

ALASKA LEGISLATURE

1569

HOUSE and SENATE FINANCE COMMITTEE FILES, 1995-1996

SB

307

HFIN

FILE

(11)

HOUSE COMMITTEE REPORT

Date Referred to Committee: April 26, 1996

FURTHER REFERRALS:

Date of Committee Action: 4/27/96

The FINANCE Committee considered:

CSSB 307(FIN)

CS FOR SENATE BILL NO. 307(FIN)

DUDE CREEK HABITAT AREA LAND EXCHANGE

"An Act requiring the Department of Natural Resources to exchange with the federal government state land within, and adjoining, Dude Creek Critical Habitat Area for federal land adjacent to Fall Creek; and providing for an effective date."

recommends it be replaced with the following committee substitute CSSB 307 (FIN) [X] the same title [] a new title

[] additional referral to _____ Committee [] attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept) APPROVES PREVIOUS: (Dept/Date) [] fiscal note(s) [X] fiscal note(s) DNR DOR 4/23/96

[] zero fiscal note(s) [] zero fiscal note(s)

Table with 5 columns: SIGNING WITH RECOMMENDATIONS, DP, DNP, NR, AM. Rows include signatures and names like FOSTER, Hanley, Pannell, Kohring, Grussendorf, Navarie, Brown, Kelly, Thernauit.

Co-CHAIR'S SIGNATURE Mark Pannell Richard Foster

FISCAL NOTE 4/10/96

STATE OF ALASKA 1996 LEGISLATIVE SESSION

BILL NO. CSSB307(FIN)

Revision Date: Original Dept Affected Natural Resources
 Title: An Act authorizing a land exchange with the BRU: Resource Development
federal government near Gustavus Component: Land Development
 Sponsor: Senate Finance
 Requestor: Senate Rules Component Serial No. 431

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES	7.0					
TRAVEL	0.8					
CONTRACTUAL						
SUPPLIES	0.2					
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	8.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	8.0					
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	8.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost: \$ None

POSITIONS

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	1	0	0	0	0	0

ANALYSIS: (Attorney's separate page if necessary)

This land exchange may result in the construction of a new hydroelectric project to serve residents of the Gustavus area. If the project is built the Gustavus Electric Company projects a reduction in the Power Cost Equalization (PCE) subsidy, projected at .125/kwh less for generation, plus additional revenue from usage fees and resources. It will also create new employment opportunities.

Since the final exchange is dependent on the Federal Energy Regulatory Commission process, cost may be deferred to a future fiscal year.

Since the notice provisions of AS 38.50 will not apply, staff time for this version of the bill has been reduced to one position for two months.

Prepared by: Jane Angvik, Director Phone: 269-8503
 Division: Land Date: 10-Apr-96
 Approved by Commissioner: [Signature] Date: 10-Apr-96
 Agency: Natural Resources

STATE OF ALASKA

TONY KNOWLES, GOVERNOR

DEPARTMENT OF FISH AND GAME

OFFICE OF THE COMMISSIONER

P.O. BOX 25526
JUNEAU, ALASKA 99802-5526
PHONE: (907) 465-4100
FACSIMILE: (907) 465-2332

March 29, 1996

The Honorable Jerry Mackie
Alaska State Legislature
State Capitol, Room 404
Juneau, AK 99801


Dear Representative Mackie:

It is our understanding that discussions have been underway for the past couple of years regarding the possibility of developing a small hydropower site near Gustavus to provide environmentally sound and economically feasible electrical service to that community. The power site is located at Fall Creek on land that is within Glacier Bay National Park. A land exchange between the state and the National Park Service is needed in order to develop this hydropower potential.

Preliminary indications are that this project has substantial merit. We are told that discussions among the residents of Gustavus, the Gustavus Electric Company, the National Park Service, and affected interest groups, including the National Parks and Conservation Association, have been very constructive. We have been advised that the National Park Service has recently prepared amendments to HR 2561, which was originally introduced by Representative Don Young last October. HR 2561, when amended, will provide federal authority for a land exchange, contingent on an economic and environmental review by the Federal Energy Regulatory Commission.

Senate Bill 307, now before the Alaska legislature, will facilitate development of the Fall Creek hydropower project by authorizing the state to engage in a land exchange with the federal government, contingent on Congress passing a land exchange authorization. SB 307 has the full support of the administration. We will continue to follow with interest the progress of HR 2561. Thank you for your work in bringing this matter to the attention of the legislature.

Sincerely,



Frank Rue
Commissioner

Sponsor Statement for Senate Bill No. 307

SB 307 "An Act authorizing the Department of Natural Resources to exchange with the federal government state land within, and adjoining, Dude Creek Critical Habitat Area for Federal land adjacent to Fall Creek."

SB 307 would authorize the State of Alaska to exchange a 960 acre land parcel with the Federal Government near Gustavus, Alaska in order to construct a mini-hydroelectric power plant.

This proposed exchange is mutually beneficial to both parties. Under SB 307, the Federal Government will receive a parcel that lies adjacent to Glacier Bay National Park--land that is already dedicated as a critical habitat area for sandhill cranes and other "wetlands" wildlife. The State will receive a parcel that is situated near both the existing diesel power generation plant and Fall Creek, which has sufficient water flows to generate hydroelectric power.

This plant will be constructed and operated solely from private capital and will supply electricity to the National Park Service, the State of Alaska, and the Community of Gustavus at a substantial cost savings. It will further reduce the need for Power Cost Equalization Program subsidies, and will create annual savings amongst all users.

The shift to hydroelectric power will de-emphasize the costly diesel power system already in existence, further eliminating the need for large diesel storage tanks which cause numerous environmental concerns. The Department of Fish and Game and the Department of Community and Regional Affairs' Division of Energy have both endorsed this exchange. So far, a joint resolution (No. 27) has been passed by the Senate (April 28, 1995), and the House (May 9, 1995) and was approved by the Governor on August 7, 1995.

Federal legislation (HR 2561) pending on this issue has also received favorable consideration. This legislation is a "win-win" situation for all concerned. We would appreciate your support and consideration of this bill.

Department of Community & Regional Affairs

Division of Energy

Comments to Senate Bill 307

The following comments regarding Senate Bill 307 are limited to the potential construction of a hydroelectric project that would serve the Gustavus area and the resulting positive impact on the Power Cost Equalization Program.

Power Cost Equalization is funded from the Power Cost Equalization and Rural Electric Capitalization Fund (PCE&RECF). The PCE&RECF is expected to be depleted by Fiscal Year 2000. In the meantime, the program is not expected to be fully funded based on the current statutes.

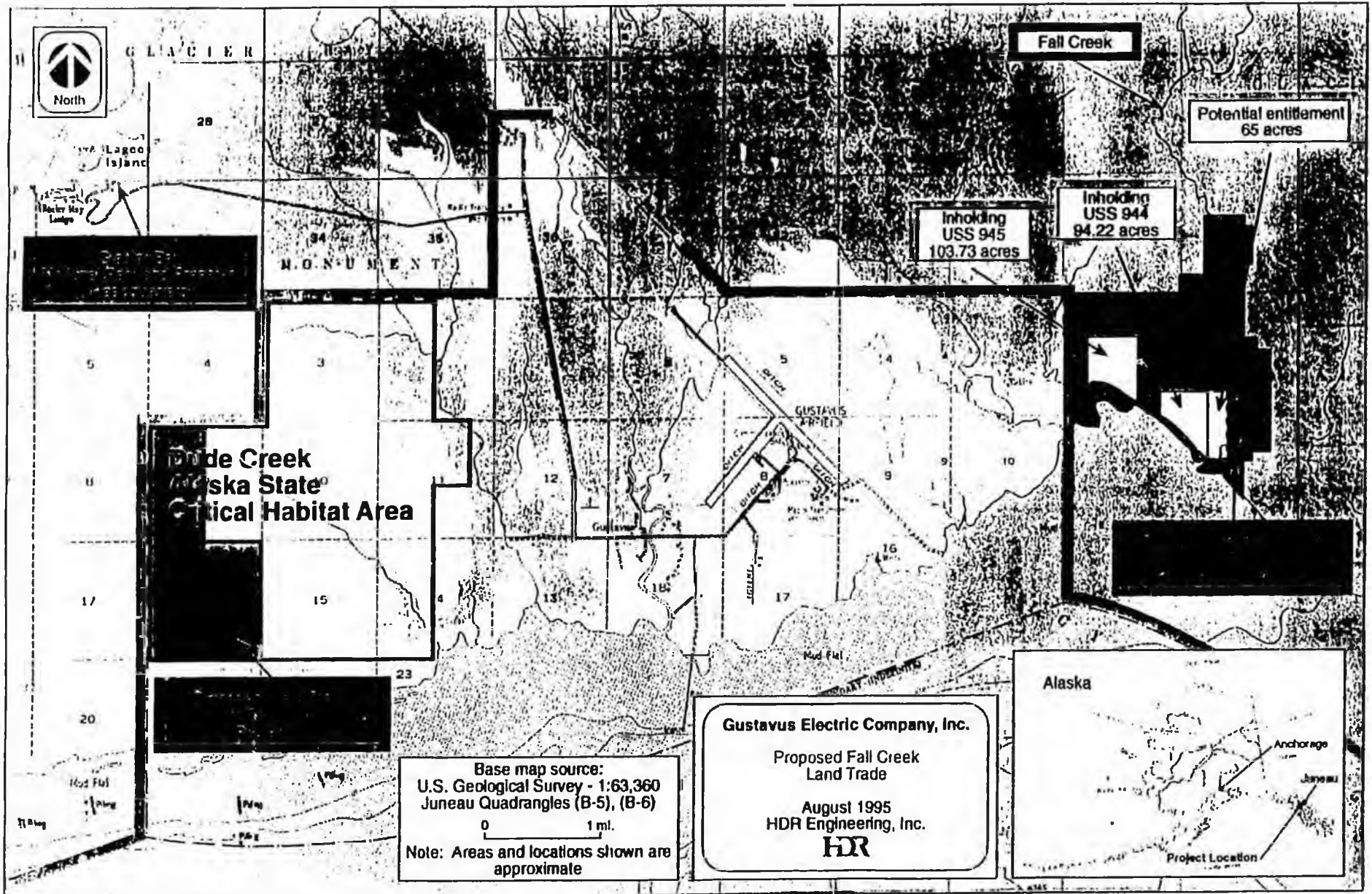
Assumptions relating to the fiscal impact of SB 307 are based on the following:

A. Gustavus Electric Company participates in and receives PCE credits on about 950,000 kilowatt-hours per year. Based upon the utility's projected reduction of .125/kwh, the resulting PCE savings would be up to \$118,750 per year if the program remained at the 100% funding level. However, due to the uncertain funding levels of PCE in future years, the actual savings to the program would more likely be about \$100,000 per year.

