

ALASKA LEGISLATURE SPECIAL COMMITTEE/SUBJECT FILE 8672
2177 SCOMM 83: HOUSE SPECIAL COMM. INTL. TRADE & TOURISM, 1991-92 195

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Fiscal Note - Bill #CSHB 46 (TT) Analysis

Creation of the Alaska Aerospace Development Corporation will not entail new costs by the University of Alaska. Any costs of university participation in meetings with the corporation will be borne from existing funds.

Depending on the success of the Alaska Aerospace Development Corporation in attracting new aerospace related businesses to use the Poker Flat Research Range, the university may receive revenues to support operation of the research range in fiscal '93 and thereafter. Until the corporation is operational, however, the university has no way of knowing what those revenues may be.

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. CSHB 46

Revision Date: _____
Title: Establishing the Alaska
Aerospace Development CorporationDepartment Affected: Commerce & Economic Dev.
BRU: Alaska Aerospace Development Corporation
Component: _____Sponsor: Rep. MoyerRequestor: Rep. Moyer

COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	126.4					
TRAVEL	37.6					
CONTRACTUAL	118.0					
SUPPLIES	1.5					
EQUIPMENT	19.0					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	302.5	*	*	*	*	*

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	302.5					
FEDERAL FUNDS						
OTHER Corp. Rec.		*	*	*	*	*
TOTAL	302.5	*	*	*	*	*

POSITIONS:

FULL-TIME	2					
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.) Assumes the AADC will become effective July 1, 1991. Initial year would be funded from the general fund.

*Subsequent years will be funded from corporate receipts of the AADC revolving fund. Since this is a new organization, it is not possible to predict annual costs beyond FY 92.

Prepared By: Guy Bell, DirectorPhone: 465-2587Division: Administrative Services

Date: _____

Approved by Commissioner: Glenn A. OldsAgency: Department of Commerce & Economic Development

Date: _____

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

FISCAL NOTE - CSHB 46

ALASKA AEROSPACE DEVELOPMENT CORPORATION

<u>Personal Services:</u>		\$126.4
Executive Director (26A)	\$ 90.1	
Secretary I (10B)	\$ 36.3	
<u>Travel:</u>		\$ 37.6
Executive Director	\$ 20.0	
Board (4 meetings/year)	\$ 12.0	
Honorarium/Stipend	\$ 5.6	
<u>Contractual:</u>		\$118.0
Office Space (500 sq. ft. @ \$2.00/ft)	\$ 12.0	
Professional Services (bond counsel engineering, actuarial, etc.)	\$100.0	
Utilities (phones, other)	\$ 6.0	
<u>Supplies:</u>		\$ 1.5
Office Supplies	\$ 1.5	
<u>Equipment:</u>		\$ 19.0
Telecopier	\$ 3.0	
Computer/Word Processing	\$ 10.0	
Furniture	\$ 6.0	
 FY 92 TOTAL		 <u>\$302.5</u>

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. HB 46

Revision Date: _____ Department Affected: Administration
 Title: An act creating the Alaska Spaceport Authority BRU: Risk Management
 Component: _____
 Sponsor: Moyer, Koponen
 Requestor: Labor & Comm. & Ec. Dev. COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS. CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

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

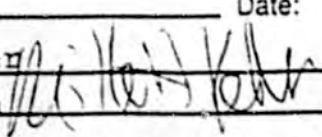
GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

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

Estimate of current year impact: Nil.

ANALYSIS: (Attach a separate page if necessary.)
See following page

Prepared By: Don Hitchcock  Phone: 465-2180
 Division: Risk Management Date: 2-27-91
 Approved by Commissioner: Millett Keller 
 Agency: Department of Administration Date: 5/1/91

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

HOUSE SPECIAL COMMITTEE ON INTERNATIONAL TRADE AND TOURISM

ALASKA STATE LEGISLATURE

P.O. BOX V, JUNEAU 99811
(907) 465-2973



MEMORANDUM

To: Members, House Special Committee
on International Trade and Tourism

Feb. 27, 1991

From: Representative Tom Moyer *TM*
Chairman

Re: Proposed CSHB46, establishing the Alaska Aerospace Development Corp.

The purpose of this memo is to provide you a general overview of this legislation, of which I am the sponsor.

Alaska has enormous but unrealized potential in a resource too often overlooked - the space above us. This bill is an attempt to take advantage of that resource and to bring to Alaska a share of the rapidly expanding commercial space industry.

Alaska is home to Poker Flat, the nation's only civilian launch facility. Because of its high latitude, Poker Flat is an optimum site to launch rockets into polar orbit. Already, Alaska has been contacted by private companies interested in launching rockets carrying communications equipment. By expanding Poker Flat's current sub-orbital capacity and perhaps developing other launch sites, Alaska could find itself at the forefront of government and private industry research into global warming, land use management and weather patterns and other commercial applications.

Proposed CSHB46 would create a public corporation, the Alaska Aerospace Development Corp., to be managed by a seven-member board of directors appointed by the governor. Affiliated with the University of Alaska, the corporation would promote space and aerospace-related economic development. The vital educational and research functions of the university would be preserved and enhanced.

The corporation would have the authority to issue bonds to improve launch facilities and receive grants or other funds. The Poker Flat range was established in 1969 and about 230 rockets and another 900 smaller weather rockets have been launched from the site.

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

P.O. Box Y, Juneau, Alaska 99811
(907) 465-3867 or 465-2450
FAX (907) 465-2029

*Deliveries to: 240 Main Street
Court Plaza, Room 500
Mail Stop 3101*

MEMORANDUM

March 6, 1991

SUBJECT: Alaska Aerospace Development Corp. (W.O. 7LS0236J)
(CSHB 46)

TO: Representative Tom Moyer
Attn: David Ramseur

FROM: Jerry Luckhaupt *JEL*
Legislative Counsel

You have asked several questions concerning the above-reference bill. In particular, you have asked what is the origin of the provisions of the bill relating to eminent domain, bonding (including the issuance of notes and freedom from execution), and sovereign immunity. You have also asked if the corporation could make a profit or, because it is a public corporation, is it limited to non-profit making activities.

EMINENT DOMAIN

The provision of the bill relating to eminent domain, AS 14.40.866(6), was taken from AS 18.55.100(a)(6). That section grants the Alaska State Housing Authority the power to use the state's eminent domain power, when it has purchased or has agreements to purchase at least 50 percent of the properties of a particular site. The 50 percent requirement is an additional impediment to the use of the eminent domain power not normally imposed on the state or its agencies. The Alaska Railroad is an example of another public corporation that has eminent domain powers but without the 50 percent requirement stated above. It does, though, have a requirement of prior approval by the governor. AS 42.40.385.

BONDING

The bonding, financing, and property provisions of the bill, AS 14.40.891-14.40.941, have also been taken from ASHA. AS 18.55.140-18.55.260 provide for the issuance of bonds and notes, that those bonds and notes are tax-exempt, and that those bonds and notes are legal investments. Other provisions provide that the property of the corporation is not subject to execution (likewise, state property is not subject to execution), AS 18.55.250, and that an obligee of the authority may bring an action for

7-LS0236J
Luckhaupt
3/11/91

CS FOR HOUSE BILL NO. 46 (ITT)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE SPECIAL COMMITTEE ON INTERNATIONAL TRADE AND TOURISM

Offered:

Referred:

Sponsor(s): REPRESENTATIVES MOYER, Koponen

A BILL

FOR AN ACT ENTITLED

1 "An Act creating the Alaska Aerospace Development Corporation; providing
2 for the lease of state land to the corporation; providing an exemption
3 from municipal sales and use taxes for space-related activities."

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

5 * Section 1. SHORT TITLE. This Act may be known as the Alaska Aerospace Development
6 Corporation Act.

7 * Sec. 2. AS 14.40 is amended by adding new sections to read:

8 ARTICLE 7. ALASKA AEROSPACE DEVELOPMENT CORPORATION.

9 Sec. 14.40.821. CREATION OF CORPORATION. The Alaska Aerospace Development
10 Corporation is created as a public corporation of the state. The corporation is a body corporate
11 and politic located for administrative purposes within the Department of Commerce and
12 Economic Development and affiliated with the University of Alaska but with a separate and
13 independent legal existence.

14 Sec. 14.40.826. BOARD OF DIRECTORS. (a) The board of directors of the corporation

CORRECTION

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

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

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an injunction to require the corporation to perform its contractual duties.
AS 18.55.210.

SOVEREIGN IMMUNITY

The sovereign immunity provision, AS 14.40.846(a), for the most part merely restates state law provided in AS 09.50. The corporation, as a public corporation of the state, would appear to be clothed with the sovereign immunity of the state except as waived by AS 09.50, hence the language of AS 14.40.846(a). AS 14.40.846(b) provides that the corporation may retain actuarial experts to explore potential danger posed by the corporation's activities, presumably so they can be assessed and restricted if found to be too dangerous. AS 14.40.846(c) provides that the corporation shall secure insurance for its activities, to the extent the insurance is available. This provision could be modified to provide that insurance must be obtained to the extent available "and found to be economically feasible." AS 14.40.846(d) waives the corporation's sovereign immunity in those situations where the corporation has been able to and has obtained insurance. This provision is different from existing state law and could be removed to provide uniformity with AS 09.50. AS 14.40.846(e) provides for the establishment of a safety program.

The Florida Spaceport Act also contains a sovereign immunity provision. Fla. Stat. 331.328

PROFIT

I have not discovered any authority that would preclude the corporation from returning a profit to the state. If there was enough demand for its services and facilities the corporation could charge sufficient fees and rents to sufficiently meet its obligations and to return a surplus to the state. Nothing I am aware of in statute would prevent this from occurring. Nonetheless, the reality of the situation is that a great initial capital outlay may be required and without adequate demand and resulting fees, the corporation may not reach a positive cash flow. By virtue of its public corporation status, though, it is not prevented from returning a surplus to the state.

GPL:pi
91-131.plm

7-LS0236J
Luckhaupt
3/11/91

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SEVENTEENTH LEGISLATURE - FIRST SESSION

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9 Sec. 14.40.821. CREATION OF CORPORATION. The Alaska Aerospace Development
10 Corporation is created as a public corporation of the state. The corporation is a body corporate
11 and politic located for administrative purposes within the Department of Commerce and
12 Economic Development and affiliated with the University of Alaska but with a separate and
13 independent legal existence.

14 Sec. 14.40.826. BOARD OF DIRECTORS. (a) The board of directors of the corporation

1 consists of nine members appointed by the governor as follows:

2 (1) one member of the Board of Regents of the University of Alaska;

3 (2) the president or the designee of the president of the University of Alaska;

4 (3) the director of the Geophysical Institute of the University of Alaska;

5 (4) the executive director of the Alaska Science and Technology Foundation;

6 (5) the commissioner of commerce and economic development or the
7 commissioner's designee;

8 (6) an expert with experience and understanding of the aerospace or commercial
9 space industry;

10 (7) one faculty member of the University of Alaska with research interests
11 involving rockets or satellites

12 (8) two public members.

13 (b) The members of the corporation described in (a)(6) and (8) of this section may be
14 nonresidents of the state. The term of the members described in (a)(1), (6), and (8) of this
15 section is four years and those terms shall be staggered.

16 (c) Members of the corporation described in (a)(6) and (8) of this section receive \$100
17 compensation for each day spent on official business of the corporation.

18 (d) Members of the corporation are entitled to per diem and travel expenses authorized
19 under AS 39.20.180.

20 Sec. 14.40.831. CHAIR AND VICE-CHAIR. The president of the University of Alaska
21 or the designee of the president shall be the chair of the corporation. The commissioner of
22 commerce and economic development or the designee of the commissioner shall be vice-chair
23 of the corporation. The vice-chair presides over all meetings in the absence of the chair and has
24 other duties the corporation may direct.

25 Sec. 14.40.836. MEETINGS; STAFF. (a) A majority of the members of the corporation
26 constitutes a quorum for the transaction of business or the exercise of a power or function at a
27 meeting of the corporation. The corporation shall meet at least every three months. The
28 corporation may meet and transact business by electronic media if (1) public notice of the time
29 and locations where the meeting will be held by electronic media has been given in the same
30 manner as if the meeting were held in a single location; (2) participants and members of the
31 public in attendance can hear and have the same right to participate in the meeting as if the

1 meeting were conducted in person; and (3) copies of pertinent reference materials, statutes,
2 regulations, and audio-visual materials are reasonably available to participants and the public.
3 A meeting by electronic media as provided in this subsection has the same legal effect as a
4 meeting in person.

5 (b) The corporation may employ persons as staff it considers advisable, including an
6 executive director, and may employ professional advisors, technical experts, agents, and other
7 employees it considers advisable. The executive director and employees of the corporation are
8 in the exempt service under AS 39.25.

9 (c) The corporation may retain legal counsel.

10 (d) The corporation shall keep minutes of each meeting and send a certified copy of the
11 minutes to the governor and to the Legislative Budget and Audit Committee.

12 Sec. 14.40.841. ALASKA AEROSPACE DEVELOPMENT CORPORATION
13 REVOLVING FUND. The Alaska Aerospace Development Corporation revolving fund is
14 established in the corporation. The revolving fund consists of appropriations made to the
15 revolving fund by the legislature, and rents, fees, or other money or assets transferred to the
16 revolving fund by the corporation. Amounts deposited in the revolving fund may be pledged to
17 the payment of bonds of the corporation or expended for the purposes of the corporation under
18 this chapter.

19 Sec. 14.40.846. SOVEREIGN IMMUNITY; INSURANCE COVERAGE; SAFETY
20 PROGRAM. (a) Notwithstanding any other provision of law, the corporation retains the
21 sovereign immunity of the state and that immunity is waived only as provided in AS 09.50 and
22 (d) of this section.

23 (b) The corporation may engage actuarial experts and shall develop probability models
24 to indicate the degree of potential harm to the public and private enterprise from the corporation's
25 activities.

26 (c) The corporation shall, to the extent available, secure insurance coverage within
27 reasonable limits for liability that may arise as a consequence of its activities and to insure its
28 buildings, structures, and other facilities against loss.

29 (d) To the extent the corporation is able to obtain insurance coverage, the sovereign
30 immunity of the state is waived to the extent of the insurance coverage.

31 (e) The corporation shall establish a safety program that includes

(1) the development and implementation of a loss prevention program consisting of a comprehensive corporation wide safety program, including a statement by the board, of safety policy and responsibility and regulations implementing it;

(2) provision for regular and periodic facility and equipment inspections;

(3) investigation of job-related accidents and other accidents occurring on the premises of the corporation or within areas of its jurisdiction;

(4) establishment of a program to promote increased safety awareness among employees, agents, and subcontractors of the corporation;

(5) study of safety operations at other space-related facilities in the United States.

Sec. 14.40.851. SPACE ACTIVITIES LOCATION. The Poker Flat Research Range constitutes the location and launch site for the corporation. Other sites may be developed and utilized if determined by the board to be necessary.

Sec. 14.40.856. FEDERAL AIR SPACE NOTIFICATION. In coordination with the Department of Transportation and Public Facilities, the corporation shall develop and file the federal air space notification required for air space use. To the extent that notification of air space use has already been filed by the University of Alaska, that filing shall, if possible under federal law, be amended to include the corporation.

Sec. 14.40.861. PURPOSE OF THE CORPORATION. The purpose of the corporation is to allow the state to take a lead role in the exploration and development of space, to enhance human and economic development, and to provide a unified direction

(1) for space-related economic growth thereby ensuring a stable and dynamic research and business climate by attracting space-related businesses to locate within and utilize the opportunities provided in the state;

(2) for space-related educational and research development by encouraging and assisting the University of Alaska in developing space-related programs, research, and courses of instruction and to assist the University of Alaska as a member of the Space Grant State Consortia under 42 U.S.C. 2486 (National Space Grant College and Fellowship Program);

(3) to promote the continued utilization of the Poker Flat Research Range as a launch site for launch vehicles and for scientific research both from ground based and rocket or balloon based instrumentation;

(4) to recognize the importance and benefits of and to promote and encourage the

1 continued utilization of Poker Flat Research Range for the University of Alaska's polar research
2 efforts;

3 (5) for promotion of space-related tourism activities at Poker Flat Research Range
4 and other space-related facilities or centers that may be utilized or established by the corporation;
5 and

6 (6) for development of a state strategy for and to implement the acceleration of
7 space-related economic growth and educational and research development in the state by the use
8 of innovative development methods designed to stimulate space-related business and educational
9 and research development and improve the entrepreneurial atmosphere in the state.

