

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILES 86/2

292 SCOMM 9: HOUSE SPEC. COMM. ON PERMANENT FUND 1977-78

TABLE 1

PROJECTED ECONOMY (\$ MILLION PERSONAL INCOME)	FY	SCENARIO 1		SCENARIO 2		SCENARIO 3		SCENARIOS 4 & 5		SCENARIO 6	
		REQUIRED PERMANENT FUND (\$ MILLION)	REQUIRED ECONOMY PERSONAL INCOME	REQUIRED PERMANENT FUND (\$ MILLION)	REQUIRED ECONOMY PERSONAL INCOME	REQUIRED PERMANENT FUND (\$ MILLION)	REQUIRED ECONOMY PERSONAL INCOME	REQUIRED PERMANENT FUND (\$ MILLION)	REQUIRED ECONOMY PERSONAL INCOME	REQUIRED PERMANENT FUND (\$ MILLION)	REQUIRED ECONOMY PERSONAL INCOME
2,845.6	78										
3,120.2	79										
3,550.6	80									1,358.2	3,789.8
3,860.7	81										
3,932.9	82										
4,073.4	83					4,899.5	5,540.4				
4,392.4	84					8,109.0	4,695.6				
4,770.8	85					12,011.1	9,026.5			7,036.6	7,051.8
5,008.8	86			1,962.1	5,116.3	18,194.3	11,801.2	Not	10,089.8	12,874.0	9,754.3
5,259.8	87	6,133.0	8,909.2	19,954.4	13,207.9	25,674.7	15,148.4	Applicable	14,034.4	19,954.8	13,011.6
5,522.7	88	14,303.9	16,131.5	28,448.2	17,093.6	34,585.4	19,125.2		18,055.6	28,448.6	16,897.3
5,798.9	89	19,394.7	20,617.8	38,619.1	21,725.4	45,196.7	23,852.1		22,834.3	38,619.5	21,529.2
6,068.8	90	25,475.2	25,973.6	50,768.1	27,236.9	57,810.7	29,462.2		28,501.4	50,768.5	27,040.6

ASSUMPTIONS

	1	2	3	4	5	6	7	8	9	10	11	12
FY	LA PRICE \$	LOWER 48 TRANSPORT \$	TAPS TARRIF \$	INCOME TAX PRUDHOE (\$ MILLION)	PRUDHOE PRODUCTION MMB	OIL & GAS PROPERTY TAX (\$ MILLION)	S FLOOR PRICE FOR OIL SEVERANCE TAX	OTHER REVENUE (\$ MILLION)	GAS SALES MM/MCF	GAS SALE PRICE c/MCF	COOK INLET OIL ROYALTY (\$ MILLION)	COOK INLET OIL SEVERANCE (\$ MILLION)
78	13.75	1.50	5.40	35.0	262.5	167.3	6.53	225.8	17.0	39.8	33.1	16.3
79	14.44	2.00	5.40	51.0	474.5	170.6	6.53	346.5	20.4	39.8	31.3	14.4
80	15.16	2.50	5.40	54.0	547.5	193.2	7.18	280.5	26.4	41.6	29.5	12.7
81	15.92	2.50	5.40	55.0	547.5	226.7	7.18	305.0	34.0	44.2	27.9	10.9
82	16.71	2.50	5.40	56.0	547.5	251.8	7.90	310.7	37.6	46.8	26.4	9.1
83	17.55	2.50	4.90	58.0	547.5	257.0	7.90	321.8	111.6	50.9	24.6	7.3
84	18.43	2.50	4.90	59.0	547.5	261.4	8.69	347.0	117.4	73.1	22.9	5.5
85	19.35	2.50	4.90	60.0	547.5	295.9	8.69	376.9	122.0	77.1	21.2	3.7
86	20.31	2.50	4.90	62.0	547.5	310.7	9.55	395.7	122.0	77.1	19.7	1.9
87	21.33	2.50	4.90	63.0	547.5	326.2	9.55	415.5	122.0	77.1	18.4	.1
88	22.40	2.50	4.90	64.0	547.5	342.5	10.51	436.3	122.0	77.1	17.1	--
89	23.52	2.50	4.90	66.0	547.5	359.7	10.51	458.1	122.0	77.1	16.0	--
90	24.70	2.50	4.90	67.0	547.5	377.6	11.56	481.0	122.0	77.1	14.9	--

FOOTNOTES:

1. Haggart Case II (5% annual increase) July 14, 1977 Memo
2. Haggart Case II
3. Haggart Case II as revised for FY 78-82 in his July 15, 1977 memo for pump station no. 8 slowdown
- 4, 5. Haggart Case II revised for FY 78 for pump station no. 8 slowdown
6. Haggart Case II revised for FY 78 for missing pump station no. 8
7. Haggart (10% increase every two years)
8. Department of Revenue; "Alaska's Oil & Gas Tax Structure"; p. IV-32; Alcan scenario
- 9-12. Haggart

Alaska State Legislature

SPECIAL COMMITTEE ON
THE ALASKA PERMANENT FUND
(907) 276-3433

528 W. 5TH, SUITE 270
ANCHORAGE, AK. 99501

[POUCH V, JUNEAU, AK. 99811]
(907) ~~XXX XXX~~

465-4955



MEMBERS

REP. CLARK GRUENING, CHMN.
REP. TERRY GARDINER, V. CHMN.
REP. E. J. HAUGEN
REP. RUSS MEEKINS
REP. BILL MILES
REP. LEO SCHAEFFER
~~REP. RICK HORN~~
Rep. Joe Hayes

House of Representatives

February 28, 1978

Mr. R. D. Stevenson
Special Assistant
Office of the Commissioner
Department of Revenue
Pouch S
Juneau, Alaska 99811

Dear Mr. Stevenson:

Thank you for the Fiscal Notes on HB 595, HB 596 and
HB 682 prepared by Deputy Commissioner Edenso and recently
received by the Committee.

CSHB 596 will be before the Finance Committee March 6, 1978
at 1:15 PM and it would be helpful to note the differences,
if any, in your calculations for the Committee Substitute at
that time.

It would also be helpful if you would provide a more detailed
back up on the calculations for CSHB 596 so that it will be
possible to see what assumptions were made and how the figures
were arrived at.

I will also be forwarding a Committee Substitute for HB 682
for your review and subsequent Fiscal Note in the near future.

Again, thank you for your time and effort and feel free to
contact me if I can be of further assistance.

Cordially,

Clark Gruening
Representative Clark Gruening

cc: Deputy Commissioner Edenso

CG/jl

M E M O R A N D U M

TO: Representative Hugh Malone
FROM: Representative Clark Gruening
SUBJECT: Request for Travel Approval

I would like to request approval for in-State travel for the following members and staff of the House Special Committee on the Alaska Permanent Fund to attend public hearings in Fairbanks and Anchorage from February 3-5, 1978:

Rep. Gruening
Rep. Gardiner
Rep. Meekins
Rep. Miles
JoAnn Lesh

Rep. Schaeffer
Rep. Hayes
Rep. Haugen
Mike Doogan (to Fairbanks
from Anchorage)

This should be billed to the House Special Committee on the Alaska Permanent Fund.


Representative Clark Gruening

Alaska State Legislature

SPECIAL COMMITTEE ON
THE ALASKA PERMANENT FUND

(907) 270-3433

820 W. 5TH, SUITE 270
ANCHORAGE, AK 99501

[POUCH V, JUNEAU, AK. 99811]

(907) XXXXX

465-4925



MEMBERS

REP. CLARK GRUENING, CHMN.
REP. TERRY GARDINER, V. CHMN.
REP. E. J. HAUGEN
REP. RUSS MEEKINS
REP. BILL MILES
REP. LEO SCHAEFFER
~~XXXXXXXXXX~~
Rep. Joe Hayes

House of Representatives

January 31, 1978

Mr. Belden Daniels
Council for Community Development
4 Sentry Place
Boston, Massachusetts 02114

Dear Mr. Daniels:

Enclosed are copies of the most recent bills concerning the
Alaska Permanent Fund for your information.

Sincerely

A handwritten signature in cursive script, appearing to read "JoAnn Lesh".

JoAnn Lesh
Secretary

MEMORANDUM

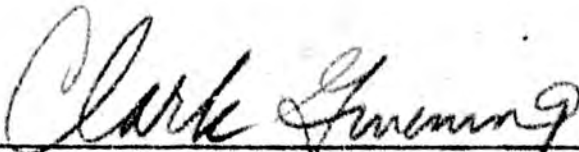
TO: Representative Hugh Malone
FROM: Representative Clark Gruening
SUBJECT: Request for Travel Approval

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Rep. Haugen
Mike Doogan (to Fairbanks
from Anchorage)

This should be billed to the House Special Committee on the Alaska Permanent Fund.