B. The hydroelectric project is expected to be operational by the year 2000.

C. The PCE&RECF is expected to be depleted by Fiscal Year 2000.

Independent of the impact of the hydro project on PCE, we support passage of the bill and the development of an alternative energy source in Gustavus to reduce the cost and environmental impact of diesel generation and bulk fuel storage.



GLACIER

28

Lagoon Island

Rocky Bay Lodge

MONUMENT

34

36

36

Fall Creek

Potential entitlement
65 acres

Inholding
USS 945
103.73 acres

Inholding
USS 944
94.22 acres

Bride Creek
Alaska State
Critical Habitat Area

GUSTAVUS
PROJECT

12

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Base map source:
U.S. Geological Survey - 1:63,360
Juneau Quadrangles (B-5), (B-6)

0 1 mi.

Note: Areas and locations shown are
approximate

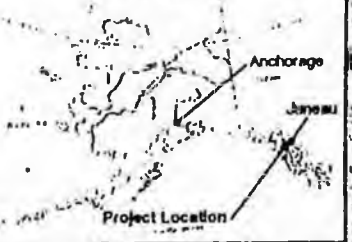
Gustavus Electric Company, Inc.

Proposed Fall Creek
Land Trade

August 1995
HDR Engineering, Inc.



Alaska



**STATE OF ALASKA
THE LEGISLATURE**

1995

Source
CSSCR 13(CRA)

**Legislative
Resolve No.**
24



Recognizing the women who have served Alaska as state or territorial legislators and celebrating 100 years of women serving as state legislators.

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

WHEREAS the National Foundation for Women Legislators, Inc., which serves as the educational arm of the National Order of Women Legislators, the oldest professional association for women legislators in the country, is coordinating state, regional, and national celebrations to commemorate the 100 years that women have served in state legislatures; and

WHEREAS, in January 1895, the first three women were sworn in to serve as state legislators, before American women even had the universal right to vote; and

WHEREAS this centennial is being celebrated through the United States to promote public knowledge and awareness of women in state history; and

WHEREAS the following women are current or past members of the Alaska State Legislature or the Alaska Territorial Legislature:

Awes, Dorothy J.	Territorial House (3rd Division)	1957
Banfield, Mildred K.	State Senate (District D, appointed)	1963-1965
	State House (District 4)	1967-1975
Barnes, Doris M.	Territorial House (1st Division)	1949, 1951

WHEREAS the current difference between Jones Act shipping rates and foreign shipping rates has made the delivered cost of foreign coal significantly less expensive than domestic coal as evidenced by the current supply agreements between a Hawaiian independent power producer and an Indonesian coal supplier; and

WHEREAS greatly increased coal usage figures prominently in the future generation plans for Hawaiian utilities and thus will create prospective markets for Alaska coal; and

WHEREAS it is the policy of the State of Alaska under AS 44.19.035 to persuade the Congress to repeal the Jones Act;

BE IT RESOLVED that the Alaska State Legislature opposes the application of the Jones Act to bulk commodities, such as coal and coal derived fuels, because of the Act's detrimental effect on Alaska commerce; and be it

FURTHER RESOLVED that the Alaska State Legislature respectfully requests the Congress to pass legislation exempting Alaska bulk commodities, such as coal and coal derived fuels, from provisions of the Jones Act.

COPIES of this resolution shall be sent to the Honorable Bill Clinton, President of the United States; the Honorable Al Gore, Jr., Vice-President of the United States and President of the U.S. Senate; the Honorable Federico Pena, Secretary of the U.S. Department of Transportation; the Honorable Newt Gingrich, Speaker of the U.S. House of Representatives; the Honorable Bob Dole, Majority Leader of the U.S. Senate; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

To provide for an exchange of lands located near Gustavus, Alaska

Section 1. Short Title

This Act may be cited as the "Dude Creek Critical Habitat Area Boundary Adjustment Act of 1996".

Sec. 2. Land Exchange

(a) In General. If the U.S. Congress passes an Act enabling a transfer of all right, title, and interest in and to Federal lands described in subsection (b)(1) to the State of Alaska, the Governor, in exchange, shall transfer to the Secretary of the Interior all right, title, and interest of the State of Alaska in and to the State of Alaska lands described in Subsection(b)(2) subject to the provisions of such Congressional Act and any Alaska law governing such transfers except this exchange shall be acre for acre without regard for any equivalent value determination or requirement.

(b) Lands Described.

(1) Federal Lands. The lands referred to in subsection (a) to be transferred by the Secretary comprise approximately 960 acres more particularly described as follows:

In Township 39 South, Range 59 East,
Copper River Meridian (C.R.M.) partially surveyed—

Section 36 (unsurveyed, SE $\frac{1}{4}$ SW $\frac{1}{4}$,
S $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ W $\frac{1}{2}$,
NW $\frac{1}{4}$ SE $\frac{1}{4}$, and S $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$, contain-
ing approximately 130 acres.

In Township 40 South, Range 59 East,
partially surveyed—

Section 1 (unsurveyed) NW $\frac{1}{4}$, SW $\frac{1}{4}$,
W $\frac{1}{2}$ SE $\frac{1}{4}$, and SW $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$, exclud-
ing US Survey 944 and Native Allotment
A-442;

Section 2 (unsurveyed), fractional that portion lying above the mean high tide line of Icy Passage, excluding US Survey 944 and U.S. Survey 945;

Section 11 (unsurveyed), fractional, that portion lying above the mean high tide line of Icy Passage, excluding US Survey 944;

Section 12 (unsurveyed), fractional, NW $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$, those portions of NW $\frac{1}{4}$ and SW $\frac{1}{4}$ lying above the mean high tide line of Icy Passage, excluding US Survey 944 and Native Allotment A-442,

containing approximately 830 acres,
aggregating approximately 960 acres.

(2) STATE LANDS.—The lands referred to in subsection (a) to be transferred by the State of Alaska comprise approximately 960 acres within the Dude Creek Critical Habitat Area more particularly described as follows:

Township 40 South, Range 58 East, C.R.M.

Section 16 in its entirety.

Section 9, W $\frac{1}{2}$.

[DISCUSSION DRAFT]

SEPTEMBER 26, 1995

104TH CONGRESS
1ST SESSION

H. R. 2561

*Young's Commte
waiting remarks*

IN THE HOUSE OF REPRESENTATIVES

Mr. YOUNG of Alaska introduced the following bill; which was referred to the
Committee on _____

A BILL

To provide for an exchange of lands located near Gustavus,
Alaska.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Glacier Bay National
5 Park and Preserve Boundary Adjustment Act of 1995".

6 **SEC. 2. LAND EXCHANGE.**

7 (a) **IN GENERAL.**—If the State of Alaska transfers
8 all right, title, and interest in and to the State lands de-

1 scribed in subsection (b)(1) to the Secretary of the Inte-
2 rior, the Secretary, in exchange, shall transfer to the State
3 of Alaska all right, title, and interest of the United States
4 in and to the Federal lands described in subsection (b)(2).

5 (b) LANDS DESCRIBED.—

6 (1) STATE LANDS.—The lands referred to in
7 subsection (a) to be transferred by the State of Alas-
8 ka comprise approximately 960 acres within the
9 Dude Creek Critical Habitat Area more particularly
10 described as follows:

11 Township 40 South, Range 58 East, C.R.M.

12 Section 16 in its entirety.

13 Section 9, W $\frac{1}{2}$.

14 (2) FEDERAL LANDS.—The lands referred to in
15 subsection (a) to be transferred by the Secretary
16 comprise approximately 960 acres more particularly
17 described as follows:

18 In Township 39 South, Range 59 East,
19 Copper River Meridian (C.R.M.) partially sur-
20 veyed—

21 Section 36 (unsurveyed, SE $\frac{1}{4}$ SW $\frac{1}{4}$,
22 S $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ W $\frac{1}{2}$,
23 NW $\frac{1}{4}$ SE $\frac{1}{4}$, and S $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$, contain-
24 ing approximately 130 acres.

1 In Township 40 South, Range 59 East,
2 partially surveyed—

3 Section 1 (unsurveyed) NW $\frac{1}{4}$, SW $\frac{1}{4}$,
4 W $\frac{1}{2}$ SE $\frac{1}{4}$, and SW $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$, exclud-
5 ing US Survey 944 and Native Allotment
6 A-442;

7 Section 2 (unsurveyed), fractional
8 that portion lying above the mean high tide
9 line of Icy Passage, excluding US Survey
10 944 and U.S. Survey 945;

11 Section 11 (unsurveyed), fractional,
12 that portion lying above the mean high tide
13 line of Icy Passage, excluding US Survey
14 944;

15 Section 12 (unsurveyed), fractional,
16 NW $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$, those
17 portions of NW $\frac{1}{4}$ and SW $\frac{1}{4}$ lying above
18 the mean high tide line of Icy Passage, ex-
19 cluding US Survey 944 and Native Allot-
20 ment A-442,

21 containing approximately 830 acres,
22 aggregating approximately 960 acres.

23 (c) GLACIER BAY NATIONAL PARK AND PRE-
24 SERVE.—The lands acquired from the State of Alaska
25 under this section shall be added to and administered as

1 part of the Glacier Bay National Park and Preserve. Upon
2 completion of the exchange of lands under this section,
3 the Secretary shall adjust the boundary of Glacier Bay
4 National Park and Preserve to include the lands acquired
5 from the State of Alaska and to exclude the lands trans-
6 ferred to the State of Alaska under this section.

H.R. 2561, 1995

**Fall Creek Mini Hydropower System Proposal
Gustavus, Alaska**

Authorizes transfer of Federal Land
in Glacier Bay National Park and Preserve to the State of Alaska for
Adjoining Land in the Duder Creek Critical Habitat Area

November 3, 1995

Richard Levitt
President

Gustavus Electric Company
P.O. Box 102
Gustavus, Alaska 99826
Tel: 907-697-2299
Fax: 907-697-2355

Kellus Sewell
Governmental Affairs

Gustavus Electric Co.
3475 Meander Way
Juneau, Alaska 99801
Tel: 907-790-4477

"find ways to combine economic growth with environmental protection...to bring our people together to meet the needs of the present without jeopardizing the future."

President Bill Clinton
Mandate to President's Council
On Sustainable Development
June 1993

"Our objective is results that are cleaner for the environment and cheaper for the economy."