10 Sec. 14.40.866. POWERS AND DUTIES OF THE CORPORATION. (a) In furtherance
11 of its corporate purposes, the corporation has the following powers in addition to its other
12 powers:

13 (1) to sue and be sued;

14 (2) to adopt a seal;

15 (3) to have perpetual succession;

16 (4) to adopt, amend, and repeal bylaws and regulations;

17 (5) to make and execute contracts and other instruments;

18 (6) in its own name to acquire property, lease, rent, convey, or acquire by eminent
19 domain under AS 09.55.240 - 09.55.460, or otherwise, real and personal property; provided that
20 a project site or part of a project site may not be acquired by eminent domain until the
21 corporation has secured, through negotiation, options for the purchase of at least 50 percent of
22 the properties included in the site; in an eminent domain proceeding, the court may, upon motion
23 and after a hearing, fix the time when and the terms upon which the parties in possession are
24 required to surrender possession to the corporation; the Poker Flat Research Range may not be
25 acquired by eminent domain;

26 (7) to issue bonds and otherwise to incur indebtedness, in accordance with
27 AS 14.40.891, in order to pay the cost of a project or projects to construct or improve launch
28 facilities or other space and aerospace projects or in order to provide money for the corporation's
29 purposes under this chapter; the corporation may also secure payment of the bonds or other
30 indebtedness as provided in this chapter;

31 (8) to accept gifts, grants, or loans from, and enter into contracts or other

1 transactions regarding them with, a federal agency or an agency or instrumentality of the state,
2 a municipality, private organization, or other source;

3 (9) to enter into contracts or agreements with a federal agency, agency or
4 instrumentality of the state, municipality, or public or private individual or entity, with respect
5 to the exercise of its powers, and do all things necessary or convenient to carry out its corporate
6 purposes and exercise the powers granted in this chapter;

7 (10) to own, acquire, construct, develop, create, reconstruct, equip, operate,
8 maintain, extend, and improve launch sites, launch pads, landing areas, ranges, payload facilities,
9 laboratories, space business incubators, facilities for the construction of rockets and other launch
10 vehicles, and other space facilities and space-related systems, including educational, cultural,
11 tourism, and parking facilities, and space-related initiatives;

12 (11) to undertake a program of advertising to the public and space-related
13 businesses promoting the space-related projects of the corporation and space-related businesses;

14 (12) to construct, improve, and operate by itself or in cooperation with the
15 University of Alaska or the Department of Transportation and Public Facilities transportation
16 facilities appropriate to meet the transportation requirements of a facility operated by the
17 corporation;

18 (13) to construct, improve, and operate water, sewage, and utility service to a
19 facility operated by the corporation;

20 (14) to construct, provide, or improve public safety facilities for a facility operated
21 by the corporation;

22 (15) to charge fees, rents, or other charges for the use of a facility or structure
23 developed or operated by the corporation;

24 (16) to pledge rents, fees, charges, or other revenue from the use of its services
25 or facilities as security for bonds of the corporation;

26 (17) to undertake to finance or develop a space-related project with any agency
27 or authority of the state, its political subdivisions, agencies or authorities of other states, the
28 federal government, foreign governments, or private entities;

29 (18) to apply to the federal government for a grant allowing the designation of
30 corporation territory as a foreign trade zone under AS 45.77.010;

31 (19) to negotiate agreements for the recovery of a space vehicle, rocket, missile,

1 payload, booster, scientific experiments or other space-related material, debris, or parts with any
2 person or entity, including but not limited to adjacent landowners;

3 (20) to lease the Poker Flat Research Range or portions of it from the University
4 of Alaska and to lease to the University space-related facilities that the corporation may construct
5 or acquire.

6 (b) The corporation shall

7 (1) prepare an annual report of operations to include a balance sheet, an income
8 statement, a statement of changes in financial position, a reconciliation of changes in equity
9 accounts, a summary of significant accounting principles, an auditor's report, comments regarding
10 the year's business, and prospects from the next year; the report shall be provided by the third
11 day of each regular session of the legislature to the governor, the presiding officers of each house
12 of the legislature, the University of Alaska, and the Legislative Budget and Audit Committee;

13 (2) establish a personnel management system for hiring employees and setting
14 employee-benefit packages;

15 (3) establish procedures, rules, and rates governing per diem and travel expenses
16 of the employees of the corporation in substantial conformity to statutes, procedures, rules, and
17 rates governing state employees.

18 Sec. 14.40.871. REGULATIONS. (a) The corporation shall adopt regulations to carry
19 out the purposes of this chapter.

20 (b) Except for AS 44.62.310 and 44.62.312 regarding public meetings, the provisions of
21 AS 44.62 (Administrative Procedure Act) regarding the adoption of regulations do not apply to
22 the corporation. The corporation shall make available to members of the public copies of the
23 regulations adopted under this section. Within 45 days after adoption of a regulation under this
24 section, the chair of the corporation shall submit the regulation adopted to the chair of the
25 Administrative Regulation Review Committee under AS 24.20.400 - 24.20.460.

26 (c) The corporation may adopt regulations by motion or by resolution or in another
27 manner permitted by its bylaws.

28 (d) Except as provided in (e) of this section, at least 15 days before the adoption of a
29 regulation, the corporation shall give public notice of the proposed action by publishing the notice
30 in at least three newspapers of general circulation in the state and by mailing a copy of the notice
31 to every person who has filed a request for notice of proposed regulations with the corporation.

1 The public notice must include a statement of the time, place, and nature of the proceedings for
2 the adoption of the regulation and must include an informative summary of the subject of the
3 proposed action. On the date and at the time and place designated in the notice, the corporation
4 shall give each interested person or an authorized representative of the person, or both, the
5 opportunity to present statements, arguments, or contentions orally or in writing and shall give
6 members of the public an opportunity to present oral statements, arguments, or contentions for
7 a total period of at least one hour. The corporation shall consider all relevant matter presented
8 to it before taking the proposed action on the regulation. At a hearing under this subsection, the
9 corporation may continue or postpone the hearing to a time and place determined by the
10 corporation and announced at the hearing before taking the action to continue or postpone the
11 hearing. A regulation adopted by the corporation may vary from the informative summary
12 specified in this subsection if the subject matter of the action taken on the regulation remains the
13 same and if the original notice of the proposed action was written so as to assure that members
14 of the public are reasonably notified of the subject matter of the proposed action in order for
15 them to determine whether their interests could be affected by the corporation's proposed action
16 on that subject.

17 (e) The adoption of a regulation may be made as an emergency regulation if, in the order
18 of adoption, the corporation states the facts constituting the emergency and makes a finding that
19 the adoption of the regulation is necessary for the immediate preservation of the orderly operation
20 of the corporation's programs. The requirements of (d) of this section do not apply to the initial
21 adoption of an emergency regulation; however, upon adoption of an emergency regulation under
22 this subsection, the corporation shall, within 10 days after that adoption, publish notice of the
23 adoption in accordance with the notice procedures specified in (d) of this section. An emergency
24 regulation adopted under this subsection may not remain in effect for more than 120 days unless,
25 before the expiration of that period, the corporation adopts that regulation as a permanent
26 regulation in accordance with the procedures specified in (d) of this section.

27 (f) A regulation adopted under this section takes effect immediately upon its adoption
28 by the corporation or at another time specified by the corporation in its order of adoption.

29 Sec. 14.40.876. EXERCISE BY CORPORATION OF POWERS WITHIN
30 MUNICIPALITIES. The corporation may exercise any of its powers in all portions of a space-
31 related facility or territory lying within the boundaries of a municipality to the same extent and

1 in the same manner as in areas of the space-related facility or territory not within the boundaries
2 of a municipality.

3 Sec. 14.40.881. TRADE SECRETS CONFIDENTIAL. The corporation shall maintain
4 the confidentiality of a trade secret, or other proprietary technical information, supplied by a
5 public or private person or entity or other proprietary information for purposes related to this
6 chapter unless the owner of the trade secret authorizes its release or a court orders its release.
7 Information covered by this section is not a public record for purposes of AS 09.25.110 -
8 09.25.140. The corporation shall adopt regulations implementing this section.

9 Sec. 14.40.886. APPROVAL OF PROJECTS BY LEGISLATURE. Notwithstanding any
10 other provision of this chapter, a proposed building project shall be submitted by the corporation
11 to the legislature for review at a regular session of the legislature. If the proposed project is
12 submitted before the 75th day of a regular session, the corporation may proceed with the
13 proposed project if it is not disapproved by law at that session. If the proposed project is
14 submitted after the 75th day of a regular session or in the interim between regular sessions, the
15 corporation may proceed with the project if it is not disapproved by law at the next regular
16 session. A proposed project is considered submitted under this section upon written notification
17 of the proposed project to the presiding officers of each house of the legislature and the
18 Legislative Budget and Audit Committee.

19 Sec. 14.40.891. ISSUANCE OF BONDS, NOTES, AND REFUNDING BONDS. The
20 corporation may issue bonds and notes from time to time in its discretion for any of its corporate
21 purposes and may issue refunding bonds for the purpose of paying or retiring bonds previously
22 issued by it.

23 Sec. 14.40.896. SECURITY FOR BONDS. The corporation may issue bonds including
24 but not limited to bonds on which the principal and interest are payable (1) exclusively from the
25 income and revenue of the space-related project financed with the proceeds of the bonds, (2)
26 exclusively from the income and revenue of designated space-related projects whether or not they
27 are financed in whole or in part with the proceeds of the bonds, (3) from its revenue generally,
28 or (4) exclusively from rents, fees, charges, or other revenue collected or received by the
29 corporation. Bonds may be additionally secured by a pledge of a grant or contribution from the
30 federal government or from another source, or by a pledge of income or revenue of the
31 corporation, or by a mortgage of a space-related project or other property of the corporation.

1 Sec. 14.40.899. LIMITATION OF LIABILITY ON BONDS. The members of the
2 corporation and a person executing the bonds are not liable personally on the bonds by reason
3 of their issuance. The bonds of the corporation are not a debt of the state or a political or
4 municipal corporation or other subdivision of the state, including the University of Alaska, and
5 each bond must so state on its face. Neither the state nor a political or municipal corporation
6 or other subdivision of the state, including the University of Alaska, other than the corporation
7 is liable on the bonds, nor are the bonds payable out of funds or properties other than those of
8 the corporation. The corporation may not pledge the faith of the people of the state for a loan
9 or obligation. Bonds of the corporation are not a debt, indebtedness, or the borrowing of money
10 within the meaning of a limitation or restriction on the issuance of bonds contained in the
11 constitution or laws of the state.

12 Sec. 14.40.902. ISSUANCE AND SALE OF BONDS AND NOTES. Bonds and notes
13 of the corporation are authorized by adoption of a resolution prescribing the date of issuance and
14 maturity, interest rate, denomination, form, conversion privilege, rank or priority, execution, terms
15 of redemption, medium, and place of payment. Bonds and notes may be sold in the manner, on
16 the terms, and at the price the corporation determines. Each bond and note is negotiable. The
17 signature of a member or an officer upon a bond or note or coupon is not invalidated by that
18 person's ceasing to hold office before the delivery of the bond or note. The recitation of a bond
19 or note that it has been issued in the financing of a space-related project or purpose under this
20 chapter is conclusive as to the issuance of the bond or note and the character of the project in
21 a challenge of the validity of the bond or note or the security for it.

22 Sec. 14.40.906. BONDS EXEMPT FROM TAXES. Bonds and other obligations of the
23 corporation are issued for an essential public and governmental purpose and are public
24 instrumentalities and, together with interest on them and income from them, are exempt from
25 taxes.

26 Sec. 14.40.908. INDEPENDENT FINANCIAL ADVISOR. In negotiating the private
27 sale of bonds or bond anticipation notes to an underwriter, the corporation shall retain a financial
28 advisor who is independent from the underwriter. The financial advisor may not bid on the
29 bonds or notes if offered at public sale or negotiate for their purchase if sold at private sale.

30 Sec. 14.40.912. ADDITIONAL POWERS TO SECURE BONDS OR OBLIGATIONS
31 UNDER LEASES. In connection with the issuance of bonds or the incurring of obligations

1 under leases and in order to secure the payment of bonds or lease obligations, the corporation,
2 in addition to its other powers, may

3 (1) pledge all or a part of its gross or net rents, fees, or revenues to which its
4 right exists or may exist;

5 (2) mortgage or encumber all or a part of its real or personal property, owned or
6 later acquired;

7 (3) covenant against pledging all or a part of its rents, fees, and revenue, or
8 against mortgaging all or a part of its real or personal property, to which its right or title exists
9 or may come into existence or against permitting or suffering any lien on the revenues or
10 property;

11 (4) covenant with respect to limitations on its right to sell, lease, or otherwise
12 dispose of a space-related project or a part of a space-related project;

13 (5) covenant as to what other, or additional debts or obligations may be incurred
14 by it;

15 (6) covenant as to the bonds to be issued and as to the issuance of the bonds in
16 escrow or otherwise, and as to the use and disposition of the proceeds of bonds;

17 (7) provide for the replacement of lost, destroyed, or mutilated bonds;

18 (8) covenant against extending the time for the payment of its bonds or interest
19 on the bonds;

20 (9) redeem the bonds, and covenant for their redemption and to provide the terms
21 and conditions of redemption;

22 (10) covenant as to the rents and fees to be charged in the operation of a space-
23 related project, the amount to be raised each year or other period of time by rents, fees, and other
24 revenue, and as to the use and disposition of this revenue;

25 (11) create or authorize the creation of special funds for money held for
26 construction or operating costs, debt service, reserves, or other purposes, and covenant as to the
27 use and disposition of this money;

28 (12) prescribe the procedure by which the terms of a contract with bondholders
29 may be amended or abrogated, the amount of bonds the holders of which must consent thereto
30 and the manner in which the consent may be given;

31 (13) covenant as to the rights, liabilities, powers, and duties arising upon the

1 breach by it of a covenant, condition, or obligation, and covenant and prescribe as to events of
2 default and terms and conditions upon which any or all of its bonds or obligations shall become
3 or may be declared due before maturity, and covenant as to the terms and conditions upon which
4 this declaration and its consequences may be waived;

5 (14) vest in a trustee or trustees or the holders of bonds or a specified proportion
6 of them, the right to enforce the payment of the bonds or covenants securing or relating to the
7 bonds;

8 (15) vest in one or more trustees the right, in the event of a default by the
9 corporation, to take possession of a space-related project or a part of the project, and so long as
10 the corporation continues in default to retain possession and to use, operate, and manage the
11 project, and to collect the rent and revenue from the project, and to dispose of the money
12 according to the agreement between the corporation and the trustees;

13 (16) provide for the powers and duties of the trustees, and limit the liability of
14 the trustees; and

15 (17) provide the terms and conditions upon which the trustee or trustees or the
16 holders of bonds, or portions of bonds, may enforce a covenant or right securing or relating to
17 the bonds.

18 Sec. 14.40.916. RIGHT OF OBLIGEE OF CORPORATION TO BRING INJUNCTION.

19 An obligee of the corporation may, in addition to all other rights that may be conferred and
20 subject only to contractual restriction binding upon the obligee, seek an injunction or an action
21 in nature of an action for mandamus against the members, the corporation, its officers, agents,
22 or employees.

23 Sec. 14.40.921. POWER OF CORPORATION TO CONFER UPON OBLIGEE RIGHT
24 TO BRING ACTION OR PROCEEDING. The corporation may by resolution, trust indenture,
25 mortgage, lease, or other contract confer upon an obligee holding or representing a specified
26 amount in bonds, or holding a lease, the right upon a default as defined in the resolution or
27 instrument by suit, action or proceeding

28 (1) to have possession of a space-related project or part of one surrendered to the
29 obligee, with possession retained by the obligee as long as the corporation continues in default;

30 (2) to obtain the appointment of a receiver of a space-related project or part of
31 one and its rents and profits, who may enter, take possession, and for the duration of the default

1 operate and maintain it, collect and receive all fees, rents, revenues, or other charges thereafter
2 arising, and keep the money in a separate account or accounts to be applied in accordance with
3 the obligations of the corporation as the court directs;

4 (3) to require the corporation and its members to account as if they were the
5 trustees of an express trust.

6 Sec. 14.40.926. EXEMPTION OF REAL PROPERTY OF CORPORATION FROM
7 EXECUTION OR OTHER PROCESS. All real property of the corporation is exempt from levy
8 and sale by execution, and an execution or other judicial process may not issue against it. A
9 judgment against the corporation may not be a charge or lien upon its real property. However,
10 this section does not limit the right of an obligee to foreclose or otherwise enforce a mortgage
11 of the corporation or to pursue any remedy for the enforcement of a pledge or lien given by the
12 corporation on its rents, fees, or revenues.

