

AK LEGISLATURE FINANCE COMMITTEES FILES 2007-2008 3387

Lt. Kathy Peterson, who took the report, said that's true, the dates were incorrect. But she was working with the best Weir could remember at the time. She pointed out that the other information that leads to matches - height, weight, hair and eye color - was correct.

Definitive matches come from dental records, DNA or fingerprints, Peterson said. And she forwarded dental records Weir gave her to the state's Missing Persons Clearinghouse to be entered electronically with the report. They were waiting to be entered when Weir called California, she said.

Weir and Van Norman both said Weir could have corrected the report had she been allowed to read it. Peterson said that generally those reports are confidential.

Van Norman said that about 100 bodies show up at his office every year and are labeled Jane, John or Undetermined Doe. He said 95 percent of those are quickly identified and claimed. But the unclaimed cases add up. Currently there are 250 active unidentified person cases in his office, he said.

Nationally, as of July, law enforcement lists 6,048 unidentified bodies and 106,255 missing persons, according to Todd Matthews, media director for Doe Network.

Trooper spokeswoman Megan Peters said troopers know of 1,154 missing people as of Sept. 10 in Alaska. The number fluctuates daily, Peters said, as it includes 157 runaways, who are lost and found frequently.

PUBLIC WEB SITE OFFERS HOPE

The Web site on which Weir found Samantha's picture, doenetwork.org, is run by a group composed of hundreds of members, dozens of whom are actively working to match missing persons with unidentified bodies nationwide, Matthews said by phone from Livingston, Tenn.

"I knew about her case before I knew Mary," Matthews said.

He hosts an Internet radio show devoted to unidentified bodies and missing persons and at one point interviewed Van Norman.

"He actually described a Jane Doe and that turned out to be Samantha," Matthews said.

Almost all of Doe Network's members have a story similar to Weir's, Matthews said. He's no exception.

In 1998, after 10 years obsessed with the case, Matthews managed to identify the body of Barbara Ann Hackman-Taylor, whose unidentified body was discovered by his father-in-law in 1968 in Kentucky. The story of his search is detailed on his Web site, tentgirl.com.

Matthews said that when Weir called him after having identified Samantha, he put her in touch with Hackman-Taylor's sister to help Weir with what she was going through.

In his work with the Doe Network, Matthews said information is the one thing he thinks would help most in solving the problem of missing and unidentified persons. If law enforcement could create a standard missing persons report that is entered into a national database to be compared against other uniform reports, maybe the number of open cases would drop.

But the key is to get law enforcement to use the system.

"It's not going to be effective if you don't use it," Matthews said.

Until that happens, Van Norman's advice for families of missing persons was clear.

"If any family, anywhere, is told by law enforcement that they will not take a report, that family should keep calling up the chain of command of the department, and keep on calling, through their legislative representatives, to the governor, if that's what it takes," he wrote.

Information from: Anchorage Daily News, <http://www.adn.com>

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SB

249

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 249
(S) Publish Date: 1/25/08

Identifier (file name): 0049-CED-INV-01-24-08 Dept. Affected: DCCED
Title: Alaska Capstone Avionics Revolving Loan Fund RDU: Investments (122)
Sponsor: Rules Component: New
Requester: By Request of Governor Component Number: New

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services	116.0		116.0	116.0	116.0	116.0	116.0	116.0
Travel	2.3		1.2	1.2	1.2	1.2	1.2	1.2
Contractual								
Supplies	0.5		0.5	0.5	0.5	0.5	0.5	0.5
Equipment	1.0							
Land & Structures								
Grants & Claims								
Misc: Capitalize Capstone Fund	4,800.0							
TOTAL OPERATING	4,919.8	0.0	117.7	117.7	117.7	117.7	117.7	117.7

CAPITAL EXPENDITURES								
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF	4,800.0							
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other: Capstone Fund (New)	119.8		117.7	117.7	117.7	117.7	117.7	117.7
TOTAL	4,919.8	0.0	117.7	117.7	117.7	117.7	117.7	117.7

Estimate of any current year (FY2008) cost: 0.0

POSITIONS

Full-time	2	0	2	2	2	2	2
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This legislation establishes a new loan fund called the Alaska Capstone Avionics Revolving Loan Fund (Capstone Fund). The fund would be capitalized by a general fund appropriation of \$4.8 million.

The purpose of the Capstone Fund is to increase the safety of intra-state air transportation in Alaska by providing low interest loans to aircraft owners so that they can purchase capstone avionics equipment. The department estimates that approximately 400 loans would be made in the first year for a total of \$4.8 million. Repayments to the fund and earnings retained by the fund would provide cash flow to make approximately 60 additional loans each year thereafter.

The department anticipates needing one new loan officer and one new loan closer for program outreach and to process new loan requests. Funds are also requested to cover travel, supplies and equipment expenses associated with the new positions.

Prepared by: Greg Winegar, Director
Division: Investments
Approved by: Emil R. Notti, Commissioner
Commerce, Community, and Economic Development

Phone 907.465.2625
Date/Time 1/24/08 8:48 AM
Date 1/24/2008

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: _____
() Publish Date: _____

Identifier (file name): SE 249-DOT-SWA-03-24-08 Dept. Affected: DOT&PF
Title: Capstone Revolving Loan Fund RDU: Aviation
Sponsor: Rules Committee Component: Statewide Aviation
Requester: Hlin Component Number: 537

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
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	0.0	0.0

CAPITAL EXPENDITURES								
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CHANGE IN REVENUES ()								
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FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time								
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

There is no cost to the department in implementing this loan program.

Prepared by: Mary Siroky
Division: Legislative Liaison
Approved by: Nancy Slagle
Director, Division of Administrative Services

Phone 465-4772
Date/Time 1/11/08 10:00 AM
Date 1/11/2008

January 30, 2008

**Sectional Analysis of
HB 340/SB 249 /25-GH2049\A**

Prepared by Mary Ellen Beardsley
Alaska Department of Law
(907) 269-5200

Alaska Capstone Avionics Revolving Loan Fund

Summary: This bill creates the Alaska capstone avionics revolving loan fund (fund) within the Department of Commerce, Community, and Economic Development (department). The purpose of the fund is to increase safety of general aviation intrastate air transportation by providing low interest loans for the purchase and installation of capstone avionics equipment.

Section 1 creates a new article in AS 44.33. This new article establishes the fund and the Alaska capstone avionics revolving loan program.

AS 44.33.650 sets out the policy and purpose for the fund.

AS 44.33.655 creates the fund within the department. It further describes what the fund consists of: money appropriated, transferred, devised, donated, etc., to the fund; principal and interest payments or other income earned on the loans or investments in the fund; and money derived from the foreclosure of collateral securing the loans. This section further allows the money in the fund to be appropriated for costs of administering the fund.

AS 44.33.660 sets out the powers and duties of the department as they relate to the program. It allows the department to make loans for the purchase and installation of the equipment. The department may establish the terms of the loan, including extensions and assumptions; charge and collect fees for services provided under the program; and adopt regulations to carry out the purposes of the program.

AS 44.33.665 establishes the eligibility requirements for applicants. The applicant may be an individual, corporation, partnership, limited liability corporation, limited liability partnership, limited liability company, joint venture, or non-federal governmental entity. The applicant must own the aircraft and the aircraft must log a substantial percentage of its flight hours in Alaska.

AS 44.33.670 sets out limitations on the loans. The loan is not to exceed a term of 10 years (not including any extensions), interest must be at least 4% per year; the loan must be secured with acceptable collateral; and it may not exceed 80% of the cost of the equipment.

AS 44.33.675 establishes the foreclosure expense account within the fund. The money in this fund is to be used to offset expenses associated with the collection of defaulted loans or to protect the State's security interest in the collateral.

AS 44.33.680 allows the department to dispose of repossessed collateral in a manner which serves the best interest of the State.

AS 44.33.690 provides for definitions for "capstone avionic equipment," "capstone program," and "department."

Section 2 repeals AS 44.33.650 – 44.33.690 when the program sunsets in 2020.

Section 3 provides authority to the department to proceed with adopting regulations needed to implement the new program. These regulations will not become effective until the effective date of the Act.

The remaining sections establish when each section of the act is to take effect.

HB 340/SB 249 CAPSTONE BILL
Department of Transportation and Public Facilities - Testimony
March 25, 2008

HB340 creates the loan fund within DCCED.

Purpose of the bill – Increase safety of aviation transportation within the State of Alaska by providing low interest loans for purchase and installation of the Capstone Avionic equipment.

What is Capstone? Is the next generation of technology to improve flight safety and community access in Alaska.

The technology is called “Automatic Dependent Surveillance – Broadcast (ADS-B)” that allows aircraft equipped with the avionics to interact with ground infrastructure and satellite stations to provide pilots their exact location, x, y and z, and airspeed, rate of ascent and descent, surrounding terrain, other aircraft and real time weather. Essentially, the whole package of data you need for safe flight.

FAA sponsored this technology and rural Alaska as test bed, SW and SE Alaska.

The results for those aircraft equipped with the new avionics was a 47% reduction in accidents and 33% reduction in fatalities.

The FAA would like to now expand this technology statewide and has funding to build out the necessary infrastructure. The hook is that they have determined the need for 4,000+ aircraft to be equipped.

This bill creates a low interest loan program with DCCED to provide aircraft owners unable to shoulder the initial purchase cost out of pocket with a reasonable loan to use.

The Department of Transportation & Public Facilities supports passage of this bill.

SB 249 CAPSTONE AVIONICS INFORMATION

1) Suggestions for a more attractive loan program to get more of the general aviation population involved (per Sen. Olson's request);

Greg Winegar will be providing you written back up on this topic.

2) teleconference testimony from other jurisdictions, i.e. Ohio Valley, where this program has been implemented or is being implemented and what their experience has been regarding decreased accidents/fatalities and lower insurance premiums (per Sen. Dyson's request);

The Ohio Valley ADS-B test program is with the Cargo Airline Association – mainly UPS Airlines. The goal is to gain airspace efficiencies and increase capacity for the big aircraft (Boeings and Airbuses). It does not address decreased accidents/fatalities and lower insurance premiums. DOT will work to get the UPS chief pilot or UPS Flight Technologies manager to testify for when the bill is rescheduled. However as stated Ohio is very different and not really applicable to Alaska where the goal is to equip the general aviation folks.

3) teleconference testimony from someone in the insurance industry that can offer some information about how this program may affect insurance premiums;

DOT is working with the Alaska Air Carriers Association, Alaska Airmen's Association and Alaskan Aviation Safety Foundation to have someone from the insurance industry testify on how rates are calculated and what capstone has and may do to rates.

4) A better definition for "substantial percentage of flight hours" to satisfy Sen. Elton's concern; and

FAA's goal is to achieve an aircraft equipage rate equating to at least 90% of total Alaskan flight hours. DCCED, DOT&PF would recommend that substantial percentage of flight hours be that same 90%.

5) I'm still waiting for funding information regarding exactly how much money the feds have spent on ground infrastructure, where that infrastructure is, and how much more money they plan to spend to finish the ground infrastructure and how long that will take.

Currently installed ground infrastructure

- Southwest Alaska contains 10 ADS-B ground sites
- Southeast Alaska contains 14 ADS-B ground sites

The Department is still working with FAA to determine what they spent for this capital investment. In their 2 pilot programs they installed ground equipment and as well as aircraft avionics and separating the two has been difficult to ascertain.

Attached is schedule for deployment of the rest of the state.