Vice President Al Gore
Opening Remarks to
President's Council on
Sustainable Development
January 13, 1994

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- E. Table 2. Estimated Usage & Savings to State of Alaska, Gustavus customers, and National Park Service Over 30 years, 1994-2024
- F. Brochure. Dude Creek Critical Habitat Area

H.R. 2651 Testimony
Gustavus Electric Company
Richard Levitt
President

Testimony of Richard Levitt before the US House of Representatives Committee on Resources Concerning HR 2561, Glacier Bay National Park & Preserve Boundary Adjustment Act.

Mr. Chairman, distinguished members of the committee, and members of the audience, my name is Richard Levitt, owner and president of Gustavus Electric Company. Seated beside me is Kellus Sewell, my economic and government affairs consultant.

I would like to take this opportunity to thank you for the opportunity to testify in support of this proposal, which will not only bring enhancements to the environment but also significant savings to the National Park Service, the State of Alaska, and local consumers in Gustavus. I would like to have entered for the record my written testimony included in the document entitled, "H.R. 2561, 1995-Fall Creek Mini Hydropower Proposal", which includes a map, State of Alaska Legislature Joint Concurrent Resolution of support, Letter of Approval from the Gustavus Community Association, and Letter from Alaska Commissioner Fish & Game, Frank Rue.

Gustavus is a small community adjoining the boundary and the land gateway to Glacier Bay National Park and Preserve. It has a population that ranges from 700 plus residents in the summer to about 375 in the winter.

The idea of using Fall Creek as a hydroelectric source for the energy needs of the NPS at Glacier Bay National Park & Preserve has been around for over 30 years. The Fall Creek area in GBNP&P was classified wilderness in the ANILCA (Alaska National Interest Lands Conservation Act). In 1981, the Superintendent of GBNP proposed to the State of Alaska in exchange of lands so that a hydroelectric project could be built at the Fall Creek site. After a year of negotiations a Memo of Understanding for the exchange of lands was signed in August 1982 by then Alaska Gov. Jay Hammond and then Sec. of the Interior James Watt. However, an exchange of deeds never occurred, as it was determined an act of Congress was necessary both to declassify wilderness lands and to create wilderness lands. This is why we are here today.

The following is a quote from the General Management Plan prepared for GBNP&P by the NPS, dated Sept. 1984 and still current; "A proposal has been made to develop a small hydroelectric plant at Fall Creek, just inside the park boundary near Gustavus (see Management Zoning map). The U.S. Army Corps of Engineers has initiated a feasibility study for this project. The study was scheduled for completion in May 1983; however, a final report has not been received. If the project is feasible and desirable to Gustavus residents, Congress may approve such use of the water. The site of the power plant is included in the NPS Gustavus land package being considered for exchange with the state of Alaska for state-owned lands within the boundary of Wrangell-St. Elias National Park and Preserve."

The State-NPS land exchange in 1982 would have given 7,000 acres of park land adjacent to Gustavus to the State for equal land given to the NPS by the State in the area of

Wrangell-St. Elias National Park & Preserve. The NPS and State now prefer to exchange the minimum amount of land needed to develop the hydroelectric project, which is 960 acres.

Also, the lands given by the State to the NPS will be in the area of the sandhill crane Critical Habitat area adjacent to the GBNP&P boundary near Gustavus. These lands were selected with input from GBNP&P personnel, the local environmental community-Friends of Glacier Bay, and members of the community of Gustavus. The area of the trade was also approved by the State of Alaska Departments of Natural Resources and Fish and Game. The state proposed land trade provides two new valuable resources, sandhill cranes and wetlands. Further, protection would be enhanced under NPS management.

A joint resolution was passed by the Alaska Legislature and signed by the Governor in support of the land trade and urging the U.S. Congress to pass appropriate legislation. The Gustavus Community Association has held numerous meetings on the subject of the hydroelectric project and land trade and all votes taken have resulted in unanimous support of both.

Throughout the entire land trade process, the NPS, the environmental community, including the Friends of Glacier Bay, the S.E. Alaska Conservation Council, the Sierra Club, the Wilderness Society, the Audubon Society, the National Parks and Conservation Society, and the National Wildlife Alliance have been kept fully informed and have been invited to participate.

At present, the NPS and the Gustavus Electric Company maintain separate electric generation facilities. The facilities are approximately nine miles apart and use diesel engines to produce the electricity. The NPS has a staff of about twenty employees on site throughout the year increasing to about sixty during the May-September tourist season. Facilities include about 160 beds in 55 cabin units and two dormitories, employee housing, power house, 82,500 gallon fuel tank farm, water and sewer treatment plant, and other facilities. Current 1994 demand needs are 180kw and peak demand needs over the next twenty years are estimated at 360kw. Gustavus Electric Company serves an area of approximately fourteen square miles with a peak demand of almost 300kw which is expected to increase to 550kw in 20 years.

Hydropower has many benefits over diesel electric generation, the primary one being cost. Hydro also has more reliability, price stability and is consistent. Diesel power has many disadvantages. Most of these are apparent to the end user but increasing pollutant risks occur throughout the discovery, production, and transportation cycles. Some disadvantages of diesel are:

- a. it produces heavy concentrations of unhealthy nitrogen oxide, a significant air pollutant;
- b. spill pollution transfers during transportation, and transfers at storage sites and through pipelines are always at risk;

- c. costs can fluctuate due to market conditions, war, embargoes, allocations, restrictions, inflationary forces, and other factors;
- d. contributes to noise and otherwise aesthetic pollution.

Alternative electrical energy sources were studied for the area by the consulting firm of Acres America in 1982 under contract with the State of Alaska, Division of Energy. Hydropower was determined the best alternative by far, with diesel being the only other possibility. Wind, solar, geothermal, coal, gas, tidal, and biomass energy were studied and determined not safe or practical alternatives for the nearby vicinity of Gustavus and the Glacier Bay Park Service facilities.

Alternate hydroelectric sites were also investigated outside of park boundaries and none were found to be economically viable. The best of these sites was still twice as expensive as diesel.

The present costs of diesel generation for Gustavus Electric Company ranges between \$.12 and \$.16 per kwhr, depending on fuel oil costs (generation costs only). An in house study by the NPS lists their generation cost at \$.174. The cost per kwhr over the next forty years using Fall Creek Hydro is \$.035 per kwhr. The rates for Fall Creek Hydropower will be regulated by the Alaska Public Utilities Commission (APUC). It will be financed entirely by private investors, with no government funds, and the rate of return on the investment will be set by the APUC. The estimated cost of the project will be 1.8 million dollars, which includes an intertie power line of five miles between Gustavus and the NPS headquarters and generation facilities.

Reduced electrical costs of the Fall Creek Hydroproject would result in savings to the rate payers of Gustavus of \$315,000 per year on average over a forty year span, based on projected growth of the community. Since the State of Alaska subsidizes a portion of the electric generation costs in rural Alaska, the above savings would translate to a savings of \$70,000 per year for residents of Gustavus and a savings of \$245,000 per year for the State of Alaska; however, this electrical generation subsidy provided by the State of Alaska will probably not continue much longer because of declining state revenues. Therefore, a cheaper source of electricity will become even more important to the residents of Gustavus.

The reduced electrical costs of the Fall Creek Hydroproject will also result in an annual savings to the Park Service of \$200,000 per year, on average over a forty year span, based on projections of the NPS in their general management plan for GBNP&P. Some of their electricity is sold to the Park concessionaire. In addition, the NPS has plans to build a diesel generation facility for \$2,000,000 and a new fuel oil storage tank farm for another \$2,000,000, both scheduled for 1998. If these needs were met by private enterprise, utilizing the Fall Creek Hydroproject, the NPS would not only save the \$200,000 per year, but also the capital cost of four million dollars for construction. All rates charged the NPS for electricity would be approved by the APUC.

The area of Fall Creek is approximately one mile East of the Gustavus-NP Boundary. The creek itself empties into Icy Straits. It was determined by the NPS in 1982 that this land trade "will not significantly affect the purpose for which the Park was established".

The proposed NPS exchange is not pure park property. There are two patented Native allotment inholdings in the park's immediate vicinity of Fall Creek. Both have been logged twice and one contains a habitable cabin. Although it is the NPS policy to acquire all inholdings within its boundaries, eliminating these allotments as inholdings would further negate any need for future appropriations to acquire them.

The proposed hydroelectric project would run of stream with no impoundment planned. Capacity would be 800kw initially. Project improvements would consist of a stream diversion structure, two 18 inch penstocks, 30' x 40' powerhouse, old logging road improvements, new access road and bridge improvements.

In addition to the Corp of Engineers feasibility study and Acres America's alternative energy studies already cited, the following consultants were retained by Gustavus Electric Company. The consulting engineering firm of Peratrovich, Nottingham and Drage, of Anchorage performed streamflow and hydrologic studies on Fall Creek. Kellus Sewell of Nordic Alaska prepared evaluation and supporting documentation. Energy Control Systems Inc., of Portland, Oregon evaluated design options and cost estimates of the project. Icy Strait Environmental Services provided an environmental assessment of (1.) the area's major natural attributes, (2.) sensitivities of these attributes to the proposed hydro development, (3.) how could the impacts be minimized and (4.) is there anything that strongly argues against hydro development from an environmental point of view. HDR Engineering of Anchorage provided engineering evaluation and cost estimates.

So far, all studies point to a hydroelectric project that can be economically and environmentally sound. Gustavus Electric Company is willing to do the further studies and go through the process required to obtain a hydropower license from the Federal Energy Regulatory Commission. This will allow the concerns of any governmental agencies, organizations or individuals to be addressed and responded to by the applicant.