13 Sec. 14.40.931. POWER OF CORPORATION TO OBTAIN FEDERAL AID AND
14 COOPERATION. The corporation may borrow, accept contributions, grants, or other financial
15 assistance from the federal government in aid of a space-related project and for this purpose may
16 comply with conditions and enter into the mortgages, trust indentures, leases, or agreements that
17 are necessary, convenient, or desirable in order to obtain financial aid or cooperation from the
18 federal government in the undertaking, construction, maintenance, or operation of a space-related
19 project.

20 Sec. 14.40.936. EXEMPTION FROM TAXES AND ASSESSMENTS. The property of
21 the corporation is public property used for essential public and governmental purposes and this
22 property and the corporation are exempt from all taxes and special assessments of a municipality,
23 the state, or a political subdivision of the state. However, instead of taxes, the corporation may
24 make payments to the municipality or political subdivision for improvements, services, and
25 facilities furnished by it for the benefit of a space-related project.

26 Sec. 14.40.941. DISPOSAL OF SURPLUS PROPERTY. (a) The corporation may
27 convey real or personal property that it determines is in excess of its needs. Except as provided
28 in (b) of this section, the sale shall be by public auction or by sealed bids. Public notice shall
29 be given by publishing notice of the sale at least once a week for two consecutive weeks in a
30 newspaper of general circulation within the area in which the property to be sold is located and
31 by posting notice of sale in at least two public places in the area. In no event may the auction

1 be held less than 30 days after the last day of publication. If an acceptable bid is not received,
2 the corporation may sell the property at negotiated sale within six months after the date of the
3 auction. A negotiated sale may not be made on an appraisal made more than nine months before
4 the date of sale. The price at a negotiated sale may not be less than the appraised value.

5 (b) Real or personal property of the corporation may be conveyed to a state or federal
6 agency or political subdivision or the University of Alaska for less than the appraised value
7 without competitive bidding, upon a determination by the board that the terms are fair and proper
8 and in the best interests of the state. The board shall consider both the nature of the agency's
9 or political subdivision's public services or functions and the terms under which the property was
10 acquired by the corporation.

11 Sec. 14.40.946. PUBLIC LOANS OR DONATIONS TO OR COOPERATION WITH
12 CORPORATION. (a) A public body or agency of the state may

- 13 (1) lend or donate money or property to the corporation;
14 (2) cooperate with it in the planning, construction, or operation of a project;
15 (3) transfer to it an interest in property, grant an easement, undertake otherwise
16 authorized construction of facilities adjacent to a project;
17 (4) furnish or improve otherwise authorized roads, streets, alleys, and sidewalks;
18 (5) contract to exercise its powers relating to repair, elimination, or closing of
19 unsafe, insanitary, or unfit dwellings;
20 (6) purchase bonds of the corporation;
21 (7) incur the entire expense of improvements made under this chapter;
22 (8) agree with the corporation that a certain sum or that no sum shall be paid by
23 the corporation to it instead of taxes;
24 (9) enter into agreements respecting exercise of the powers granted in this chapter
25 that shall be approved and executed by the public body or municipality in or adjacent to the
26 project before the project may be constructed; and
27 (10) in general do all things necessary or convenient to cooperate in the planning,
28 construction, or operation of a project.

29 (b) Except as required under AS 44.62.310 and 44.62.312, a sale, conveyance, lease, or
30 agreement under this section may be made without appraisal, public notice or advertisement, or
31 bidding. A public body may exercise the powers granted in this section by resolution or

1 ordinance by a majority of the members of the governing body present at the meeting at which
2 it is introduced, and the resolution or ordinance takes effect immediately without publishing or
3 posting.

4 Sec. 14.40.951. RESERVE FUND. (a) The corporation shall establish and maintain a
5 special fund called the Alaska Aerospace Development Corporation reserve fund in which there
6 shall be deposited or transferred

7 (1) all money appropriated by the legislature for the purpose of the fund in
8 accordance with the provisions of (g) of this section;

9 (2) all proceeds of bonds required to be deposited in the fund by terms of a
10 contract between the corporation and its bondholders or a resolution of the corporation with
11 respect to the proceeds of bonds;

12 (3) all other money appropriated by the legislature to the reserve fund; and

13 (4) any other money or funds of the corporation that it decides to deposit in the
14 fund.

15 (b) Subject to the provisions of (h) of this section, money in the reserve fund shall be
16 held and applied solely to the payment of the interest on and principal of bonds of the
17 corporation as the interest and principal become due and payable and for the retirement of bonds;
18 and the money may not be withdrawn if a withdrawal would reduce the amount in the reserve
19 fund to an amount less than the required debt service reserve except for payment of interest then
20 due and payable on bonds and the principal of bonds then maturing and payable and for the
21 retirement of bonds in accordance with the terms of a contract between the corporation and its
22 bondholders and for which payments of other money of the corporation is not then available. In
23 this subsection, "required debt service reserve" means, as of the date of computation, the amount
24 required to be on deposit in the reserve fund as provided by resolution of the corporation.

25 (c) Money in the reserve fund in excess of the required debt service reserve as defined
26 in (b) of this section, whether by reason of investment or otherwise, may be withdrawn at any
27 time by the corporation and transferred to another fund or account of the corporation subject to
28 the provision of (h) of this section.

29 (d) Money in the reserve fund may be invested in the same manner and on the same
30 conditions as permitted for investment of funds belonging to the state or held in the treasury
31 under AS 37.10.070; however, the corporation may agree with the bondholders to further limit

1 these investments.

2 (e) For purposes of valuation, investments in the reserve fund shall be valued at par or
3 if purchased at less than par, at cost unless otherwise provided by resolution of the corporation.
4 Valuation on a particular date shall include the amount of interest then earned or accrued to that
5 date on the money or investments in the reserve fund.

6 (f) Notwithstanding any other provision of this chapter, bonds may not be issued by the
7 corporation unless there is in the reserve fund the required debt service reserve for all bonds then
8 issued and outstanding and for the bonds to be issued; however, the corporation may satisfy this
9 requirement by depositing as much of the proceeds of the bonds to be issued, upon their issuance,
10 as is needed to meet the required debt service reserve. The corporation may at any time issue
11 its bonds or notes for the purpose of increasing the amount in the reserve fund to the required
12 debt service reserve, or to meet whatever higher or additional reserve that may be fixed by the
13 corporation with respect to the fund.

14 (g) In order to assure the maintenance of the required debt service reserve in the reserve
15 fund, the legislature may appropriate annually to the corporation for deposit in the fund the sum,
16 certified by the chair of the corporation to the governor and to the legislature, that is necessary
17 to restore the fund to an amount equal to the required debt service reserve. The chair annually,
18 before January 30, shall make and deliver to the governor and to the legislature a certificate
19 stating the sum required to restore the fund to that amount, and the certified sum may be
20 appropriated and paid to the corporation during the then current state fiscal year. Nothing in this
21 subsection creates a debt or liability of the state.

22 (h) All amounts received on account of money appropriated to the reserve fund referred
23 to in (a)(3) of this section shall be held and applied in accordance with (b) of this section;
24 however, at the end of each fiscal year, if the amount in the reserve fund is in excess of the
25 required debt service reserve, any amount representing earnings or income received on account
26 of money appropriated to the reserve fund that exceeds the operating expenses of the corporation
27 for that fiscal year shall be transferred to the general fund of the state.

28 (i) All references to the reserve fund in this section include special accounts within the
29 reserve fund that may be created by the corporation to secure the payment of particular bonds.
30 The commissioner of revenue may lend surplus money in the general fund to the corporation for
31 deposit to any account in the reserve fund in an amount equal to the required debt service

1 reserve. The loans shall be made on the terms and conditions that may be agreed upon by the
2 commissioner of revenue and the corporation, including, without limitation, terms and conditions
3 providing that the loans need not be repaid until the obligations of the corporation secured and
4 to be secured by the account in the reserve fund are no longer outstanding.

5 Sec. 14.40.956. COOPERATION WITH OTHER AUTHORITIES. In issuing a bond,
6 the corporation may request the assistance of and work with the Alaska Industrial Development
7 and Export Authority and the Alaska Municipal Bond Bank Authority. The Alaska Industrial
8 Development and Export Authority may invest in and issue bonds for space-related projects of
9 the Alaska Aerospace Development Corporation. The Alaska Industrial Development and Export
10 Authority and the Alaska Municipal Bond Bank Authority may purchase and market bonds of
11 the Alaska Aerospace Development Corporation.

12 Sec. 14.40.961. INVESTMENT OF REVENUE. The revenue and receipts of the
13 corporation, to the extent they are not needed to pay bonds or other obligations of the corporation
14 shall be invested by the commissioner of revenue in cooperation with the corporation.

15 Sec. 14.40.966. LEGALITY OF CORPORATION BONDS AS INVESTMENTS. Bonds
16 of the corporation are legal and proper investments and security for public and private banking,
17 insurance, and trust funds.

18 Sec. 14.40.990. DEFINITIONS. In AS 14.40.821 - 14.40.990,

19 (1) "board" means the board of directors of the Alaska Aerospace Development
20 Corporation;

21 (2) "corporation" means the Alaska Aerospace Development Corporation;

22 (3) "landing site" means a site or facility designed, intended, or used for the
23 landing or recovery of space vehicles, aircraft, or balloons;

24 (4) "launch site" means a site or facility designed, intended, or used for the
25 launching of space vehicles, sounding rockets, aircraft, or balloons;

26 (5) "payload" means property or cargo, including people or animals, to be
27 transported aboard a vehicle launched by the corporation;

28 (6) "recovery" means the retrieval and recovery of space vehicles, payloads, and
29 parts that have been launched from the corporation's facilities;

30 (7) "space vehicle" means a rocket, missile, booster, or other vehicle designed,
31 intended, or used to reach high altitude.

1 * Sec. 3. AS 24.20.201(a) is amended to read:

2 (a) The Legislative Budget and Audit Committee has the power to:

3 (1) organize, adopt rules for the conduct of its business, and prescribe procedures
4 for the comprehensive fiscal analysis, budget review, and post-audit functions;

5 (2) hold public hearings, administer oaths, issue subpoenas, compel the attendance
6 of witnesses and production of papers, books, accounts, documents, and testimony, and have the
7 deposition of witnesses taken in a manner prescribed by court rule or law for taking depositions
8 in civil actions;

9 (3) require all state officials and agencies of state government to give full
10 cooperation to the committee or its staff in assembling and furnishing requested information;

11 (4) review revenue projections, state agency appropriation requests, the
12 expenditure of state funds, including the relationship between state agency program
13 accomplishments and legislative intent, and the fiscal policies and procedures of state
14 government;

15 (5) review and approve proposed changes to agency authorized budgets as
16 provided in the Executive Budget Act (AS 37.07);

17 (6) make recommendations concerning appropriations, their expenditure and the
18 fiscal policies and procedures of state government to the governor when appropriate, and to the
19 legislature;

20 (7) prepare and distribute reports, memoranda, or other necessary materials;

21 (8) sue in the name of the legislature during the interim between sessions if
22 authorized by majority vote of the full membership of the committee;

23 (9) hold public hearings on the confirmation of the members of the Board of
24 Trustees of the Alaska Permanent Fund Corporation;

25 (10) make recommendations to the legislature and to agencies of the state that
26 [WHICH] perform lending or investment functions concerning the structure and operating
27 practices of the agencies;

28 (11) enter into and enforce all contracts necessary or desirable for the functions
29 of the committee;

30 (12) provide for annual post audits of the Alaska Housing Finance Corporation,
31 the Alaska Aerospace Development Corporation, and the Alaska Industrial Development and

1 Export Authority.

2 * Sec. 4. AS 29.45.650(a) is amended to read:

3 (a) Except as provided in AS 04.21.010(c) and in (f) and (h) of this section, a borough
4 may levy and collect a sales tax on sales, rents, and on services provided in the borough. The
5 sales tax may apply to any or all of these sources. Exemptions may be granted by ordinance.

6 * Sec. 5. AS 29.45.650 is amended by adding a new subsection to read:

7 (h) A borough may not levy or collect a sales tax on sales, rents, and services, or a use
8 tax on the storage, use, or consumption of personal property on the following activities:

9 (1) the sale, lease, rental, storage, consumption, or distribution in this state of or
10 the provision of services relating to an orbital space facility, space propulsion system, or space
11 vehicle, satellite, or station of any kind possessing space flight capacity, including the
12 components of them;

13 (2) the sale, lease, rental, storage, consumption, or use of tangible personal
14 property placed on or used aboard an orbital space facility, space propulsion system, or space
15 vehicle, satellite, or station of any kind, regardless of whether the tangible personal property is
16 returned to this state for subsequent use, storage, or consumption; an exemption under this
17 paragraph is not affected by the failure of a launch to occur, or the destruction of a launch
18 vehicle or a component of a launch vehicle.

19 * Sec. 6. AS 36.30.015(f) is amended to read:

20 (f) The board of directors of the Alaska Housing Finance Corporation, notwithstanding
21 AS 18.56.088, [AND] the board of directors of the Alaska State Housing Authority, and the
22 board of directors of the Alaska Aerospace Development Corporation, notwithstanding
23 AS 14.40.871(b), shall adopt regulations under the Administrative Procedure Act (AS 44.62) to
24 govern the procurement of supplies, services, professional services, and construction for the
25 respective public corporations. The regulations must

26 (1) reflect competitive bidding principles and provide vendors reasonable and
27 equitable opportunities to participate in the procurement process; and

28 (2) include procurement methods to meet emergency and extraordinary
29 circumstances.

30 * Sec. 7. AS 36.30.990(1) is amended to read:

31 (1) "agency"

(A) means a department, institution, board, commission, division, authority, public corporation, the Alaska Pioneers' Home, or other administrative unit of the executive branch of state government;

(B) does not include

(i) the University of Alaska;

(ii) the Alaska State Housing Corporation;

(iii) the Alaska Railroad Corporation;

(iv) the Alaska Housing Finance Corporation;

(v) a regional Native housing authority created under AS 18.55.996, or a regional electrical authority created under AS 18.57.020;

(vi) the Alaska Aerospace Development Corporation;

* Sec. 8. AS 37.05.146 is amended to read:

Sec. 37.05.146. DEFINITION OF PROGRAM RECEIPTS. In AS 37.05.142 - 37.05.146 and AS 37.07.080 "program receipts" means fees, charges, income earned on assets, and other state money received by a state agency in connection with the performance of its functions; all program receipts except the following are general fund program receipts:

(1) federal receipts;

(2) University of Alaska receipts (AS 14.40.491);

(3) individual, foundation, or corporation gifts, grants, or bequests that by their terms are restricted to a specific purpose;

(4) receipts of the following funds:

(A) highway working capital fund (AS 44.68.210);

(B) correctional industries fund (AS 33.32.020);

(C) loan funds;

(D) international airport revenue fund (AS 37.15.430);

(E) funds managed by the Alaska State Housing Authority (AS 18.55.020), the Alaska Housing Finance Corporation (AS 18.56.020), the Medical Indemnity Corporation of Alaska (AS 21.88.020), the Alaska Railroad Corporation (AS 42.40.010), the Municipal Bond Bank Authority (AS 44.85.020), the Alaska Aerospace Development Corporation (AS 14.40.821), or the Alaska Industrial Development and Export Authority (AS 44.88.020);

(F) fish and game fund (AS 16.05.100);

(G) school fund (AS 43.50.140);

(H) training and building fund (AS 23.20.130);

(I) retirement funds (AS 14.25, AS 22.25, AS 26.05.222, AS 39.35, and former AS 39.37);

(J) permanent fund (art. IX, sec. 15, Alaska Constitution);

(K) public school fund (AS 37.14.110);

(L) second injury fund (AS 23.30.040);

(M) fishermen's fund (AS 23.35.060);

(N) FICA administration fund (AS 39.30.050).

* Sec. 9. AS 38.05.810 is amended by adding a new subsection to read:

(h) The commissioner shall lease land to the Alaska Aerospace Development Corporation for purposes of down range space vehicle or payload overflight, booster retrieval, and recovery at no charge. The commissioner shall lease land to the Alaska Aerospace Development Corporation for other space-related purposes at no more than 10 percent of the appraised fair market value.

* Sec. 10. AS 39.25.110(11) is amended to read:

(11) the officers and employees of the following boards, commissions, and authorities:

(A) Alaska Gas Pipeline Financing Authority;

(B) Alaska Permanent Fund Corporation;

(C) [REPEALED,

(D)] Alaska Industrial Development and Export Authority;

(D) [(E)] Alaska Commercial Fisheries Entry Commission;

(E) [(F)] Alaska Commission on Postsecondary Education;

(F) Alaska Aerospace Development Corporation;

* Sec. 11. AS 39.50.200(b) is amended by adding a new paragraph to read:

(52) Alaska Aerospace Development Corporation (AS 14.40.821).