FAA implementation costs for operations and capital \$493

- Total ground infrastructure costs will be \$122M
 - \$23M for Anchorage, Fairbanks, Kotzebue, Nome
 - \$99M for the rest of the state
- Operating costs for 10 years - \$371M

Table ES-1. High-level Schedule

Deployment Time Period	Ground Infrastructure Deployment SV (enroute-low altitude)	Safety Avionics Equipage
FY 07 – FY 09	6 – Anchorage-Fairbanks 11 – Nome-Seward Peninsula 13 – Kotzebue-NW AK 1 – Southeast AK Additional complete Capstone Phase 1 & 2	<ul style="list-style-type: none"> • End of FY 08: 525 equipped or committed • End of FY 09: 1,325 equipped or committed
FY 08 – FY 10	3 - Cook Inlet-Kodiak 4 - AK Peninsula 5 - Lake Clark-Bristol Bay	<ul style="list-style-type: none"> • End of FY 10: 2,325 equipped or committed
FY 09 – FY 11	8 – Upper Yukon River 12 – Galena-Mid Yukon River-Koyukuk River 14 - North Slope	<ul style="list-style-type: none"> • End of FY 11: 3,325 equipped or committed
FY 10 – FY 12	2 – Prince William Sound-Gulf of Alaska 7 - AK Highway Copper River Isabel Pass 9 – McGrath-Upper Kuskokwim 10 – Yukon-Kuskokwim Delta	<ul style="list-style-type: none"> • End of FY 12: 4,091 equipped or committed



Figure ES-1. Low-Altitude Enroute SV Areas

STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION
AND PUBLIC FACILITIES
OFFICE OF THE COMMISSIONER

SARAH PALIN, GOVERNOR

3132 CHANNEL DRIVE
PO Box 112500
JUNEAU, ALASKA 99811-2500

FAX: (907) 586-8365
PHONE: (907) 465-3900

February 14, 2008

The Honorable Lyman Hoffman
Co-Chair, Senate Finance Committee
Alaska State Legislature
State Capitol, Room 518
Juneau, AK 99801-1182

The Honorable Bert Stedman
Co-Chair, Senate Finance Committee
Alaska State Legislature
State Capitol, Room 516
Juneau, AK 99801-1182

Dear Senator Hoffman and Senator Stedman:

I respectfully request a hearing for SB 249 "An Act establishing the Alaska capstone avionics revolving loan fund." The loan provides funding for commercial operators and private aircraft owners to purchase "capstone" avionics. A capstone equipped plane has a video display showing the pilot his location relative to terrain, weather and similarly equipped aircraft in the vicinity.

This technology, which was cutting edge when it was tested as a pilot program in Bethel and Southeast Alaska, is being implemented nationally by the Federal Aviation Administration. The accident rate reduction in Alaska was 47% during the pilot program. Fatalities are estimated to be reduced by one third as a downed plane can be located quickly and precisely. Alaska's rural communities, who rely solely on air travel particularly in the winter, will have increased service, as capstone equipped planes will be able to land in inclement conditions.

The Department of Commerce, Community, & Economic Development will administer the loan program. The program is initially funded from the general fund; however, since it is a revolving loan fund, additional loans can be made from repayments over the life of the program. Loans will be available for up to 80% of the costs at an interest rate of 4% for 10 years.

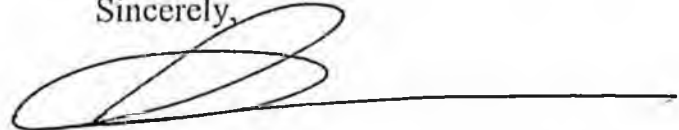
The Honorable Lyman Hoffman
The Honorable Bert Stedman

Page 2

February 14, 2008

Increasing so dramatically the safety of a mode of travel used by many Alaskans is one of the most important things we can do. I look forward to discussing this with you further.

Sincerely,

A handwritten signature in black ink, consisting of a large, stylized 'L' followed by a horizontal line extending to the right.

Leo von Scheben, P.E., L.S., M.B.A.
Commissioner

Enclosures

cc: Russ Kelly, Legislative Director, Office of the Governor
Randy Ruaro, Special Staff Assistant, Office of the Governor
Sally Saddler, Legislative Liaison, DCCED
Mary Siroky, Legislative Liaison, DOT&PF

FAA Capstone Program

Why is the FAA Capstone program important?

Alaska experiences the highest aviation accident rate in the nation. The hazards of bad weather, rough terrain, and absence of radar coverage all contribute to the high Alaska accident rate. Congress funded a research and development program called Capstone in southwest and southeast Alaska that created a technology system to improve flight safety and community access in rural Alaska. Capstone demonstrated a 47% reduction in the aviation accident rate, and was so successful that FAA decided to implement the technology nationwide.

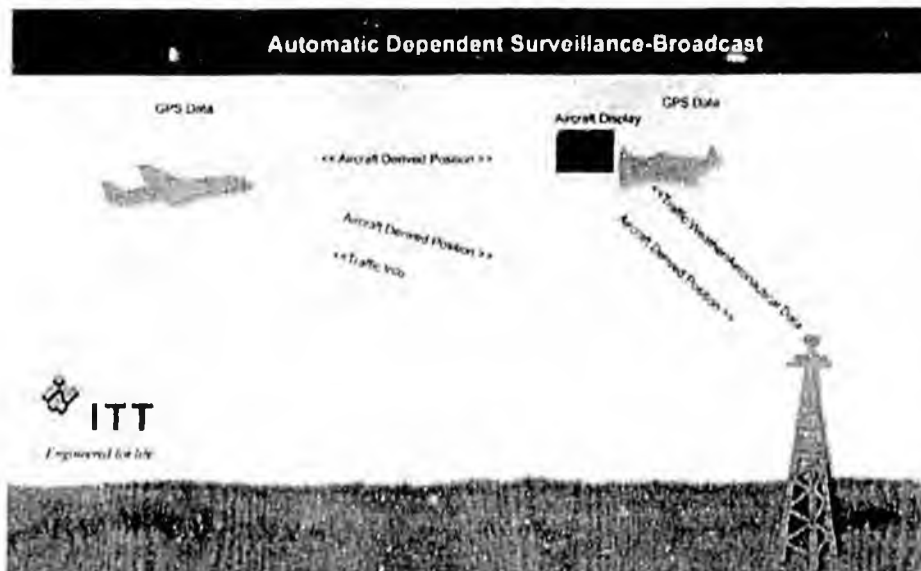
The Capstone system provides pilots better information and demonstrably improves aviation safety. In the event of an aircraft accident Capstone lets air traffic control know the precise aircraft location. This allows rescue workers to know exactly where they should go to locate the aircraft, greatly improves the chances of having a successful rescue effort, and substantially reduces search and rescue costs. Capstone provides all players in the aviation system with much more and better information to improve safety and rural community access for the flying public.

What is the FAA Capstone program?

Capstone is a cooperative effort by FAA and industry to improve aviation safety and community access by using a suite of new technologies that provides better flight information to pilots. Capstone equipped airplanes have a "moving map" video display screen, as can be seen in the picture to the right, which shows the pilot his own location relative to terrain, weather, orientation, and other aircraft in the vicinity. Furthermore FAA Air Traffic Control simultaneously receives aircraft position information that greatly enhances communication with and between pilots. Finally the Capstone system provides a Global Positioning System (GPS) instrument approach landing system, automated weather reporting, and communications.



The simple graphic below shows how the Capstone system works. The integrated Capstone system



technologies include ground based transmitters, communications equipment, transponders, Global Positioning System (GPS) navigation, surveillance, and weather reporting. FAA calls the system "Automatic Dependent Surveillance-Broadcast" (ADS-B).

Capstone Aviation Loan Fund

What is Capstone?

- Capstone is aviation positioning technology that allows equipped aircraft to interact with ground and satellite stations to provide pilots their exact location, airspeed and rate of ascent or descent in relation to the terrain and other aircraft, as well as providing real-time weather conditions.
- Aviation safety will be improved with an estimated 47% reduction in aircraft accidents and a 33% reduction in aircraft fatalities.
- Flights, once prohibited due to inclement weather conditions, (including medical evacuations) are possible with aircraft equipped with Capstone technology.
- The FAA selected Alaska as the site for its successful pilot project, installing stations in Southeast and the Bethel region.
- The FAA is now looking to expand the program to other regions of the state but have indicated that a certain number of additional aircraft must be equipped to justify the agency's increased investment of approximately \$500 million in ground infrastructure.
- It is looking to the State of Alaska to assist in this effort by helping aircraft owners to afford the cost of the equipment.

How will the loan program work?

- An owner of an aircraft operating primarily in Alaska can qualify for a loan of up to 80% of the cost to purchase and install Capstone equipment.
- Capstone equipment costs are expected to range between \$10,000 and \$20,000 depending on the type of aircraft.
- Loans are available for up to 10 years and would have a 4% interest rate.
- An average loan of \$12,000 would result in a monthly payment of \$122.
- The Department of Commerce, Community and Economic Development will administer the program.

Where does the money for the loan program come from?

- General Fund
- As a revolving loan fund, additional loans can be made from the repayments over the life of the program

Alaska Division of Investments
 Department of Commerce, Community, & Economic Development

Proposed Alaska Capstone Avionics RLF

Cashflow Projections

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FEB 27 2008

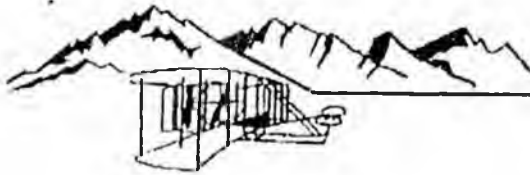
FY	Beginning Capital/Cash	Operating Expense	New Loan Demand	Loan Repayments		Delinquency Est. @ 5%	Late Fees Est. 5% of Del. Amt.	New App Fee \$50 per Loan	Earnings Retained in Fund	Ending Cash Balance
				Principal	Interest					
FY09	21,000.0	(119.8)	(6,818.0)	567.9	272.7	(42.0)	2.1	40.9	810.9	15,714.7
FY10	15,714.7	(117.7)	(6,818.0)	1,158.5	522.7	(84.1)	4.2	40.9	566.0	10,987.2
FY11	10,987.2	(117.7)	(6,818.0)	1,772.7	749.1	(126.1)	6.3	40.9	353.7	6,848.1
FY12	6,848.1	(117.7)	(6,818.0)	2,411.5	950.9	(168.1)	8.4	40.9	168.7	3,324.7
FY13	3,324.7	(117.7)	(6,818.0)	3,075.8	1,127.2	(210.2)	10.5	40.9	21.7	455.0
Totals		(590.6)	(34,090.0)	8,986.4	3,622.6	(630.5)	31.5	204.5	1,921.0	

All numbers are rounded to the nearest hundred

Loan demand is based on FAA goal of equipping 4,091 aircraft over a five year period with \$34.1 million

This results in 818 loans per year at \$8,335 per loan for a total loan demand of \$6,818 million per year

Cashflow projections based on 4% interest over a 10 year term with repayments collected annually



ALASKA AIRMEN'S ASSOCIATION, INC.

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FEB 26 2008

26 February 2008

Senator Stedman
State Capitol, Room 516
Juneau, AK 99801-1182

Subj: SB 249

Senator Stedman,

First, please allow me to again thank you for your time and interest in this bill. Speaking for the "general aviation" community in Alaska, I can say that I whole heartily support this bill and am available at your convenience should you or a member of your staff care to discuss this further.

The ultimate objective of the Capstone Statewide Plan is to have the FAA establish ADS-B coverage over roughly 90% of the state of Alaska and provide service over what we believe is the area within which at least 90% of the flight hours and flight operations occur. The FAA is committed to establishing this coverage over the next five years (costs and benefits related to these actions are detailed in the Statewide Plan), but only if the FAA believes that there will be a commitment on the part of industry to equip approximately 4,000 aircraft based in the state. This target represents about 65% of the aircraft here which accomplish over 90% of the flight operations in the state.

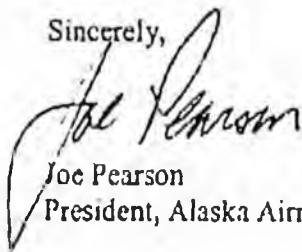
This commitment is significant given the challenge of the FAA is to make a "business case" in support of their funding activities. Obviously, Alaska could never compete with say the Northeast corridor or Florida in terms of numbers and users, but they are willing to front load an expanded system form in Alaska because they recognize that unlike virtually all the contiguous United States, Alaska has no low altitude legacy systems in place outside of Anchorage and Fairbanks. And sadly our accident rate and history compared with the United States as a whole is the strongest indicator of a capability lacking. The lives lost and resources expended as a result are unacceptable, yet for most of our state the aviation system is literally the only lifeline to our rural communities.

