls within the Municipality of Anchorage it is in APD's jurisdiction, and it is the current Commissioner's position that UAA's campus police assist APD rather than AST in the enforcement of state law.

The working relationship between the University's safety/security personnel and local police agencies is excellent. Despite the absence of any formalized mutual aid agreements campus safety/security personnel regularly interact with JPD, APD and AST personnel at a variety of levels. Without such excellent working relationships the institutions would have been unable to provide even the minimal level of security now maintained. However, as the population of the state, its communities and our campus continues to grow out of proportion to available funding, state and local law enforcement agencies are being forced to cut back on those services they now provide, and it is unrealistic to expect that they can continue to back up campus security to the extent they have in the

President Jerome B. Komisar
September 13, 1991
Page 9

past. In fact, during the spring and summer of 1991 there were at least two significant occasions on which AST and APD were unable to respond to requests for assistance in a timely fashion and where as a result campus safety/security was unable to effectively enforce the law. Both occasions involved acts of violence which fortunately did not result in tragedy.

Despite the excellent working relationship between the University safety/security staff and state and local police agencies, the current source of enforcement authority places campus safety/security officers in an awkward and potentially confusing position. First, the officers are employed by the University and must abide by the lawful directives of their employer, yet at the same time they are empowered by the Commissioner and must adhere to his performance expectations or lose their power to enforce the law. Should there be a difference of opinion on matters like the appropriate circumstances in which to use force or when to refer a matter for administrative handling rather than for prosecution, the officer finds him or herself in a difficult dilemma. In addition, the University may, for example, be forced to send a case to court for criminal prosecution when in its professional judgment it would have been better dealt with as a matter of student or employee discipline. Second, another area of confusion arises where the security officers are perceived to have authority that they do not possess. Not only is this perception common within the campus community, it is also common among other law enforcement personnel. AST has continually requested UAF Security Department assistance in incidents without taking into account that UAF's security personnel are unarmed and without authority. The potential dangers which inure to this situation are self-evident.

The task force recommends that the University seek the authority to establish its own qualified law enforcement department and that it take the necessary steps to do so as soon as possible. The task force also recommends that mutual aid agreements be developed with existing state and local law enforcement entities to clarify what will be expected of each agency in emergency response situations.

UNIVERSITY OF ALASKA ANCHORAGE
DEPARTMENT OF PUBLIC SAFETY
JANUARY-DECEMBER

	1988	1989	1990	1991
Agency Assist	10	75	91	50
Assault	9	9	11	12
Bomb Threat	1	0	3	11
Burglary	3	5	2	9
Curfew/Loitering	4	9	27	9
Disorderly/Disturbance	36	74	93	107
Domestic	3	7	2	6
Drug Possession	0	0	1	4
DWI	6	4	7	2
Forgery/Counterfeit/Fraud	2	2	5	5
Harassment	2	13	18	27
Homicide	0	0	0	0
Liquor Laws	55	46	49	41
Missing Person/Runaway	19	6	5	6
Motor Vehicle Accident	89	90	102	70
Motor Vehicle Theft	5	5	4	4
Officer In Trouble	1	0	0	0
Recovered Property	10	10	10	4
Robbery	1	0	0	0
Sexual Assault	0	0	1	0
Sex Offenses (Other Than Rape) ..	13	11	0	4
Suicide (Actual & Attempted) ...	4	2	2	7
Suspicious Person/Circumstance ..	91	130	115	194
Theft	165	141	123	125
Traffic (Including Impounds) ...	579	920	826	454
Trespass	16	26	26	21
Vandalism/Criminal Mischief	53	56	66	38
Warrant Service	15	27	58	38
Weapons/Firearms Violations	5	4	2	4
Uniform Traffic Citations	147	290	240	109
 Total Arrests	 41	 75	 115	 89



UNIVERSITY OF ALASKA ANCHORAGE

3211 Providence Drive
Anchorage, Alaska 99508

ADVISING AND COUNSELING CENTER
(907) 786-1570

April 29, 1992

Mr. Robert E. Bachand, Director
Department of Public Safety
University of Alaska, Anchorage
3211 Providence Avenue
Anchorage, Alaska 99508

Dear Director Bachand:

I would like to share with you the reasons I am supporting the legislation SB-461.

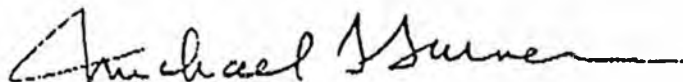
I feel that it is imperative to maintain your Department's presence on the campus here at University of Alaska Anchorage. As a twenty-two year, full-time faculty member, 17 years which were at Anchorage Community College, I have relied upon your officers to assist me with crisis intervention calls that involved our students, faculty, staff and citizens from the area. I can confidently state that often, the presence of a commissioned peace officer has made the difference between a peaceful resolution and one that could have resulted in physical harm to the individuals and by-standers involved.

I feel that a campus the size of University of Alaska Anchorage is in fact a mini-society. It has become evident over the years as our enrollment has increased, and the addition of residence housing, that the calls for assistance for the Advising and Counseling Center Counselors has increased. There have been incidents during the past three years, that your immediate presence has resulted in an efficient and productive resolution, whereas the delay involved in waiting for an outside law enforcement presence would have increased the likelihood of further escalation with drastic results. It should be acknowledged that whenever I have responded to emergency or crisis situations, that the employees involved have consistently remarked that without the Campus Police, they genuinely feel that the situations would have worsened. After coordinating the crisis intervention process on campus for the past five years, I must agree with the employees that your Department's presence, the high quality of officers that meet commission standards, their professionalism and personal investment in students your officers have demonstrated cannot be replaced by 'call-up' officers or rent-for-service 'security agencies.'

In addition I would like to point out that the increase of incidents involving crisis intervention dealing with reports of disturbed individuals have specifically involved individuals that are not students, faculty or staff, but rather persons who have 'walked' onto the campus. That fact only emphasizes the often overlooked vulnerability of the open campus concept that we all promote for the University of Alaska Anchorage. This increase in incidents involving 'non-students' is not attributable by our immediate presence to two hospitals that provide psychiatric services, or the correctional center across the street to the south. Although these respective facilities do, on occasion, experience walk-away patients/inmates, such occurrences, by themselves, do not account for the trend I have observed.

In closing, the loss of your Department would necessitate a total restructuring of our crisis intervention program, and would result in a less effective process and protection for all involved.

Sincerely,



Michael T. Turner, Associate Professor
Counseling Coordinator
Advising and Counseling Center

University of Alaska

Statewide System

SB 461 Establishment of UA Office of Public Safety

The University, with the support of the Commissioner of Public Safety, is seeking the authority to commission persons employed to maintain public safety on the property of the University. For many years the University has been dependent upon the issuance of special commissions by the Commissioner of Public Safety pursuant to AS 18.65.010. While such commissions have met the need of the University and the interests of the state in having readily available law enforcement personnel, the special commission as authorized in AS 18.65.010 is intended primarily to serve the function of providing direct assistance to the state troopers. Since the University public safety officers serve only in a capacity related to their employment at the University, it is both unnecessary and inappropriate that the Commissioner continue to be responsible for granting such commissions. Because the University public safety officers do not serve to assist the state troopers, the Commissioner of Public Safety, Richard Burton, has informed the University that it is his intention to cease granting commissions, and has encouraged the University to seek this authority.

In view of the significant concentration of people and property on the campuses of the University and the increasing obligations imposed by case law to protect persons on the property of colleges and universities, it is essential that a professional public safety office be established at the urban campuses of the University of Alaska. The University's desire to effectively protect its students, faculty and staff; and the national attention focused on campus safety which resulted in the passage of the Student Right to Know, and Campus Security

contact: Wendy Redman
UA Statewide System
474-7582/463-3086

Act, have led to the conclusion that full-time commissioned officers are essential to provide a secure environment for the University communities. The officers as employed and commissioned by the University would, at a minimum, meet all standards governing police officers as adopted by the Alaska Police Standard Council pursuant to its authority under AS 18.65.130 et seq. It is further the intent of the University of Alaska that campus public safety officers receive training specific to their work in a university environment.

The situation has become particularly urgent in the Anchorage area following significant reductions in the Anchorage State Trooper post that have resulted in a loss of State Trooper coverage for the University area. At the same time, local police in Anchorage and Fairbanks are unable to extend regular service to the campus facilities. Therefore, in order to provide adequate public safety protection to the University communities, it is essential that the authority for commissioning public safety officers be extended to the University.

The students and staff of the University community will continue to be involved in the design and development of campus public safety programs. The commissioning of public safety officers does not mean that all officers will carry weapons, nor does it mean that all campus security personnel will be commissioned public safety officers. The campus programs will be designed to meet the specific needs of each campus, and will include a mix of professional and student employees to assure a sensitive and appropriate approach to campus security needs.