* Sec. 12. AS 44.99.200(b) is amended to read:

(b) The determination under (a) of this section shall be made by the

(1) commissioner of administration for a state agency in the executive branch,

1 except as provided in (4) - (6) of this subsection;

2 (2) administrative director of the judicial branch for an agency in the judicial
3 branch;

4 (3) Alaska Legislative Council for an agency in the legislative branch;

5 (4) Board of Regents or president of the University of Alaska for the university;

6 (5) board of directors of the Alaska State Housing Authority for the authority;

7 [AND]

8 (6) board of directors of the Alaska Railroad Corporation for the corporation; and

9 (7) board of directors of the Alaska Aerospace Development Corporation for
10 the corporation.

11 * Sec. 13. AS 44.99.400 is amended to read:

12 Sec. 44.99.400. COPYRIGHTS. A state agency may hold the copyright for software
13 created by the agency or developed by a private contractor for an agency, and may enforce its
14 rights to protect the copyright. In this section, "state agency" means a department, institution,
15 board, commission, division, authority, public corporation, committee, or other administrative unit
16 of the executive, judicial, or legislative branch of state government, including the University of
17 Alaska, the Alaska State Housing Authority, the Alaska Aerospace Development Corporation,
18 and the Alaska Railroad Corporation.

19 * Sec. 14. INITIAL APPOINTMENTS. The initial appointments of the members of the board under
20 AS 14.40.826(a)(1), (6), and (8) shall be staggered under AS 39.05.055(2).

**1991 LEGISLATION
POSITION PAPER
DEPARTMENT OF ADMINISTRATION**

Division Risk Management Bill Number HB 46

Bill Title An act creating the Alaska Spaceport Authority

Position Statement: Explain briefly what bill does, its impacts and Department's position, i.e.
a) support, b) do not support, c) neutral or d) oppose.

This act creates a new public corporation of the State, with a board of directors, executive director and support staff. It is unclear as to the extent of the increased staffing involved with inherent workers' compensation, general and professional liability exposures.

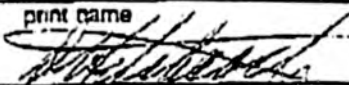
It is mentioned that the authority will procure and maintain insurance coverage for liability that may arise as a consequence of its activities, and its buildings, structures and other facilities against loss. Again there is no indication of the extent of such facilities, although we would presume they would approach Risk Management for such coverages as it is more economical to participate in the self insurance program operated by Risk Management.

Casualty risks (workers' compensation, general, auto and professional liability) could be picked up as part of the standard assessment on the Department of Commerce's monthly payroll. All other coverages would be billed on a direct RSA basis (property, aviation, etc.)

Our position is neutral — this is only a reminder that insurance costs could be involved depending on Alaska Space Port Authority activity.

APPROVED:

Director Donald Hatchcock Division Risk Management
print name

Signature  Date 2/27/91

Commissioner Miller Keller

Signature _____ Date _____

(For more information, call Barbara Pritchett 465-2200)

Rev. 1/23/91



Brian Rogers
Vice President for Finance
(907) 474-7448

February 27, 1991

University of Alaska
Fairbanks, Alaska 99775-4380

Representative Tom Moyer
PO Box V
Juneau AK 99811

VIA Telefax

Dear Representative Moyer:

Thanks to you and your staff for providing the University of Alaska with a copy of the 2/26/91 work draft for Sponsor Substitute for House Bill No. 46. The draft has been briefly reviewed by the university, and we have several suggestions for amendments. I will be prepared this afternoon to testify to each suggested amendment, and the importance of each to the university.

The following references are to work draft 7-LS0236D:

Page 1, line 14: delete "seven" insert "nine"

page 2, line 9: delete "one public member" insert "two public members"

page 2, after line 9: insert

"(8) one University of Alaska faculty member with research interests in rocket- or satellite-born scientific instrumentation."

page 2, lines 17-18. delete "The members . . . themselves."

insert "The president of the University of Alaska shall serve as chair of the corporation. The commissioner of commerce and economic development shall serve as vice-chair."

page 2, line 20: delete "ATTORNEY . . . COUNSEL"

page 3, line 4: delete "The attorney . . . corporation."

insert "The corporation may retain legal counsel."

page 3, line 5: delete "shall" insert "may"

page 4, line 5: delete "TERRITORY" insert "LOCATION"

page 4, line 6: delete "territory and"

delete "Additional territory may be added and"

University of Alaska

Representative Tom Moyer
February 27, 1991

Page 2

page 4, line 12: delete "transferred to the" insert "amended to include the"

page 5, line 13-19: Question: how does an entity obtain personal property by eminent domain? Question: does the state wish to give this corporation eminent domain powers?

page 5, line 14: after "site" insert "and further provided that the Poker Flat Rocket Range and other University of Alaska aerospace-related facilities may not be acquired by eminent domain"

page 7, line 4: after "legislature," insert "the University of Alaska,"

page 8, line 28: after "person" insert "or entity"
after "secret" insert "or other proprietary technical information"

page 10, line 28: Question: Should "mortgage" be replaced by "encumber" ?

page 12, lines 9-13: Question: What is the purpose of this section?

page 13, lines 18-21: Note: it may be difficult to find an appraiser qualified to appraise aerospace-related personal property. It may be appropriate to end the sentence after "or by sealed bids"

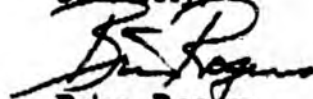
page 13, line 30: after "subdivision" insert ", including the University of Alaska"

page 21, line 5: after "booster retrieval," insert "launch operations,"

page 22, lines 10-20: delete all language. Replace with:
*Sec. 14. EFFECTIVE DATE. This Act takes effect immediately in accordance with AS 01.10.070(c).

Thank you for your consideration of the University's interests.

Sincerely,



Brian Rogers
Vice President for Finance

cc: President Jerome Komisar
J. Mark Neumayr, Associate General Counsel
Merritt Helfferich, Associate Director, Geophysical Institute



CIT Tower, Suite 200
(703) 733-2819

• 2214 Rock Hill Road •

Herndon, VA 22070
(703) 733-2827 (fax)

TELEFAX COVER PAGE

PLEASE DELIVER TO ADDRESSEE AS SOON AS POSSIBLE.

DATE: March 11, 1991

TIME: 8:00 p.m.

TO: Larry Galloway
FAX: (907) 463-3841
VOICE: (907) 465-2500

FROM: Bruce D. Kraselsky

NUMBER OF PAGES (INCLUDING THIS COVER PAGE): 10

IF YOU HAVE ANY TROUBLE RECEIVING THIS TRANSMISSION, PLEASE CALL (703) 733-2819.

MESSAGE:

Hope this serves its intended purpose. Please let me know how things go and if I can be of any further assistance. Hard copy and appendices to this document will be sent by Fed. Ex.

Additional Material

A handwritten signature, likely of Bruce D. Kraselsky, consisting of a series of loops and a long horizontal stroke.



CIT Tower, Suite 200
2214 Rock Hill Road
Herndon, VA 22070
(703) 733-2819 (voice)
(703) 733-2827 (fax)

Domestic and International Competition among Spaceports

There are approximately 20 spaceports worldwide that have operational capability to launch small class launch vehicles such as MicroSat's *Orbital Express*TM. Additional launch sites, such as Andoya, Netherlands; Churchill, Canada; Poker Flat, Alaska; that currently support sub-orbital missions are planning or contemplating an expansion to orbital capability. The accompanying Appendices identify most of these facilities and provide a selected comparison of their attributes.

CHAPTER V

COMPETITIONA. EXISTING/PROPOSED LAUNCH SITES

Several operational launch sites in the world currently have the capability to launch orbital vehicles. The major sites and their current statuses are identified in Table V-1; the capabilities to launch equatorial and/or polar orbits, and to service the previously identified market segments, are also indicated in the Table. To provide a perspective of the relative frequency of launches, the number of orbital launches from 1957 through 1985 is indicated. Some of these sites could be considered as competition to Spaceport Florida, depending on the launch services and financial packages that they can provide.

The major launch sites that would probably be in competition (at various levels) with Spaceport Florida for commercial launch services are discussed below:

- Guiana Space Center, Kourou, French Guiana -- This facility is located five degrees north of the equator, which makes it advantageous for equatorial launches. The Space Center can now support two parallel launch campaigns, with a capacity of ten launches per year. A further planned expansion will increase capacity to fifteen launches per year. Launches are occasionally delayed because of heavy winds.
- Tanegashima, Japan -- The National Space Development Agency's (NASDA's) principal launch facility has capacity for only two launches per year, due to restrictions protecting the Japanese fishing industry. The H-2 rocket, under development, will increase this capacity to four launches per year. The H-2 could be operational by 1992/93. Although the location at 28° north requires twelve percent more energy than launches from the Guiana Space Center to achieve geostationary orbit, the location is well-suited to serve the

proposed Space Station, which is planned to have a 28.5° inclined orbit. Proposed locations for Spaceport Florida are at a similar latitude.

- ° Kagoshima Space Center, Japan -- This facility, at 31° north of the equator, serves the Institute for Space and Astronautical Science (ISAS). In addition to balloons and sounding rockets, a few small orbital rockets could be launched from the facilities.
- ° Kennedy Space Center and Cape Canaveral Air Force Station -- This facility provides most of the current U.S. launch capacity. Launch capacity, with existing facilities and operations, totals roughly 20-25 launches per year. Further renovations and modifications to existing launch complexes could permit an additional 10-15 launches per year.
- ° Vandenberg Air Force Base, California -- This facility is used almost entirely for military payloads and launch vehicles. Annual capacity is estimated at ten launches, with expansion capabilities to 15.
- ° Wallops Island, Virginia -- The Wallops Flight Facility on Wallops Island, Virginia, administered by the Goddard Space Center, has been used for an extensive sounding rocket program, as well as for launches of the Scout launch vehicle.
- ° San Marco, Kenya -- This facility, developed by NASA and the Italian government, with technical support by LTV-Vought Corporation, consists of two offshore platforms in the Indian Ocean. Since its establishment, eight Scout vehicles have been launched from these platforms, through 1987.
- ° Xi Chang, Peoples Republic of China -- Recent expansion provides capability for six or seven launches annually, some of which are for other countries. China is marketing its Long March vehicle.

- ° Sriharikota, India -- These launch facilities have been used solely to launch Indian payloads, to date. . By 1993, India plans to develop a polar launch vehicle that supposedly will be technically competitive with those of the space leaders.

**Table V-1
WORLDWIDE LAUNCH SITES**

Launch Sites	Latitude	Expendable Launch Vehicle Capability	Orbit*	Status	Number of Orbital Launches 1957-1985
Cape Canaveral (USA)	28.5N	All	E	Operational	371
Vandenberg (USA)	34.7N	All	P	Operational	469
Wallops (USA)	37.9N	Suborbital/Small	E	Operational	19
Palma Point (USA)	19.0N	All	E/P	Planning Stage	-
Kourou (French Guiana)	5.2N	All	E/P	Operational	20
Kagoshima (Japan) (1)	31.1N	Suborbital/Small	E/P	Operational (1)	16
Tanegashima (Japan)	30.4N	All	E/P	Operational	15
Shuang Cheng-Tzu (PRC)	40.6N	Suborbital/Small	E	Operational	14
Xi Chang (PRC)	28.1N	All	E	Operational	3
San Marco (Kenya)	2.9S	Suborbital/Small	E	Operational	6
Hammaguir (Algeria)	-	-	-	Not Operational	4
Plesetsk (USSR)	62.8N	All	E/P	Operational	1111
Baykonur (USSR)	45.6N	All	E/P	Operational	728
Kapustin Yar (USSR)	48.4N	Suborbital/Small	E/P	Operational	82
Woomera (Australia)	31.1S	Suborbital/Small	E	Operational	2
Cape York (Australia)	11.0S	All	E/P	Planning Stage	-
Sriharikota (India)	13.9N	Suborbital/Small	E/P	Operational	3
Thumba (India)	8.0N	Suborbital/Small	E	Operational	-
Alcantara (Brazil)	2.0S	Suborbital/Small	E/P	Construction	-
Esrange (Sweden)	68.0N	Suborbital	-	Operational	-

*E = Equatorial, P = Polar

(1) Proposed Range At Hokkaido To Be Operational By 2000

Sources: United States Department of Commerce, 1988; Congressional Research Service, "Space Activities of the United States, Soviet Union and Other Launching Countries, 1957-1986," February 1987.

TABLE 1-2

COMPARATIVE RENDERS OF SELECTED LAUNCH LOCATIONS

Selected Launch Locations/ Sponsors (Existing and Potential)	Operating Performance and Other Basic Characteristics				Investing Resources				Total Land Conditions				Quality Living/Working Environment
	Position For Equatorial Launch	Position For Polar Launch	Range Safety Concerns	Access to Sea Lines & Air Service	In-Place Communications Equipment	In-Place Labor & Training Facilities	Infrastructure: Survivability, Security, etc.	Unpopulated Land For Expansion	Available Land For Expansion	Weather	Temperature Estimates	Neutral/Unfavorable	
Small	Feasibility Study (18-22° N. Lat.)	Favorable	Localized Altimeter	Favorable	Highly Favorable	Highly Favorable	Location dependent, requires development	Available, location-up with some growth limits	Available	Temperate	Neutral/Unfavorable	Highly Favorable	
Europe (French)	Guiana Space Center (5° N. Lat.)	Favorable	Negligible	Some limitations; improving	In-Place	Adequately staffed to meet current needs	In-Place	Available	Available	Favorable	Neutral	Neutral	Remote location
Japan	Space Center (30° N. Lat.) (NASDA) Tanegashima	Unfavorable	Limitations: overly fishing grounds	Nearby port	In-Place	Adequately staffed to meet current needs	In-Place	Limited	Limited	In typhoon corridor	N.A.	Remote location	
	Proposed range at (42-44° N. Lat.) (operation by 2000)	Unfavorable	Unfavorable	Unknown	Unknown	Unknown	Unknown	Unknown	Available	Unknown	Unknown	Unknown	Unknown
	Agassiz Space Ctr. (31° N. Lat.)	Unfavorable	Limitations: overly fishing grounds	Nearby port	In-Place	Adequately staffed to meet current needs	In-Place	Limited	Limited	In typhoon corridor	N.A.	Remote location	
Australia	Proposed Cape York Int'l Space port	Favorable	Favorable	Nearby airport and port	Limited	Limited	Limited	Highly Favorable	Highly Favorable	Favorable	N.A.	Unfavorable	

COMPARATIVE STUDENTS OF THE LANCER LOCATION

▲ Arthur D. Little, Inc.

TABLE I-2 (Continued)

COMPARATIVE SUMMARY OF SELECTED LAUNCH LOCATIONS

Selected Launch Locations/ Sponsors (Existing And Potential)	Operating Performance And Down Range Characteristics			Supporting Resources			Local Land Conditions				
	Position for Equatorial Launches	Position for Polar Launches	Range Safety Concerns	Access To Sea Launch & Air Service	In-Place Communi- cations Network	Available Skilled Labor & Training Facilities	Infrastructure: Power--Power, Water--Water, Food--Food, Sanitation-- Sanitation, Housing--Housing, etc.	Map- dated Land for Expansion	Reliable Weather	Geologic Stability	Quality Living/ Working Environment
United Ctr.	Kennedy (28° N. lat.) (Operation at)	Some limits Unfavorable	Favorable	Favorable	Favorable Favorable	Highly Favorable	In-place self-control and Large sites Favorable	tempera- ture, lightening, hurricane limitations	Favorable	Favorable	Favorable States Space
Vandenberg AFB	Unfavorable (34° N. lat.)	Favorable	Some limitations	Favorable	Favorable	Slightly favorable	In-place self-control and Large sites self-control and	Favorable	Favorable	Class 4 Seismic Risk Zone	Favorable
Wallops Island	Unfavorable	Unfavorable	Limitation	Favorable	Favorable	Favorable	In-place self-control and Near tourist resort	Limited	Lightening, temperature	Favorable	Favorable



Alaska State Legislature

HOUSE OF REPRESENTATIVES

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Juneau, Alaska 99811

FOR IMMEDIATE RELEASE
Jan. 18, 1991

Contact:
David Ramseur
465-4930

MOYER PROPOSES EXPANSION OF ALASKA'S ROLE IN SPACE EXPLORATION

JUNEAU--Fairbanks Rep.-elect Tom Moyer today introduced a measure designed to enable Alaska, and especially the Interior, to take advantage of the growing international space industry and develop new jobs for Alaskans in science and research, applied technology, telecommunications, construction and tourism.