We believe that current cost to equip is out of the reach for almost all the owner/operators based in Alaska, and while the FAA plan to require equipage based on access of certain airspace will succeed down south, the lack of Class B airspace in Alaska for example will do nothing for our state in terms of encouraging or forcing equipage in Alaska as there is no Class B airspace in the state. The proposed loan program will help primarily the commercial part 135/121 operators and demonstrate to the FAA the commitment from the state is real. But, this is just a first step. Until the cost of ADS-B

specific equipment is much cheaper the approximately 3,700 general aviation aircraft that need to commit to equip to ensure the FAA completes their role as defined in the Statewide Plan will not likely occur.

Please support this plan, and recognize that follow on efforts will be required to see Alaska enjoy the safety benefits and access enhancements the lower 48 has realized for decades. This truly is a public safety issue.

Sincerely,



Joe Pearson
President, Alaska Airmen Association



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MAR - 3 2008

March 1, 2008

Honorable Senators Stedman and Hoffman:

Please consider this letter as industry support for SB249. The Alaskan Aviation Safety Foundation (AASF) has been a founder and supporter of the Capstone program in Alaska since its inception. Capstone is the first program in many years that has made a dramatic decrease in aviation accidents. Our desire is to see these benefits spread state wide. SB249 would begin that process.

The Capstone avionics installed for the proof of concept testing in Bethel decreased accidents in the Bethel area by 47% in studies conducted by the University of Alaska and others. We expect large decreases in accidents in the Southeast portion of Alaska when the Phase II benefits are tallied. The main reason for this decrease is pilots now have tools with which to make inflight decisions based on real time weather reports, real time traffic, and real time terrain.

The AASF has been working with other aviation industry groups to expand Capstone coverage State wide. We want to see the benefits available to all pilots in Alaska. All of us have seen too many of our friends and neighbors killed or hurt in needless aviation accidents. Most pilots cannot afford to install the avionics alone, they need assistance. With the passage of time, and as more aircraft equip, we project the price of avionics will go down. But today, it is just too expensive.

In order to see the safety benefits, our goal is to equip 90% of the active fleet. We also project that the State will see a decrease in Search and Rescue costs, although we are unable to calculate a dollar amount. Search aircraft will fly to the last known position. This feature has already saved lives. An example of potential benefit would have been for the medical evacuation helicopter that went down near Whittier earlier this winter. If its position were broadcast every second, rescue personnel could have immediately begun searching in the correct area. In reality, even though some debris has been recovered, we still do not have a real search area.

The AASF has been promoting aviation safety in Alaska since 1978. Our one and only mission is to promote aviation safety. Equipping airplanes in Alaska with Capstone avionics will help accomplish our mission.

We plan on encouraging our members to equip their aircraft as soon as possible. We feel so strongly about the benefits of this program to improve aviation safety that we have placed our Foundation in the position of being available to administer this program when funds become available. Please pass this bill out of your committee with a recommendation to pass.

Sincerely,

A handwritten signature in cursive script that reads 'Carl Siebe'.

Carl Siebe, Chairman of the Board

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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 24, 2008

The Honorable Lyda Green
President of the Senate
Alaska State Legislature
State Capitol, Room 111
Juneau, AK 99801-1182

Dear President Green:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill establishing the Alaska capstone avionics revolving loan fund and relating to the fund.

In Alaska, aviation is relied upon to move people, mail, and cargo throughout the state. Alaska has only 14,788 miles of public roads and many communities are not connected to the highway system. Ninety percent of Alaska is accessible only by air. Because of this situation, commuter and air taxi flights often serve in lieu of the traditional road system.

Alaska has seven times more licensed pilots than the national average, but it also has the highest aviation accident rate in the nation. One way to make Alaska's skies safer is with capstone avionic equipment. A study done in Alaska over a six year period determined that the accident rate of aircraft equipped with capstone avionic equipment decreased by 47 percent as compared to other aircraft operating without the equipment. The Federal Aviation Administration (FAA) estimates the adoption of this technology will result in a 33 percent reduction in fatal accidents statewide.

The FAA's Joint Resource Council estimates the benefits of the capstone project would be substantial. These benefits flow from a combination of fewer aviation accidents, improved search and rescue, greater precision in adverse weather and difficult terrain, and increased access to remote villages (including medical evacuations) when the system is fully deployed both on the ground and in the air. In addition, there will be socio-economic improvements for rural Alaska, due to a safer and more reliable transportation infrastructure.

This new technology requires both the installation of ground based infrastructure and capstone avionics in the cockpit to achieve these benefits. To be visible to the system, as well as to take advantage of all of capstones capabilities, an aircraft must be equipped with appropriate on-board avionics.

The Honorable Lyda Green

January 24, 2008

Page 2

The FAA has invested in Alaska by deploying, and continuing to deploy, new ground-based aviation safety and access infrastructure including communications, navigation, and weather reporting systems, and upgraded airport access in Alaska. Support for the acquisition of the onboard avionics necessary to utilize the FAA ground infrastructure will aid in securing the substantial benefits of this technology for Alaskans and enhance, encourage, and make the most of the FAA investment in Alaska.

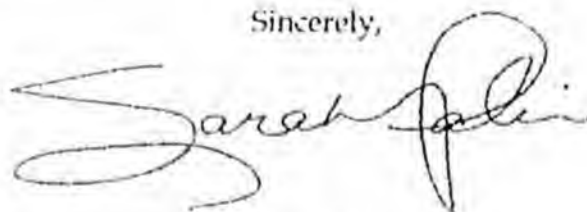
This bill would create the Alaska capstone avionics revolving loan fund within the Department of Commerce, Community, and Economic Development. The purpose of the fund would be to increase safety of air carrier, air taxi, and general aviation intrastate air transportation, by providing low-interest loans towards purchasing and installing capstone avionic equipment. An applicant for the low-interest loan must be an owner of an aircraft that is operated in the state. An applicant may be an individual, corporation, partnership, limited liability corporation, limited liability partnership, limited liability company, joint venture, or non-federal governmental entity.

The broad-based benefits of this legislation will help ensure that people can fly in a safer environment as they conduct their business and personal affairs

Under this new loan program, a loan for \$12,000 for avionics equipment at four percent over a ten-year term would result in a monthly payment of \$122 or an annual payment of \$1,480.

I urge your prompt and favorable action on this measure.

Sincerely,

A handwritten signature in cursive script, appearing to read "Sarah Palin". The signature is written in dark ink and is positioned above the printed name and title.

Sarah Palin
Governor

Enclosure

SB

249

SFIN

FILE

SB 249 CAPSTONE AVIONICS INFORMATION

1) Suggestions for a more attractive loan program to get more of the general aviation population involved (per Sen. Olson's request);

Greg Winegar will be providing you written back up on this topic.

2) teleconference testimony from other jurisdictions, i.e. Ohio Valley, where this program has been implemented or is being implemented and what their experience has been regarding decreased accidents/fatalities and lower insurance premiums (per Sen. Dyson's request);

The Ohio Valley ADS-B test program is with the Cargo Airline Association – mainly UPS Airlines. The goal is to gain airspace efficiencies and increase capacity for the big aircraft (Boeing and Airbuses). It does not address decreased accidents/fatalities and lower insurance premiums. DOT will work to get the UPS chief pilot or UPS Flight Technologies manager to testify for when the bill is rescheduled. However as stated Ohio is very different and not really applicable to Alaska where the goal is to equip the general aviation folks.

3) teleconference testimony from someone in the insurance industry that can offer some information about how this program may affect insurance premiums;

DOT is working with the Alaska Air Carriers Association, Alaska Airmen's Association and Alaskan Aviation Safety Foundation to have someone from the insurance industry testify on how rates are calculated and what capstone has and may do to rates.

4) A better definition for "substantial percentage of flight hours" to satisfy Sen. Elton's concern; and

FAA's goal is to achieve an aircraft equipage rate equating to at least 90% of total Alaskan flight hours. DCCED, DOT&PF would recommend that substantial percentage of flight hours be that same 90%.

5) I'm still waiting for funding information regarding exactly how much money the feds have spent on ground infrastructure, where that infrastructure is, and how much more money they plan to spend to finish the ground infrastructure and how long that will take.

Currently installed ground infrastructure

- Southwest Alaska contains 10 ADS-B ground sites
- Southeast Alaska contains 14 ADS-B ground sites

The Department is still working with FAA to determine what they spent for this capital investment. In their 2 pilot programs they installed ground equipment and as well as aircraft avionics and separating the two has been difficult to ascertain.

Attached is schedule for deployment of the rest of the state.

FAA implementation costs for operations and capital \$493

- Total ground infrastructure costs will be \$122M
 - \$23M for Anchorage, Fairbanks, Kotzebue, Nome
 - \$99M for the rest of the state
- Operating costs for 10 years - \$371M

Table ES-1. High-level Schedule

Deployment Time Period	Ground Infrastructure Deployment SV (enroute-low altitude)	Safety Avionics Equipage
FY 07 – FY 09	6 – Anchorage-Fairbanks 11 – Nome-Seward Peninsula 13 – Kotzebue-NW AK 1 – Southeast AK Additional complete Capstone Phase 1 & 2	<ul style="list-style-type: none"> • End of FY 08: 525 equipped or committed • End of FY 09: 1,325 equipped or committed
FY 08 – FY 10	3 - Cook Inlet-Kodiak 4 - AK Peninsula 5 - Lake Clark-Bristol Bay	<ul style="list-style-type: none"> • End of FY 10: 2,325 equipped or committed
FY 09 – FY 11	8 – Upper Yukon River 12 – Galena-Mid Yukon River-Koyukuk River 14 - North Slope	<ul style="list-style-type: none"> • End of FY 11: 3,325 equipped or committed
FY 10 – FY 12	2 – Prince William Sound-Gulf of Alaska 7 - AK Highway Copper River Isabel Pass 9 – McGrath-Upper Kuskokwim 10 – Yukon-Kuskokwim Delta	<ul style="list-style-type: none"> • End of FY 12: 4,091 equipped or committed



Figure ES-1. Low-Altitude Enroute SV Areas

2/22/08

January 30, 2008

**Sectional Analysis of
HB 340/SB 249 /25-GH2049\A**

Prepared by Mary Ellen Beardsley
Alaska Department of Law
(907) 269-5200

Alaska Capstone Avionics Revolving Loan Fund

Summary: This bill creates the Alaska capstone avionics revolving loan fund (fund) within the Department of Commerce, Community, and Economic Development (department). The purpose of the fund is to increase safety of general aviation intrastate air transportation by providing low interest loans for the purchase and installation of capstone avionics equipment.

Section 1 creates a new article in AS 44.33. This new article establishes the fund and the Alaska capstone avionics revolving loan program.

AS 44.33.650 sets out the policy and purpose for the fund.

AS 44.33.655 creates the fund within the department. It further describes what the fund consists of: money appropriated, transferred, devised, donated, etc., to the fund; principal and interest payments or other income earned on the loans or investments in the fund; and money derived from the foreclosure of collateral securing the loans. This section further allows the money in the fund to be appropriated for costs of administering the fund.

AS 44.33.660 sets out the powers and duties of the department as they relate to the program. It allows the department to make loans for the purchase and installation of the equipment. The department may establish the terms of the loan, including extensions and assumptions; charge and collect fees for services provided under the program; and adopt regulations to carry out the purposes of the program.

AS 44.33.665 establishes the eligibility requirements for applicants. The applicant may be an individual, corporation, partnership, limited liability corporation, limited liability partnership, limited liability company, joint venture, or non-federal governmental entity. The applicant must own the aircraft and the aircraft must log a substantial percentage of its flight hours in Alaska.

AS 44.33.670 sets out limitations on the loans. The loan is not to exceed a term of 10 years (not including any extensions), interest must be at least 4% per year; the loan must be secured with acceptable collateral; and it may not exceed 80% of the cost of the equipment.

AS 44.33.675 establishes the foreclosure expense account within the fund. The money in this fund is to be used to offset expenses associated with the collection of defaulted loans or to protect the State's security interest in the collateral.

AS 44.33.680 allows the department to dispose of repossessed collateral in a manner which serves the best interest of the State.

AS 44.33.690 provides for definitions for "capstone avionic equipment," "capstone program," and "department."

Section 2 repeals AS 44.33.650 – 44.33.690 when the program sunsets in 2020.