SB465

SENATE FINANCE COMMITTEE REPORT

DATE: 4/15/92

FURTHER:

DATE TURNED INTO OFFICE: 4-28-92

The Finance Committee considered SENATE BILL NO. 465

"An Act relating to the land exchange between the State of Alaska and Cape Fox Corporation; and providing for an effective date."

and recommends:

- replace with _____ CS _____ (FINANCE)
- or adopt previous _____ CS _____ (_____)
- attaches amendment(s)

- same title
- new title
- technical title change (HB only)

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

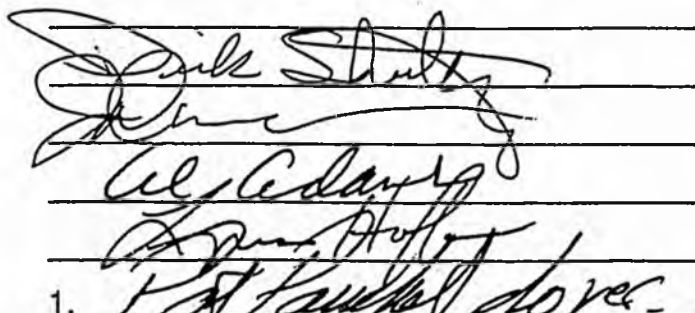
NEW FISCAL NOTES: Dept/Date

zero fiscal notes _____

fiscal notes _____

appropriation--no fiscal note

DO PASS:



1. Pat Kunkel do rec.

Co-Chair: Signature/Recommendation

PREVIOUS FISCAL NOTES: Dept/Date

zero fiscal notes DEFG 3-13-92

DEC 3-13-92

DNR 3-16-92

fiscal notes _____

OTHER RECOMMENDATIONS:

Rec'd (No Rec)

2. _____

Co-Chair: Signature/Recommendation

FISCAL NOTE

N 3

Bill Version: SB 465

(S) Publish Date: 4-10-92

STATE OF ALASKA
1992 LEGISLATIVE SESSION

Revision Date: 3/12/92

Department Affected: Fish and Game 4101

Title: Cape Fox Land Exchange

BRU: Habitat

Component: Habitat

Sponsor: Rules Committee by Governor

Requestor: _____

COMPONENT SERIAL NO.

	4	8	6
--	---	---	---

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

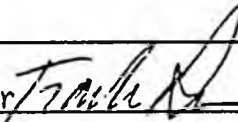
GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE:	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

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

Estimate of current year impact: No impact on current year.

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Frank Rue, Director 

Phone: 465-4105

Division: Division of Habitat

Date: 3/12/92

Approved by Commissioner: Steve J. W. ...

Agency: Department of Fish and Game

Date: 3/13/92

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. OSC., & Impacted Agency(ies).

FISCAL NOTE

No. 2

Bill Version: SB 465

BI (S) Publish Date: 4-10-92

STATE OF ALASKA
1992 LEGISLATIVE SESSION

Revision Date: _____
Title: Cape Fox Land Exchange
Sponsor: Governor
Requestor: Governor

Department Affected: Environmental Conservation
BRU: Environmental Quality
Component: _____

COMPONENT SERIAL NO.

1	0	1	6
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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE						
FUND SOURCE:						

FUNDING: (Thousands of Dollars)

GENERAL FUND	0.0	0.0	0.0	0.0	0.0	0.0
FEDERAL FUNDS						
OTHER						
FUND SOURCE:						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

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

Estimate of current year impact: none

ANALYSIS: (Attach a separate page if necessary.)

Prepared by: Janice Adair
Division: Commissioner's Office

Phone: 465-5010
Date: _____

Approved by Commissioner: Janice Adair for John Sandoz
Agency: Environmental Conservation

Date: 3/13/92

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE

Bill Version: SR 465

(S) Publish Date: 4-10-92

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL

Revision Date: 16-Mar-92 Department Affected: Natural Resources
 Title: Cape Fox Land Exchange BRU: Land Management
 Components: Land Management
 Sponsor: Rules Committee
 Requestor: Rules Committee COMPONENT SERIAL NO. 431

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

REVENUE						
Funding Source:						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
Funding Source:						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of Current year impact:

ANALYSIS: (Attach a separate page if necessary)
 Zero if the State is not required to maintain the road.

Prepared by: Ron Swanson Phone: 762-2692
 Division: Land Management Date: 16-Mar-92

Approved by Commissioner: Harold C. Heinz Date: 16-Mar-92
 Agency: Department of Natural Resources

Distribution (by preparer) : Legislative Finance, legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

NEW BILL IN
COMMITTEE 4-16-92

SENATE BILL NO. 465

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 4/10/92
Referred: Resources

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the land exchange between the State of Alaska and Cape Fox
2 Corporation; and providing for an effective date."

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

4 * Section 1. PURPOSES AND LEGISLATIVE FINDING. (a) The purposes of this Act are for the
5 state to acquire the surface estates of land at White River, Lake Harriet Hunt, and Talbot Lake from the
6 Cape Fox Corporation to provide increased road-accessible public recreation opportunities in the
7 Ketchikan area; to transfer the surface estates of state land near Leask Lake to private ownership with
8 the Cape Fox Corporation to allow for increased economic benefits in the construction, timber support,
9 and tourism industries; and to improve the White River and Leask Lake roads to meet recreational
10 standards at no additional expense to the state.

11 (b) The legislature finds that the exchange approved in sec. 2 of this Act will further important
12 recreational, economic development, and environmental protection interests, and that time is of the
13 essence to approve the exchange, or the opportunity to further those interests might be lost.

14 (c) The legislature finds that the value of the land to be received by the state and the value of

1 the road improvements are substantially equal to or exceed the appraised fair market value of the state
2 land to be exchanged, as required by AS 38.50.020, and that the transfer is in the public interest.

3 * Sec. 2. APPROVAL OF LAND EXCHANGE AGREEMENT. Under AS 38.50.140, the legislature
4 approves the land exchange agreement entered into by the State of Alaska, Department of Natural
5 Resources, and the Cape Fox Corporation on April 6, 1992, ADL 105565.

6 * Sec. 3. LAND EXCHANGE. The approval of the agreement specified in sec. 2 of this Act
7 authorizes the exchange of the following lands between the State of Alaska and the Cape Fox
8 Corporation:

9 (1) State Land to be Exchanged: fractional portions of sections 13, 14, 22 - 24, 26, 27,
10 and 35 of Township 73 South, Range 91 East, Copper River Meridian, as specified in the agreement
11 approved in sec. 2 of this Act;

12 (2) Cape Fox Corporation Land to be Exchanged: fractional portions of sections 2 - 5,
13 9 - 11, 16 - 18, 20 and 21 of Township 74 South, Range 91 East, Copper River Meridian, as specified
14 in the agreement approved in sec. 2 of this Act.

15 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

WALTER J. HICKEL
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

461
April 10, 1992

The Honorable Richard I. Eliason
President of the Senate
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear President Eliason:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill to approve the land exchange between the State of Alaska and the Cape Fox Corporation. The bill would approve the exchange of surface estates of land located in the Ketchikan area.

The legislation, if enacted, will allow the state to transfer the surface estate of 2,335 acres of state land near Leask Lake to the Cape Fox Corporation ("Cape Fox") in exchange for the surface estate of 4,366 acres of private land owned by Cape Fox at White River, Lake Harriet Hunt, and Talbot Lake. As part of the value that the state would receive in the exchange, Cape Fox would construct or upgrade the White River Road and the Leask Lake Road to recreational standards. The Department of Natural Resources (DNR) has determined that the value of the land to be received and the value of the road construction or upgrading by Cape Fox are of substantially equal or exceed the appraised fair market value of the state land to be exchanged, as required by AS 38.50.020, and that the transfer is in the public interest.

The exchange would allow the state to acquire Cape Fox lands that are road accessible, to increase recreational and fishing opportunities. The exchange would allow Cape Fox to acquire land to allow for increased economic benefits in the construction, timber support, and tourism industries. The exchange is likely to result in increased job opportunities and economic development in the Ketchikan area.

AS 38.50.140 requires the governor to submit certain land exchange proposals to the legislature for approval within 10 days after the convening of a regular legislative session. That section further authorizes the governor to submit a proposal at some other time if "exigent circumstances so require." Exigent circumstances exist to justify submission of this bill at this time. The exchange agreement was just signed on April 6, 1992, due to the need for a public hearing on the exchange. Waiting until next session for introduction and enactment of the

The Honorable Richard I. Eliason
President of the Senate
Page 2

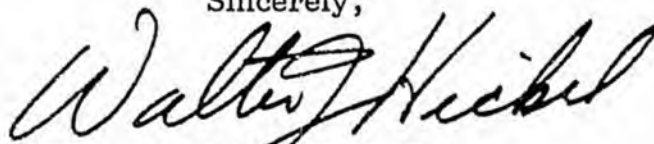
bill could have serious adverse impacts. There is no guarantee that Cape Fox Corporation can afford to leave the offer open for another year. Approximately 40 - 43 percent of Cape Fox land covered by the exchange could be logged. Delay in approving the exchange could force Cape Fox, for economic reasons, to withdraw from the exchange or to log additional portions of that land, making it impossible to, or greatly reducing the state's ability to achieve important exchange objectives, including the protection of aesthetics and habitat on the remaining area. Much-desired expansion of additional opportunities for roaded recreation would also be lost or delayed.