Moyer's bill would create an Alaska Spaceport Authority to encourage space-related development, such as attracting to Alaska new businesses that supply and depend on commercial and government launches, expand tourist interest in space exploration and solicit federal grants and projects. The bill also calls for improvement of the Poker Flat Research Range north of Fairbanks and recognizes the key role it, as the nation's only high-latitude and auroral zone rocket launch facility, plays in U.S. space research.

"Alaska already is a recognized leader in several scientific fields and we could be in new space commercialization as well," Moyer said. "This bill proposes a focused approach to developing Alaska's potential in space. It would create immediate jobs and help establish a permanent new industry in Alaska."

-MORE-

For Cheap, Versatile Spacecraft, Designers Discover Less Is More

By WILLIAM J. BROAD

The bigger the better, a law of satellite design for more than three decades, is being challenged as advances in miniaturization allow engineers to build unmanned spacecraft that are smaller, lighter, cheaper and smarter than ever before.

A dozen of the pint-sized satellites are to be launched in the next few years, mainly to test the promise of the miniaturized approach. If the work is judged successful, experts say, hundreds of small satellites could dot the heavens by the end of the 1990's, providing new benefits to science, industry and the military.

Although they are usually of more limited use than their larger cousins, small satellites are seen as attractive because of their low cost, flexibility and ease of construction.

"This is a revolution in the making," said Scott Webster, vice president of the Orbital Sciences Corporation, a rocket company based in Fairfax, Va., that has orders to loft six small satellites and is negotiating contracts to fire a dozen more into space.

The new satellites typically weigh 500 pounds or less, measure two to five feet long, and cost from \$1 million to \$8 million. Conventional satellites are bigger in every way. They can weigh up to 15 tons, cost hundreds of millions of dollars and be the size of a city bus, with solar panels and antennas extending 100 feet or more.

Mini-satellites are being built or have been

Swarms of flexible mini-satellites could replace behemoths in orbit.

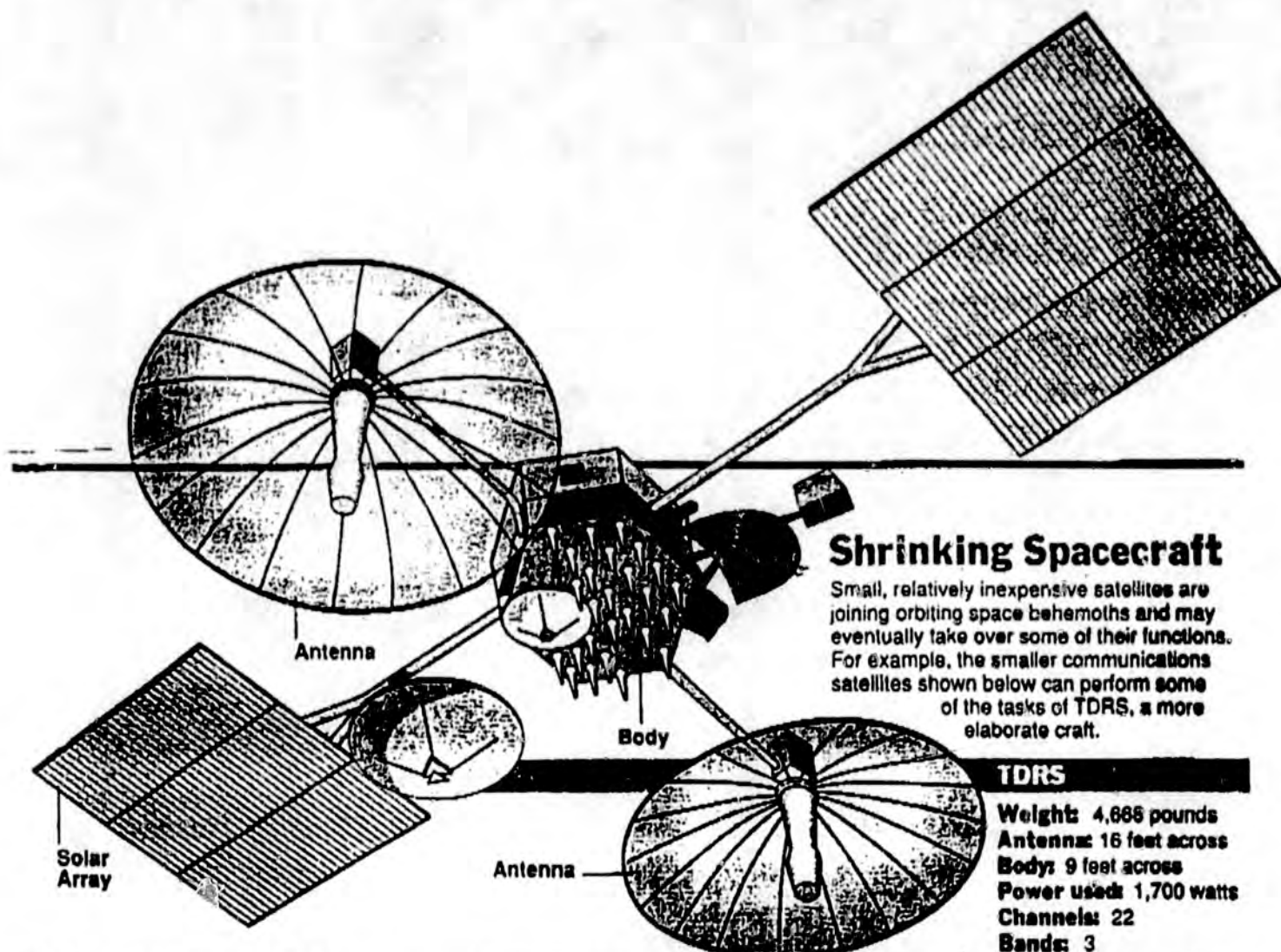
proposed to photograph the Earth, to relay data, to process materials in space, to hunt for sources of radio interference, and to map the Sun's magnetic field.

The switch to small satellites is being fueled by advances in the miniaturization of parts, the availability of new low-cost rocket launchers, and basic changes in the philosophy that has guided satellite design since the dawn of the space age.

The military, for instance, is questioning its reliance on giant satellites, which are now being seen as tempting targets for anti-satellite weapons during war.

Jerry Grey, director of science and technology policy for the American Institute for Aeronautics and Astronautics, a professional society based in Washington, said the Pentagon's concern was crystallized in recent years by Milstar, a five-ton communications satellite now under development that is scheduled to be launched in the 1990's.

"They said, 'My God! We're putting all this capability into a satellite that can be shot down,'" Mr. Grey recalled. The military now says it is investigating small satellites to com-



Shrinking Spacecraft

Small, relatively inexpensive satellites are joining orbiting space behemoths and may eventually take over some of their functions. For example, the smaller communications satellites shown below can perform some of the tasks of TDRS, a more elaborate craft.

TDRS

Weight: 4,666 pounds
Antenna: 16 feet across
Body: 9 feet across
Power used: 1,700 watts
Channels: 22
Bands: 3

plement, not replace, its larger craft.

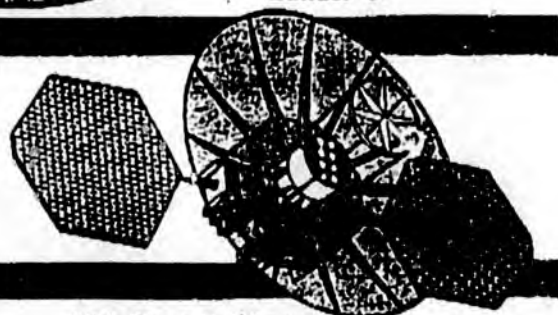
In a different philosophical shift, the National Aeronautics and Space Administration has embraced small satellites partly out of frustration with billion-dollar behemoths that can take a decade or more to get into space. Some NASA scientists now envision a not-so-distant future in which experiments would be performed by swarms of tiny satellites, each the size of a coffee can, all working on the same experiment.

The bigger-is-better ethic began in the early days of the space age. The world's first artificial satellite, Sputnik 1, launched by the Soviet Union on Oct. 4, 1957, weighed 184 pounds. Sputnik 2 weighed 1,120 pounds and Sputnik 3 weighed 2,926 pounds. Because the costs of launching any object into space were usually

Continued on Page 22

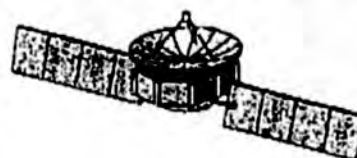
BGS-400 SATELLITE

Weight: up to 1,000 pounds
Antenna: 10.5 feet across
Body: 6 feet across
Power used: 400 watts
Channels: up to 10
Bands: 1



BGS-100 SATELLITE

Weight: up to 400 pounds
Antenna: 10.5 feet across
Body: 6 feet across
Power used: 400 watts
Channels: up to 10
Bands: 1



Source:
 TRW Inc., Ball
 Space Systems

The New York Times/Sieve Hagt/May 23, 1989

In Spacecraft Less Becomes More

Continued From Page 21

very large, the tendency was to try to pack as much payload as possible atop a rocket and to develop even larger rockets so economies of scale would help lower launching costs.

The United States followed the trend, albeit more slowly than the Soviet Union. Its first satellite, Explorer 1, launched on Jan. 31, 1958, weighed 10 pounds. In 1960, the first American weather satellite weighed 268 pounds. In the 1970's, American satellites regularly began to weigh more than a ton, including probes to distant planets. By the 1980's, some military spy satellites were said to weigh 15 tons and have antennas nearly as large as a football field.

Today, experts say, American and Soviet satellites are generally similar in size, with the exception of some American military satellites, which tend to be bigger and more costly than Soviet models. In addition, American satellites are often more capable than Soviet craft because of advanced components.

Lower Power Demands

The continuing advance of Western technology has allowed the move to smaller satellites, particularly in electronics, where computer chips are doing more in smaller areas. All the main operations on a satellite — guidance, communications and data storage — can now be achieved with electronic parts that are rapidly shrinking in size and drawing less electricity.

"Advanced electronics allow you to do things in a much smaller satellite that previously you couldn't do at all or do only on a much larger vehicle," said Eric J. Hoffman, a small-satellite designer at the Applied Physics Laboratory of Johns Hopkins University. So too, Dr. Hoffman added, arrays of solar-electric cells can now put out twice the power they originally did, allowing smaller arrays to be used.

Another technical factor fueling the move to small satellites is the advent of low-cost rocket launchers that are specifically designed to carry lightweight payloads. The most innovative is Pegasus, a winged rocket designed to be launched from an airplane. It is a joint venture of Orbital Sciences and the Hercules Aerospace Company of Magma, Utah.

The winged rocket's use of lightweight graphite rocket casings and wings, as well as miniaturized electronics, allow it to lift payloads of up to 800 pounds into low orbits.

Its first flight is set for August. The rocket will be dropped from a B-52 bomber and then speed into space with three payloads: a Defense Department satellite weighing 80 pounds, a NASA instrument package weighing about 40 pounds, and a 320-pound NASA experiment in which the satellite will release chemicals so

scientists can study how they react with the ionosphere.

"The beauty of the small satellite concept is that it opens doors," said Mr. Webster of Orbital Sciences. "A university or company can put a payload into orbit for \$10 million or less, including launch. Suddenly, space isn't an exclusive game any more."

Possible Military Uses

Although commercial and university users are exploring small satellites, the main player has been the military, particularly the Defense Advanced Research Projects Agen-

'Space isn't an exclusive game any more,' a rocket executive said.

cy, which sponsors innovative research for the armed forces. The agency's "lightsat" program, which began in 1987, is envisioned as a five-year effort to demonstrate lightweight satellite technology for a variety of possible military uses.

The defense agency, the first paying customer for the Pegasus rocket, is a pioneer in the development of small satellites. Last year it awarded a \$7.4 million contract to Defense Systems Inc., based in McLean, Va., to build a constellation of eight "micro-sats," extremely small ultra-high-frequency communication satellites meant to relay data. These are to be launched on the second Pegasus flight, now scheduled for October.

More recently, the Navy has joined the field, starting construction of four 150-pound satellites scheduled to be launched this fall. The craft are to explore the feasibility of small-scale telecommunications, data recording, reconnaissance, and pinpointing of radio frequency interference.

Like the military, commercial users are starting to explore small satellites for communications, remote sensing of the Earth and the processing of materials like space crystals.

For instance, Ball Aerospace is working on a new generation of small communication satellites that would orbit 22,300 miles above the earth. One version, the BGS-100 satellite, would weigh about 300 pounds and cost as little as \$5 million. Conventional communication satellites can weigh tons and cost \$100 million or more.

Responding to Customer Demand

The small satellite, although it could not achieve the long lifetimes or economies of scale of larger craft, would have increased flexibility to

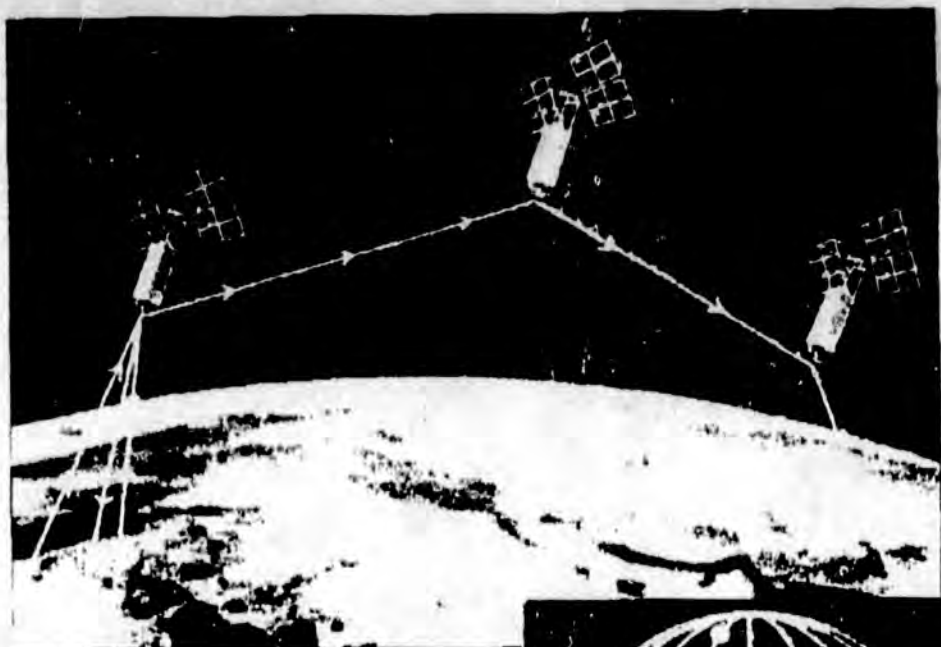
meet changing markets, said James R. Stuart, chief scientist for the space systems division of Ball Aerospace, based in Boulder, Colo.

Large satellites with lifetimes of 10 or 15 years often go only partly used. For example, some use frequencies that were up to date when they were launched but later became outdated. Others cover areas like Europe, which has so many satellites over it that communication channels go unused; meanwhile, some countries without the money to launch large satellites have inadequate communication facilities. Further, smaller satellites can better respond to rapid shifts in technology and customer demand.

NASA has also recently entered the field, last year calling for proposals for scientific satellites in a program known as the small explorer. The goal is to develop and launch the craft within three years of project approval, a rapid pace compared with big NASA projects.

Ross M. Jones, a spacecraft systems engineer at NASA's Jet Propulsion Laboratory in Pasadena, Calif., said that in the near future "very advanced technology" will allow the construction of even tinier satellites, perhaps weighing 25 pounds or less. Clusters of four of these satellites, he said, could map the charged particle environment around Earth, while a fleet of 24 could exhaustively map the magnetic fields and charged particles around the sun.

"The technology isn't available yet," Dr. Jones said, "but it's around the corner."



The Iridium 77 system from Motorola Inc. will consist of 77 small satellites — lightsats — which will be boosted into low earth orbit.

because of improvements in electronics, he said.

One drawback to small satellites is that they must typically be used in low earth orbit — about 400 miles up, compared with 22,000 for a large satellite — because their size limits the broadcast power they can carry. So unlike a large satellite that remains in place on an orbit synchronized with the earth's rotation, small satellites travel from horizon to horizon in about 10 minutes.