Section 3 provides authority to the department to proceed with adopting regulations needed to implement the new program. These regulations will not become effective until the effective date of the Act.

The remaining sections establish when each section of the act is to take effect.

Winnegar

2/22/09

As Deputy Commission Richards has explained the Capstone project has shown tremendous potential to save lives and reduce accidents and so we are very pleased that our agency may be able to play a role in these efforts

Background information on our Division.

We have been administering state loan programs since early 70s.

So we have a tremendous amount of experience, expertise and loan related infrastructure in place to successfully operate a program such as the one proposed in this legislation.

In fact, many of the provisions contained in this bill were patterned after other programs that we administer.

The purpose is to ^{setup a loan fund that would allow} make loans to aircraft owners that log a substantial number of flight hours in Alaska so ^{to} that they can purchase ^{and install} the necessary Capstone avionics.

The program would be set up as a revolving fund which means that as repayments come into the fund additional loans can be made to future participants. ~~It also means the operating costs of the program are funded through the fund itself.~~ ^{It also means the operating costs of the program are funded through the fund itself.}

The bill stipulates that we can loan up to 80% of the cost to purchase and install avionics

Interest rate cannot be less than 4% and the term may not exceed 10 years

So for example if you have an average cost of \$15 thousand
You end up with a loan of \$12 thousand
that works out to a payment of approximately \$122 month or around \$1480 annual

Our goal was to provide loan terms that resulted in a very manageable repayment plan for aircraft owners while at the same time providing sufficient cash flow to cover expenses, provide loans to future participants, and return capital to the GF.

As you can see from the fiscal note we want to capitalize the fund with a \$4.8 million appropriation. This would allow us to make approximately 400 loans during the first year and approximately 60 additional loans each year thereafter.

The program sunsets in the year 2020 at which time money in the fund as well as all future earnings revert back to the general fund.

We are requesting two positions, one loan officer and one loan closer to handle the increased workload. We would only fill these positions if loan demand requires it. We plan to absorb the accounting related work.

That is a quick overview of the program Mr. Chairmen. I would be happy to answer any questions that you or committee members might have.

ON FILE

CAPSTONE BILL

Richards

2/20/08

For the Record – FTR – Here today to discuss the “Alaska Capstone Avionics Revolving Loan Fund.” ~~HB 340~~ creates the loan fund within DCCED.

SB 249

Purpose – Increase safety of aviation transportation within the State of Alaska by providing low interest loans for purchase and installation of the Capstone Avionics equipment.

What is Capstone? Is the next generation of technology to improve flight safety and community access in Alaska.

The technology is called “Automatic Dependent Surveillance – Broadcast (ADS-B)” that allows aircraft equipped with the avionics to interact with ground infrastructure and satellite stations to provide pilots their exact location, ~~x, y and z,~~ and airspeed, rate of ascent and descent, surrounding terrain, other aircraft and real time weather. Essentially, the whole package of data you need for safe flight.

and tested it in

FAA sponsored this technology and rural Alaska as test bed, SW and SE Alaska.

The results for those aircraft equipped with the new avionics was a 47% reduction in accidents and 33% reduction in fatalities.

The FAA would like to now expand this technology statewide and has funding to build out the necessary infrastructure. The hook is that ^{FAA has} they have determined that ~~that FAA would like to have~~ need for 4,000+ aircraft ^{need to be} to be equipped. ~~that FAA would like to have~~ w/ these avionics, ~~the most the needs~~

This bill creates a low interest loan program with DCCED to provide aircraft owners unable to shoulder the initial purchase cost out of pocket with a reasonable loan to use.

The Department of Transportation & Public Facilities supports passage of this bill. I will ~~allow~~ ^{ask} Mr. Greg Winegar to describe the loan program to you.

ask

ON FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 2/13/08

FURTHER:

DATE TURNED
IN TO OFFICE: 3/5/08

Finance Committee considered SENATE BILL NO. 249

SB 249 CAPSTONE AVIONICS FUND/LOANS

"An Act establishing the Alaska capstone avionics revolving loan fund and relating to the fund; and providing for an effective date."

and recommends:

- be replaced with SCS or CS _____ (_____)
- adopt previous SCS or CS _____ (_____)
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

SENATE BILL:
 Same Title
 New Title

HOUSE BILL:
 Same Title
 Technical Title Change
 New Title w/ SCR # _____

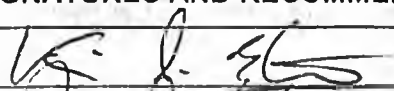

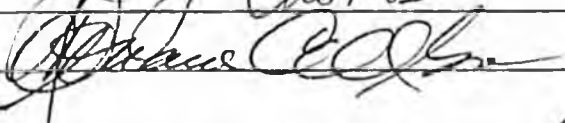
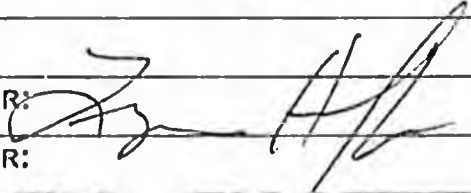
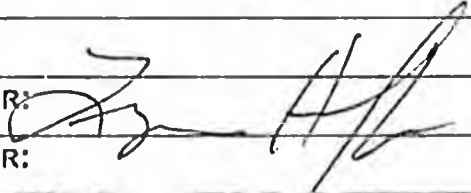
NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
CCED	1/24/08	✓			

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	E. Thomas	✓			
	THOMAS			✓	
	OLSON	✓			
CO-CHAIR: 		✓			
CO-CHAIR: 					

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 249
(S) Publish Date: 1/25/08

Identifier (file name): 0049-CED-INV-01-24-08 Dept. Affected: DCCED
Title: Alaska Capstone Avionics Revolving Loan Fund RDU: Investments (122)
Sponsor: Rules Component: New
Requester: By Request of Governor Component Number: New

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services	116.0		116.0	116.0	116.0	116.0	116.0	116.0
Travel	2.3		1.2	1.2	1.2	1.2	1.2	1.2
Contractual								
Supplies	0.5		0.5	0.5	0.5	0.5	0.5	0.5
Equipment	1.0							
Land & Structures								
Grants & Claims								
Misc: Capitalize Capstone Fund	4,800.0							
TOTAL OPERATING	4,919.8	0.0	117.7	117.7	117.7	117.7	117.7	117.7

CAPITAL EXPENDITURES								
-----------------------------	--	--	--	--	--	--	--	--

CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF	4,800.0							
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other: Capstone Fund (New)	119.8		117.7	117.7	117.7	117.7	117.7	117.7
TOTAL	4,919.8	0.0	117.7	117.7	117.7	117.7	117.7	117.7

Estimate of any current year (FY2008) cost: 0.0

POSITIONS

Full-time	2	0	2	2	2	2	2
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This legislation establishes a new loan fund called the Alaska Capstone Avionics Revolving Loan Fund (Capstone Fund). The fund would be capitalized by a general fund appropriation of \$4.8 million.

The purpose of the Capstone Fund is to increase the safety of intra-state air transportation in Alaska by providing low interest loans to aircraft owners so that they can purchase capstone avionics equipment. The department estimates that approximately 400 loans would be made in the first year for a total of \$4.8 million. Repayments to the fund and earnings retained by the fund would provide cash flow to make approximately 60 additional loans each year thereafter.

The department anticipates needing one new loan officer and one new loan closer for program outreach and to process new loan requests. Funds are also requested to cover travel, supplies and equipment expenses associated with the new positions.

Prepared by: Greg Winegar, Director
Division: Investments
Approved by: Emil R. Notti, Commissioner
Commerce, Community, and Economic Development

Phone 907.465.2625
Date/Time 1/24/08 8:48 AM
Date 1/24/2008

not offered - will be rewritten and sent to next House committee.

RECEIVED
MAR - 3 2008

25-GS2049\A.1
Cook
3/3/08

AMENDMENT

2

OFFERED IN THE SENATE
TO: SB 249

BY SENATOR *EITON*

- 1 Page 2, line 12, following "department.":
- 2 Insert "(a)"
- 3
- 4 Page 2, following line 27:
- 5 Insert a new subsection to read:
- 6 "(b) The department may not make a loan under this section to refinance an
- 7 obligation previously incurred for the purchase or installation of capstone avionics
- 8 equipment."
- 9
- 10 Page 4, following line 5:
- 11 Insert a new bill section to read:
- 12 "* Sec. 2. AS 44.33.660(b) is repealed."
- 13
- 14 Renumber the following bill sections accordingly.
- 15
- 16 Page 4, line 15:
- 17 Delete "Section 3"
- 18 Insert "Section 4"
- 19
- 20 Page 4, following line 15:
- 21 Insert a new bill section to read:
- 22 "* Sec. 6. Section 2 of this Act takes effect December 31, 2013."
- 23

1 Renumber the following bill sections accordingly.

2

3 Page 4, line 16:

4 Delete "Section 2"

5 Insert "Section 3"

6

7 Page 4, line 17:

8 Delete "secs. 4 and 5"

9 Insert "secs. 5 - 7"

not offered

25-GS2049\A.2
Cook
3/3/08

AMENDMENT

1

OFFERED IN THE SENATE

BY SENATOR *Eaton*

TO: SB 249

- 1 Page 2, lines 29 - 30:
- 2 Delete "a substantial percentage of flight hours in the state as determined by the
- 3 department"
- 4 Insert "at least 90 percent of flight hours in the state"



RECEIVED

MAR - 3 2008

March 1, 2008

Honorable Senators Stedman and Hoffman:

Please consider this letter as industry support for SB249. The Alaskan Aviation Safety Foundation (AASF) has been a founder and supporter of the Capstone program in Alaska since its inception. Capstone is the first program in many years that has made a dramatic decrease in aviation accidents. Our desire is to see these benefits spread state wide. SB249 would begin that process.

The Capstone avionics installed for the proof of concept testing in Bethel decreased accidents in the Bethel area by 47% in studies conducted by the University of Alaska and others. We expect large decreases in accidents in the Southeast portion of Alaska when the Phase II benefits are tallied. The main reason for this decrease is pilots now have tools with which to make inflight decisions based on real time weather reports, real time traffic, and real time terrain.

The AASF has been working with other aviation industry groups to expand Capstone coverage State wide. We want to see the benefits available to all pilots in Alaska. All of us have seen too many of our friends and neighbors killed or hurt in needless aviation accidents. Most pilots cannot afford to install the avionics alone, they need assistance. With the passage of time, and as more aircraft equip, we project the price of avionics will go down. But today, it is just too expensive.

In order to see the safety benefits, our goal is to equip 90% of the active fleet. We also project that the State will see a decrease in Search and Rescue costs, although we are unable to calculate a dollar amount. Search aircraft will fly to the last known position. This feature has already saved lives. An example of potential benefit would have been for the medical evacuation helicopter that went down near Whittier earlier this winter. If its position were broadcast every second, rescue personnel could have immediately begun searching in the correct area. In reality, even though some debris has been recovered, we still do not have a real search area.

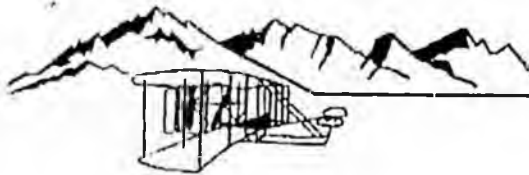
The AASF has been promoting aviation safety in Alaska since 1978. Our one and only mission is to promote aviation safety. Equipping airplanes in Alaska with Capstone avionics will help accomplish our mission.

We plan on encouraging our members to equip their aircraft as soon as possible. We feel so strongly about the benefits of this program to improve aviation safety that we have placed our Foundation in the position of being available to administer this program when funds become available. Please pass this bill out of your committee with a recommendation to pass.

Sincerely,

Carl Siebe, Chairman of the Board

2811 Merrill Field Drive, Anchorage, AK 99501-4131
(907) 243-7237



ALASKA AIRMEN'S ASSOCIATION, INC.

RECEIVED

FEB 26 2008

26 February 2008

Senator Stedman
State Capitol, Room 516
Juneau, AK 99801-1182

Subj: SB 249

Senator Stedman,

First, please allow me to again thank you for your time and interest in this bill. Speaking for the "general aviation" community in Alaska, I can say that I whole heartily support this bill and am available at your convenience should you or a member of your staff care to discuss this further.