DNR has alerted me that although final appraisals of the land are not yet available, DNR has considerable documentation to support its determination that the fair market values of each party's exchange are substantially equal. DNR's fair market value estimate is based in part on appraisal value of commercial timber and the estimated building costs for the roads to be constructed by Cape Fox. DNR will have staff available to testify on the basis of its calculations.

Copies of the April 6, 1992, final exchange agreement on the land exchange and other supporting documents will be provided to the Senate Secretary and the Clerk of the House.

I urge you to give this bill your immediate consideration and approval.

Sincerely,

A handwritten signature in cursive script that reads "Walter J. Hickel". The signature is written in dark ink and is positioned above the printed name and title.

Walter J. Hickel
Governor

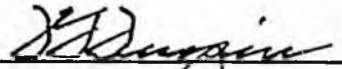


*Department of Transportation
and Public Facilities*

POSITION PAPER

BILL NO: SB 465

APPROVED:


Frank G. Turpin, Commissioner

TITLE: Land Exchange Between
State of Alaska and the
Cape Fox Corporation

DATE: April 22, 1992

This bill would approve transfer of land between the State of Alaska and the Cape Fox Corporation, a Ketchikan native corporation. The purpose of the transfer would be to provide Cape Fox Corporation timber lands, to enhance economic development in the Ketchikan area, and to provide Ketchikan with additional road-accessible recreation opportunities. An 11-mile logging road along the White River would be upgraded to recreation road standards as part of the land exchange.

The department has been involved in review of the land trade proposal through the Department of Natural Resources land transfer planning process.

DOT&PF's primary issue in the planning effort has been that the parties to the exchange clearly understand that the department could not assume maintenance responsibility for the upgraded White River Road. The department would not be able to maintain the road because of fiscal constraints on its maintenance budget and because the road is a recreation road, not a state highway facility.

It is the department's understanding that the Ketchikan Gateway Borough and DNR would develop a maintenance agreement wherein the borough would maintain the road were the transfer approved by the legislature.

Given that the land exchange would in not affect our maintenance and operations activities, this bill has a zero fiscal note for the department.

For Further Information contact Katy McHugh at 465-3900.

04/27/92

DIVISION OF LEGAL SERVICES

**LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA**

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

240 Main Street, Suite 500
Juneau, Alaska 99801-2101

MEMORANDUM

April 27, 1992

SUBJECT: Cape Fox Land Exchange - SB 465 (Work Order No.17GS-2073.B)

TO: Senator Pat Pourchot
Attn: Jeff Butler

FROM: Jerry Luckhaupt *JLB*
Legislative Counsel

You have asked if the legislative approval for the Cape Fox land exchange in SB 465 would affect litigation currently on-going regarding the propriety of the Department of Natural Resources' actions in agreeing to and proposing the exchange? Based upon the description of the litigation as outlined by Jeff of your staff, it is my opinion that the legislative approval of the exchange to be given in SB 465 would not preclude a court from finding that DNR's action in proposing or agreeing to the exchange did not meet the requirements of AS 36 and AS 38. Whether DNR complied with the statutory requirements for an exchange of land is an entirely different matter than the legislative approval required under AS 38.50.020 and 38.50 140.

If the legislature wished to attempt to preclude further judicial review of DNR's actions in proposing and agreeing to the exchange, the legislature could provide in a new bill section in SB 465 that the requirements of AS 36 and AS 38 do not apply to DNR's actions regarding the exchange of the Cape Fox land. In addition a retroactive effective date would need to be supplied making this waiver of applicability retroactive to when DNR started work on this exchange or at least until DNR may have started operating in violation of statute.

I have said that the legislature may attempt to preclude further judicial review, as there is no guarantee that a court will accept the legislature's action as depriving it of jurisdiction to decide the case. The court could find the legislature's attempt to retroactively remove the statutory requirements of AS 36 and AS 38 from the Cape Fox land exchange to be an unconstitutional attempt by the legislature to decide a pending case in the judicial system or to interfere with the court's jurisdiction and refuse to dismiss the case or consider the legislature's retroactive waiver of

Senator Pat Pourchot
April 27, 1992
Page 2

applicability. Or the court could determine that the statute exempting the land exchange from AS 36 and AS 38 is unconstitutional local or special legislation.

If you have further questions, please contact me at your convenience.

GPL:pl
92-296.plm

Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

Dear Senator Kerttula and Senator Pourchot,

The Alaska-Hawaii Regional Office of the National Audubon Society opposes SB 465 an act relating to a land exchange between the State of Alaska and Cape Fox Corporation. There are several serious problems with the proposed trade.

The first problem is a policy question. How does the state benefit by discounting the value of state property that has a healthy eco-system and provides habitat for fish and wildlife values in order to acquire logged lands that have serious erosion problems, no evidence of reforestation and a road to clearcuts?

• Upon close examination of the proposal there are flaws with the appraisal process and inaccuracies in the claims of the extent of new recreational opportunities.

• The proposed exchange does not acknowledge the need for sustainable development of natural resources by both public and private sector owners.

• The continued destruction of southeast habitat is having a serious consequences upon several wildlife species unique to southeast Alaska. This is an issue of national significance and needs careful analysis before state lands are used for short term financial gain. The hidden long term costs of habitat loss have not been adequately addressed.

Please do not enact SB 465 an act relating to a land exchange between the State of Alaska and the Cape Fox Corporation. It will result in a net loss to the State of Alaska.

Sincerely,

Mary Core
Mary Core
Alaska Representative

My name is Bill Rotecki and I live at 445 Front Street in Ketchikan, and I am speaking as a 10 year resident of Ketchikan.

In the preliminary exchange agreement the Ketchikan Gateway Borough states: QUOTE

The Ketchikan Gateway Borough believes that the resultant direct and indirect benefits of the land exchange including economic, recreation, habitat, environmental, and transportation benefits represent a unique and significant community benefit. ENDQUOTE

Economics

The economic benefits of logging Leask Lakes and exporting round logs is minuscule compared to the possible long term recreational and tourist uses of the Leask Lake tract if it were made a park. This bill also spends \$2.5 million to upgrade the logging roads so people can look at clearcuts. Since DNR, the future owner, has said they will not maintain this road it could well be \$2.5 million wasted. (The Borough doesn't have roading powers)

Recreation

This trade creates second class recreational opportunities in areas dominated by views of clear cuts. In fact the opportunities may be non-existent since no agency is willing to maintain the roads once logging is completed.

The state owned Leask Lake tract which is an untouched viewshed, if left intact, would provide a far more valuable recreational area than the one we are buying. The Leask tract has very easy terrain, rare upland meadows, creeks, old growth forests, salmon runs, all in an area that can still legally have roads and trails in it. Roads and trails are an extreme rarity. We are surrounded by wilderness areas, but they can rarely be accessed by people of limited means and mobility. The best recreational opportunity we have is to turn the Leask Lakes tract into a state park with roads and trails in it.

Habitat and Environmental

This trade does not have habitat or environmental benefits. The recently completed deer model predicts a 71% loss of deer on the state lands traded. That is NOT a habitat benefit.

Transportation

The trade spends \$2.5 million on a road that can not be made to meet DOT and FHA standards. The recently completed DOT study identifies another route as the preferred alternative. In fact by spending our dwindling resources on the wrong road, it decreases the money available for a viable transportation link.

Summary

This trade does not work toward our goals, but against them. If our intent is roaded recreation, and any trade or purchase of Cape Fox lands is to be contemplated, it should only be done with lands of LOWER recreational values.

4-23-92



America North/EMCON, Inc.

Environmental Consulting & Engineering • Health & Safety

April 14, 1992

Senator Lloyd Jones, Chairman
Senate Resources Committee
Juneau, Alaska 99801-1182
(FAX) 465-3922

RE: Senate Bill No. 465; House Bill No. 578

Dear Senator Jones:

This letter is in response to testimony provided to your committee by Mr. Dave Katz of the Tongass Conservation Society with regards to the White River-Leask Lakes Land Exchange.

America North/EMCON, Inc. (formerly America North Inc.) completed an evaluation of the effects of timber harvest on deer in the Leask Lakes area for the Cape Fox Corporation (CFC) in 1991. Mr. Katz has repeatedly discredited this report in the press, public hearings, and most recently before your committee. His primary allegation stems upon his belief that since CFC paid for the deer study it is flawed and should not be considered credible.

As a reputable and credible environmental consulting firm, AN/E strives to provide its clients with objective studies and reports. Our staff opinions cannot be bought nor altered to suit a client's need. Clearly, a scientific consulting firm which works for both private industry and state and federal agencies would not be in business for any period of time if its clients were able to sway or buy the consulting firm's findings.