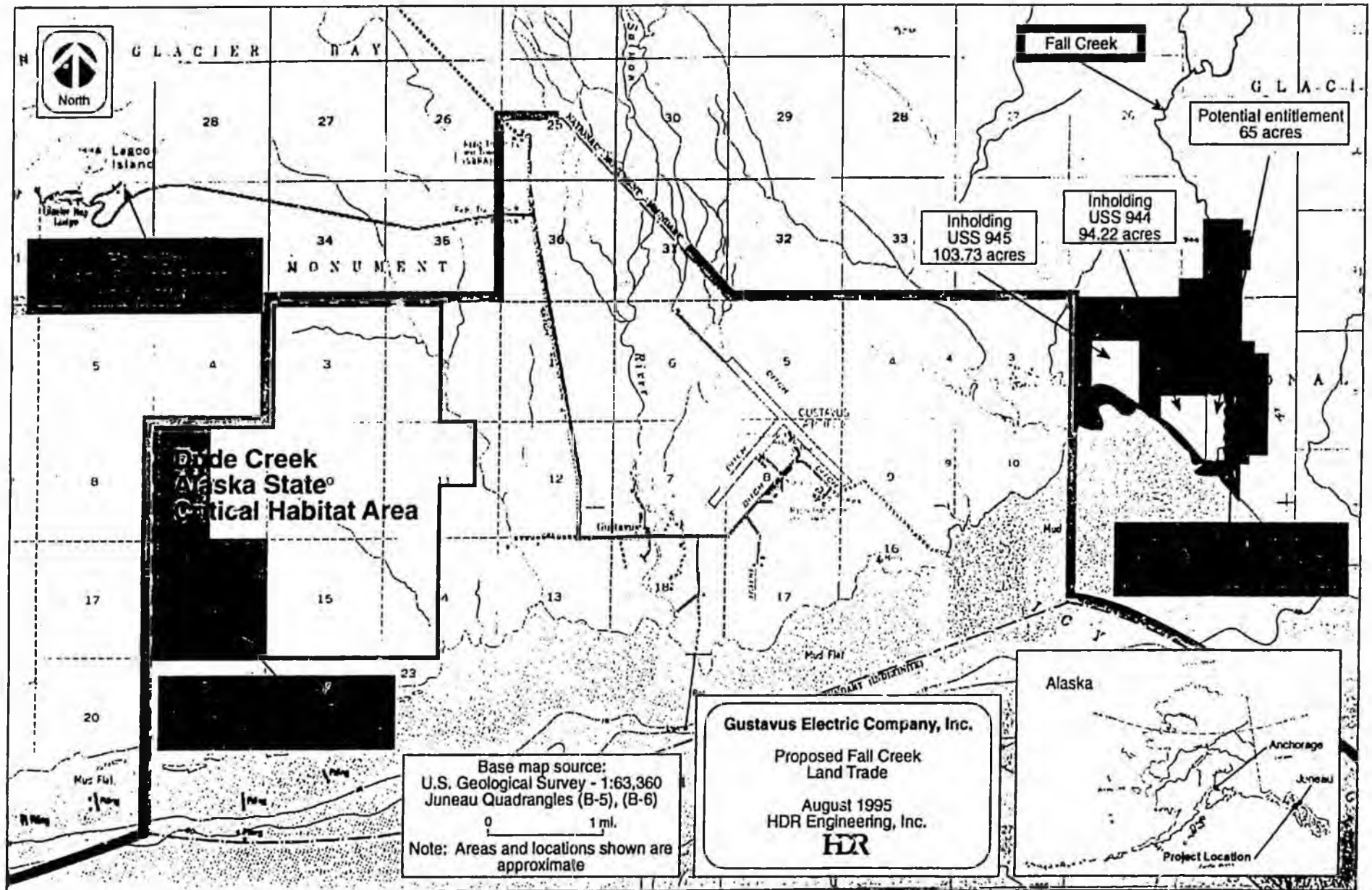
In conclusion, I respectfully request that you favorably consider this legislation. This project is an excellent example of VP Al Gore's opening remarks to the President's Council on Sustainable Development, January 13, 1994, "Our objective is results that are cleaner for the environment and cheaper for the economy." and President Clinton's Mandate to President's Council on Sustainable Development, June 1993, "find ways to combine economic growth with environmental protection...to bring our people together to meet the needs of the present without jeopardizing the future."

Appendix A

Map

Fall Creek Mini Hydropower System

Proposal and Land Transfer



GLACIER DAY

Fall Creek

Potential entitlement
65 acres

Inholding
USS 945
103.73 acres

Inholding
USS 944
94.22 acres

Bryde Creek
Alaska State
Critical Habitat Area

Gustavus Electric Company, Inc.

Proposed Fall Creek
Land Trade

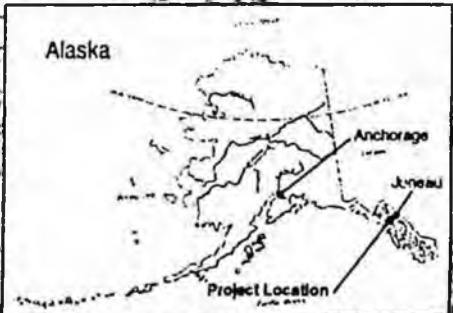
August 1995
HDR Engineering, Inc.



Base map source:
U.S. Geological Survey - 1:63,360
Juneau Quadrangles (B-5), (B-6)

0 1 ml.

Note: Areas and locations shown are
approximate



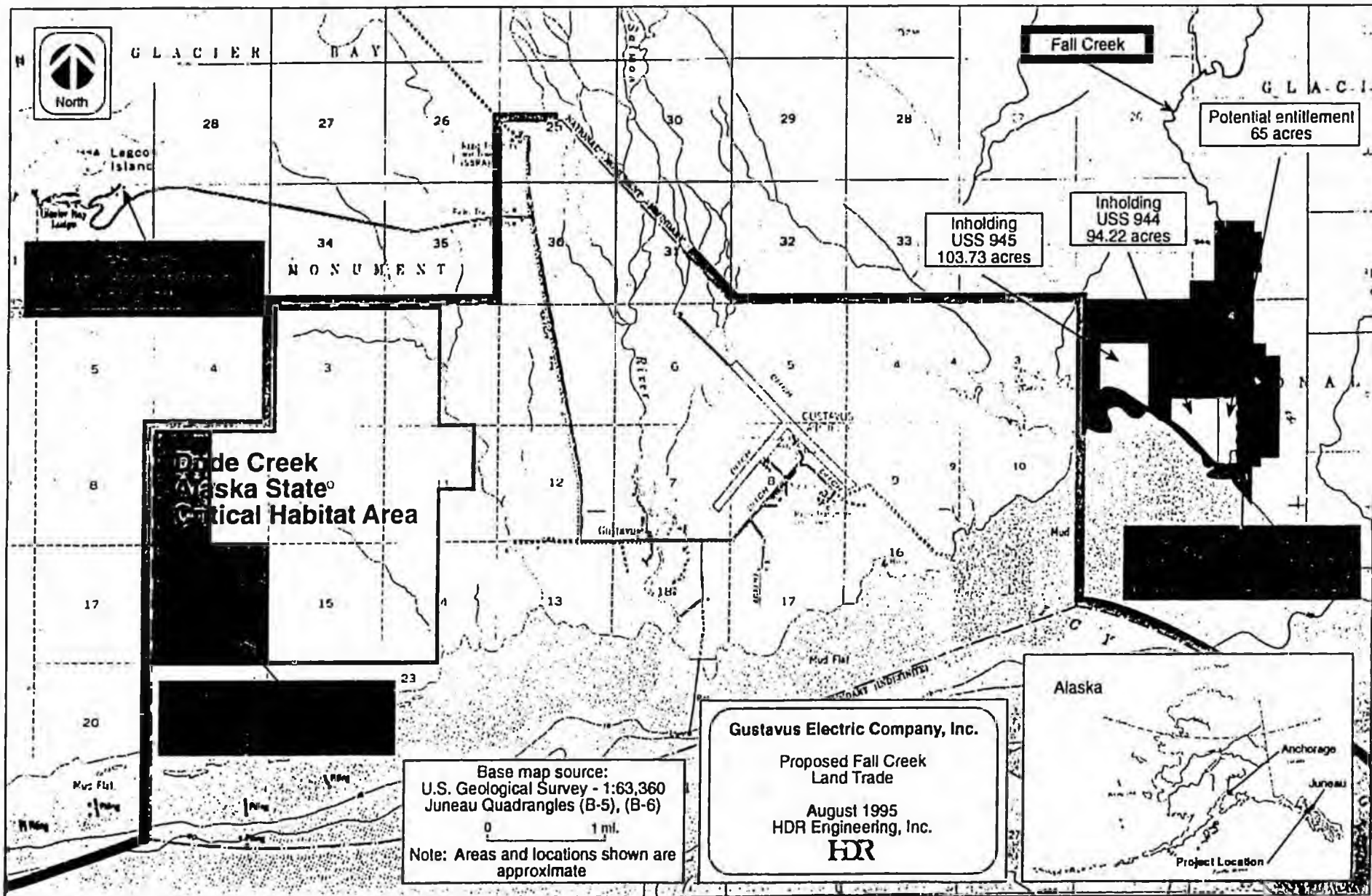
CORRECTION

THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION



Rev. 6/98

Central Microfilm Services
Department of Education
State of Alaska



Appendix B

Joint Resolution 27

1995 Alaska Legislature

STATE OF ALASKA
THE LEGISLATURE

1995

Source
CSSJR 27(RES)

Legislative
Resolve No.
23



Endorsing development of the Fall Creek hydroelectric project near Gustavus.

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

WHEREAS electricity used in Glacier Bay National Park and Gustavus is provided by diesel generation; and

WHEREAS power consumption in this area is projected to increase; and

WHEREAS a small hydroelectric project at Fall Creek could satisfy the needs of Glacier Bay National Park and the community of Gustavus well into the 21st century; and

WHEREAS hydroelectric generation at Fall Creek could result in fuel savings, reduced operating and maintenance costs, and reduced capital expenditures for improvements and upgrades to the existing power system to meet demand, and thereby reduce power costs to consumers; and

WHEREAS the Fall Creek hydroelectric project is intended to be financed solely by private capital; and

WHEREAS issues related to Glacier Bay National Park are frequently contentious, but the community of Gustavus and the National Park Service agree that the Fall Creek hydroelectric project could be environmentally sound and economically advantageous; and

WHEREAS the community of Gustavus recently reaffirmed support of the Fall Creek

hydroelectric project in a unanimous vote; and

WHEREAS, because the site of the proposed hydroelectric project is within the boundaries of Glacier Bay National Park and Preserve, an Act of Congress will be needed to change designation of the land status;

BE IT RESOLVED that the Alaska State Legislature endorses private development of the Fall Creek hydroelectric project and encourages the Congress to enact appropriate measures to redesignate the land status; and be it

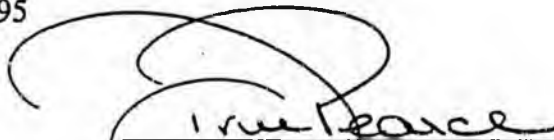
FURTHER RESOLVED that the Alaska State Legislature urges the National Park Service and other federal agencies to cooperate with the project developer and state agencies for expeditious permitting for the Fall Creek hydroelectric project.

COPIES of this resolution shall be sent to the Honorable Bruce Babbitt, Secretary of the U.S. Department of the Interior; Roger G. Kennedy, Director, National Park Service, U.S. Department of the Interior; Robert Barbee, Alaska Regional Director, National Park Service, U.S. Department of the Interior; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

AUTHENTICATION

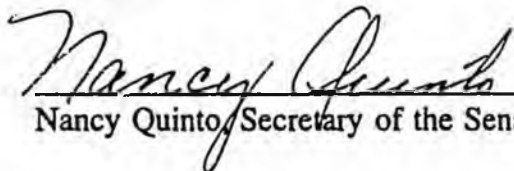
The following officers of the Legislature certify that the attached enrolled resolution, CSSJR 27(RES), consisting of 2 pages, was passed in conformity with the requirements of the constitution and laws of the State of Alaska and the Uniform Rules of the Legislature.