"They come and go like streetcars, and you have to track each one," said Mr. Moore. "That's a whole lot more complex than having a bird up in geosynch where you can have one big antenna keeping track," he said. But he added that the lower cost and the spreading of risk across multiple satellites compensate for the increased complexity.

Another advantage is the reduced time from design to orbit. Whereas a large satellite can take 10 to 15 years to reach completion, lightsats make the journey from initial concept to outer space in three to four years. The military likes the reduced time to space too, and, through the Defense Advanced Research Projects Agency has been a major proponent of light satellites. DARPA officials say that the tactical use of very small satellites during ground-based conflicts in places like Panama or the Middle East, could be possible within three or four years. DARPA will launch seven 47-pound "microsats," made by Defense Systems Inc. of McLean, Va., on the next Pegasus, scheduled for January.

"Our perspective is that small satellites have a role in our overall space architecture," said Air Force Lt. Col. Edward D. Nicastrì, the director of DARPA's Advanced Space Technology Program. "But we need to really get the technology moving to make that role a significant one," he said.

While microprocessors and custom inte-



Motorola Inc.

grated circuits have dramatically reduced the size and power consumption of satellite components, further advances are necessary, he said. "I need to put a Cray in a soup can," he said, referring to the most powerful of supercomputers.

In DARPA's concept, small tactical satellites could provide reconnaissance to individual commanders in the field, sending images and information via portable computers.

BUT the most significant boost to the small satellite business could come from Brilliant Pebbles, a proposal of the Strategic Defense Initiative which would place thousands of small satellites in orbit to act as interceptors of enemy missile fire. In addition, the Los Alamos National Laboratory is studying the use of a network of small satellites carrying sensors to verify arms control agreements.

While most small satellites have been low orbit devices, some scientists are now considering their use for planetary missions, perhaps even as delivery vehicles for "mini-rovers" to explore the surface of Mars or other planets. One NASA project will send mice into a high orbit to study long-term effects of radiation and weightlessness.

"It is now possible to think about doing some really intriguing science with very small projects," said David Thompson, president and chief executive of Orbital Sciences. "Small satellites can go any place a big satellite can go."

Technology

The Lure of Small Satellites

By LAWRENCE M. FISHER

INCREASED demand from the telecommunications industry, the military and meteorologists is fueling a rebirth of the small satellite. Less costly and quicker from drawing board to orbit than large satellites, "lightsats" are scheduled to be launched in record numbers over the next ten years.

Lightsats typically weigh less than 500 pounds, compared with 5,000 pounds for a large satellite. Typical costs are an order of magnitude lower as well, about \$20 million against \$200 million. The trade-off is capability: lightsats simply cannot do as many things as large satellites can. But lightsats are gaining in capability all the time, and for many applications they offer increased flexibility and lower cost, scientists say.

In the early days of space exploration all satellites were lightsats. Sputnik 1, launched by the Soviet Union on Oct. 4, 1957, weighed 184 pounds; the United States' first satellite, Explorer 1, launched on Jan. 31, 1958, weighed just 10 pounds. But, given the high cost of any launching, the temptation was always to include as many functions in one satellite as possible; launch vehicles got bigger and so did satellites.

Launching small satellites with large rockets is not financially practical, unless each rocket carries several at once, which

After years in the shadow of their behemoth kin, diminutive 'lightsats' are back.

presents its own set of problems. Until the birth of the commercial space-launch industry and the development of new, smaller launch rockets, small satellite developers had only limited access to space.

"There's always been a latent desire to get some small things into space," said Robert B. Pincus, head of the systems development office at the National Aeronautics and Space Administration's Goddard Space Flight Center in Greenbelt, Md. "The problem was there weren't any viable vehicles to do the job at a reasonable rate," he said. "The successful launching of the Pegasus in April jump-started the rebirth of the small sats and the lightsats," he said.

Pegasus, which was jointly developed by the Orbital Sciences Corporation of Fairfax, Va., and the Hercules Aerospace Company of Magma, Utah, is a winged rocket which is

launched from an airplane. At \$7 million to \$8 million per launching, compared with \$60 million to \$70 million for a Delta rocket launching, Pegasus provides "a relatively low-cost vehicle to launch relatively low-cost satellites," Mr. Pincus said.

If Pegasus provided the means, science and industry rapidly found the motivation for putting small objects in space. Perhaps the greatest boost to the burgeoning lightsat field has come from Motorola Inc., which has proposed putting a constellation of 77 lightsats in orbit to relay telephone calls to and from mobile phone users. Motorola plans to produce the satellites for this network, dubbed Iridium, on what it calls the "world's first high-volume satellite production line."

Most of the manufacturers of lightsats are small entrepreneurial companies, which are more geared to producing low-cost devices than are the traditional aerospace concerns. Even if these companies do not realize any revenue from Iridium, they expect it to lend their efforts new credibility.

IRIDIUM "is the first big evidence of faith in small spacecraft. It will drive the field," said R. Gilbert Moore, an adjunct professor of physics at the University of Utah and program chairman of the 4th Annual Conference on Small Satellites, held late last month in Logan. "The small spacecraft today has enormous capabilities compared with similar size birds of 20 years ago," primarily

SCOMM

83:7

Alaska State Legislature

COMMITTEES:

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LABOR & COMMERCE

ETHICS

WESTERN STATES LEGISLATIVE
FORESTRY TASK FORCE



P.O. BOX 1441
WRANGELL, ALASKA 99929
(907) 874-2316

While in Juneau
P.O. BOX V
JUNEAU, ALASKA 99811
(907) 465-4905

House of Representatives

ROBIN L. TAYLOR
MINORITY LEADER

SPONSOR STATEMENT

HB 249

HB 249 establishes a small business export trading consortium in the World Trade Center Alaska of the University of Alaska Anchorage. The Consortium is intended to assist small businesses enter the complex world of international trade.

Small and medium sized companies are often ill equipped to deal with such complexities as product development, financing, shipping and marketing. There are several agencies in Alaska designed to provide assistance. but the resources are fragmented and lack coordination. The Consortium brings the needed services under one umbrella, creating a "one-stop" shop.

The Consortium would engage in: identifying local sources for specified products, services and raw materials for U.S. and foreign businesses; market research to identify target markets and buyers; establishing appropriate distribution channels for products; and directing exporters to sources of financing for transactions, licensing and countertrade. Seminars, workshops, college courses and individual counseling will be offered to provide exporters with the technical skills and confidence to succeed in international markets.

The Small Business Development Center of UAA estimates that small businesses receiving such assistance elsewhere in the nation have 25% higher sales, are 83% more profitable, and hire 24% more employees. The keys to Alaska's economic development and diversification lie with expanded exports. Direct export assistance is the best method of achieving this goal.

PAGE TWO - SPONSOR STATEMENT HB 249

The beauty of the Consortium plan is that it is intended to become self sufficient within five years. It would be funded by legislative appropriation and matching funds. The match would come from a combination of a commission fee charged client businesses, private sector contributions and annual dues. The percentage needed from the State would decline as the Consortium expands.

Meanwhile, AIDEA has had \$50 million since 1987. Part of the earnings from the interest on that fund could be used for Consortium start-up and AIDEA could be directed to proactively and aggressively pursue export projects that merit grants, loans or loan guarantees.

In short, HB 249 will combine the resources of several agencies at relatively little increased cost. The Consortium would provide a needed and valuable service, without re-inventing the wheel. I ask for your support for HB 249.



UNIVERSITY OF ALASKA ANCHORAGE



3211 Providence Drive
Anchorage, Alaska 99508

ALASKA CENTER
FOR INTERNATIONAL BUSINESS
4201 Tudor Centre Drive, Suite 120
Anchorage, Alaska 99508

MAR 25 1991

Telephone: (907) 561-2322
Fax: (907) 561-1541
Telex: 981074 WTCA AHG UD

March 22, 1991

Representative Robin Taylor
Alaska House of Representatives
P.O. Box V
Juneau, AK 99811

Dear Representative Taylor:

As you suggested, I have carefully reviewed with my able staff and faculty your proposed bill for a small business international trade assistance center. We have been working on a similar program that we call the X-PORT Trading Consortium. Last year we invited Herb Ouida, the founder of the XPORT Trading Company at the New York World Trade Center, Port Authority of New York and New Jersey, to come to Alaska to explore ways to develop a similar program in Alaska. Some materials on the conference are enclosed for your information.

Out of that conference, the representatives of government agencies, businesses, and academic institutions agreed to form the X-PORT Trading Consortium at the World Trade Center Alaska (WTC) and the Alaska Center for International Business (ACIB) at the University of Alaska Anchorage. The Consortium plan and member list is enclosed. The X-PORT Trading Consortium is now in place and met officially for the first time on March 1, 1991. The Consortium members discussed your proposed bill in detail. What follows are some important points that surfaced during the discussions.

1. Your Assistance Center concept was generated from the same program as the Consortium. The Assistance Center was modeled after the Washington State Export Assistance Center. The Washington Center, in turn, was modeled after the New York XPORT Trading Company. It is more than coincidence that we have such a strong belief that small businesses around the state need direct assistance. The Consortium members unanimously stated that there is a real lack of people to provide export

business assistance in rural areas across the state. We need a program specifically designed for assisting small business exports. Results from Small Business Development Center national surveys have shown that businesses receiving assistance:

- have 25% higher sales
- are 83% more profitable
- hire 24% more employees.

We both know that the key to Alaska's economic development and diversification lies with expanded exports. Direct export assistance is the best method of achieving this goal.

The Consortium members would like to suggest that, rather than create another Center, you incorporate all of your specific objectives in helping small business into the framework already established by the X-PORT Trading Consortium. This move would eliminate the need for a director, equipment, and other costs associated with a new Center.

The needed services would be delivered across the state through the following staffing level:

- 5 Export Assistance Specialists (one each for Southeast, Southwest, Southcentral, Interior, Northwest/Arctic).
- 1 Export Assistance Coordinator at the Consortium
- 1 Secretary/Bookkeeper.

The Export Assistance Specialists would be physically located in ARDOR's or SBDC offices in the regions. These individuals would work closely with local economic development organizations. They would also have the information support provided by the Consortium coordinator in Anchorage. (Please see the list of Consortium services in the enclosure.) This structure is the best way to coordinate the resources housed in Anchorage (OIT, ACIB, WTC, USDC-ITA) and Juneau (DCED) with the exporters' needs which are located away from these information centers. The Coordinator and bookkeeper would be located at the WTC office in Anchorage.

2. Government agencies are not allowed to receive funds including program receipts, commission fees, service charges or other forms of outside revenues. Therefore, it would not be appropriate to locate your Assistance Center in state agencies.

3. Both the small Business Development Center and the ACIB/WTC are units of the University of Alaska Anchorage which have statewide missions. It is University policy that the SBDC is to focus on assisting business development within the state, while the ACIB is mandated by both the University and the state legislature to assist business development in world markets. As you see, the missions are clearly defined between ACIB/WTC and SBDC. This structure was designed to eliminate duplication and conflict but to compliment each other.

4. As for the funding sources, I would like to suggest the following:
\$250,000 annual legislative appropriation for the first 5 years.
\$150,000 annual matching funds from other sources.

The legislative appropriations will have a five year limit to give the Consortium time to become self-sufficient. Other matching funds will come from a 2% commission fee based on completed sales, private sector contributions and Consortium annual member dues.

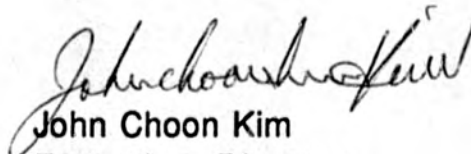
5. The export finance assistance program at AIDEA has had \$50 million since 1987 but AIDEA has never completed one single loan to a small exporter. The Consortium suggests creating an autonomous export arm of AIDEA to proactively and aggressively pursue export projects that merit grants, loans, or loan guarantees. The consortium agrees that establishing a new funding authority would be quite costly, and AIDEA already has the infrastructure and talent in place.

I concur with your deep concerns about small businesses which have not had any specific export assistance, particularly in small communities. Here at ACIB we attempt to assist businesses from timber operators in Southeast to reindeer herders in the Northwest. We also offer seminars and workshops across the state, and our attendance last year alone was 2,500 people. This effort, however, only begins to scratch the surface of the needs of many businesses. What is needed is to place trained specialists in the field armed with the most current and accurate information to solve the problems of small exporters. The ACIB and World Trade Center Alaska, along with other trade organizations, will provide the ammunition for the export specialists in the field.

I have made some minor changes in the language of your proposed bill to address some of the possibilities listed above. This copy of the

bill is also enclosed for your information. Please consider the Consortiums recommended suggestions on your proposed bill. Please discuss the proposal with Jim Kohler, the President of the Southeast Conference and Juneau Economic Development Council. Jim has been committed to the Consortium's development since Mr. Ouida's visit last year; he's even printed the enclosed envelope with the Consortium logo. The Consortium will meet again on April 1 if you would like the members to consider any changes. I would be very happy to assist your efforts in any way possible.

Sincerely,



John Choon Kim
Executive Director

cc: Consortium Oversight Committee Members



UNIVERSITY OF ALASKA
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Anchorage, Alaska 99508 USA

Tel 907-786-7710
Fax 907-786-7739

Victor Fischer, Director of Soviet Relations

March 11, 1991

MAR 18 1991

Representative Robin L. Taylor
Alaska State Legislature
House of Representatives
Minority Leader
PO Box V
Juneau, AK 99811

Dear Robin:

The concept of the Trade Center Legislation is fascinating, and I understand it has worked quite well in some other jurisdictions. Jane Angvik (as Commissioner of Commerce and Economic Development), Dr. John Choon Kim (Director of UAA's Alaska's Center for International Business), and others have given much thought to the outline in the draft legislation. There are some good arguments to be made for it, and some consideration against setting up a new mechanism.

I would suggest you contact Dr. John Choon Kim, Alaska Center for International Business, 4201 Tudor Centre Drive, Suite #120, Anchorage, AK 99508, 561-2322, Fax 561-1541, and ask for his advice and assistance. John is far more knowledgeable in this arena than I and I am sure he will be fully cooperative.

If I can be of any other help, please let me know.

Very best personal regards,

Victor Fischer
Director of Soviet Relations



University of Alaska
Small Business
Development Center

APR 2 1991

March 25, 1991

Representative Robin L. Taylor
Alaska State Legislature
P.O. Box V (MS3100)
Juneau, Alaska 99811

Dear Representative Taylor,

Our office received a copy of the House Bill you recently introduced which proposes the establishment of a small business international trade assistance center. We were contacted as an interested party by the Governor's Office of International Trade.

In talking with OIT staff just last week, they indicate that you are currently revising the Bill.

I certainly concur that there is a need for small business assistance in the area of international trade, and I believe the delivery system for that assistance is critical not only to the success of program results but also to accountability for those results.

I would very much appreciate the opportunity to continue to review and comment on your proposed legislation. As you probably know, our statewide network of Small Business Development Centers is very much involved in one on one counseling with small business owners. We are in the process of preparing an informational packet for Legislators which you should receive in the near future.

I look forward to receiving a copy of your revised legislation. Thank you very much.

Sincerely,

Jan Fredericks
Jan Fredericks
State Director

STATE

Post-It™ brand fax transmittal memo 7671 # of pages > 1	
To DR. KIM	From Joe Ambrose
Co.	Co.
Dept.	Phone #
Fax # 561-1541	Fax #

JR J. HICKEL, GOVERNOR

OFFICE OF THE GOVERNOR

OFFICE OF INTERNATIONAL TRADE

March 13, 1991

3R FRONTIER BUILDING
3601 C STREET, SUITE 788
ANCHORAGE, ALASKA 99503-5934
PHONE: (907) 561-5585

Representative Robin Taylor
Minority Leader
P.O. Box V
Juneau, Alaska 99811

Dear Representative Taylor:

Thank you for forwarding a copy of your draft bill on an Export Assistance Center. I have reviewed your proposed bill as well as the abstract on the Washington State bill and offer the following comments for your consideration.

After two weeks on the job as the Deputy Commissioner for International Trade and Development, I have come to appreciate efforts afoot to centralize trade related services to Alaskan businesses. I am aware of a proposed Export Consortium, of proposals to co-locate the Office of International Trade at the Anchorage World Trade Center -- to mention only a few. However, I am equally aware of duplication of services and fuzzy mission definitions.

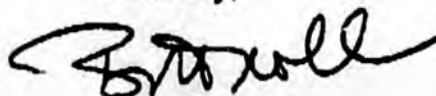
Upon my arrival at OIT, the existing staff members pointed out two issues that are recurring in office efforts to assist small businesses with the export market: The first problem is financial assistance for the small, new-to-export business person. The office is repeatedly asked for financial assistance because small businesses have trouble locating sources of capital to begin their international business development plans. Secondly, the office has discussed the possibilities of charging fees for services, however nominal, to establish commitment on the part of the business person seeking assistance.