The CFC contracted with AN/E to obtain our professional opinion and have never requested we alter our findings to reflect more positively on their proposal. AN/E has found the CFC to be a responsible and objective client who asked for nothing but professionalism and objectivity. Our staff and subcontractors worked hard to meet their expectations, and we stand behind the report and its conclusions.

Sincerely,
America North/EMCON, Inc.

Lisa Haas, CEO

Cheryl Moody, Project Manager

cc: House Finance Committee
House Resources Committee
Senate Finance Committee
Cape Fox Corporation

To: ALL
Legislators
From: The Office of
Rep. Robin L. Taylor.

April 14, 1992

Heather Muench
Box 6811
Ketchikan, Alaska
99901

RECEIVED APR 22 1992

Dear Representative,

I am writing you concerning the Cape Fox (White River/Harriet Hunt/Talbot Lake) land trade between and the State of Alaska (Leask Lakes).

We need roaded recreational lands for today's children; not more locked -up wilderness for elite preservationists.

Families need a place to go that is within a short car drive from Ketchikan. Families often do not have the time, or the money or the physical abilities for long extended hikes into the wilderness.

The U.S. Forest Service's Ward Lake area is over-used. This shows a great need for more of the same type of recreation.

I am the mother of 5 children; ages 11 to 3 years. We cannot go on long hard hikes. This land trade will give us and other families the opportunity to continue to use land currently owned by Cape Fox. The trail along Ward Creek down to Talbot Lake and along it's shore is easy hiking for children. Harriet Hunt has vast recreational opportunities. White River is a large slow moving, mandering river with beautiful sand bars. The area is great for picnics, camping, and hiking. The road access to White River makes it unique.

The Leask Lake Area will be another area for families if the proposed logging plan of Cape Fox's happens. Wildlife and fisheries will be protected while opening; up the area.

Logging is not a dirty word as some people would like you to believe. Logging roads offer easy walking, bike riding, stroller pushing, X-country skiing, snowmobiling, etc. for families. You can recreate in a clearcut.

Please don't believe the lies being told by the preservationists. They claim this is a trade of clearcut for wilderness. The fact is Cape Fox is trading 4336 acres of which only 900 acres have been cut. The rest is pristine wilderness with great potential for families and roaded recreation. The State will be trading 2335 acres of which Cape Fox will only be able to cut 1400 acres. The integrity of the Leask Lakes will remain. This trade will also preserve the integrity of White River, Harriet Hunt, and Talbot Lake. This trade will open up lands currently owned by Cape Fox and thier vast potential will be for the average Ketchikanite to enjoy.

The elite preservationist feels nearly driving through a clearcut to get to a beautiful area ruins the experience for them. They are repulsed by the sight of logged areas. If these areas are not pristine enough for the snobby preservationist, there is about 2½ million acres adjacent or very close by for those people.

Please give families the same opportunities for outdoor recreation. Approve the Cape Fox - State land trade.

Thank you for your attention.

Sincerely,

Heather Muench
Heather Muench

Rec'd F

**KETCHIKAN
GATEWAY
BOROUGH**

OFFICE OF THE MAYOR

Ralph M. Bartholomew
344 Front Street
Ketchikan, AK 99901-6494
Phone 228-6605 Fax 225-7282

March 9, 1992

The Honorable Pat Pourchot
Alaska State Senate
P.O. Box V
Juneau, AK 99801

THE LAND TRADE BETWEEN THE STATE OF ALASKA AND CAPE FOX CORPORATION

Dear Senator Pourchot *Pat*

You will soon review legislation proposing a land trade between the State of Alaska and the Cape Fox Corporation (Saxman Village Corporation) which must be adopted during this session of the Legislature.

The Ketchikan Gateway Borough Assembly supports this exchange (resolution enclosed) and recently endorsed this letter and my testimony at any future hearings.

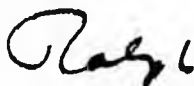
The State Department of Natural Resources has completed its review and documentation supporting the Exchange Agreement and is now in the public comment phase of the process. Commissioner Harold Heinze unequivocally promotes the land trade as a no-cost, win-win settlement which will benefit not only the people of Southeast but also the people of the entire State of Alaska.

Cape Fox Corporation owns the timber and the land in the White River, Harriet Hunt Lake, and Talbot Lake areas immediately adjacent to Ketchikan. The Corporation is willing to pass title to the State without cutting the multi-million board feet of timber in the valley and surrounding areas. The river is presently followed on one side by a timber road that will be upgraded for public use by Cape Fox Corporation as a condition of the Land Exchange Agreement.

As a result of the land exchange, the public will inherit three prime areas with future unlimited availability for recreation with roaded access. Cape Fox Corporation has committed to a logging plan in the Leask Lake parcel which minimizes environmental impacts and preserves the view corridors from adjacent lakes and roads. The community gains all of this plus the economic benefits from the timber contracts, road building contracts, and future visitor attraction and site use by the public.

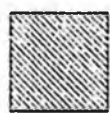
Thank you for your consideration, support and assistance in moving this important proposal during this legislative session. It will be a model for the rest of the State.

Sincerely,



Ralph M. Bartholomew
Mayor

Legend



Cutting Unit 19



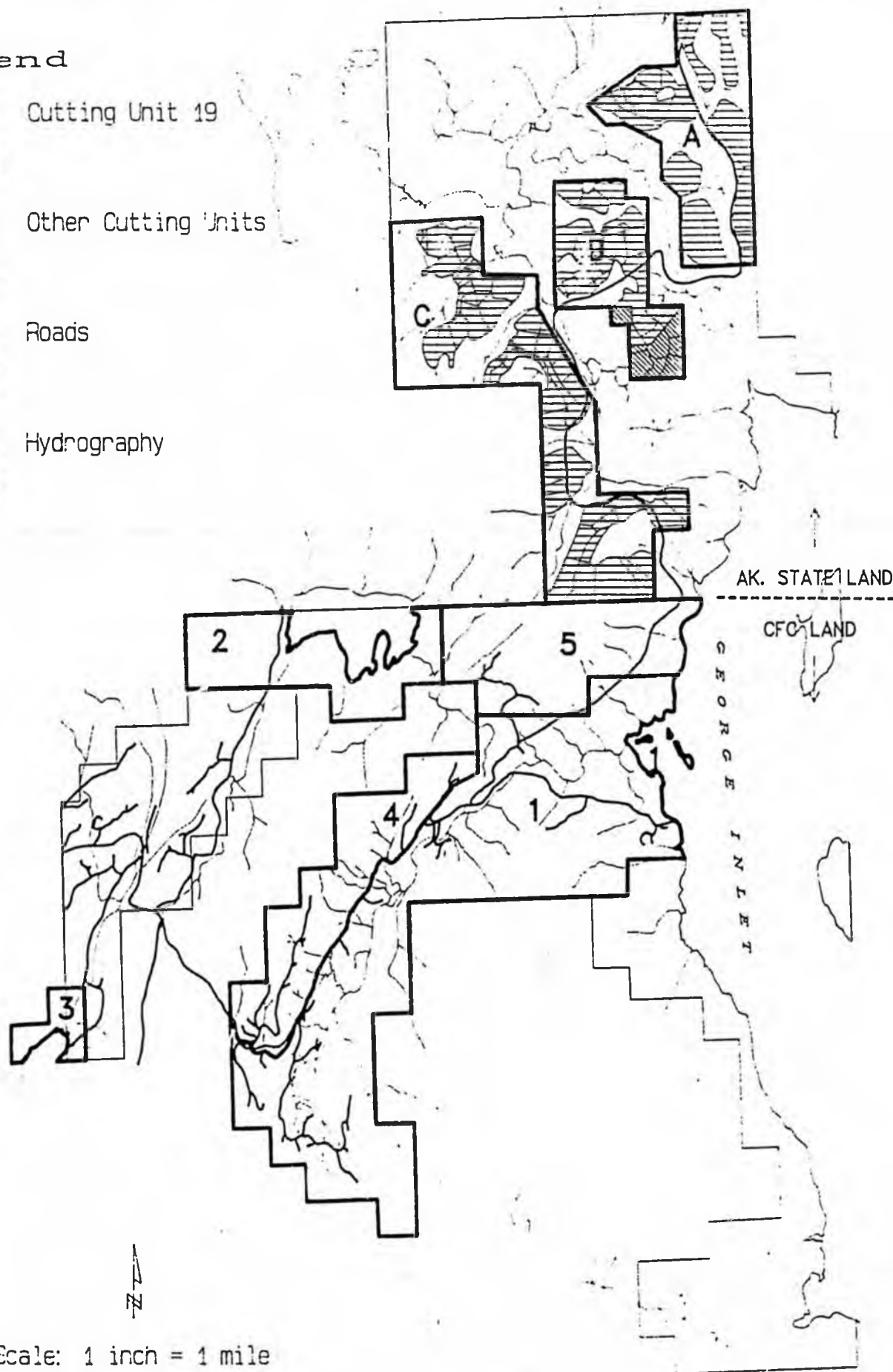
Other Cutting Units



Roads



Hydrography



Scale: 1 inch = 1 mile

Proposed Land Exchange Areas

K E T C H I K A N G A T E W A Y B O R O U G H

RESOLUTION NO. 954

A RESOLUTION OF THE ASSEMBLY OF THE KETCHIKAN GATEWAY BOROUGH, ALASKA, SUPPORTING THE CONCEPT OF A LAND EXCHANGE OF CAPE FOX CORPORATION PROPERTIES IN THE LAKE HARRIET HUNT AND WHITE RIVER AREAS FOR STATE OF ALASKA PROPERTIES IN THE LEASK LAKES AREA, REVILLAGIGEDO ISLAND, ALASKA; AND ESTABLISHING AN EFFECTIVE DATE.