Passed by the Senate April 28, 1995




Drue Pearce, President of the Senate

ATTEST:



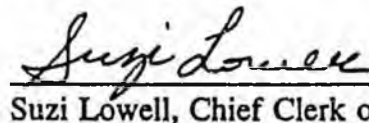
Nancy Quinto, Secretary of the Senate

Passed by the House May 9, 1995



Gail Phillips, Speaker of the House

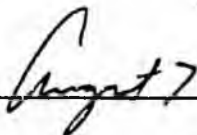
ATTEST:

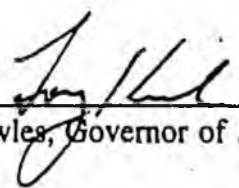


Suzi Lowell, Chief Clerk of the House

ACTION BY GOVERNOR

Approved by the Governor

 19 95



Tony Knowles, Governor of Alaska

Appendix C

April 24, 1995

Letter

Gustavus Community Association

Gustavus Community Association



Post Office Box 62
Gustavus, Alaska 99826

4-24-95

DICK LEVITT
P.O.BOX
GUSTAVUS AK
99826

DEAR MR. LEVITT

THE GUSTAVUS COMMUNITY ASSOC. HAD AN ADVISORY VOTE FROM
THE GENERAL MEMBERSHIP. THE VOTE APPROVING THE PROPOSED
HYDRO ELECTRIC PROJECT IS AS FOLLOWS; 29 IN FAVOR, 0 AGAINST.

THANK YOU

TO MORROW
PRESIDENT G.C.A.

Appendix D

May 9, 1995

Letter

Commissioner Frank Rue

Alaska Department of Fish and Game

STATE OF ALASKA

DEPARTMENT OF FISH AND GAME

TONY KNOWLES, GOVERNOR

OFFICE OF THE COMMISSIONER

P.O. BOX 25528
JUNEAU, ALASKA 99802-5528
PHONE: (907) 465-4100

May 9, 1995

Mr. Richard Leavitt, President
Gustavus Electric Company
P.O. Box 102
Gustavus, AK 99826

Dear Mr. Leavitt:

Thank you for your April 10 letter and subsequent visit to inform me of recent developments regarding your proposed Falls Creek Mini Hydropower System, and the opportunity to advance the project by trading Glacier Bay National Park lands for lands in the Dude Creek Critical Habitat Area.

The Alaska Department of Fish and Game (ADF&G) is willing to consider the proposal to add a portion of the Dude Creek Critical Habitat Area to Glacier Bay National Park, since it appears that management by the Park Service would maintain the values for which the Critical Habitat Area was established. However, a condition of any trade involving Dude Creek Critical Habitat Area lands should be that the Park Service allow hunting and other uses that are described in AS 16.20.610(d) establishing the Dude Creek Critical Habitat Area to continue.

Because critical habitat areas are established by the legislature, legislative action will likely be required to accomplish the proposed land trade. In addition, some lands contemplated for trade may be Mental Health Trust lands, requiring approval by the Mental Health Trustees and possible compensation prior to transfer to the Park Service. The Department of Natural Resources (DNR) would be the appropriate agency to address this question.

With regard to specifics of your proposed hydropower project, ADF&G will work with you to address ways to avoid conflicts between withdrawal of water from Falls Creek (Kaataheena Creek) and maintenance of fish populations and habitats in Falls Creek. The issue of the power project tailrace diverting returning adult Falls Creek fish (coho, pink, and chum salmon, Dolly Varden and cutthroat trout) from productive spawning areas in Falls Creek must also be addressed. The most likely effects of the project may be on subsistence use of pink, chum, and coho salmon, particularly upon the Native allotment owners in the project vicinity.

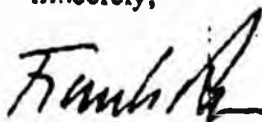
Mr. Richard Leavitt

-2-

May 9, 1995

Thank you for keeping us informed of recent project developments. Regional Supervisor Lana Shea and Area Habitat Biologist John Palmes of our Habitat and Restoration Division will continue to work with you on the land trade request and to resolve the concerns mentioned above. Please include Ms. Shea on the committee being formed to recommend the best plan for the land trade. Thank you.

Sincerely,



Frank Rue
Commissioner

cc: Ellen Britts, AD&FG, Juneau
Debra Clausen, AD&FG, Anchorage
Lana Shea, AD&FG, Douglas
John Palmes, AD&FG, Douglas
Ron Swanson, DNR

Appendix E

**Estimated Usage & Savings to State of Alaska, Gustavus
Customers, & National Park Service Over 30 Years, 1994-2024**

Table 2

**Estimated Useage & Savings¹ to
State of Alaska, Gustavus Customers and
National Park Service
Over 30 Years
1994-2024**

Useage and Savings	%	Av Annual MWh/year	<u>Savings In \$ Millions</u>	
			<u>Annual Av</u>	<u>30 Years</u>
Gustavus Customers	100	2,800		
Diesel Subsidized by State Paid by Customers	70 20	1,960 560		
Line & Transformer Uses	10	280		
National Park Service	100	<u>1,600</u>		
Total Av. Annual Useage		4,400		
		<u>\$</u>		
Cost of Diesel Power	.160			
Cost of Hydro-Fall Creek	<u>.035</u>			
Savings from Fall Creek	.125			
Savings Over Diesel				
State of Alaska	.125 (1,960)		\$245,000	\$ 7.4
Gustavus Customers	.125 (560)		70,000	2.1
National Park Serv. ²	.125 (1,600)		200,000	6.0
Add indirect costs ²	.030 (1,600)		<u>48,000</u>	<u>1.4</u>
TOTAL AVERAGE SAVINGS YEARLY			\$563,000	
SAVINGS OVER THIRTY YEARS				\$16.9
Add cost for remedial improvements and power enhancements (1994-1996)				4.3
TOTAL SAVINGS OVER 30 YEARS				\$21.2 M

¹ Not adjusted for inflation which would place the savings at a considerably higher value.

² Estimated cost of money if savings not appropriated elsewhere in government.

Appendix F

Brochure

Dude Creek Critical Habitat Area

Alaska Dept. of Fish and Game

ALASKA STATE ALASKA STATE

DUDE CREEK

ALASKA STATE ALASKA STATE

CRITICAL HABITAT AREA

ALASKA STATE ALASKA STATE



The Dude Creek Critical Habitat Area, in northern southeast Alaska adjacent to the community of Gustavus and next door to Glacier Bay National Park, encompasses the largest expanse of undisturbed wet meadow habitat in the region.

Birds—A key resting area for flocks of migrating lesser sandhill cranes, the area comes alive each fall with hoarse, throaty calls as thousands of cranes stop to rest and feed in the wet meadows before moving farther south to winter. Small numbers of cranes also stop to rest and feed during the spring migration north.

The wet meadow complex of Dude Creek differs substantially in plant composition from southeast Alaska's more common muskeg and saltchuck wetland types. A high water table over broad, flat terrain has produced a complex of low-growing shrubs, sedges, mosses, and horsetail interspersed with patches of willow thicket and scrub forest. This hydrological and geophysical combination ideally meets the needs of the notoriously shy cranes, providing them long-range visibility of predators, shallow water for roosting, insulation from human development, and a food supply suitable for the high-energy demands of migration.

Old-timers report the dispersed presence of sandhill cranes in wetland meadows throughout the Juneau and Gustavus areas. Today, however, a combination of human development activities and natural forest succession in drier areas have concentrated sandhill cranes in the wet meadows of Dude Creek.

Although lesser sandhill cranes, with their great fidelity to Dude Creek's wet meadows, are the area's premier wildlife species, other birds can be found as well. Canada geese in flocks of up to 300 rest and forage in the meadows throughout much of the year, but especially during spring and fall. A few mergansers and mallards can be found nesting and raising young along small streams. Snipe, least sandpipers, and savannah sparrows nest in the meadows, while songbirds nest in adjacent shrublands and forests. Marsh hawks and other raptors pass through the area during migration. Marsh hawks and short-eared owls are known to nest in the area. Ravens, magpies, and bald eagles are year-round residents.

Mammals—During population peaks, the long-tailed vole is the most common mammal. Coyotes, wolves, and short-tailed weasels hunt the wet meadow habitat for voles. Moose are increasingly common in the area. Larger mammals, including black bears, use the forested Dude Creek corridor as a thoroughfare between the wooded inland and the coast. Black bears can sometimes be seen along the forest/wet meadow fringe. Red squirrels abound in the Dude Creek forest corridor, and martens are at times common. Porcupine are distributed sparsely in the forest. Land otter travel up and down the banks of Dude Creek and Good River.



Public Use and Access—The area is enjoyed in the fall as a sandhill crane viewing area by residents and visitors alike, while local residents use it for recreation year-round. The community of Gustavus is accessible via regularly scheduled flights from Juneau. The Gustavus road system extends almost to the eastern boundary of the critical habitat area. Primary access is gained via a section line extension of the Good River Road to the west of the community of Gustavus. There are no public use facilities in the critical habitat area.

Photo credits: Dude Creek Wetlands, Koren Bosworth; Sandhill Crane, John Hyde.



Fall Creek Mini Hydro Background
SE Corner Glacier Bay National Park & Preserve

- Approx Acreage . 5 acres to be affected
- Proposal . 800 KW Run of Stream Electrical Generation for Gustavus, Alaska and National Park Service (NPS)
- National Policy . Consistent with President's Environmental and Economic Priorities
- Land . Steep canyon above falls; 600' Pink salmon stream; Buried utility along old logging road; water diverted to powerhouse along gentle slope, always leaving what is needed to maintain stream habitat.
- . Two patented Native allotments nearby, about 300 acres. Both logged in early 1900's and 1960's.
- Improvements . Small powerhouse-size of cottage (30X40), to blend into scenery and bluff;
- . Two 18" plastic penstock;
- . Small bridge improvements;
- . Diversion weir;
- Action to Date . Hired habitat biologist, Greg Streveler, governmental affairs consultant, Kellus Sewell, and engineering consultants
- Park Service . Formerly approved land swap
- Major Advantages . Electricity substantially reduced 16 to 3.5 ¢/KWh
- . Savings to State from Power Cost Equalization Program estimated at \$245,000 annually, or 50%; Currently Consumers pay 1/3, State 2/3s;
- . Savings to Park Service at 50% annually, estimated at \$248,000 + ongoing maintenance and capital costs estimated at \$4 Million the next few years;
- . Reliable, cheaper, stable priced, consistent power;
- . Avoidance of High Pressure NO_x pollutants which is 10-20 times worse than gas vehicle contribution to green house warming and acid rain; aesthetic pollutants; fuel oil spills;
- Cost . Born solely by utility owner with private capital;
- . \$1.8 Million
- Incentive to Utility Owner . Improve environment; Invest NPS & State Savings in local environmental enhancements; No profit advantage.