The ultimate objective of the Capstone Statewide Plan is to have the FAA establish ADS-B coverage over roughly 90% of the state of Alaska and provide service over what we believe is the area within which at least 90% of the flight hours and flight operations occur. The FAA is committed to establishing this coverage over the next five years (costs and benefits related to these actions are detailed in the Statewide Plan), but only if the FAA believes that there will be a commitment on the part of industry to equip approximately 4,000 aircraft based in the state. This target represents about 65% of the aircraft here which accomplish over 90% of the flight operations in the state.

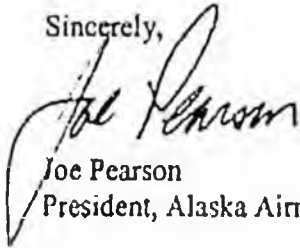
This commitment is significant given the challenge of the FAA is to make a "business case" in support of their funding activities. Obviously, Alaska could never compete with say the Northeast corridor or Florida in terms of numbers and users, but they are willing to front load an expanded system form in Alaska because they recognize that unlike virtually all the contiguous United States, Alaska has no low altitude legacy systems in place outside of Anchorage and Fairbanks. And sadly our accident rate and history compared with the United States as a whole is the strongest indicator of a capability lacking. The lives lost and resources expended as a result are unacceptable, yet for most of our state the aviation system is literally the only lifeline to our rural communities.

We believe that current cost to equip is out of the reach for almost all the owner/operators based in Alaska, and while the FAA plan to require equipage based on access of certain airspace will succeed down south, the lack of Class B airspace in Alaska for example will do nothing for our state in terms of encouraging or forcing equipage in Alaska as there is no Class B airspace in the state. The proposed loan program will help primarily the commercial part 135/121 operators and demonstrate to the FAA the commitment from the state is real. But, this is just a first step. Until the cost of ADS-B

specific equipment is much cheaper the approximately 3,700 general aviation aircraft that need to commit to equip to ensure the FAA completes their role as defined in the Statewide Plan will not likely occur.

Please support this plan, and recognize that follow on efforts will be required to see Alaska enjoy the safety benefits and access enhancements the lower 48 has realized for decades. This truly is a public safety issue.

Sincerely,



Joe Pearson
President, Alaska Airmen Association

Alaska Division of Investments
Department of Commerce, Community, & Economic Development

Proposed Alaska Capstone Avionics RLF

Cashflow Projections

RECEIVED

FEB 27 2008

FY	Beginning Capital/Cash	Operating Expense	New Loan Demand	Loan Repayments		Delinquency Est. @ 5%	Late Fees Est. 5% of Del. Amt.	New App Fee \$50 per Loan	Earnings Retained in Fund	Ending Cash Balance
				Principal	Interest					
FY09	21,000.0	(119.8)	(6,818.0)	567.9	272.7	(42.0)	2.1	40.9	810.9	15,714.7
FY10	15,714.7	(117.7)	(6,818.0)	1,158.5	522.7	(84.1)	4.2	40.9	566.0	10,987.2
FY11	10,987.2	(117.7)	(6,818.0)	1,772.7	749.1	(126.1)	6.3	40.9	353.7	6,848.1
FY12	6,848.1	(117.7)	(6,818.0)	2,411.5	950.9	(168.1)	8.4	40.9	168.7	3,324.7
FY13	3,324.7	(117.7)	(6,818.0)	3,075.8	1,127.2	(210.2)	10.5	40.9	21.7	455.0
Totals		(590.6)	(34,090.0)	8,986.4	3,622.6	(630.5)	31.5	204.5	1,921.0	

All numbers are rounded to the nearest hundred

Loan demand is based on FAA goal of equipping 4,091 aircraft over a five year period with \$34.1 million.

This results in 818 loans per year at \$8,335 per loan for a total loan demand of \$6,818 million per year.

Cashflow projections based on 4% interest over a 10 year term with repayments collected annually.

SARAH PALIN
GOVERNOR
GOVERNOR@GOV.STATE.AK.US



2/22/08
P.O. Box 110001
JUNEAU, ALASKA 99811-0001
(907) 465-3500
FAX (907) 465-3532
WWW.GOV.STATE.AK.US

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 24, 2008

The Honorable Lyda Green
President of the Senate
Alaska State Legislature
State Capitol, Room 111
Juneau, AK 99801-1182

Dear President Green:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill establishing the Alaska capstone avionics revolving loan fund and relating to the fund.

In Alaska, aviation is relied upon to move people, mail, and cargo throughout the state. Alaska has only 14,788 miles of public roads and many communities are not connected to the highway system. Ninety percent of Alaska is accessible only by air. Because of this situation, commuter and air taxi flights often serve in lieu of the traditional road system.

Alaska has seven times more licensed pilots than the national average, but it also has the highest aviation accident rate in the nation. One way to make Alaska's skies safer is with capstone avionic equipment. A study done in Alaska over a six year period determined that the accident rate of aircraft equipped with capstone avionic equipment decreased by 47 percent as compared to other aircraft operating without the equipment. The Federal Aviation Administration (FAA) estimates the adoption of this technology will result in a 33 percent reduction in fatal accidents statewide.

The FAA's Joint Resource Council estimates the benefits of the capstone project would be substantial. These benefits flow from a combination of fewer aviation accidents, improved search and rescue, greater precision in adverse weather and difficult terrain, and increased access to remote villages (including medical evacuations) when the system is fully deployed both on the ground and in the air. In addition, there will be socio-economic improvements for rural Alaska, due to a safer and more reliable transportation infrastructure.

This new technology requires both the installation of ground based infrastructure and capstone avionics in the cockpit to achieve these benefits. To be visible to the system, as well as to take advantage of all of capstones capabilities, an aircraft must be equipped with appropriate on-board avionics.

The Honorable Lyda Green

January 24, 2008

Page 2

The FAA has invested in Alaska by deploying, and continuing to deploy, new ground-based aviation safety and access infrastructure including communications, navigation, and weather reporting systems, and upgraded airport access in Alaska. Support for the acquisition of the onboard avionics necessary to utilize the FAA ground infrastructure will aid in securing the substantial benefits of this technology for Alaskans and enhance, encourage, and make the most of the FAA investment in Alaska.

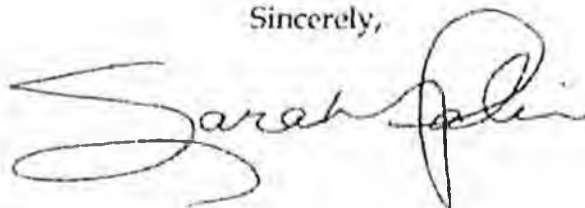
This bill would create the Alaska capstone avionics revolving loan fund within the Department of Commerce, Community, and Economic Development. The purpose of the fund would be to increase safety of air carrier, air taxi, and general aviation intrastate air transportation, by providing low-interest loans towards purchasing and installing capstone avionic equipment. An applicant for the low-interest loan must be an owner of an aircraft that is operated in the state. An applicant may be an individual, corporation, partnership, limited liability corporation, limited liability partnership, limited liability company, joint venture, or non-federal governmental entity.

The broad-based benefits of this legislation will help ensure that people can fly in a safer environment as they conduct their business and personal affairs

Under this new loan program, a loan for \$12,000 for avionics equipment at four percent over a ten-year term would result in a monthly payment of \$122 or an annual payment of \$1,480.

I urge your prompt and favorable action on this measure.

Sincerely,

A handwritten signature in cursive script, appearing to read "Sarah Palin". The signature is written in dark ink and is positioned below the word "Sincerely,".

Sarah Palin
Governor

Enclosure

STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION
AND PUBLIC FACILITIES
OFFICE OF THE COMMISSIONER

2/22/08
SARAH PALIN, GOVERNOR

3132 CHANNEL DRIVE
PO Box 112500
JUNEAU, ALASKA 99811-2500

FAX: (907) 586-8365
PHONE: (907) 465-3900

February 14, 2008

The Honorable Lyman Hoffman
Co-Chair, Senate Finance Committee
Alaska State Legislature
State Capitol, Room 518
Juneau, AK 99801-1182

The Honorable Bert Stedman
Co-Chair, Senate Finance Committee
Alaska State Legislature
State Capitol, Room 516
Juneau, AK 99801-1182

Dear Senator Hoffman and Senator Stedman:

I respectfully request a hearing for SB 249 "An Act establishing the Alaska capstone avionics revolving loan fund." The loan provides funding for commercial operators and private aircraft owners to purchase "capstone" avionics. A capstone equipped plane has a video display showing the pilot his location relative to terrain, weather and similarly equipped aircraft in the vicinity.

This technology, which was cutting edge when it was tested as a pilot program in Bethel and Southeast Alaska, is being implemented nationally by the Federal Aviation Administration. The accident rate reduction in Alaska was 47% during the pilot program. Fatalities are estimated to be reduced by one third as a downed plane can be located quickly and precisely. Alaska's rural communities, who rely solely on air travel particularly in the winter, will have increased service, as capstone equipped planes will be able to land in inclement conditions.

The Department of Commerce, Community, & Economic Development will administer the loan program. The program is initially funded from the general fund; however, since it is a revolving loan fund, additional loans can be made from repayments over the life of the program. Loans will be available for up to 80% of the costs at an interest rate of 4% for 10 years.

"Providing for the safe movement of people and goods and the delivery of state services."

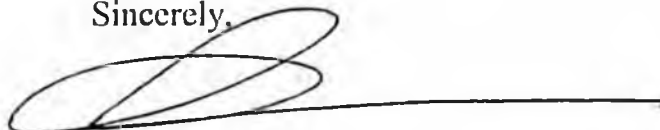
The Honorable Lyman Hoffman
The Honorable Bert Stedman

Page 2

February 14, 2008

Increasing so dramatically the safety of a mode of travel used by many Alaskans is one of the most important things we can do. I look forward to discussing this with you further.

Sincerely,

A handwritten signature in black ink, consisting of a large, stylized 'L' followed by a horizontal line extending to the right.

Leo von Scheben, P.E., L.S., M.B.A.
Commissioner

Enclosures

cc: Russ Kelly, Legislative Director, Office of the Governor
Randy Ruaro, Special Staff Assistant, Office of the Governor
Sally Saddler, Legislative Liaison, DCCED
Mary Siroky, Legislative Liaison, DOT&PF

2/22/08

FAA Capstone Program

Why is the FAA Capstone program important?

Alaska experiences the highest aviation accident rate in the nation. The hazards of bad weather, rough terrain, and absence of radar coverage all contribute to the high Alaska accident rate. Congress funded a research and development program called Capstone in southwest and southeast Alaska that created a technology system to improve flight safety and community access in rural Alaska. Capstone demonstrated a 47% reduction in the aviation accident rate, and was so successful that FAA decided to implement the technology nationwide.

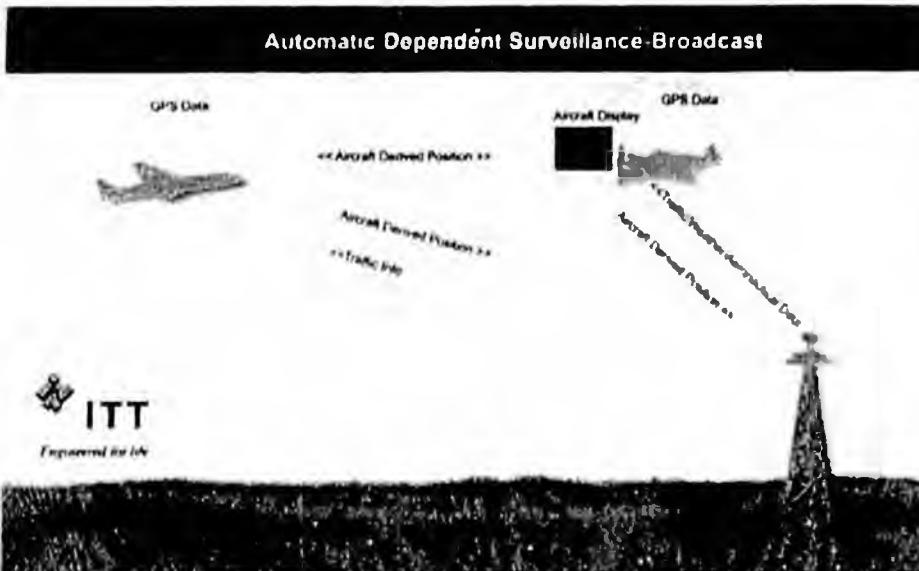
The Capstone system provides pilots better information and demonstrably improves aviation safety. In the event of an aircraft accident Capstone lets air traffic control know the precise aircraft location. This allows rescue workers to know exactly where they should go to locate the aircraft, greatly improves the chances of having a successful rescue effort, and substantially reduces search and rescue costs. Capstone provides all players in the aviation system with much more and better information to improve safety and rural community access for the flying public.