R E C I T A L S

- A. The Cape Fox Corporation owns properties in the White River drainage and at Lake Harriet Hunt, and the State of Alaska owns a large, contiguous tract of 5,140 acres in the area known as Leask Lakes.
- B. The Cape Fox Corporation has proposed a land exchange between the Corporation and the State of Alaska. This exchange involves the selection of some 2,450 acres of State land in the Leask Lakes area in exchange for 2,941 acres within the White River and Lake Harriet Hunt areas.
- C. A community survey was conducted in the summer of 1990 by a Juneau consulting firm that identified a strong need for additional outdoor recreational opportunities for the residents of Ketchikan. This survey also determined that such recreation was desired along the road system and that the preservation of sport fisheries and maintenance of wildlife were important considerations in any provision of additional outdoor recreational opportunities. The survey also found significant community support for recreational opportunities in areas where timber clear-cutting was visible from the road system.
- D. A community workshop conducted in November, 1990, on the creation of a Leask Lakes State Park or White River/Leask Lakes Land exchange reconfirmed the importance of habitat protection and the need for additional recreational opportunities on the roaded system. This workshop also established the importance of the provision of a utility/transportation corridor designed to provide intra-island and inter-island accessibility.
- E. Research performed by the Ketchikan Gateway Borough Department of Planning and Community Development evaluated a series of alternative ways that the Leask Lakes/White River/Lake Harriet Hunt areas could be developed and managed, and identified significant additional outdoor recreation and habitat values in the Leask Lakes, White River, and Lake Harriet Hunt areas.
- F. Public hearings were held before the Planning Commission and Borough Assembly addressing the values and issues associated with the creation of Leask Lakes State Park or a Leask Lakes/White River/Lake Harriet Hunt land exchange, and evidenced public interest in and support for a proposed land exchange.

logged.

f. Any portion of the mainline logging road crossing Cape Fox Corporation property within the Leask Lakes area have a public access easement, and pedestrian public access easements be provided for all "put-to-bed" spur logging roads that provide access to the remaining state lands of significant size within Leask Lakes or where recreational use is expected to occur.

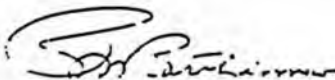
g. A logging management plan be developed by the Cape Fox Corporation prior to any logging of the Leask Lakes area, and this plan be reviewed by the Ketchikan Gateway Borough Planning Department prior to the commencement of logging by the Corporation. The purpose of this review will be to ensure conformance with the conditions of approval stated in this Resolution, and to ensure that proposed timber harvest areas generally conform to the intent of the "Environmental/Logging Alternative".

h. The clear-cut area within the White River area, consisting of 725 acres located west of the current logging road, be considered for inclusion in the State-Corporation land appraisal in order to determine the value/worth of including this area within the proposed area of land exchange between the State and the Cape Fox Corporation.

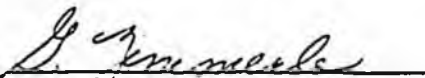
i. A master development plan will be prepared by the Ketchikan Gateway Borough for the properties affected by the proposed land exchange in order to properly assess near-range and long-range planning objectives and consequences. This plan will guide the use and the management of properties involved in the Land Exchange and the remaining State properties in the Leask Lakes area.

j. State land within the "Leask Lakes Area" not affected by the land exchange between the State and the Cape Fox Corporation be retained under state ownership and management, and be classified as "public use" lands subject to the terms and conditions of an approved master development plan.

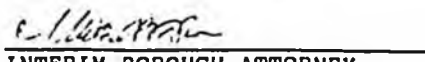
Section 4: Effective Date. This resolution is effective upon adoption.


BOROUGH MAYOR

ATTEST:


BOROUGH CLERK

Approved as to form:


INTERIM BOROUGH ATTORNEY



Alaska Environmental Lobby, Inc.

P.O. Box 22151 Juneau, Alaska 99802

907-463-3366

February 28, 1992

Representative Niilo Koponen
P. O. Box V
Juneau, Alaska 99801

Dear Representative Koponen,

The Alaska Environmental Lobby would like to alert you to a pending land exchange between the State of Alaska and the Cape Fox Corporation (CFC) which would result in the loss of valuable timber, wildlife habitat and recreational resources to the people of Alaska. The proposed exchange is described in a Report on Proposed Land Exchange recently released by the Department of Natural Resources.

DNR proposes to exchange 2400 acres of old growth forest for 4300 acres of CFC land which has been extensively clearcut. Both properties are north of Ketchikan. CFC will clearcut 1500 acres of the land it receives from the state. DNR maintains that the Ketchikan residents would benefit from recreational access to the area provided by upgraded logging roads.

The Cape Fox Corporation has been proposing this land exchange since 1977. Until this past year, DNR has rejected the proposal as not being in the public interest. Nothing has changed; the public still loses by this trade.

The Alaska Environmental Lobby opposes this land exchange on the following grounds:

1) It is not in the public interest to exchange land with high quality, high value old growth forest for land that has been clear cut. Any gain in recreational values by the greater access provided by upgraded logging roads is more than offset by the diminished recreational values caused by clearcuts and by the destruction of wildlife habitat .

2) DNR's evaluation of this exchange is seriously flawed, for example:

- * DNR has accepted an appraisal which assumes that the "highest and best use" of the land is to log the timber; there has been no consideration of park, habitat, or other non-economic values.
- * 39% of the state lands were appraised at only 10% of fair market value.
- * The State of Alaska is paying CFC to upgrade the logging roads, by subtracting the cost of the upgrade from the value of the state lands.
- * DNR has relied on a deer study done by Cape Fox and slighted a projection by the Alaska Department of Fish and Game that there will be a 68% decline in the deer population as a result of logging the state land.



CORRECTION

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

KETCHIKAN GATEWAY BOROUGH

RESOLUTION NO. 954

A RESOLUTION OF THE ASSEMBLY OF THE KETCHIKAN GATEWAY BOROUGH, ALASKA, SUPPORTING THE CONCEPT OF A LAND EXCHANGE OF CAPE FOX CORPORATION PROPERTIES IN THE LAKE HARRIET HUNT AND WHITE RIVER AREAS FOR STATE OF ALASKA PROPERTIES IN THE LEASK LAKES AREA, REVILLAGIGEDO ISLAND, ALASKA; AND ESTABLISHING AN EFFECTIVE DATE.

RECITALS

A. The Cape Fox Corporation owns properties in the White River drainage and at Lake Harriet Hunt, and the State of Alaska owns a large, contiguous tract of 5,140 acres in the area known as Leask Lakes.

B. The Cape Fox Corporation has proposed a land exchange between the Corporation and the State of Alaska. This exchange involves the selection of some 2,450 acres of State land in the Leask Lakes area in exchange for 2,941 acres within the White River and Lake Harriet Hunt areas.

C. A community survey was conducted in the summer of 1990 by a Juneau consulting firm that identified a strong need for additional outdoor recreational opportunities for the residents of Ketchikan. This survey also determined that such recreation was desired along the road system and that the preservation of sport fisheries and maintenance of wildlife were important considerations in any provision of additional outdoor recreational opportunities. The survey also found significant community support for recreational opportunities in areas where timber clear-cutting was visible from the road system.

D. A community workshop conducted in November, 1990, on the creation of a Leask Lakes State Park or White River/Leask Lakes Land exchange reconfirmed the importance of habitat protection and the need for additional recreational opportunities on the roaded system. This workshop also established the importance of the provision of a utility/transportation corridor designed to provide intra-island and inter-island accessibility.

E. Research performed by the Ketchikan Gateway Borough Department of Planning and Community Development evaluated a series of alternative ways that the Leask Lakes/White River/Lake Harriet Hunt areas could be developed and managed, and identified significant additional outdoor recreation and habitat values in the Leask Lakes, White River, and Lake Harriet Hunt areas.