H.R. 2561 - Fall Creek Mini Hydropower Proposal

Mr. Chairman, distinguished members of the committee, and members of the audience, my name is Richard Levitt, owner and President of Gustavus Electric Company. Accompanying me is Kellus Sewell, my economic and government affairs consultant.

I wish to take this opportunity to thank you for the opportunity to testify in support of this proposal which will bring both enhancements to the environment but also significant savings to the National Park Service, the State of Alaska, and local consumers in Gustavus. I would like have entered for the record my written testimony included in the document entitled, "H.R. 2561, 1995-Fall Creek Mini Hydropower Proposal", which includes a map, State of Alaska Legislature Joint Concurrent Resolution of support, Letter of approval from the Gustavus Community Association, and Letter from Alaska Commissioner Fish & Game, Frank Rue

Gustavus is a small community adjoining the boundary and the land Gateway to Glacier National Park and Preserve. We have a population that ranges from 600 plus residents in the Summer to about 350 in the Winter. Consequently, our utility is small and we manage a very conservative budget with rates regulated by the APUC, Alaska Public Utility Corporation.

I offer the following for your perspective and ask your consideration for approval.

- . Project makes environmental sense
- . Consistent with the President's Environmental and Economic Policies
- . No profit incentive, rates regulated by APUC
- . Exchange of Alaska Critical Habitat Area for Federal Wilderness Preserve, 960 acres each
- . Federal land not pure wilderness area: Has been logged twice; contains road, habitable cabin, & two 160 acre Native allotments; and 1920's vantage fish trap on tidelands.
- . Benefits
 - State and provides two new resources for NPS, sandhill cranes and low lying wet lands
 - NPS management as wilderness preserve or park status will curtail or eliminate development, which can occur under present State status
 - NPS can be instrumental on preventing development or other infringements to sandhill crane habitat on adjoining property through NPS rights as adjoining owner of sandhill crane migratory bird habitat, noted in decisions in court cases
 - Rates reduced from .16 to .035/KWh will yield:
 - Savings in excess of \$250,000/year each to the State and NPS
 - Cost Avoidance, about \$2 Million to the NPS in electrical enhancements, \$4 Million total when tank farm upgrades are included.
- . Approved in concept by NPS in 1981
- . Feasibility determined by engineering firms, Corp. of Engineers, local Environmental Firm, and GEC
- . Cost about \$2 Million, conventional financing
- . Review Map which Describes Project - Run of Stream with no dam required
- . Support:
 - Local environmental organizations, FOGB
 - Local Community, unanimous vote of support
 - State of Alaska, unanimous support of Concurrent Legislative Resolution, signed by the Governor
- . Support
 - Personal letters of support
 - Discussed on a number of occasions with 7 environmental organizations, the NPS, the Assistant Secretary of Interior for Alaska, the State of Alaska, Community of Gustavus, and other interested parties.

STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF ENERGY

*Received
5/13/94*

Kellus Sewell
Nordic Alaska Company
3640 Young Street
Anchorage, Alaska 99508
(907) 561-2164

April 25, 1994

Re: Gustavus Hydroelectric Project

Thank you for the opportunity to attend the preliminary project meeting and to comment on Gustavus Electric's proposed mini-hydro project at Falls Creek in Gustavus. Although the technical and financial details of this project have not been provided for review, the Fall Creek Hydro project appears at present to be a viable project which holds the promise of energy self-sufficiency for Gustavus. Small hydro projects such as this one can provide long-term affordable electricity, while reducing state subsidies, and displacing diesel fuel with a clean, local, renewable energy source.

Over the years, the State has invested heavily in the construction of power systems, and subsidizes the high costs of production in rural Alaska through the Power Cost Equalization (PCE) program. Currently, the PCE program subsidizes electrical rates in Gustavus by over \$.38 per kilowatt hour (kWh), lowering the residential rate of \$.51 per kWh, to an effective customer rate around \$.12 per kWh. That level of support results in a customer subsidy of around \$1000 per year. There is a real question whether the state will be able to continue this level of assistance indefinitely. If PCE funding were to end abruptly, it would be disastrous for this community. Therefore, Gustavus should be aggressively pursuing the development of lower cost energy sources, such as Fall Creek Hydro.

Opponents to the project may point to the potential environmental degradation caused by the diminished stream flow in Fall Creek. The resulting degradation must be compared to the damage and risk associated with diesel generation. Diesel generators are noisy, pollute the air, and emit harmful nitrous oxides. More importantly, diesel generation requires the storage of large quantities of fuel. Bulk fuel storage represents a fire hazard which threatens human lives and a spill hazard which threatens contamination of soil and water. Spills at the National Park Service Tank Farm have already occurred in Glacier Bay. The possibility of reducing the Park Service's generation and bulk fuel storage needs,

will further reduce the level of environmental risk in the Park. All of these factors should be considered when comparing the relative environmental impacts.

Development of an alternative site identified at North Creek in Excursion Inlet would involve a submarine cable with an estimated cost of \$4 million. Without the guarantee of additional loads, and unless the added development costs can be mitigated with a substantial federal subsidy, and since it is unlikely that state support will be available, this alternative doesn't offer the same potential for affordable energy as Fall Creek.

The fundamental importance of reliable electricity is often taken for granted. Without basic electrical infrastructure, and the services it makes possible, it would be extremely difficult for visitors to enjoy Glacier Bay National Park. The question that must be addressed is not whether the community of Gustavus should have electricity, but how to provide that energy at the lowest sustainable cost to the users and the environment. As State oil revenues decline, communities like Gustavus must be allowed to develop their available hydro resources to replace the anticipated loss of subsidies. The federal government while protecting the resources of the park should not overlook its responsibility to provide for the welfare of its local residents, and cooperate in making the wisest energy choice for the future.

The Division of Energy recognizes the importance of this project to Gustavus's future, and is interested in assisting you with your efforts. Please feel encouraged to call on myself or anyone at the Division for assistance.

Sincerely,



Dennis Meijer
Special Assistant
Division of Energy
Department of Community and Regional Affairs
(907)-465-4632

SENATE FINANCE COMMITTEE REPORT

DATE: 4/1/96

DATE TURNED INTO OFFICE: 4/10/96

The Finance Committee considered SB 307

Authorizing Dude Creek Critical Habitat Area land exchange; efd.

4/10/96

CS and new fiscal note (to be cut in half) are forthcoming.

and recommends:

be replaced with _____ CS SB 307 (FIN)

adopt previous _____ CS _____

attached amendment(s)

adopt Letter of Intent by _____ Committee

further referral to the _____ Committee

Senate Bill:
 same title
 new title
House Bill:
 same title
 technical change
 new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
Co-Chair: <i>[Signature]</i>	✓	Co-Chair:			
Co-Chair: <i>[Signature]</i>	✓	Co-Chair:			

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

Natural Resources			monied change forthcom ng
			8.0

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

ked unanimous consent that the vote considered the vote on the effective n, it was so ordered.

reconsideration.

Act relating to state foundation aid or education; and providing for an con-1 time.

ed unanimous consent that SENATE bottom of today's calendar. Without

Act authorizing the Department of with the federal government state land eek Critical Habitat Area for federal i providing for an effective date" was

asked unanimous consent for the ttee Substitute offered on page 3110. withdrew his objection. There being SENATE BILL NO. 307(FIN) was me.

ed unanimous consent that the bill be to third reading and placed on final was so ordered.

307(FIN) was read the third time.

FOR SENATE BILL NO. 307(FIN) ent of Natural Resources to exchange ite land within, and adjoining, Dude federal land adjacent to Fall Creek; ate" pass the Senate?" The roll was

SB 307

CSSB 307(FIN)
Third Reading - Final Passage
Effective Dates

YEAS: 20 NAYS: 0 EXCUSED: 0 ABSENT: 0

Yeas: Adams, Donley, Duncan, Ellis, Frank, Green, Halford, Hoffman, Kelly, Leman, Lincoln, Miller, Pearce, R.Phillips, Rieger, Salo, Sharp, Taylor, Torgerson, Zharoff

and so, CS FOR SENATE BILL NO. 307(FIN) passed the Senate.

Senator Halford moved and asked unanimous consent that the vote on the passage of the bill be considered the vote on the effective date clauses. Without objection, it was so ordered and the bill was referred to the Secretary for engrossment.

SB 316

SENATE BILL NO. 316 "An Act relating to the use of the terms 'health' and 'disability' in the context of insurance coverage" was read the second time.

Senator Halford moved and asked unanimous consent that the bill be considered engrossed, advanced to third reading and placed on final passage. Without objection, it was so ordered.

SENATE BILL NO. 316 was read the third time.

Senators Rieger, Kelly offered Title Amendment No. 1:

Page 1, lines 1 and 2:

Delete "An Act relating to the use of the terms 'health' and 'disability' in the context of insurance coverage."

Insert "An Act changing the term 'disability' to 'health' in the context of insurance coverage."

Senator Rieger moved and asked unanimous consent for the adoption of Title Amendment No. 1. Without objection, Amendment No. 1 was adopted.

SB

307

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 4/1/96

DATE TURNED INTO OFFICE: 4/10/96

The Finance Committee considered SB 307

Authorizing Dude Creek Critical Habitat Area land exchange; efd.

4/10/96

CS and new fiscal note (to be cut in half) are forthcoming.

and recommends:

- be replaced with _____ CS SB 307 (FIN)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical change
 - new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
Co-Chair: <i>[Signature]</i>	✓	Co-Chair:			
Co-Chair: <i>[Signature]</i>	✓	Co-Chair:			

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

Natural Resources			monied change forthcoming 8.0

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

REPORTED DATE

STC 4/10/96

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CSSB307(FIN)

Revision Date:	<u>Original</u>	Dept Affected:	<u>Natural Resources</u>
Title:	<u>An Act authorizing a land exchange with the federal government near Gustavus</u>	BRU:	<u>Resource Development</u>
Sponsor:	<u>Senate Finance</u>	Component:	<u>Land Development</u>
Requestor:	<u>Senate Rules</u>	Component Serial No.:	<u>431</u>

Expenditures/Revenues	(Thousands of Dollars)					
	FY97	FY98	FY99	FY00	FY01	FY02
OPERATING EXPENDITURES						
PERSONAL SERVICES	7.0					
TRAVEL	0.8					
CONTRACTUAL SUPPLIES	0.2					
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	8.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE	(Thousands of Dollars)					
	FY97	FY98	FY99	FY00	FY01	FY02
1002 Federal Receipts						
1003 GF Match						
1004 GF	8.0					
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	8.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost: \$ None

POSITIONS	FY97	FY98	FY99	FY00	FY01	FY02
FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	1	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

This land exchange may result in the construction of a new hydroelectric project to serve residents of the Gustavus area. If the project is built the Gustavus Electric Company projects a reduction in the Power Cost Equalization (PCE) subsidy, projected at .125/kwh less for generation, plus additional revenue from usage fees and resources. It will also create new employment opportunities.