Your proposed bill would address the two main points raised by OIT staff -- funding and fees. I am generally supportive of the bill however I have a recommendation: The Small Business Development Center is funded by both the State of Alaska Department of Commerce and the University of Alaska. The Center's mission is to assist with the development of business plans and strategies for small companies and new entrepreneurs. The Center currently charges a fee for services and has the authority to handle money and administrative details related to the receipt of funds. I encourage you to look at using the Center rather than OIT for establishment of a fund/grants.

Once the Center worked with the business to develop a business plan, then OIT could step in and assist with the international components of proposed activities in your draft bill. This would entail primarily the marketing end of the venture. OIT would still collect a fee, but it would be upon receipt of funds from successful sales abroad, as is noted in your draft bill.

I have asked our fiscal office in DCED to provide you with a fiscal note. I am available to speak further in person or on the phone regarding this bill or any other questions you may have on international trade. I appreciate the opportunity to comment and look forward to seeing you in Juneau on one of my trips to the Capitol. Please let me know if I can be of further assistance to you or your staff.

Sincerely,



William Noll
Deputy Commission for International Trade
and Development



ALASKA INDUSTRIAL DEVELOPMENT
AND EXPORT AUTHORITY

480 WEST TUDOR • ANCHORAGE, ALASKA 99503-6690 • (907) 561-8050 • FAX (907) 561-8998

February 20, 1991

Honorable Robin Taylor
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

ATTN: Mr. Joe Ambrose

Dear Mr. Ambrose:

Thank you for furnishing me a copy of the proposed legislation on a Trade Assistance Center. While the concept of such an organization may be needed, the Authority is probably not the most appropriate organization to administer the program.

A review of the Authority by the Institute of Social and Economic Research (ISER) indicates that the export promotion activities may best be located elsewhere. While we disagree with some of ISER's findings, we do agree that the export program has not to date been successful. As it appears that the primary purpose of the bill is to provide marketing and technical expertise to small businesses wishing to export as well as administer grants related to the preceeding, both the Office of International Trade (now in the Department of Commerce and Economic Development) and the University of Alaska's Center for International Business be considered as logical alternatives.

As you indicated that both New Jersey and Washington were considering similar legislation, it might be worth while to identify the potential universe of firms that would be candidates for such a program within Alaska. Some type of "quick and dirty" needs assessment could provide a better focus on exactly who the legislation would benefit and what its impact may be.

If you would like me to go through and do a section-by-section analysis, let me know.

Sincerely,

Bertram L. Wagnon
Executive Director

BLW/ss

Economic Development Specialist Position Description

The Economic Development Specialist (EDS) has considerable independence and minimum supervision in the implementation of the department's Rural Economic Development Initiative (REDI). The primary responsibility of the EDS is to provide expertise and support to rural communities in diversifying their economies.

To fulfill this responsibility, the EDS is required to facilitate cooperation between public and private interests. The EDS is responsible for the direct leadership for the REDI program in the service area or region. This leadership extends to being the focal professional drawing together a variety of resources to support Rural Development Projects.

REDI program goals and objectives are: (1) to achieve community, sub-regional, and regional programs and projects that will create long term job employment opportunities, and (2) reduce the level of imported services and/or goods to strengthen local economic self-sufficiency.

Specifically, the EDS's duties require the following:

- ☐ Identifying economic development potential of communities and sub-regions.
- ☐ Identifying projects serving that potential in the communities and sub-regions.
- ☐ Conducting community meetings, symposia, and workshops to advance the principles of economic development as well as support specific projects.
- ☐ Assisting communities and sub-regions in preparing economic development plans and strategies that are components of the REDI overall work plan.
- ☐ Reviewing project grant and loan proposals; providing technical assistance for economic development project loan and grant application packages under the Department's REDI Loan and Grant Programs (REDI-CDBG, REDI-RDA, and REDI-RDF) as well as other financing programs including AIDEA, CFAB, and private lenders.
- ☐ Assisting the Department in evaluating ED project activity including press monitoring of programs and projects funded.
- ☐ Assisting communities and individuals to identify and obtain funds from public/private sources.
- ☐ Performing financial and credit analysis, referral, and loan and bond packaging assistance for projects for rural communities.
- ☐ Assisting communities and individuals in conducting and hiring contractors to develop the market and feasibility assessments for an economic development project.

In addition to the stated duties and responsibilities, the EDS makes recommendations and conducts technical review of the Department's development of new economic development programs or revisions to existing programs including the regulations, application and reporting forms, and provides analysis on program performance.

The professional assistance and training prided by the EDS are occasionally monitored by the Department and much of the delivery of expertise and services are conducted when working alone in a community or at the regional office. Any errors or omissions in any assistance provided may not be detected until a legal or financial problem reaches serious ramifications and creates discredit to the Department. Therefore, the position requires certification through the National Economic Development Finance Professional Program to administer the REDI Program and qualify as an EDS for the Department.

EDS's will be assisting and training a variety of clients; they must be able to communicate complex information simply and accurately.

The Goal of Economic Development Financing

- ☐ To stimulate private sector investment into long-lived physical plant and equipment
- ☐ To increase productivity
- ☐ To create new permanent private sector jobs

The Form of the Stimulus

- ☐ Loans to private sector businesses
- ☐ Ratio of DCRA to other participation
 - Goal: 1:1
 - Goal: TA : Successful funding/any source
 - Goal: TA : Clear other agency roadblocks
 - Goal: Comprehensive case management approach
- ☐ Provide comprehensive Economic Development training
 - Goal: To Municipalities and Municipal associations
 - Goal: To Regional Economic Development (Rural) associations
 - Goal: To Regional and Village profit corporations

The Long-Term Gap

80% of the new jobs in the nation are created by companies employing less than 100 people. Ironically, these businesses are the least able to obtain reasonable financing for creating plant expansions and new jobs.

Therefore, three steps are essential in closing this gap: Capital formation; capital transfer; and capital management (funds flow).

The challenge in rural Alaska is even greater; there is virtually no private sector lender in the DCRA client area, funds available are on a Statewide competitive basis, and funding agencies are just now recognizing the value of information sharing for maximum effectiveness. Basic needs such as water, sewer and transportation are expensive and barely adequate for residential use let alone business needs.

Solutions

- Strong Economic Development Oriented Staff
- Community Reinvestment Act
- Coordinated Interagency Agency Task Force
- Private Sector Capital Pools
- Coordinated Interagency Council
- Community ED Plans
- Community Project Consensus Development
- Community Coordinated Project Development Teams
- Public Equity Investment Funding

The Rule of the EDS

- Managing the system
- Marketing the program and its tools
- Screening, structuring and analyzing deals
- Packaging loans
- Assisting in securing lenders' commitments
- Case management of closed deals, i.e. loans or grants
- Program development
- Educational TA on Economic Development

EDS Time Allocations

FUNCTION	% OF TIME
Marketing & outreach	25
Screening/analyzing/packaging	30
Program management/development	25
Case management	10
TA/Training/Coordination	10

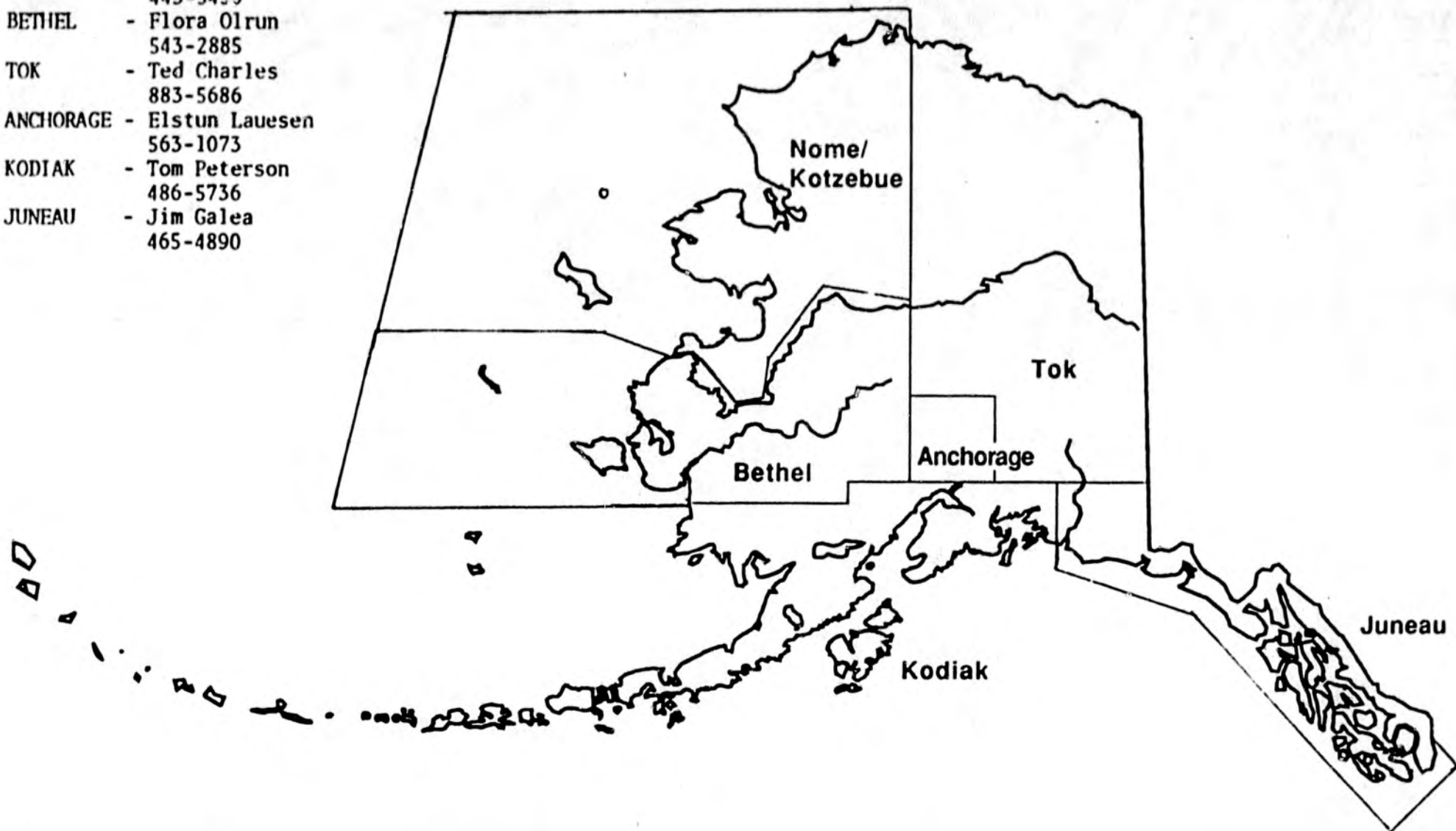
Performance Goals

The goal of the system is to stimulate enterprise investment using State and Federal grant sources and leverage in private investment from local sources.

FUNCTION/SOURCE	Target to ED
CDBG Grants	50%
CDBG Loans	100%
RDA Grants	50%
RDA Mini Grants	75%
Marketing	3 Mayors conferences per year 3 major ED conferences per year 10 interagency coord. actions 5 bank contacts to enlist support for rural projects 5 trips to individual communities to orient in Economic Development
Screen/Analyze deals	20 deals
Package non-agency loans	5 deals
Case Management	Follow up on all approved deals once a month
TA/Training	Assist MRAD Work Plan
Program Management	50 referrals, 20 TA actions 2 major program review sessions with management Oversight of economic issues Component BRU Staff

EDS Service Areas

NOME/KOTZ - Vic Goldsberry
443-5459
BETHIEL - Flora Olrun
543-2885
TOK - Ted Charles
883-5686
ANCHORAGE - Elstun Lauesen
563-1073
KODIAK - Tom Peterson
486-5736
JUNEAU - Jim Galea
465-4890



Program Summary Chart

Program Name	Brief Description of Your Program	Who Are Your Clients and Do You Provide Services to Rural Alaska?	Has Your Program Worked With REDI or Other Economic Development Projects?	Briefly Describe An Example	How Should EDS or LGS Contact Your Program for Assistance?
JTPA Job Training Partnership Act	Employment and training program for economically disadvantaged persons, with emphasis on those with barriers to employment	Yes. Clients are unskilled, unemployed, handicapped, dislocated, youth, older workers, offenders, low income, etc.	Yes	Shishmarek: tannery Selawik: store Emmonak: clinic construction and training	Contact CDS in Regional Offices
Energy: ERIC, WX, ICP, CPR, REAT, HELP, State Energy Standards, ACHP	Deliver Federal and state programs for education in energy efficiency and conservation.	Yes. Consumers, small businesses and communities, non-profits, government agencies, housing industry, schools and hospitals.	Yes, CPR	Allakaket freezer project	Call ERIC at 800-478-INFO Mimi B. at 273-9451 Bob S. at 273-9438
Local Government Assistance	Provide Training, Technical Assistance and Advice to clients	Yes. Small cities, non-profits, Tribal organizations, appropriate village entities, and unincorporated communities.	Yes	Technical Assistance with applications, city land disposal for RDF loan to build a store	Call LGS in Regional Offices
Child Care Programs	Child care and small business programs that promote family economic independence; stimulate & expand small businesses; enlarge local work force; create new jobs thru demand for services; and, retain money in the community.	Yes. LMI families; child care businesses; also, local govts, Children's Advocacy Orgs, and private sector employers	Yes	New Child Care Center funding in Nome Facility upgrade in Cordova Child Care Center	Call Child Care Programs or come visit
Housing Assistance Program	Provide funding for safe and affordable housing for single family dwelling and rental units.	Yes. Provide funding to communities with a population of 4500 or less; 1st Judicial Districts or 2nd, 3rd, & 4th Judicial Districts not tied by road or rail systems to Anchorage or Fairbanks.	Yes. RDF Programs. Loan staff sat on REDI Committee. Also housing staff provide mechanic end of RDF. Loan examiner referrals of potential REDI projects. Loan closer of RDF loans. Accounting & maintaining integrity of RDF program.	RDF Program. Eight RDF loans	Processing of RDF loans. Become more involved in the local government requirements of the RDF program.
Land Planning and Technical Assistance: ANCSA, ACMP, NFIP, Community Planning, Land Mgmt TA/ing, Profiles/ Data Base maps	TA to identify 14(c)(3) & negotiate settlement. Hold land in trust for "unincorporated." Develop community/ project plans (sewer, water, roads). Economic plans. \$1.2 million ACMP for land planning/dvp policies. Site control. Land ordinances (disposal, subdivisions)	Cities, "unincorporated," local staff, village corporations, CRSAs, ARDORs/ regional strategy.	Yes. Review grants/assist applicants. Site control (on-going) Community/economic dev planning Flood info for capital projects Econ Dev Profiles	SWAMC Econ Dev Profiles Emmonak Economic Development Plan ANA grant review	Call Regional Office Planners or contact Program Coordinator for NFIP/profiles, data base, maps)
DAS/Grants Legislative Grants, Fiscal Accountability; Travel, procurement, audit, budget, personnel	A) Economic Development Equipment purchases Road Improvements Alaska Legal Services B) Relationship: Audit, Fiscal, Grants	Internal - All staff External - 1. DAS Legislative Grants 2. All clients of all programs administered by DCRA	Yes	All the previous examples given by programmatic staff	Contact Sam Thomas Mary Stovall Tena Bavard Roger Foisy

➔ Child Care
➔ JTPA
➔ Housing

➔ Land Planning and
Technical Assistance
➔ DAS/Grants

➔ Energy & Weatherization
➔ Local Government Assistance





**UNITED STATES DEPARTMENT OF COMMERCE
International Trade Administration**

World Trade Center
4201 Tudor Centre Drive, Suite 319
Anchorage, Alaska 99508-5916
Tele: 907/261-4237 Fax: 907/261-4242

**United States and Foreign Commercial Service
FACT SHEET**

PROGRAMS AND SERVICES

EXPORT INFORMATION

- o Commercial News USA. A magazine published 10 times a year which promotes the products or services of U.S. firms to more than 110,000 overseas agents, distributors, and government officials.
- o Agent/Distributor Service. A customized search for interested and qualified foreign representatives which will identify up to six foreign prospects who have examined the U.S. firms literature and expressed interest in representing it.
- o World Traders Data Reports. Custom reports that evaluate potential trading partners. Includes background information, standing in local business community, credit-worthiness and overall reliability and suitability.
- o Market Research. Analysts in foreign posts provide US&FCS with timely, accurate and in-depth marketing data on high export potential industrial sectors in the most promising countries.
- o Comparison Shopping Service. Tailored product-specific marketing reports which compare various aspects (i.e.; sales potential, going price, methods of distribution, competitive factors and qualified purchasers) of a specific U.S. product with comparable foreign market products.
- o Trade Opportunities Program. Provides timely sales leads from overseas firms seeking to buy or represent U.S. products or services. Leads are available electronically through the Department and are redistributed by the private sector.