F. Public hearings were held before the Planning Commission and Borough Assembly addressing the values and issues associated with the creation of Leask Lakes State Park or a Leask Lakes/White River/Lake Harriet Hunt land exchange, and evidenced public interest in and support for a proposed land exchange.

G. A proposed land exchange involving the Lake Harriet Hunt and White River areas of the Cape Fox Corporation for selected State of Alaska properties in the Leask Lakes area should provide greatly augmented outdoor recreation opportunities accessible by vehicle, protect important habitat values in the White River and Lake Harriet Hunt areas, and allow for the eventual provision of an inter-island or intra-island road/utility corridor(s).

NOW, THEREFORE, IT IS RESOLVED BY THE ASSEMBLY OF THE KETCHIKAN GATEWAY BOROUGH, ALASKA, as follows:

Section 1: Support of Proposed Land Exchange. The Ketchikan Gateway Borough approves, in concept, the proposed land exchange between the Cape Fox Corporation and the State of Alaska involving the Corporation's properties in the White River and Lake Harriet Hunt areas (approximately 2,941 acres) and the State's properties (2,450 acres) in the Leask Lakes area, generally as depicted on Map 1, attached.

Section 2: Support of "Environmental/Timber" Alternative. The Ketchikan Gateway Borough Assembly approves a variant of the land exchange proposal described as the "Environment/Timber Alternative" in the "Report on Proposed Land Exchange/Leask Lakes State Park", dated November 1, 1990, prepared and retained for public review by the Borough Department of Planning and Community Development. This alternative is intended to provide an additional level of habitat protection over the "Cape Fox Proposal", also described in that report, while retaining significant recreational and visual attributes identified in the Department of Planning and Community Development maps on Recreational Opportunity Spectrum and Visual Quality Objectives.

Section 3: Specific Conditions of Approval. In order to provide proper management of the White River-Leask Lakes area, to ensure adequate utility and transportation access, to provide optimum levels of outdoor recreational opportunities, and both habitat and natural resource protection, the following conditions of approval, affecting the "Environment/Timber" Alternative, are recommended in any subsequent land exchange entered into by the State of Alaska and Cape Fox Corporation, and in any actions required of or involving the Ketchikan Gateway Borough:

a. The White River Land Exchange area include the existing Cape Fox Corporation logging road, and the upgrading of this road to provide for safe public access be included in the evaluation of the proposed exchange.

b. A public access easement be provided by the Cape Fox Corporation within and through private corporation lands involving access between Leask Lakes and White River.

c. The mainline section of new logging roads between the existing terminus of the spur road within the White River area and the probable terminus at or generally near the "ponds" southeast of Leask Lakes be designed to provide horizontal control sufficient to meet United States Forest Service standards for a public access road, that the road have a width of at least 16', and that it utilize a design speed of at least 25 miles per hour.

d. The development of a road/utility corridor(s) for inter-island or intra-island access be explicitly recognized within the White River and Leask Lakes area as being necessary and desirable, and that sufficient right-of-way be reserved for eventual construction.

e. A conservation easement be agreed to by the Cape Fox Corporation on all land transferred to the Corporation from the State that is not to be logged, ensuring that these lands are not

logged.

f. Any portion of the mainline logging road crossing Cape Fox Corporation property within the Leask Lakes area have a public access easement, and pedestrian public access easements be provided for all "put-to-bed" spur logging roads that provide access to the remaining state lands of significant size within Leask Lakes or where recreational use is expected to occur.

g. A logging management plan be developed by the Cape Fox Corporation prior to any logging of the Leask Lakes area, and this plan be reviewed by the Ketchikan Gateway Borough Planning Department prior to the commencement of logging by the Corporation. The purpose of this review will be to ensure conformance with the conditions of approval stated in this Resolution, and to ensure that proposed timber harvest areas generally conform to the intent of the "Environmental/Logging Alternative".

h. The clear-cut area within the White River area, consisting of 725 acres located west of the current logging road, be considered for inclusion in the State-Corporation land appraisal in order to determine the value/worth of including this area within the proposed area of land exchange between the State and the Cape Fox Corporation.

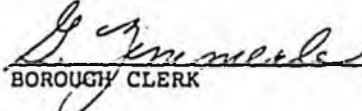
i. A master development plan will be prepared by the Ketchikan Gateway Borough for the properties affected by the proposed land exchange in order to properly assess near-range and long-range planning objectives and consequences. This plan will guide the use and the management of properties involved in the Land Exchange and the remaining State properties in the Leask Lakes area.

j. State land within the "Leask Lakes Area" not affected by the land exchange between the State and the Cape Fox Corporation be retained under state ownership and management, and be classified as "public use" lands subject to the terms and conditions of an approved master development plan.

Section 4: Effective Date. This resolution is effective upon adoption.


BOROUGH MAYOR

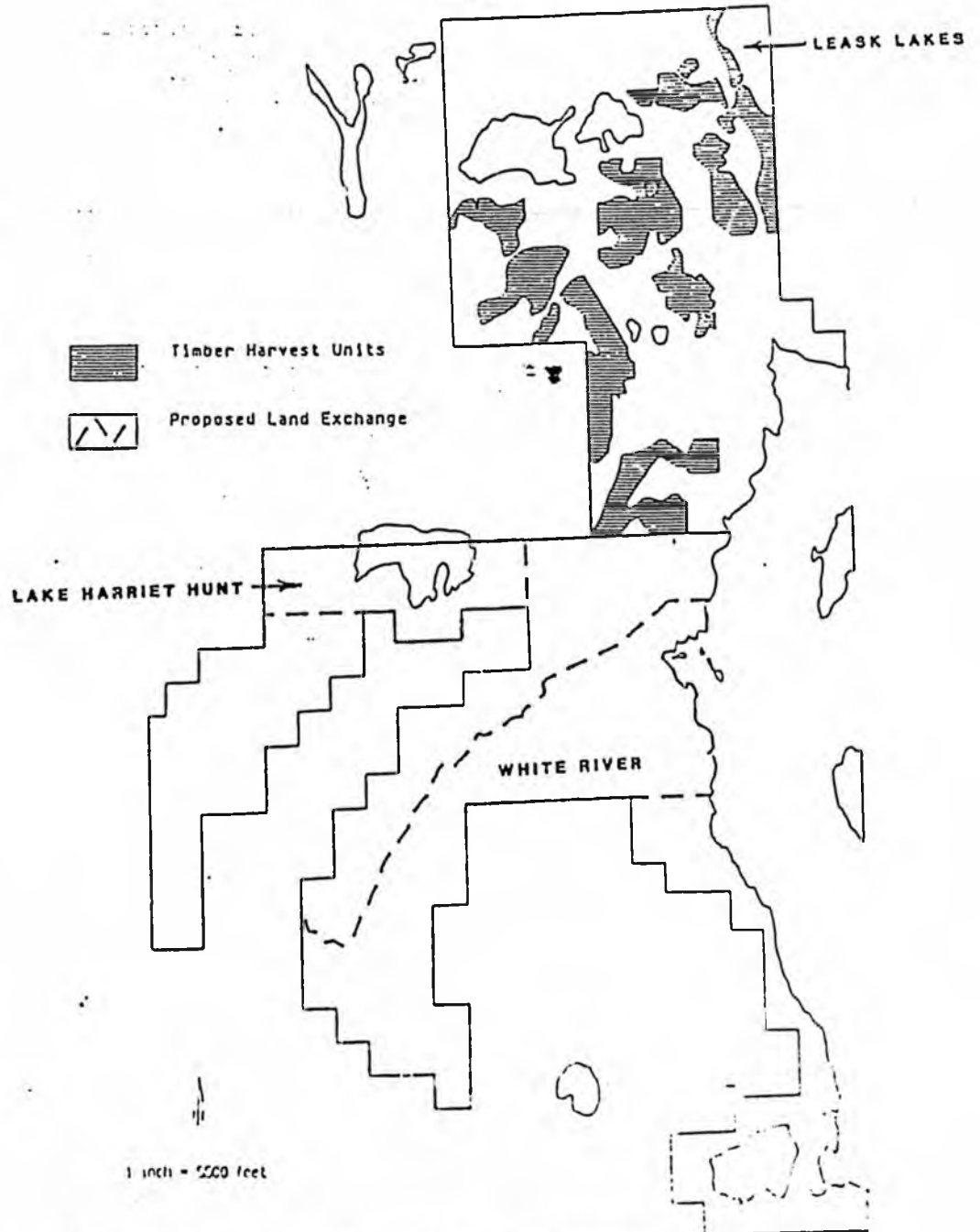
ATTEST:


BOROUGH CLERK

Approved as to form:


INTERIM BOROUGH ATTORNEY

Map 1



Environmental/Timber Alternative
Prepared by Resource Data, Inc.



Alaska Environmental Lobby, Inc.