What is the FAA Capstone program?

Capstone is a cooperative effort by FAA and industry to improve aviation safety and community access by using a suite of new technologies that provides better flight information to pilots. Capstone equipped airplanes have a "moving map" video display screen, as can be seen in the picture to the right, which shows the pilot his own location relative to terrain, weather, orientation, and other aircraft in the vicinity. Furthermore FAA Air Traffic Control simultaneously receives aircraft position information that greatly enhances communication with and between pilots. Finally the Capstone system provides a Global Positioning System (GPS) instrument approach landing system, automated weather reporting, and communications.



The simple graphic below shows how the Capstone system works. The integrated Capstone system



technologies include ground based transmitters, communications equipment, transponders, Global Positioning System (GPS) navigation, surveillance, and weather reporting. FAA calls the system "Automatic Dependent Surveillance-Broadcast" (ADS-B).

Capstone Aviation Loan Fund

What is Capstone?

- Capstone is aviation positioning technology that allows equipped aircraft to interact with ground and satellite stations to provide pilots their exact location, airspeed and rate of ascent or descent in relation to the terrain and other aircraft, as well as providing real-time weather conditions.
- Aviation safety will be improved with an estimated 47% reduction in aircraft accidents and a 33% reduction in aircraft fatalities.
- Flights, once prohibited due to inclement weather conditions, (including medical evacuations) are possible with aircraft equipped with Capstone technology.
- The FAA selected Alaska as the site for its successful pilot project, installing stations in Southeast and the Bethel region.
- The FAA is now looking to expand the program to other regions of the state but have indicated that a certain number of additional aircraft must be equipped to justify the agency's increased investment of approximately \$500 million in ground infrastructure.
- It is looking to the State of Alaska to assist in this effort by helping aircraft owners to afford the cost of the equipment.

How will the loan program work?

- An owner of an aircraft operating primarily in Alaska can qualify for a loan of up to 80% of the cost to purchase and install Capstone equipment.
- Capstone equipment costs are expected to range between \$10,000 and \$20,000 depending on the type of aircraft.
- Loans are available for up to 10 years and would have a 4% interest rate.
- An average loan of \$12,000 would result in a monthly payment of \$122.
- The Department of Commerce, Community and Economic Development will administer the program.

Where does the money for the loan program come from?

- General Fund
- As a revolving loan fund, additional loans can be made from the repayments over the life of the program

SB

254

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HCSSB254(FIN)am
() Publish Date: _____

Identifier (file name): HCSSB254(FIN)am-DFG-CFEC-04-07-0 Dept. Affected: DFG
Title: An act extending the termination date of the Alaska regional economic assistance program; extending the termination... RDU: Commercial Fisheries Entry Comm
Sponsor: Senator Huggins Component: Commercial Fisheries Entry Comm
Requester: House Finance Committee Component Number: 471

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	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	0.0	0.0
-----------------------------	------------	------------	------------	------------	------------	------------	------------	------------

CHANGE IN REVENUES ()								
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FUND SOURCE (Thousands of Dollars)

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Interagency Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: 0.0

POSITIONS

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Full-time	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Part-time	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Temporary	0.0	0.0	0.0	0.0	0.0	0.0	0.0

ANALYSIS: (Attach a separate page if necessary)

No fiscal impacts for CFEC associated with this bill.

Prepared by: Shirley A. Penrose, Administrative Officer Phone: 907-790-6960
Division: Commercial Fisheries Entry Commission Date/Time: 4/7/08 8:23 AM
Approved by: Frank M. Homan, Chairman Date: 4/7/2008
Commercial Fisheries Entry Commission

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 254
(S) Publish Date: 2/29/08

Identifier (file name): SB254-CED-OED 02-04-08 Dept. Affected: DCCED
Title: AK Regional Economic Assistance Program RDU: Comm Assist & Ec Dev (405)
Sponsor: Huggins Component: Office of Economic Development
Requester: Senate Community & Regional Affairs Component Number: 2743

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services	13.1	30.0	43.1	43.1	43.1	43.1		
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims	0.0	620.0	620.0	620.0	620.0	620.0		
Miscellaneous								
TOTAL OPERATING	13.1	650.0	663.1	663.1	663.1	663.1	663.1	0.0

CAPITAL EXPENDITURES								
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CHANGE IN REVENUES ()								
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
1007 Inter-agency Receipts	13.1	650.0	663.1	663.1	663.1	663.1		
TOTAL	13.1	650.0	663.1	663.1	663.1	663.1	663.1	0.0

Estimate of any current year (FY2008) cost: 0.0

POSITIONS

Full-time		0.5	0.5	0.5	0.5	0.5		
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

This legislation extends the Alaska Regional Economic Development Organizations (ARDORS) through June 30, 2013. An additional \$13.1 of AIDEA receipts would be transferred to the Office of Economic Development via inter-agency receipts from AIDEA to keep the position 50% funded by AIDEA. ARDORS are not subject to AS 08.03.020, therefore, funding is not extended one year following the termination date of the program.

Prepared by: Joe Austerman, Manager
Division: Office of Economic Development
Approved by: Emil R. Notti, Commissioner
Commerce, Community, and Economic Development

Phone: 907 269 4568
Date/Time: 2/4/08 8:05 PM
Date: 2/4/2008

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: SB 254
(S) Publish Date: 3/17/08

Identifier (file name): SB254-CED-AIDEA-03-15-08 Dept. Affected: DCCED
Title: AK Regional Economic Assistance Program RDU: AIDEA (125)
Sponsor: Huggins Component: AIDEA
Requester: Senate Finance Component Number: 1234

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
		FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES							
Personal Services							
Travel							
Contractual	13.1	650.0	663.1	663.1	663.1	663.1	
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	13.1	650.0	663.1	663.1	663.1	663.1	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							
1102 AIDEA Receipts	13.1	650.0	663.1	663.1	663.1	663.1	
TOTAL	13.1	650.0	663.1	663.1	663.1	663.1	0.0

Estimate of any current year (FY2008) cost: 650.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

This legislation extends the Alaska Regional Economic Development Organizations (ARDORS) through June 30, 2013. AIDEA Receipts of \$650.0 currently fund the ARDOR program (\$620.0 for grants to ARDORS and \$30.0 to the Office of Economic Development for program staff). An additional \$13.1 of AIDEA Receipts is requested to keep the position 50% funded by AIDEA. The money will be transferred to the Office of Economic Development via Reimbursable Services Agreement (RSA). ARDORS are not subject to AS 08.03.020, therefore, funding is not extended one year following the termination date.

Prepared by: Sara Fisher-Goad, Deputy Director - Operations
Division: Alaska Industrial Development and Export Authority
Approved by: Emil R. Notti, Commissioner
Commerce, Community, and Economic Development

Phone: 907-771-3012
Date/Time: 3/15/08 2:04 PM
Date: 3/15/2008

HOUSE CONCURRENT RESOLUTION NO.
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Introduced:

Referred:

A RESOLUTION

1 Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State
2 Legislature, concerning Senate Bill No. 254, extending the termination date of the
3 Alaska regional economic assistance program.

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

5 That under Rule 54, Uniform Rules of the Alaska State Legislature, the provisions of
6 Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, regarding
7 changes to the title of a bill, are suspended in consideration of Senate Bill No. 254, extending
8 the termination date of the Alaska regional economic assistance program.

ALASKA STATE LEGISLATURE

Senate District H
600 E. Railroad Avenue
Wasilla AK 99654
907-376-4866
907-373-4724 :Fax



State Capitol
Juneau AK 99801-1182
907-465-3878
Fax: 907-465-3265
800-862-3878

Charlie Huggins Senator

SPONSOR STATEMENT: SENATE BILL 254

"An Act extending the termination date of the Alaska regional economic assistance program; and providing for an effective date."

The Alaska Regional Economic Assistance Program was created by the Legislature in 1988 to promote the economic development of Alaska's urban and rural areas. This program enables the creation of Alaska Regional Development Organizations (ARDORs). Each ARDOR is guided and directed by a board of directors composed of the economic development interests in the region. To carry out their mission, the State provides funding in the form of grants for the ARDOR program. In turn, the ARDORs use that money to leverage, on average, eight times the State's investment in private, federal, and other funds.

Currently, there are 11 ARDORs across the state. These ARDORs:

- Enable local officials and businesses to pool their limited resources and work together on economic development;
- Develop partnerships among public, private and other organizations; and
- Provide technical assistance via direct links with local citizens.

SB 254 is a companion bill to House Bill 272, which is sponsored by Rep. Bill Stoltze.

The Alaska Regional Economic Assistance Program and its ARDORs are an important part of the economic development of their regions. I ask your support in extending this program to 2013.

Contact: Jody Simpson
907.465.2661
Version 25-LS1367 \ A
January 28, 2008

Number of Staff	Information on Nonprofits	Information on Licenses & Permits	Health Care Business	Hospitality Business	Retail Business	Information on Region	Market Research	Marketing Resource	Market Strategies/Planning	Business Loan Guaranty	Business Loans	Personal Credit Counseling	Business Credit Counseling	Business Expansion	Manufacturing	Develop Business plan	Business Training	Sounding Board & Referrals	What services do you provide as an organization)
7						X			X					X				X	AEDC
3			X	X	X	X		X	X			X	X	X	X	X	X	X	BSDC
2	X	X				X		X						X		X	X	X	CVDA
1						X							X					X	FNSB
2						X	X	X			X		X	X	X			X	KPEDD
1	X	X				X	X	X				X	X	X				X	LKEDC
1	X	X				X	X	X						X				X	Mat-Su RC&D
1	X	X				X		X						X		X		X	NWAB
1	X	X	X			X	X	X		X				X				X	PWSEDD
2	X					X		X	X									X	SEC
2/5						X											X	X	SWAMC

APPENDIX A - ARDOR Resource Chart

SR 254

adopted 4/8/08

AMENDMENT 2

OFFERED IN THE HOUSE BY

TO: HCS SB 254 (), Version 25-LS1367\C

1 Page 1, line 3

2 After "system"

3 Insert "for the Bering Sea Korean hair crab and weathervane scallop

4 fisheries"

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23

24

Fishery

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

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

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

April 7, 2008

SUBJECT: Single-subject requirement (HCS SB 254(FIN);
Work Order No. 25-LS1367\E)

TO: Representative Kevin Meyer
Representative Mike Chenault
Co-Chairs of the House Finance Committee
Attn: Louanne Christian

FROM: Alpheus Bullard ¹⁹⁵
Legislative Counsel

You have requested a committee substitute to a bill that extends the termination date of the Alaska regional economic assistance program and adds to it language to extend the termination date for the authority of the Commercial Fisheries Entry Commission to maintain a vessel based limited entry fisheries system. These are arguably separate subjects and I do not know if the shared nucleus of "termination date extension" is sufficient to satisfy Alaska's single-subject requirement.

The single-subject requirement

Under art. II, sec. 13, Constitution of the State of Alaska, "[e]very bill shall be confined to one subject unless it is an appropriation bill or one codifying, revising, or rearranging existing laws." This provision of the Alaska Constitution is frequently referred to as the "single-subject requirement." Each bill may only contain provisions related to the bill's single subject.