TRADE EVENTS:

- o Matchmaker Program. These trade delegations are designed to match participants with potential agents, distributors, licensees, franchisees or joint venture partners. Matchmakers are composed of 10 to 100 senior executives, usually of small, new-to-export or new-to-market companies.



Worldwide	'86	'87	'88	'89	'90
Fish	506,617,747	576,251,328	913,703,912	1,095,641,170	1,447,238,811
Timber	261,855,214	390,807,438	527,209,494	635,180,050	617,188,017
Petrol	342,977,526	427,077,637	411,092,770	415,146,466	448,150,651
Coal	28,010,651	30,578,326	30,554,547	25,005,969	31,431,267
Minerals	926,505	3,507,980	13,231,835	31,762,063	139,303,103
Other	149,196,610	127,391,246	166,259,673	358,059,674	902,376,796
Total	1,289,584,253	1,555,613,955	2,062,052,231	2,560,795,392	3,585,688,645

Asia	'86	'87	'88	'89	'90
Fish	492,783,218	563,821,164	897,753,679	1,059,325,898	1,342,111,378
Timber	245,064,647	363,920,162	484,860,836	583,728,731	579,853,108
Petrol	301,658,379	383,696,586	358,625,884	363,696,608	413,009,048
Coal	28,010,651	30,578,326	30,554,547	25,005,969	31,431,267
Minerals	1,148	163,753	70,014	4,528,476	34,970,336
Other	123,305,068	100,768,372	135,083,959	321,732,877	855,130,752
Total	1,190,823,111	1,442,948,363	1,906,948,919	2,358,018,559	3,256,505,889

Europe	'86	'87	'88	'89	'90
Fish	1,274,154	2,273,687	9,677,611	17,494,184	97,666,910
Timber	7,340,116	12,084,533	25,359,737	26,829,054	21,946,519
Petrol	0	4,499,049	4,341,894	0	0
Coal	0	0	0	0	0
Minerals	898,557	3,332,227	13,110,396	27,201,545	102,117,158
Other	7,033,467	7,572,002	13,786,028	13,524,670	22,939,654
Total	16,546,294	29,761,498	66,275,666	85,049,453	244,670,241

Americas	'86	'87	'88	'89	'90
Fish	12,560,375	10,156,477	6,272,622	18,821,088	7,460,523
Timber	5,482,196	8,646,019	12,762,410	9,423,144	6,969,713
Petrol	29,080,603	13,566,058	7,760,219	23,842,433	10,199,205

CORRECTION

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



UNITED STATES DEPARTMENT OF COMMERCE
International Trade Administration

World Trade Center
4201 Tudor Centre Drive, Suite 319
Anchorage, Alaska 99508-5916
Tele: 907/261-4237 Fax: 907/261-4242

United States and Foreign Commercial Service
FACT SHEET

PROGRAMS AND SERVICES

EXPORT INFORMATION

o **Commercial News USA.** A magazine published 10 times a year which promotes the products or services of U.S. firms to more than 110,000 overseas agents, distributors, and government officials.

o **Agent/Distributor Service.** A customized search for interested and qualified foreign representatives which will identify up to six foreign prospects who have examined the U.S. firms literature and expressed interest in representing it.

o **World Traders Data Reports.** Custom reports that evaluate potential trading partners. Includes background information, standing in local business community, credit-worthiness and overall reliability and suitability.

o **Market Research.** Analysts in foreign posts provide US&FCS with timely, accurate and in-depth marketing data on high export potential industrial sectors in the most promising countries.

o **Comparison Shopping Service.** Tailored product-specific marketing reports which compare various aspects (i.e.; sales potential, going price, methods of distribution, competitive factors and qualified purchasers) of a specific U.S. product with comparable foreign market products.

o **Trade Opportunities Program.** Provides timely sales leads from overseas firms seeking to buy or represent U.S. products or services. Leads are available electronically through the Department and are redistributed by the private sector.

TRADE EVENTS:

o **Matchmaker Program.** These trade delegations are designed to match participants with potential agents, distributors, licensees, franchisees or joint venture partners. Matchmakers are composed of 10 to 100 senior executives, usually of small, new-to-export or new-to-market companies.



PROGRAMS AND SERVICES
FACT SHEET
PAGE TWO

TRADE EVENTS --CONTINUED

o Catalog and Video/Catalog Shows. Companies can gain market exposure for their product or service without the cost of traveling overseas by providing the US&FCS with their product information or promotional video or both.

o Overseas Trade Fairs and Seminars. U.S. exporters may participate in a large program of overseas trade fairs, missions and other local trade events which will enable them to meet customers fact-to-face and assess the competition.

o Foreign Buyer Program. Exporters can meet qualified foreign purchasers for their product or service at trade shows in the U.S. The US&FCS promotes the shows worldwide to attract foreign buyer delegations, manages an international business center, counsels participating firms and brings together the buyer and seller.

DOMESTIC OFFICE COUNSELING

o Trade Specialists. International trade experts are available at US&FCS district and branch offices to counsel exporters. Trade specialists conduct conferences and seminars on topics such as marketing your product abroad; EC 1992 and your business; or doing business with Canada.

o Presidential E Awards. This award program recognizes persons, firms or organizations who contribute significantly in the effort to increase U.S. exports.

For additional information contact: Charles F. Becker *(907) 261-4237.

Worldwide	'86	'87	'88	'89	'90
Fish	506,617,747	576,251,328	913,703,912	1,095,641,170	1,447,238,811
Timber	261,855,214	390,807,438	527,209,494	635,180,050	617,188,017
Petrol	342,977,526	427,077,637	411,092,770	415,146,466	448,150,651
Coal	28,010,651	30,578,326	30,554,547	25,005,969	31,431,267
Minerals	926,505	3,507,980	13,231,835	31,762,063	139,303,103
Other	149,196,610	127,391,246	166,259,673	358,059,674	902,376,796
Total	1,289,584,253	1,555,613,955	2,062,052,231	2,560,795,392	3,585,688,645

Asia	'86	'87	'88	'89	'90
Fish	492,783,218	563,821,164	897,753,679	1,059,325,898	1,342,111,378
Timber	245,064,647	363,920,162	484,860,836	583,728,731	579,853,108
Petrol	301,658,379	383,696,586	358,625,884	363,696,608	413,009,048
Coal	28,010,651	30,578,326	30,554,547	25,005,969	31,431,267
Minerals	1,148	163,753	70,014	4,528,476	34,970,336
Other	123,305,068	100,768,372	135,083,959	321,732,877	855,130,752
Total	1,190,823,111	1,442,948,363	1,906,948,919	2,358,018,559	3,256,505,889

Europe	'86	'87	'88	'89	'90
Fish	1,274,154	2,273,687	9,677,611	17,494,184	97,666,910
Timber	7,340,116	12,084,533	25,359,737	26,829,054	21,946,519
Petrol	0	4,499,049	4,341,894	0	0
Coal	0	0	0	0	0
Minerals	898,557	3,332,227	13,110,396	27,201,545	102,117,158
Other	7,033,467	7,572,002	13,786,028	13,524,670	22,939,654
Total	16,546,294	29,761,498	66,275,666	85,049,453	244,670,241

Americas	'86	'87	'88	'89	'90
Fish	12,560,375	10,156,477	6,272,622	18,821,088	7,460,523
Timber	5,482,196	8,646,019	12,762,410	9,423,144	6,969,713
Petrol	29,080,603	13,566,058	7,760,219	23,842,433	10,199,205

Coal	0	0	0	0	0
Minerals	26,800	12,000	51,425	32,042	2,215,609
Other	16,571,578	17,109,274	8,420,391	18,122,595	21,069,784
Total	63,721,552	49,489,828	35,267,067	70,241,302	47,914,834

Japan	'86	'87	'88	'89	'90
Fish	468,726,083	540,483,649	865,995,682	999,383,128	1,235,797,004
Timber	201,263,612	272,701,815	344,980,339	441,654,461	431,801,454
Petrol	254,675,402	277,376,669	242,669,606	265,363,031	251,433,169
Coal	0	0	1,392,711	0	0
Minerals	0	160,159	67,632	2,808,073	31,893,157
Other	32,027,755	36,687,412	66,934,301	163,530,777	435,755,583
Total	956,692,852	1,127,409,704	1,522,040,271	1,872,739,470	2,386,680,367

Korea	'86	'87	'88	'89	'90
Fish	22,296,854	21,574,492	24,165,060	46,379,460	81,265,327
Timber	12,335,877	22,184,331	49,789,749	44,519,207	53,094,954
Petrol	28,052,269	52,432,335	36,822,076	26,618,869	97,017,836
Coal	28,010,651	26,472,724	29,161,836	25,005,969	31,431,267
Minerals	0	3,594	0	1,662,900	3,036,974
Other	49,235,575	33,336,955	29,848,467	31,998,305	117,188,473
Total	139,931,226	156,004,431	169,787,188	176,184,710	383,034,831

Taiwan	'86	'87	'88	'89	'90
Fish	329,738	985,329	5,976,519	13,465,564	22,363,164
Timber	13,643,915	20,907,347	41,056,562	49,540,850	33,349,187
Petrol	4,306,426	11,570,101	32,926,878	18,816,091	7,803,494
Coal	0	4,105,602	0	0	0

Minerals	0	0	2,382	3,148	6,237
Other	1,424,564	4,193,924	19,580,213	18,126,201	36,543,946
Total	19,704,643	41,762,303	99,542,554	99,951,854	100,066,028

China	'86	'87	'88	'89	'90
Fish	1,426,943	758,694	0	0	81,849
Timber	9,182,937	24,659,015	24,928,569	25,680,026	22,993,346
Petrol	8,418,640	31,368,788	41,427,720	30,179,156	56,747,002
Coal	0	0	0	0	0
Minerals	0	0	0	0	0
Other	20,487,276	15,233,183	726,461	1,168,845	6,613,493
Total	39,515,796	72,019,680	67,082,750	57,028,027	86,435,690

Germany	'86	'87	'88	'89	'90
Fish	48,658	33,567	231,239	367,350	46,123,337
Timber	1,416,026	1,764,157	3,555,737	3,414,377	2,709,732
Petrol	0	0	0	0	0
Coal	0	0	0	0	0
Minerals	0	0	0	0	0
Other	638,048	551,270	1,479,276	1,816,000	772,702
Total	2,102,732	2,348,994	5,266,252	5,597,727	49,605,771

Belgium	'86	'87	'88	'89	'90
Fish	0	0	22,808	24,556	0
Timber	1,107,070	2,122,948	1,903,914	4,929,281	2,827,544
Petrol	0	2,178,000	0	0	0
Coal	0	0	0	0	0
Minerals	0	0	0	23,509,636	71,670,256

Other	148,622	218,570	554,774	93,943	53,056
Total	1,255,692	4,519,518	2,481,496	28,557,416	74,550,856

U.K.	'86	'87	'88	'89	'90
Fish	154,686	479,742	0	0	1,709,036
Timber	27,483	12,811	60,227	87,097	428,687
Petrol	0	0	0	0	0
Coal	0	0	0	0	0
Minerals	0	3,300,750	13,001,490	3,691,909	13,095,358
Other	1,568,869	1,506,534	1,941,232	7,229,656	15,580,549
Total	1,751,038	5,299,837	15,002,949	11,008,662	30,813,630

Canada	'86	'87	'88	'89	'90
Fish	12,560,375	10,156,477	6,272,622	18,821,088	7,460,523
Timber	4,108,052	8,111,337	11,421,100	9,423,144	3,526,840
Petrol	0	816,738	785,383	8,281,673	4,559,602
Coal	0	0	0	0	0
Minerals	26,800	12,000	51,425	32,042	100,078
Other	16,498,554	15,317,537	7,570,109	17,066,453	20,322,950
Total	33,193,781	34,414,089	26,100,639	53,624,400	35,969,993

Alaska January and February Exports 1986 - 91

	'86	'87	'88	'89	'90	'91
Fish	19,859,207	34,027,856	83,424,518	145,793,752	141,907,414	285,904,286
Timber	20,945,733	27,796,416	34,567,787	62,120,071	71,680,260	55,389,610
Petrol	65,522,236	76,363,154	96,295,812	69,272,161	66,580,583	100,559,483
Coal	5,509,639	2,728,709	904,111	2,747,586	5,830,052	6,699,308
Minerals	0	3,594	50,846	12,127	11,812,794	2,308,513
Other	14,031,220	14,148,605	18,700,618	16,141,997	93,512,391	228,579,881
Total	125,868,035	155,068,334	233,943,692	296,087,694	391,323,494	679,441,081

TANNER CRAB

XPORT

PORT AUTHORITY TRADING COMPANY

World Trade & Economic Development Department

XPORT Trading Company
One World Trade Center, 63E
New York, New York 10048Fax: 212-432-0297
212-839-0530

Telex: 427346 NYAND NJ

Telephone: (212) 466-3248

TO: Carolyn De Palatis, World Trade
ATTENTION: Center, Anchorage
FROM: Herbert Ouida
DATE: Feb. 9, 1990

Number of Pages 6
(Including this one)

Please find the attached.

February 9, 1990

TO: Carolina DePalatis, Anchorage WTC

Thanks for answering all my questions. My thoughts and prayers are with you. We do not have By-Laws or Articles of Incorporation as we operate under the Port Authority. Attached is a draft of an application for certification under the Export Trading Company Act that we are considering submitting. Please keep it confidential.

Herb Ouida

Application of The Port Authority of New York and New Jersey
(Continued)

Item 2: None

Item 3: The Port Authority of New York and New Jersey is a municipal corporate instrumentality and political subdivision of the States of New York and New Jersey, created and existing by virtue of the Compact of April 30, 1921, made by and between the said two States, and thereafter consented to by the Congress of the United States Act of August 23, (Public Resolution No. 17, 67th Congress First Session) (For the text of the Compact, as subsequently amended and supplemented, see McKinney Unconsolidated Laws §6401 et seq. and N.J.S.A. 32:1-1 et seq.) Attached are: (a) the By-Laws of The Port Authority of New York and New Jersey, and (b) the resolution of the Board of Commissioners of The Port Authority of New York and New Jersey dated March 11, 1982, entitled "The World Trade Center - Authorization to Enter into Export Marketing Agreements or Form a Trading Company or Companies if Necessary," authorizing the establishment of an export trading company.

Item 4: Attached are: (a) The Port Authority of New York and New Jersey Comprehensive Annual Financial Report for the year ending December 31, 1988, (b) XPORT brochure - "Bringing New Products to the World's Great Market Places," with listings of the product areas in which XPORT represents manufacturers as of December 1989, and (c) Official Statement dated January 9, 1990, which was furnished by the Authority on such date in relation to the sale by the Authority of the \$100,000,000 Consolidated Bonds, Sixty-seventh Series (see, also, page 49).

Item 5: None

Application of The Port Authority of New York and New Jersey (Continued)

Item 7:

very extensive services

A. The Port Authority of New York and New Jersey through XPORT, its export trading company, provides, as an export trading intermediary, export trade facilitation services which include, but are not limited to: consulting, international market research, advertising, marketing, insurance, product research and design, legal assistance, transportation, trade documentation, freight forwarding, communication and processing of foreign orders, warehousing, foreign exchange and financing. The Port Authority of New York and New Jersey wishes to be certified to export all products and services.

B. (A list of SIC numbers is not included because it would be too extensive).

C. Export markets include all parts of the world except the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands and the Republic of South Africa.

Item 8:

A. The Port Authority of New York and New Jersey, through XPORT, provides its services to firms in New York and New Jersey which are primarily new-to-export or new-to-market.

B. 1. "Total domestic sales" - i.e., the total revenues from services provided by XPORT:

Year ending December 31, 1987:	\$427,398 ✓
Year ending December 31, 1988:	\$674,498 ✓
Year ending December 31, 1989:	\$513,957 ✓

ii) "Total export sales" - i.e., the total sales facilitated by XPORT on behalf of the clients it represents were as follows:

Year ending December 31, 1987:	\$ 8,025,079
Year ending December 31, 1988:	\$15,837,590
Year ending December 31, 1989:	\$20,300,645