P.O. Box 22151 Juneau, Alaska 99802

907-463-3366

February 28, 1992

Representative Niilo Koponen
P. O. Box V
Juneau, Alaska 99801

Dear Representative Koponen,

The Alaska Environmental Lobby would like to alert you to a pending land exchange between the State of Alaska and the Cape Fox Corporation (CFC) which would result in the loss of valuable timber, wildlife habitat and recreational resources to the people of Alaska. The proposed exchange is described in a Report on Proposed Land Exchange recently released by the Department of Natural Resources.

DNR proposes to exchange 2400 acres of old growth forest for 4300 acres of CFC land which has been extensively clearcut. Both properties are north of Ketchikan. CFC will clearcut 1500 acres of the land it receives from the state. DNR maintains that the Ketchikan residents would benefit from recreational access to the area provided by upgraded logging roads.

The Cape Fox Corporation has been proposing this land exchange since 1977. Until this past year, DNR has rejected the proposal as not being in the public interest. Nothing has changed; the public still loses by this trade.

The Alaska Environmental Lobby opposes this land exchange on the following grounds:

1) It is not in the public interest to exchange land with high quality, high value old growth forest for land that has been clear cut. Any gain in recreational values by the greater access provided by upgraded logging roads is more than offset by the diminished recreational values caused by clearcuts and by the destruction of wildlife habitat.

2) DNR's evaluation of this exchange is seriously flawed, for example:

- * DNR has accepted an appraisal which assumes that the "highest and best use" of the land is to log the timber; there has been no consideration of park, habitat, or other non-economic values.
- * 39% of the state lands were appraised at only 10% of fair market value.
- * The State of Alaska is paying CFC to upgrade the logging roads, by subtracting the cost of the upgrade from the value of the state lands.
- * DNR has relied on a deer study done by Cape Fox and slighted a projection by the Alaska Department of Fish and Game that there will be a 68% decline in the deer population as a result of logging the state land.



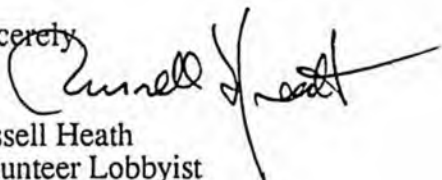
* The value of the state land was reduced by questionable accounting procedures; for example, all state timber was discounted 12% over a two year period, while only some of the CFC timber was discounted and then for a period less than a year.

3) This exchange will set a precedent for future private/state land trades and must be considered carefully. However the Department of Natural Resources is pursuing possibly illegal practices to force the public and the legislature into making a rapid decision on this issue. Alaska statute requires that a comprehensible explanation of the appraisal process be provided to the public thirty days before any public hearings. The current appraisal has been rejected as incomprehensible to the public by DNR itself, yet public hearings are scheduled for early March.

4) Finally, Alaska's timber resources must be managed as a renewable resource. If private corporations are able to exchange lands that can no longer provide revenue, for valuable state land, then no corporation will have the incentive to manage their resources for the long term. Alaska's corporations must be encouraged to follow prudent business practices.

AEL would like to reiterate that careful consideration must be made of the precedents that will be established if this exchange proceeds. These precedents include the assumptions under which state land is appraised; the type of goods or services the state receives in compensation; who and how the public interest is determined and the public process used to facilitate such exchanges.

Sincerely


Russell Heath
Volunteer Lobbyist

DEPARTMENT OF NATURAL RESOURCES
SUMMARY STATUS OF PROPOSED CAPE FOX CORPORATION LAND EXCHANGE
(March 9, 1992)

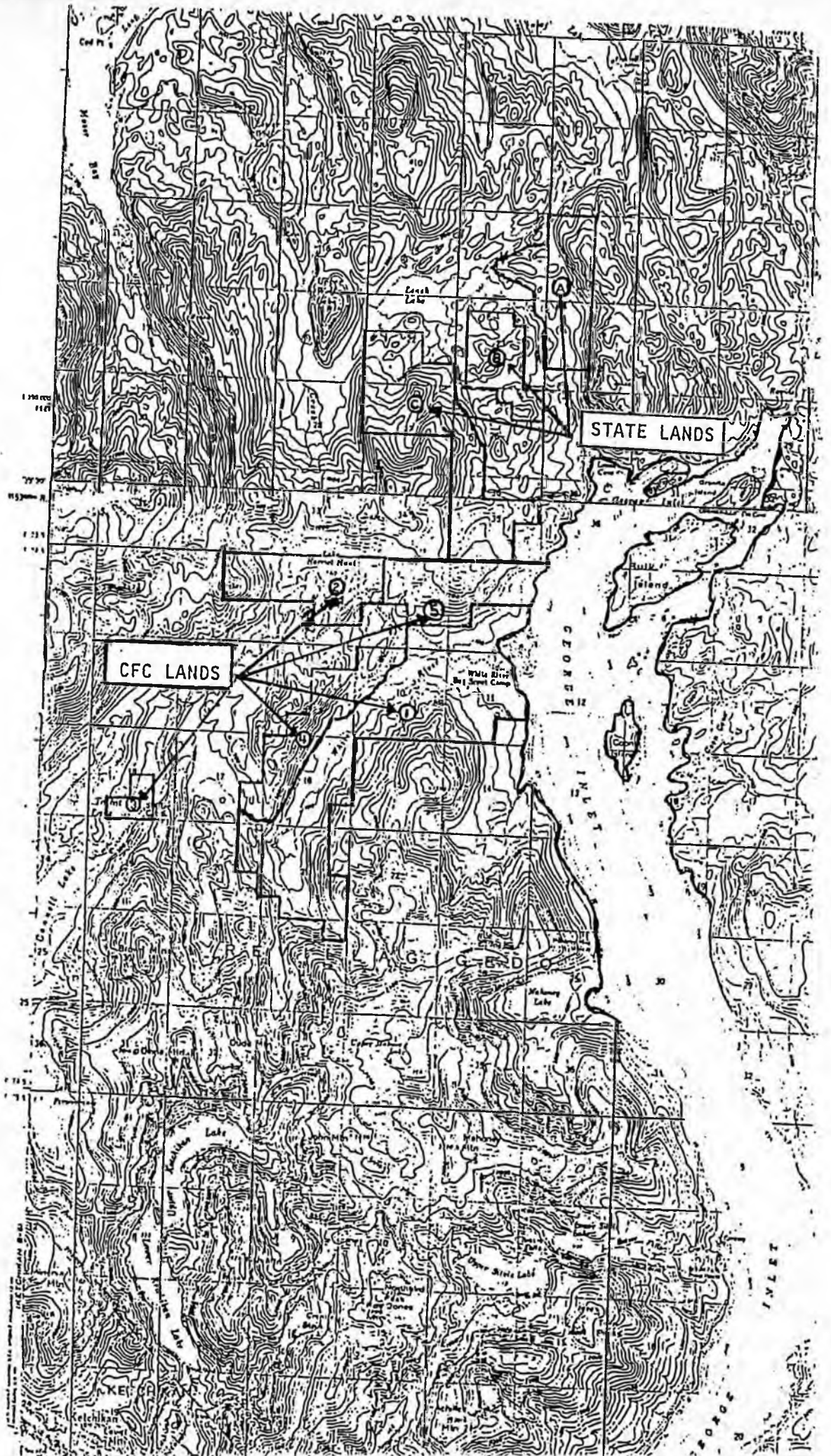
The proposed agreement for an exchange of state land in the Leask Lakes area near Ketchikan is currently undergoing public review. The Department of Natural Resources will hold hearings in Saxman, Ketchikan and Juneau on March 11 and 12. The deadline for public comments is March 26. After comments are reviewed, if the decision is to proceed, the Department will finalize the exchange agreement and report and submit the exchange package to the legislature for approval. Any exchange exceeding \$5,000,000 in value must be approved by the legislature.

The following is a brief summary of the exchange:

1. Cape Fox Corporation (CFC) land (five parcels) included in the exchange consists of the White River Valley, land adjacent to Harriet Hunt Lake and land adjacent to Talbot Lake totaling 4,336 acres.
2. State of Alaska land in the exchange consists of three parcels in the Leask Lake area totaling 2,445 acres.
3. The exchange includes only the surface estate as defined by the Alaska Native Claims Settlement Act.
4. State land in the exchange includes 42.6 million board feet of commercial timber on 1,500 acres. Anticipate adjustment down to approximately 40.5 million board feet.
5. Land exchanged to CFC not within the areas proposed for timber harvest will be open to public use. CFC will have limited use rights in these areas.
6. CFC will upgrade the existing White River road to "public access standards", thereby providing access to the land acquired by the state.
7. CFC will construct the main road into the Leask Lakes area to "public access standards", thereby adding access to state land near Leask Lakes.
8. 90% of the anadromous streams in the entire Leask Lake tract, the largest and most sensitive streams, have been deliberately buffered and excluded from the exchange.
9. Substantial areas of the critical deer winter range within the State land proposed for exchange has been deliberately preserved and will not be logged. Habitat was identified in a study commissioned by CFC and conducted by America North, Inc. of Anchorage.