Since the final exchange is dependent on the Federal Energy Regulatory Commission process, cost may be deferred to a future fiscal year.

Since the notice provisions of AS 38.50 will not apply, staff time for this version of the bill has been reduced to one position for two months.

Prepared by:	<u>Jane Angvik, Director</u>	Phone:	<u>269-8503</u>
Division:	<u>Land</u>	Date:	<u>10-Apr-96</u>
Approved by Commissioner:	<i>[Signature]</i>	Date:	<u>10-Apr-96</u>
Agency:	<u>Natural Resources</u>		

Sen. Frank moved
adopted

9-LS1766A.1
Luckhaupt
4/9/96

SENATE FINANCE
COMMITTEE

Amendment Number: 1
Bill Number: SB 307
Sponsor: _____ Date: 4-10-96
Logged In By: kl

A M E N D M E N T

OFFERED IN THE SENATE
TO: SB 307

BY SENATOR FRANK

- 1 Page 1, line 1:
- 2 Delete "authorizing"
- 3 Insert "requiring"

- 4 Page 1, line 6:
- 5 Delete "authorize"
- 6 Insert "require"

- 7 Page 2, line 10:
- 8 Delete "is authorized to"
- 9 Insert "shall"

4/10/96
p. 2
Amend.
Adopted

CS SENATE BILL NO. 307 (Fin)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Introduced: 3/12/96
Referred: Resources

A BILL

FOR AN ACT ENTITLED

1 "An Act authorizing the Department of Natural Resources to exchange with the
2 federal government state land within, and adjoining, Dude Creek Critical Habitat
3 Area for federal land adjacent to Fall Creek; and providing for an effective
4 date."

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

6 * Section 1. PURPOSE. The purpose of this Act is to authorize the director of the
7 division of lands within the Department of Natural Resources to enter into an exchange of
8 land near Gustavus, Alaska, with the federal government. This land exchange is the subject
9 of corresponding federal legislation in the 104th Congress, entitled H.R. 2561, a bill "To
10 provide for an exchange of lands located near Gustavus, Alaska."

11 * Sec. 2. AS 16.20.610(b) is amended to read:

12 (b) The following described area is established as the Dude Creek Critical
13 Habitat Area:

14 Township 40 South, Range 58 East, Copper River Meridian

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Section 2: W1/2

Section 3

Section 9: E1/2

Section 10 [SECTIONS 9 - 10]

Section 11: W1/2NE1/4, W1/2

Section 14: Lot 3, NW1/4, N1/2SW1/4, SW1/4SW1/4

Section 15

[SECTION 16: N1/2, SE1/4].

moved Sen. Frank adopted

* Sec. 3. Notwithstanding ^{any other} ~~another~~ provision of law, the director of the division of lands of the Department of Natural Resources is authorized to convey all right, title, and interest the state has to certain land within and adjoining the Dude Creek Critical Habitat Area, described as: Township 40 South, Range 58 East, Copper River Meridian, Section 9: W1/2 and Section 16, and totaling 960 acres more or less, to the federal government in exchange for 960 acres more or less of federal land adjacent to Fall Creek in Townships 39 and 40 South, Range 59 East, Copper River Meridian, consisting of portions of Section 36 of Township 39 and portions of Sections 1, 2, 11, and 12 of Township 40.

* Sec. 4. Sections 1 - 3 of this Act take effect only if the 104th Congress passes a bill that is enacted into law that authorizes an exchange of land between the state and the federal government near Gustavus, Alaska. The director of the division of lands shall notify the lieutenant governor and the revisor of statutes of the enactment of the law described in this section.

* Sec. 5. If secs. 1 and 3 of this Act take effect under sec. 4 of this Act, they take effect on the date the federal law described in sec. 4 of this Act, authorizing an exchange of land between the state and the federal government near Gustavus, Alaska, takes effect.

* Sec. 6. If sec. 2 of this Act takes effect under sec. 4 of this Act, it takes effect on the date the exchange of land described in sec. 3 of this Act is entered into by the director of the division of lands. The director of the division of lands shall notify the lieutenant governor and the revisor of statutes when the exchange is entered into under this section.

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CSSB307(FIN)

Revision Date: Original Dept Affected: Natural Resources
 Title: An Act authorizing a land exchange with the BRU: Resource Development
federal government near Gustavus Component: Land Development
 Sponsor: Senate Finance
 Requestor: Senate Rules Component Serial No. 431

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES	7.0					
TRAVEL	0.8					
CONTRACTUAL						
SUPPLIES	0.2					
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	8.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 GF	8.0					
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	8.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost: \$ None

POSITIONS	FY97	FY98	FY99	FY00	FY01	FY02
FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	1	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

This land exchange may result in the construction of a new hydroelectric project to serve residents of the Gustavus area. If the project is built the Gustavus Electric Company projects a reduction in the Power Cost Equalization (PCE) subsidy, projected at .125/kwh less for generation, plus additional revenue from usage fees and resources. It will also create new employment opportunities.

Since the final exchange is dependent on the Federal Energy Regulatory Commission process, cost may be deferred to a future fiscal year.

Since the notice provisions of AS 38.50 will not apply, staff time for this version of the bill has been reduced to one position for two months.

Prepared by: Jane Angvik, Director. Phone: 269-8503
 Division: Land Date: 10-Apr-96
 Approved by Commissioner: [Signature] Date: 10-Apr-96
 Agency: Natural Resources

FISCAL NOTE

Bill Version: SB 307

(S) Publish Date: 4/1/96

STATE OF ALASKA 1996 LEGISLATIVE SESSION

Revision Date: Original Dept Affected Natural Resources
 Title: An Act authorizing the Department of Natural Resources to exchange with the federal government ... BRU: Resource Development
 Component: Land Development
 Sponsor: Senate Finance
 Requestor: Senate Resources Component Serial No. 431

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES	14.0					
TRAVEL	1.5					
CONTRACTUAL						
SUPPLIES	0.4					
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	15.9	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	15.9					
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	15.9	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost: \$ None

POSITIONS

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	2	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

This land exchange may result in the construction of a new hydroelectric project to serve residents of the Gustavus area. If the project is built the Gustavus Electric Company projects a reduction in the Power Cost Equalization (PCE) subsidy, projected at .125/kwh less for generation, plus additional revenue from usage fees and resources. It will also create new employment opportunities. We recommend that DCRA complete an analysis of the PCE subsidy savings. Gustavus Electric Company has also suggested passing on the costs to conduct public hearings to them. Since the final exchange is dependent on the Federal Energy Regulatory Commission process, cost may be deferred to a future fiscal year.

To complete the exchange we will need funding to cover two temporary positions for two months.

Prepared by: Jane Angvik, Director Phone: 269-8503
 Division: Land Date: 22-Mar-96
 Approved by Commissioner: [Signature] Date: 22-Mar-96
 Agency: Natural Resources

SENATE COMMITTEE REPORT
First Committee of Reference

DATE: 3/12/96

FURTHER: *Finance*

Date of 5-Day Notice: 3-21-96
 (in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 3-29-96

The Resources Committee considered SB 307

Authorizing the Department of Natural Resources to exchange with the federal government state land within, and adjoining, Dude Creek Critical Habitat Area for federal land adjacent to Fall Creek.

and recommends:

- FR*
- be replaced with _____ CS _____
 - adopt previous _____ CS _____
 - attached amendment(s)
 - adopt Letter of Intent by _____ Committee
 - further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical title
 - new: SCR# _____

SIGNING DQ PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Richard Halden</i>	<input checked="" type="checkbox"/>	<i>Peace</i>	<input checked="" type="checkbox"/>		
<i>Chris Frank</i>	<input checked="" type="checkbox"/>				
<i>Adrian Taylor</i>	<input checked="" type="checkbox"/>	<i>A Good DAM Bill</i>			
<i>[Signature]</i>	<input checked="" type="checkbox"/>				
CHAIR: <i>[Signature]</i>		CHAIR:			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal
<i>DNR - Land</i>	<i>3/22</i>		<i>15.9</i>

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal
<i>DNR - Land</i>	<i>3/22/96</i>		<i>15.9</i>

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. SB307-

Revision Date: Original Dept Affected Natural Resources
 Title: An Act authorizing the Department of Natural Resources to exchange with the federal government ... BRU: Resource Development
 Sponsor: Senate Finance Component: Land Development
 Requestor: Senate Resources Component Serial No. 431

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES	14.0					
TRAVEL	1.5					
CONTRACTUAL						
SUPPLIES	0.4					
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING EXPENDITURES	15.9	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	15.9					
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	15.9	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost: \$ None

POSITIONS

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	2	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

This land exchange may result in the construction of a new hydroelectric project to serve residents of the Gustavus area. If the project is built the Gustavus Electric Company projects a reduction in the Power Cost Equalization (PCE) subsidy, projected at .125/kwh less for generation, plus additional revenue from usage fees and resources. It will also create new employment opportunities. We recommend that DCRA complete an analysis of the PCE subsidy savings. Gustavus Electric Company has also suggested passing on the costs to conduct public hearings to them. Since the final exchange is dependent on the Federal Energy Regulatory Commission process, cost may be deferred to a future fiscal year.

To complete the exchange we will need funding to cover two temporary positions for two months.

Prepared by: Jane Angvik, Director Phone: 269-8503
 Division: Land Date: 22-Mar-96
 Approved by Commissioner: [Signature] Date: 22-Mar-96
 Agency: Natural Resources

SB

311

SFIN

FILE

4/10/96

Ask Harry if
he wishes included
in members' files.

kl

SENATE COMMITTEE REPORT

First Committee of Referral

DATE: 3/18/96

FURTHER: Finance

Date of 5-Day Notice: 3.21.96
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 4.2.96

The Resources Committee considered SB 311

Relating to marine safety training and education programs.

and recommends:

DFW

- be replaced with CS SB 311 (Res)
- adopt previous CS ()
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical title
 - new: SCR# _____

SIGNING DQ PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>	✓	<i>Peace</i>	✓		
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
CHAIR: <i>[Signature]</i>		CHAIR:			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal
Revenue	4/1/96	✓	
Labor	4/1/96	✓	

Circle notes to ES also.