The standard adopted by the Alaska Supreme Court in regard to the single-subject requirement states that an "act should embrace some one general subject; and by this is meant, merely, that all matters treated of should fall under some one general idea, be so connected with or related to each other, either logically or in popular understanding, as to be parts of, or germane to, one general subject." Gellert v. State, 522 P.2d 1120, 1123 (Alaska 1974). The Alaska Supreme Court has held that the purpose of this constitutional provision is to guard against legislative log-rolling, "the practice of 'deliberately inserting in one bill several dissimilar or incongruous subjects in order to secure the necessary support for passage of the measure.'" Evans v. State, 56 P.3d 1046, 1069 (Alaska 2002), quoting Gellert, supra at 1122.

Alaska's single-subject rule has been interpreted by the Alaska Supreme Court to permit very broad subject matter in a bill without violating the single-subject requirement. In

Representative Kevin Meyer
Representative Mike Chenault
April 7, 2008
Page 2

construing the single-subject rule, the court will "resolve doubts in favor of validity." Also, "in order to warrant the setting aside of enactments for failure to comply, the violation must be substantial and plain." Suber v. Alaska State Bond Committee, 414 P.2d 546, 557 (Alaska 1966); see also Evans and Gellert, supra and Short v. State, 600 P.2d 20 (Alaska 1970). Specifically, the court has held that bills relating to such broad themes as "civil actions", "taxation", "transportation", and "land" are acceptable.¹ Evans, 56 P.3d at 1070; North Slope Borough v. Sohio Petroleum, 585 P.2d 534, 545 (Alaska 1978); Yute Air Alaska, Inc. v. McAlpine, 698 P.2d 1173, 1181 (Alaska 1985); State v. First National Bank of Anchorage, 660 P.2d 406 (Alaska 1982).

If I may be of further assistance, please advise.

TLAB:med
08-256.med

Enclosure

¹ The single-subject rule has been so broadly construed by the court, that the court itself has expressed misgivings. Yute Air Alaska, Inc., supra at 1180-1183; and First National Bank of Anchorage, supra at 414-415. However, without this broad construction, "statutes might be restricted unduly in scope and permissible subject matter, thereby multiplying and complicating the number of necessary enactments and their interrelationships." Gellert, supra at 1122, and quoted by Galbraith v. State, 693 P.2d 880, 886 (Alaska App. 1985). The court appears reluctant to impose a stricter standard. See Yute Air Alaska, Inc., supra at 1180-1181.

SB 254

82V

State of Alaska
Commercial Fisheries Entry Commission

Bering Sea Hair Crab Vessel Permit Holders

March 27, 2007

Vessel Permit Holder Name	Company/Contact Person	Vessel Name	Permit
Marwin Inc. PO Box 509 Petersburg, AK 99833	John Winther, President Bert Winther, Vice President	Theresa Marie ADFG# 00034 93 ft.	E 91QV 85001 O Initial permit holder Initial vessel
Mattsen Fisheries Inc. PO Box 2686 Poulsbo, WA 98370	Daniel Mattsen, President John Walsh, Secretary	Shaman ADFG# 00036 110 ft.	E 91QV 85003 Z Initial permit holder Initial vessel
Royal Viking, Inc. 5303 Shilshole Ave NW Seattle, WA 98107	Trident Seafoods Charles H. Bundrant, President	Royal Viking ADFG#03718 108 ft.	E 91QV 85005 J Initial permit holder Initial vessel
American Star & Owners 14010 154th Ave SE Renton, WA 98059	Overa Fisheries Roger and Linda Overa Hjelle Enterprises, Inc. Mark Hjelle and Karen Clausen	American Star ADFG#06369 154 ft.	Initial permit holder (no serial no. issued) Vessel lost to fire
Pacesetter Mariner, Inc. 3762 S. 349th Pl. Auburn, WA 98001	Pamela Pope, President	Pacesetter ADFG# 21436 127 ft.	Initial permit holder (no serial no. issued) Vessel lost at sea
RSD (Ocean Cape), LLC PO Box 12946 Mill Creek, WA 98052	Robert Resoff, Inc George Steers, President Estate Trust of Robert Resoff George Steers, Co-Executor Linda Seven, Co-Executor	Ocean Cape ADFG# 29933 100 ft.	E 91QV 85017 Q Permit by transfer Initial vessel
Coastal Villages Region Fund 711 H St. #200 Anchorage, AK 99501	Coastal Villages Region Fund (CDQ) C. Morgan Crow, Agent	Arctic Sea ADFG# 33696 134 ft.	E 91QV 85010 U Permit by transfer Initial vessel

Distributed by Rep. Seaton

**State of Alaska
Commercial Fisheries Entry Commission**

Bering Sea Hair Crab Vessel Permit Holders

March 27, 2007

Vessel Permit Holder Name	Company/Contact Person	Vessel Name	Permit
North Pacific LLC 620 6th St. S Kirkland, WA 98033	AK Beauty J/V Partners North Pacific Enterprises Ocean Olympic Fisheries, Inc. Norton Sound Investment Co. LLC Russel Moore, contact person	North Pacific ADFG# 06205 97.5 ft.	E 91QV 85019 B Initial permit holder Initial vessel
Ocean Olympic LLC 620 6th St. S Kirkland, WA 98033	AK Beauty J/V Partners North Pacific Enterprises Ocean Olympic Fisheries, Inc. Norton Sound Investment Co. LLC Russel Moore, contact person	Ocean Olympic ADFG# 56111 166 ft.	E 91QV 85020 R Initial permit holder Initial vessel
Zolotoi Partnership PO Box 1064 Sitka, AK 99835	Zolotoi Management Inc Gordon Blue Orca Fisheries, Inc. Jon Jorgenson AK Offshore LLC PBS Vessel Manage - CDQ CBSFC-CDQ	Zolotoi ADFG# 40917 102 ft.	Former owner of vessel Initial Permit Holder (No serial no. issued) Initial vessel
Ocean Ventures, LLC PO Box 12946 Mill Creek, WA 98082-0946	Mike Shelford, contact person	Zolotoi ADFG# 40917 102 ft.	Current owner of vessel (No serial no. issued) Initial vessel

SB254

SL ✓

State of Alaska
Commercial Fisheries Entry Commission

Statewide Weathervane Scallop Vessel Permit Holders
December 3, 2006

Vessel Permit Owner Name	Company Owner/Contact Person	Vessel Name	Skoper
Future Fisheries Inc. 14 Hervey Tichon Ave. New Bedford, MA 02740	Nordic Fisheries Inc. Roy Enoksen, Ron Enokson O'Hara Corp Francis O'Hara, Francis O'Hara, Jr.	FV Pursult (100 ft.) ADFG Number: 40312 Vessel Permit: W 2ABV85016Z	None - non-fishing co-op member 5/9/2005 CFEC was notified that vessel was sold. Vessel permit was retained.
Ocean Fisheries LLC 7216 Interlaaken Dr. SW Lakewood, WA 98499	Stone Maritime Inc. Jim Stone (LLC Manager) Mikkelsen Fisheries Inc. Glenn Mikkelsen, Egil Mikkelsen Festus Fisheries Inc. John Lemar Stein Enterprises Stein Nyhammer	Ocean Hunter (100 ft.) ADFG Number: 40924 Vessel Permit: W 2ABV85007S	John Lemar (W 2AB27374U) 1302 Chambers St Steilacoom, WA 98388 Glenn Mikkelsen (W 2AB28558K) 2 Park Place Edmonds, WA 98028
Provider Inc. 1000 C Street Bellingham, WA 98225	Provider Inc. Mark Kandianis (President, Treasurer) John Doody (Vice-President, Secretary)	Provider (123 ft.) ADFG Number: 58200 Vessel Permit: W 2ABV85008L	Tom Minlo (W 2AB26294I) 801 King Valley Dr. Maple Falls, WA 98268
Forum Star LLC 2025 1st Ave #900 Seattle, WA 98121	Forum Star LLC Coastal Villages Pollock LLC American Seafoods LLC Bernt O. Bodal Jeffrey W. Davis	Forum Star (98 ft.) ADFG Number: 59687 Vessel Permit: W 2ABV85014O	None - non-fishing co-op member
Carolina Boy Inc. Box 600 Seaford, VA 23698 <i>Seattle WA</i>	Carolina Boy Inc. William S Wells, Jr. William S. Wells, III	Carolina Boy (95 ft.) ADFG Number: 64110 Vessel Permit: W 2ABV85013W	None - non-fishing co-op member
Thomas C. Hogan Box 1648 Homer, AK 99603	Thomas C. Hogan	Kilkenny (75 ft.) ADFG Number: 54968 Vessel Permit: W 2BBV85015J	Thomas C. Hogan (W 2BB27888I) Box 1648 Homer, AK 99603 George M. Milne (W 2BB27776Q) Box 1848 Homer, AK 99603
La Brisa Inc. Box 770881 Eagle River, AK 99577	La Brisa Inc. Max Hulse Robert Hulse	Wayward Wind (79 ft.) ADFG Number: 23574 Vessel Permit: W 2BBV85012H	Scott D. Hulse (W 2BB26790J) Box 770881 Eagle River, AK 99577
Tom Gilmartin, Jr. 46677 Lake St Kenai, AK 99611	Tom Gilmartin, Jr.	Arctic Storm (58 ft.) ADFG Number: 68700 Vessel Permit: W 2BB85018L	Tom Gilmartin, Jr. 46677 Lake St Kenai, AK 99611 (no permit for 2006)

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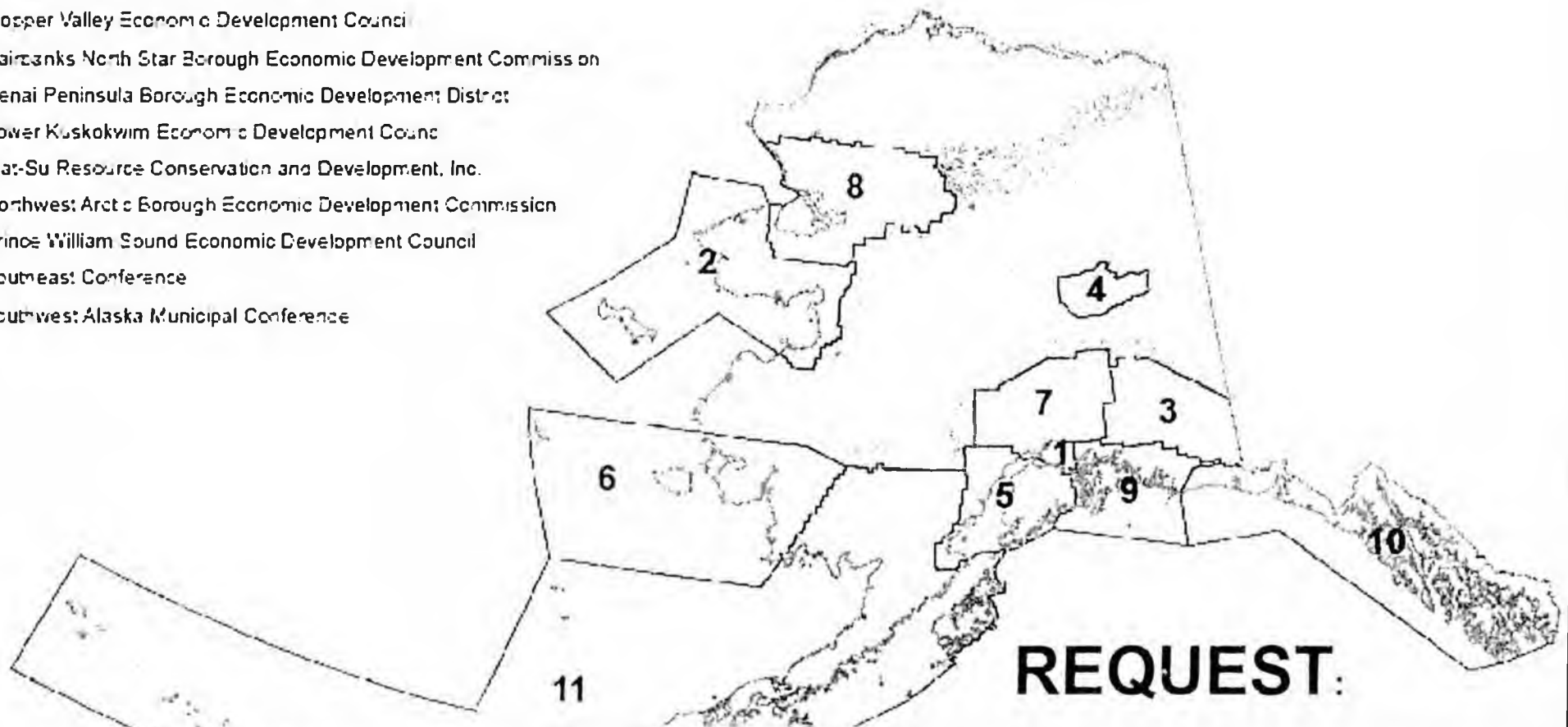
Alaska Regional Development Organizations (ARDORS)

Partners in developing our state and regional economies.