10. The exchange, as proposed, would add 13.1 miles to the main road system of Ketchikan, a 30% increase. The new roads would access a variety of areas, both CFC and State totaling 6,811 acres, with high recreation potential. These roads would access lands the state acquires through the exchange.
11. The Ketchikan Gateway Borough has supported the exchange through a planning analysis that resulted in a specific exchange recommendation and a resolution of support by the Assembly.
12. The Borough's planning analysis included a community survey that found the following:
 1. 9 of 10 Borough residents want the road system expanded, 50% want expansion immediately.
 2. 86% of Borough residents support outdoor recreation development near areas that have been harvested.
 3. Preservation of sport fisheries and wildlife in outdoor recreation areas rated highest in value to residents.
13. The appraisal is extremely complex and the reason for delay. It is now over two months over deadline. Present projections appear to indicate that after adjustments for stumpage not due the university, a reduction of 1.9 million board feet to accommodate recommendations of the CFC's deer study, and upgrade of both roads to recreation standards, both CFC and state properties will be valued at \$8,000,000. The appraisal concluded that the highest and best use of timbered parcels is for commercial timber harvest, therefore timber is the overriding value.

Map Attached



STATE LANDS

CFC LANDS

GEORGE'S ISLAND

White River
Blk. Scout Camp

White River
Blk. Scout Camp

1:250,000

U.S. GEOLOGICAL SURVEY
WASHINGTON, D.C.

K E T C H I K A N G A T E W A Y B O R O U G H

RESOLUTION NO. 1027A

A RESOLUTION OF THE ASSEMBLY OF THE KETCHIKAN GATEWAY BOROUGH, ALASKA, PROVIDING FOR A LAND MANAGEMENT PLAN, INTERIM PROTECTION OF RESOURCES, AND MAINTENANCE OF PUBLIC RECREATION FACILITIES ON THE STATE PROPERTIES SUBJECT TO THE PROPOSED EXCHANGE BETWEEN THE STATE OF ALASKA AND THE CAPE FOX CORPORATION.

R E C I T A L S

- A. The availability of recreational areas for the residents of the Ketchikan Gateway Borough is now seriously limited.
- B. Lands currently owned by the State of Alaska within the Borough demonstrate great potential for roaded access for recreational activities by the residents of the Borough, including children, the elderly, and the disabled.
- C. Certain lands now owned by Cape Fox Corporation that are being considered for a land exchange with the State also have great potential for similar roaded access for recreational activities by all residents of the Borough.

NOW, THEREFORE, IT IS RESOLVED BY THE ASSEMBLY OF THE KETCHIKAN GATEWAY BOROUGH, ALASKA, as follows:

Section 1: Statement of Intent. The Ketchikan Gateway Borough Assembly has supported the proposed land exchange on the basis of the roaded recreational opportunities which it will provide to residents and visitors to Ketchikan. The Assembly recognizes that the lands and facilities to be acquired or retained by the State have high recreational value. The Borough Assembly recommends that the State protect these recreational values by limiting the range of permitted use and activities on said lands and facilities to those which are primarily recreationally oriented or otherwise subject to the terms of the Final Exchange Agreement.

Attachment d

4-23-92
SFC-92 T

Section 2: Land Management Plan. The Ketchikan Gateway Borough recognizes the need to provide a Land Management Plan for all state-owned land that will result from proposed land exchange. These lands include all lands currently owned by the Cape Fox Corporation in the White River drainage, in the vicinity of Lake Harriet Hunt and Talbot Lake which are proposed to be transferred to the State and all lands retained by the State in the Leask Lake tract as a result of the proposed land exchange. The Ketchikan Gateway Borough commits to the preparation of such a plan in cooperation with the State of Alaska.

Section 3: Interim Stewardship. The Ketchikan Gateway Borough supports any administrative dedication by the State to provide for the protection of the natural resources during the period prior to the preparation and prior to adoption of a Land Management Plan which is necessary in order to provide for protection of the recreational values of those lands described in Section 1 hereof.

Section 4: Facility Maintenance. The Borough Assembly understands that the State is unwilling to assume costs associated with the maintenance of road facilities to be provided as a condition of the final exchange agreement. In consideration for opening of areas to be acquired or retained by the State to roaded recreational use, the Borough agrees in principle to assume the cost of facility maintenance in the event that the State continues to be unwilling or unable to and to the extent the Borough is empowered to do so.

Section 5: Effective Date. This Resolution shall be effective upon adoption.

ADOPTED this ____ day of _____, 1992.

BOROUGH MAYOR

ATTEST:

BOROUGH CLERK

APPROVED AS TO FORM:

Alexa S. Williams

BOROUGH ATTORNEY

Public Hearing: _____

Effective Date: _____

Roll Call:	Y	N	A
Boatwright	[]	[]	[]
Cote	[]	[]	[]
Cruise	[]	[]	[]
Fader	[]	[]	[]
McCarty	[]	[]	[]
Holman	[]	[]	[]
Conley	[]	[]	[]

Four (4) affirmative votes required for passage

**FINAL EXCHANGE AGREEMENT
BETWEEN THE STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
AND CAPE FOX CORPORATION**

ADL 105565

THIS AGREEMENT is entered into on this ___day of April, 1992 by and between the State of Alaska, Department of Natural Resources, hereafter referred to as the **State**, whose address of record is Suite 400, 400 Willoughby Avenue, Juneau, Alaska 99801, Cape Fox Corporation, hereafter referred to as **CFC**, whose address of record is P.O. Box 8558, Ketchikan, Alaska 99901, and the Ketchikan Gateway Borough, hereafter referred to as **KGB**, whose address of record is 344 Front Street, Ketchikan, Alaska 99901. Nothing in this Agreement obligates KGB to anything it was not obligated to under the preliminary agreement.

I. RECITALS:

A. Cape Fox Corporation (CFC) owns certain lands through the Alaska Native Claims Settlement Act (ANCSCA) within the Ketchikan Gateway Borough (KGB) that have been recognized as having important community values related to access, habitat, recreation, and economic opportunity. Prior to CFC ownership, the lands in question were significant recreational resources for the community of Ketchikan;

B. The State of Alaska selected approximately 5,000 acres in the Leask Lake area from the national forest to accommodate community growth and recreation needs. Some of this area is the same area as proposed for conveyance to CFC in this agreement;

C. The Ketchikan Gateway Borough, the local unit of government affected by this exchange, believes that the resultant direct and indirect benefits of the land exchange, including economic, recreation, habitat, environmental and transportation benefits represent a unique and significant community benefit;

D. The State of Alaska has provided notice pursuant to AS 38.50.110 and AS 38.05.945, and has conducted public hearings regarding the worth and reasonability of the proposed land exchange consistent with the requirements of AS 38.50.120;

E. A timber cruise of State of Alaska and CFC properties determined the inventory of timber, and an appraisal of the CFC and State properties occurred under the direction of the Ketchikan Gateway Borough to determine the value of the aforementioned properties consistent with the requirements of 11 AAC 67.240;

F. By reason of the foregoing, and in accordance with 11 AAC 67.260, the Commissioner of the Department of Natural Resources of the State of Alaska has determined that it is in the public interest to enter into this Final Exchange Agreement;

G. The State's authority for entering into this agreement is found in AS 38.50 and 11 AAC 67.200-.280. AS 38.50.020 requires this agreement to have legislative approval before it takes effect.

H. Under the agreement, the State will: 1) acquire the surface estate of 4,366 acres of CFC land within the White River, Lake Harriet Hunt and Talbot Lake areas; 2) have CFC construct and or upgrade to recreation standards approximately 11.11 miles of road in the White River and Leask Lake areas; 3) retain right-of- ways for future access and use of existing roads, including a through corridor on the lands it conveys at Leask Lake, and 4) restrict development on a portion of the lands scheduled to conveyance to CFC.

I. In the exchange, CFC will acquire the surface estate on approximately 2335 acres of State land in the Leask Lake area; an amount considered equal in value to the CFC land and other rights and considerations that may be included in this exchange. Under the agreement, CFC would also retain the right to access its lands in the White River and Leask Lake areas.

J. The final configuration and details of this exchange have been determined as a result of the appraisal and negotiation processes between the State and CFC, following public and agency review.

II. AGREEMENT: All parties to the exchange agree:

A. Lands and Interest to be Conveyed and Retained:

1. CFC:

a. CFC will convey to the State the surface estates only of parcels 1-5 as described in Attachment A and as shown on Map 1. The surface estates shall be as defined by the Alaska Native Claims Settlement Act and court decisions construing that Act. The conveyance of CFC land to the State will also be subject to the following:

The right of CFC to use the existing White River LTF and mainline White River road from its junction with the proposed mainline Leask Lakes road to the LTF for the period of time necessary to complete timber harvest of the area in the Leask Lake parcels proposed for exchange, not to exceed ten (10) years from the date of Legislative approval of the exchange. This right shall be limited to those uses associated with timber harvest and timber transport from CFC lands in these areas;