PREVIOUS FISCAL NOTE(S):*


Department	Date	Zero	Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

SB 311

Senate Finance Committee
Senate Bill 311

Attn. Senator Steve Frank


Help prevent commercial fishing injuries and deaths by designating part of the interest from Fishermen Fund earnings for safety training. Such training has resulted in a 50% decline in fatalities the past 3 years. 3600 children in 120 communities have been trained in water and boating safety.

I teach such classes to students in Petersburg. Fishermen in this town strongly support training for themselves and crew. Many lives saved on the water have been credited to individuals taking commercial fishing safety classes.

Money spent on training helps to avoid much more money spent on rescues.

Thank you

Mona Christian

FISCAL NOTE

No. 1

Bill Version: CSSB 311 (RES)

BILL (S) Publish Date: 7-2-96

STATE OF ALASKA
1995 LEGISLATIVE SESSION

Revision Date: _____
 Title: "An act relating to marine safety training and education programs"
 Sponsor: Senate Community & Regional Affairs Committee
 Requestor: Senate Resource

Department Affected: Labor
 BRU: Fishermen's Fund
 Component: Fishermen's Fund

COMPONENT SERIAL NO. 344

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
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						
CHANGE IN REVENUE FUND SOURCE #						

FUNDING:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY96) impact: \$ 0.0

ANALYSIS: (Attach a separate page if necessary)

The intent of this bill is to identify a source of funds that may be used to fund marine safety training and education programs to protect commercial fishermen, mariners, and the public from injury or death arising from accidents at sea. The Workers' Compensation Fishermen's Fund program does not receive the interest derived from the fishermen's fund. A marine safety training and education program would have a zero fiscal impact on the operation of the Alaska Fishermen's Fund.

Prepared by: Paul Grossi, Director *Paul Grossi* Phone: 465-2790
 Division: Workers' Compensation Date: 4/1/96

Approved by Commissioner: Tom Cashen, Commissioner *Tom Cashen*
 Agency: Department of Labor Date: 4/1/96

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FISCAL NOTE

No. 2

Bill Version: CS SB311(CRES)

(S) Publish Date: 4-2-96

Revision Date: _____ Dept. Affected: Revenue
 Title: Marine Safety Education Programs BRU: Revenue Operations
 Component: Treasury
 Sponsor: (S) CRA
 Requestor: (S) RES COMPONENT SERIAL NO. 121

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
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 EXPENDITURES						
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CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost \$ _____

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Earnings on the Fisherman's Fund currently are left with the General Fund and do not belong to the Fisherman's Fund. Based upon the assumptions disclosed below, \$200,000 would be available for appropriation each year. While the funding source would clearly be the General Fund, it is difficult to determine which Department should reflect the fiscal impact as the bill does not address who the granting agency would be.

ASSUMPTIONS:

Current balance is \$8.1 million. As the fund is actively encouraging claims from fisherman, we have assumed that the fund will simply remain stable at \$8.0 million. The interest rate assumption used is 5%. Interest on \$8.0 million at 5% would be \$400,000 annually. One-half of this amount would then be \$200,000.

Prepared by: Betty Martin, Comptroller Phone: 465-2350
 Division: Treasury Date: April 1, 1996
 Approved by Commissioner: Ross Kinney, Deputy Commissioner *Ross A. Kinney* Date: April 1, 1996
 Agency: Department of Revenue

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SB

314

SFIN

FILE

SENATE COMMITTEE REPORT

First Committee of Referral

DATE: 3/20/96

FURTHER: Finance

Date of 5-Day Notice: 3/21/96
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 4/22/96

The State Affairs Committee considered SENATE BILL NO. 314

Relating to issuance of a restaurant or eating place liquor license.

and recommends:

- be replaced with CS SB 314 (STA)
- adopt previous CS ()
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical title
 - new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<u>Bill & Kelly</u>	→	<u>[Signature]</u>	✓		
CHAIR: <u>[Signature]</u>		CHAIR: _____			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal
<u>Revenue -</u>			
<u>ABC Board</u>	<u>3/27</u>	0	

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

Revision Date: March 27, 1996 Dept. Affected: Revenue
 Title: Restaurant Liquor License Ownership BRU: Alcoholic Beverage Control
place liquor license Component: Alcoholic Beverage Control
 Sponsor: Senate Finance Committee
 Requestor: Senate State Affairs Committee COMPONENT SERIAL NO. 100

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
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 EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost \$ _____

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

This bill makes administrative and legal changes in types of liquor license that can be held concurrently and has no negligible fiscal impact on the Alcoholic Beverage Control budget.

Prepared by: Douglas B. Griffin Phone: 277-8638
 Division: Alcoholic Beverage Control Board Date: March 27, 1996
 Approved by Commissioner: Wilson L. Condon *Wilson L. Condon* Date: March 27, 1996
 Agency: Department of Revenue

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For further distribution information call the Governor's Legislative Office

Revision Date: March 27, 1996 Dept. Affected: Revenue
 Title: Restaurant Liquor License Ownership SRU: Alcoholic Beverage Control
place liquor license Component: Alcoholic Beverage Control
 Sponsor: Senate Finance Committee
 Requestor: Senate State Affairs Committee COMPONENT SERIAL NO. 100

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
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 EXPENDITURES						
CHANGE IN REVENUES ()						

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost \$ _____

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

This bill makes administrative and legal changes in types of liquor license that can be held concurrently and has no negligible fiscal impact on the Alcoholic Beverage Control budget.

Prepared by: Douglas B. Griffin Phone: 277-8638
 Division: Alcoholic Beverage Control Board Date: March 27, 1996
 Approved by Commissioner: Wilson L. Condon *Wilson L. Condon* Date: March 27, 1996
 Agency: Department of Revenue

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For further distribution information call the Governor's Legislative Office

SB

315

SFIN

FILE

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 3/20/96

FURTHER: Finance

Date of 5-Day Notice: 3/21/96
 (in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 4/12/96

The Transportation Committee considered SENATE BILL NO. 315
 Relating to procurement by the Alaska Railroad Corporation.

Phi's

and recommends:

- be replaced with CS SB 315 (TRA)
- adopt previous CS ()
- attached amendment(s)
- adopt Letter of Intent by Committee
- further referral to the Committee

- Senate Bill:**
 same title
 new title
House Bill:
 same title
 technical title
 new: SCR#

SIGNING DQ PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Chris L. Taylor</i>	<input checked="" type="checkbox"/>	<i>Demanded</i>	<input checked="" type="checkbox"/>		
<i>Lylee Breech</i>	<input checked="" type="checkbox"/>				
CHAIR:		CHAIR: <i>Steve Thayer</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal
<i>DOT/PF</i>	<i>3/26/96</i>	<input checked="" type="checkbox"/>	
<i>Alaska Railroad Corp</i>	<i>3/26/96</i>	<input checked="" type="checkbox"/>	

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

No. 1

Version: CS SB 315 (TRA)

STATE OF ALASKA
1996 LEGISLATIVE SESSION

(S) Publish Date: 4/12/96

Revision Date:	3/26/96	Dept. Affected:	DOT&PF
Title:	*An Act relating to procurement by the Alaska Railroad Corporation.*	BRU:	Engineering & Operations
Sponsor:	Senate Transportation	Component:	Engineering & Operations
Requester:	TRA, FIN	COMPONENT SERIAL NO.	#547

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
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 EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
-----------------------------	-----	-----	-----	-----	-----	-----

CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
-------------------------------	-----	-----	-----	-----	-----	-----

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost: \$ 0.0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

The Department is not opposed to competitively bid public projects. Cost-effective construction allows us to build more for our limited funds. We recognize, however, that in some circumstances, a utility such as the ARRC might wish to control and perform the work on their own facilities, which they must operate and maintain during and after construction. In that instance, if the work is not contracted out, payment is by strict force account. The current statutes recognize and allow this flexibility. It is in the best interest of both the DOT&PF and the ARRC to administer the work to obtain completed projects in a cost-effective manner.

Prepared by:	Loren Rasmussen, P.E., Acting Director	Phone:	465-2960
Division:	Engineering and Operations <i>Loren Rasmussen</i>	Date:	3/26/96
Approved by:	<i>Joseph L. Perkins</i>	Date:	3/26/96
Agency:	Department of Transportation and Public Facilities		

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No. 2

FISCAL NOTE

Bill Version: CS SB 315(TRA)

(S) Publish Date: 4/12/96

STATE OF ALASKA 1996 LEGISLATIVE SESSION

Revision Date: _____ Dept. Affected: _____
 Title: An Act relating to procurement by BRU: _____
the Alaska Railroad Corporation Component: _____
 Sponsor: Senate Transportation Committee
 Requester: _____ COMPONENT SERIAL NO. _____

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 100	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL						

Estimate of any current year (FY96) cost: 0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

See attached.

Prepared by: Robert S. Hatfield, Jr., President & CEO
 Division: Alaska Railroad Corporation
 Approved by Commissioner: _____
 Agency: _____

Phone: 265-2403
 Date: 3/26/96
 Date: _____

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POSITION PAPER / Alaska Railroad Corporation

Position Paper

for

SB-315

SB-315 proposes that the Alaska Railroad Corporation Board of Directors adopt procedures to govern the procurement of certain supplies, services, professional services, and construction.

Specifically, the proposed legislation provides that when procuring supplies, services, professional services, or construction contracts related to construction work that the Department of Transportation and Public Facilities authorizes the Alaska Railroad to perform, the Alaska Railroad Corporation must use competitive sealed bidding or proposals.

In 1988, pursuant to the legislative mandate contained in AS 36.30.015(e), the Alaska Railroad Corporation Board of Directors adopted a procurement policy that is substantially equivalent (in fact, virtually identical) to state procurement procedures, providing for competitive bidding on all its procurement. Whenever the Corporation procures such outside, third-party services, these competitive procedures are already applied. Procurement procedures do not apply, as a matter of course, to activities performed with the Corporation's own employees.

Because procedures virtually identical to the State procurement statutes already apply to ARRC procurement, this proposed legislation would not be required.

Further, because of the liability which the railroad accepts through its normal operations, we are concerned about both the quality of the materials and the work that will be performed within our right-of-way.

Close coordination between train operations and construction activity is paramount for both safety and quality. Whether a third party or the Alaska Railroad performs the construction activity, Railroad Supervisory Personnel will be required.

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