Legend

ARDORS

- 1** Anchorage Economic Development Corporation
- 2** Bering Straits Development Council
- 3** Copper Valley Economic Development Council
- 4** Fairbanks North Star Borough Economic Development Commission
- 5** Kenai Peninsula Borough Economic Development District
- 6** Lower Kuskokwim Economic Development Council
- 7** Mat-Su Resource Conservation and Development, Inc.
- 8** Northwest Arctic Borough Economic Development Commission
- 9** Prince William Sound Economic Development Council
- 10** Southeast Conference
- 11** Southwest Alaska Municipal Conference



162.5 325 650 Miles

**FIVE YEAR REAUTHORIZATION
\$53,363 / ARDOR**

ALASKA REGIONAL DEVELOPMENT ORGANIZATIONS (ARDOR)

A Network:

Regional economic development organizations

Plan and implement regional economic
development

Represent both urban and rural Alaska

Partner with State and others



ALASKA LEADERS

11 ARDORs

150 Board members

Experts in

- Health
- Transportation
- Tourism
- Chamber of Commerce
- Municipalities
- Natural resources
- Workforce development
- Education
- Fisheries
- Mining
- Native Corporations
- IRAs



ARDORs Partner to Develop Regional and State Economy

Alaska Manufacturing Extension Partnership

Denali Commission

Economic Development Administration

US Department of Agriculture

US Small Business Administration

UA Center for Economic Development

Coordinates regional efforts and

More than 500 local, regional, private,
municipal and State organizations



ARDOR Information

Established by Legislature in 1988

Organizations certified as ARDORs

11 ARDORs

Represent local and regional public & private organizations and interests

Reauthorized every three years

Funded through AIDEA Receives
\$650,000 annually

\$56,363/organization

\$30,000 /state for administration



Return on the State's Investment 8:1

State ARDOR Program Funds	\$ 650,000
Other State Funds	\$ 239,561
Total Non-State Funds	\$1,904,076
Federal Funds	\$ 904,667
Private Sector Funds	\$1,108,558
Other Non-Federal /Non State Funds	\$1,665,316
In-Kind Contributions	\$ 417,238

TOTAL ARDOR BUDGET

\$4,476,914



ARDOR REAUTHORIZATION REQUEST

Program up for Legislative reauthorization
July 1, 2008

Typical reauthorization:

- Three years
- \$650,000 (\$56,363/ARDOR, \$30,000 / State)

ARDORs and partners recommend:

- Five year reauthorization
- \$650,000 (\$56,363/ARDOR, \$30,000 / State)

ARDOR PROGRAM ACCOMPLISHMENTS

Provides training to 650 individuals statewide

- Financial literacy

- Business planning

- Marketing strategies

- Business start-up opportunity workshops

Hosts Annual Economic Development
luncheons/meetings


Works on fisheries regulatory, management, and
marketing issues – over 250 seasonal jobs created

Develop and market

- Regional tourism

- Locally created art

- Locally available natural resources



ARDOR PROGRAM ACCOMPLISHMENTS CONT.

Support and assist in promotion of:

Regional economic development projects

Natural resource products (salmon, mining, etc.)

Regional infrastructure expansion efforts (transportation, housing, etc.)

Worked with partners to develop

Community based seafood processing facilities

Multipurpose facilities

Harbor infrastructure projects

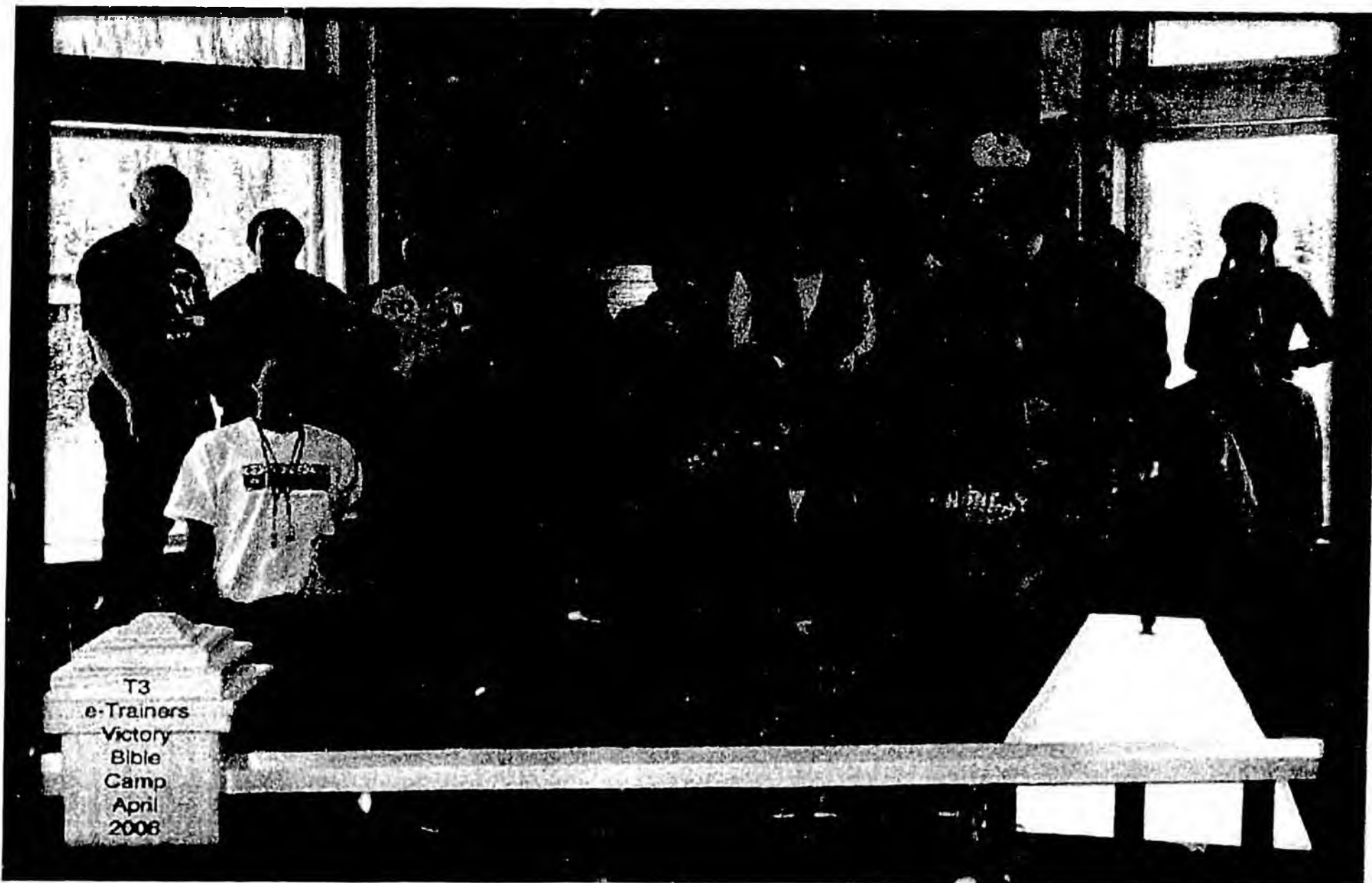
Municipal services for increased job creation

Establish E-Commerce Centers

- Developed 400 small business people



Bering Strait Development Council: E-Commerce Train the Trainer



BERING STRAIT DEVELOPMENT COUNCIL: E-Commerce Centers



Copper Valley Development Association Arts & Agricultural Fair





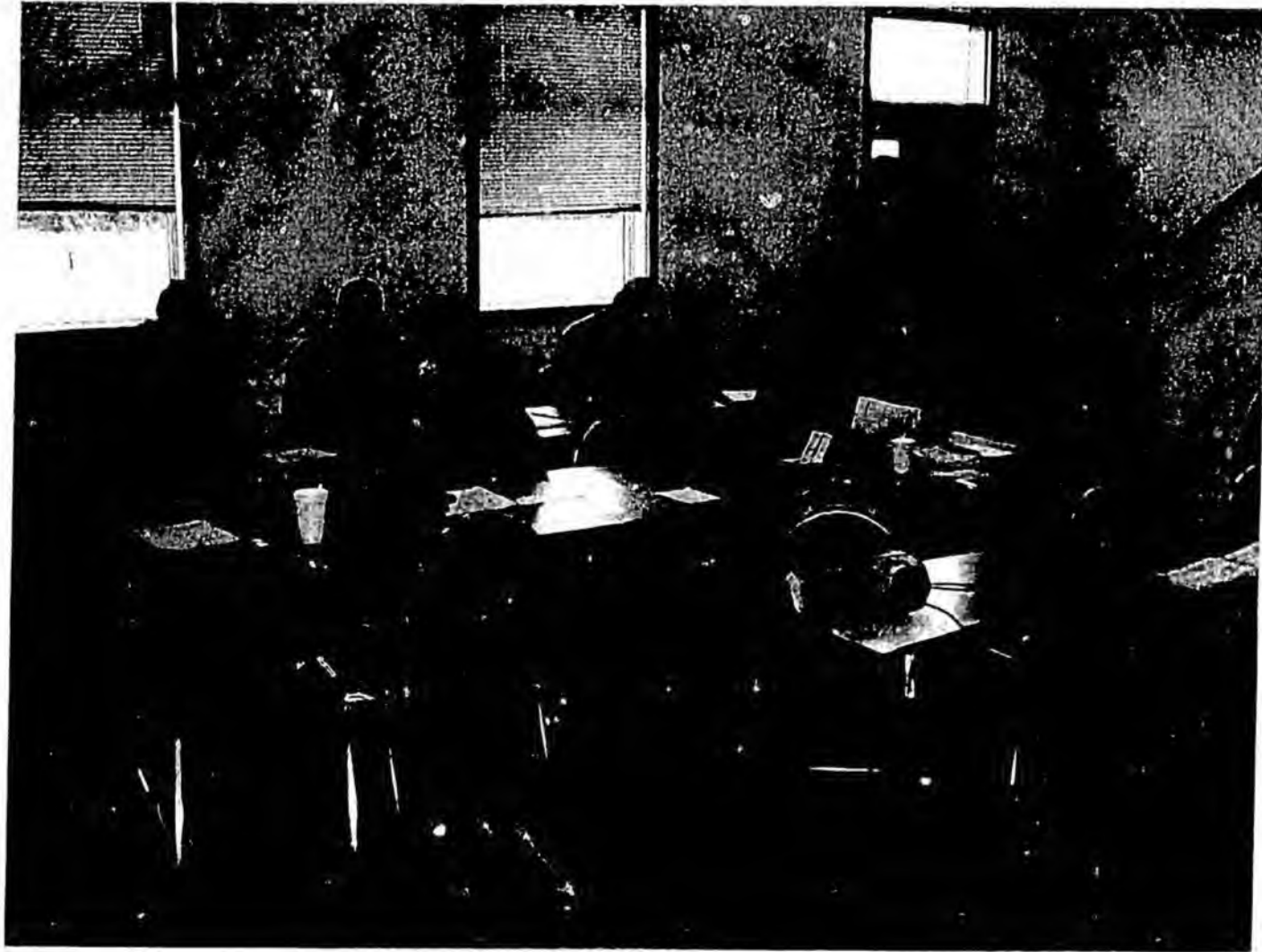
FNSB Cold Climate Housing
Research Center

Kenai Peninsula Economic Development District



Small Business Incubator created over 70 new
Alaska jobs in a year

Kenai Peninsula Economic Development District – Safety Classes



Lower Kuskokwim Economic Development Council: Planning Committee