Representative Clark Gruening

Alaska State Legislature

SPECIAL COMMITTEE ON
THE ALASKA PERMANENT FUND
(907) 276-3433

328 W. 5TH, SUITE 270
ANCHORAGE, AK. 99501

[POUCH V. JUNEAU, AK. 99811]
(907) 465-3873



MEMBERS

REP. CLARK GRUENING, CHMN.
REP. TERRY GARDINER, V. CHMN.
REP. E. J. HAUGEN
REP. RUSS MEEKINS
REP. BILL MILES
REP. LEO SCHAEFFER
REP. RICK URION

House of Representatives

Tentative Schedule of Meetings with suggested meeting places

July 15-16	Anchorage	4th Floor Jury Room, Court Bldg Friday 1:30 p.m.; Saturday 9:00 a.m.
Sept. 16-17	Kotzebue	
Oct. 21-22	Juneau	Courtroom A, Court Bldg Friday 2:00 p.m.; Saturday 9:00 a.m.
	Sitka Ketchikan	Southeast Conference
Nov. 11-12	Anchorage	4th Floor Jury Room, Court Bldg
Nov. 16-19	Public Hearings (various)	
Dec. 8-9	Anchorage	4th Floor Jury Room, Court Bldg

Alaska Public Forum regional meetings will be held from the middle of September through mid-November. Locations and times will be announced.

Alaska State Legislature

SPECIAL COMMITTEE ON
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(907) 276-3433
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MEMBERS

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REP. BILL MILES
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REP. RICK URION

House of Representatives

CONTACT:

Clark Gruening, chairman
Kathy Brown, assistant
528 W. 5th Ave.
276-3433

The House Permanent Fund Committee gets off to an official start with a work meeting in Anchorage July 15th and 16th. At that meeting, the committee will hear reports from two renowned consultants on varying aspects of the Permanent Fund.

Economist Arlon Tussing's project deals basically with what the Permanent Fund should accomplish within the Alaskan economic situation. Beldon Daniels, a finance and development specialist from Boston, Mass., will address specific institutions which facilitate development banking, i.e., banking that finances basic industries, one of the possibilities for Permanent Fund money.

Aided by the consultant's reports, the committee will outline the basic goals for its interim project. Committee Chairman Clark Gruening says that the problems to be explored are two-fold: economic and political.

"On the economic side, What are the basic goals we want the Permanent Fund to achieve in the Alaskan economy? And on the political side, the basic question is, Who will control the Fund and how will they be made accountable to the public?"

Also on the agenda for the July 15th meeting is a report from Revenue Commissioner Sterling Gallagher on the current investment status of the Permanent Fund monies. The latest report shows that the Fund has earned over 27 thousand dollars in interest since it became effective last February.

The public is urged to attend this meeting, although public testimony will not be taken, as it is organizational in nature. The public's part will come later.

SCOMM

#9: 196

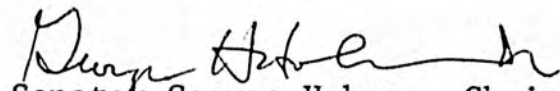
Jay Hogan, Director
Division of Legislative Finance
Pouch WF
Juneau, Alaska 99811

Dear Mr. Hogan:

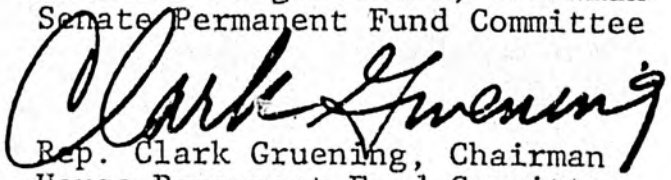
We have agreed that the \$50,000 appropriation for management and financial consulting services in connection with the Alaska Permanent Fund, placed in the current budget of your Division, should be equally divided between our committees.

Each of us will forward separate contracts to cover these purposes.

Sincerely,


Senator George Hohman, Chairman
Senate Permanent Fund Committee

Sept 22, 1977


Rep. Clark Gruening, Chairman
House Permanent Fund Committee



JUNEAU ALASKA

Alaska State Legislature

Contract Between

STATE OF ALASKA

LEGISLATIVE AFFAIRS AGENCY

AND

ALASKA NATIVE FOUNDATION

The parties to this agreement are the LEGISLATIVE AFFAIRS AGENCY, on behalf of the Legislative Council's Senate Interim Committee on the Alaska Permanent Fund, hereinafter referred to as the "Agency", and the ALASKA NATIVE FOUNDATION, hereinafter referred to as the "Contractor".

THE PURPOSE OF THIS AGREEMENT is to provide the Senate Interim Committee on the Alaska Permanent Fund assistance in development of work plans for Permanent Fund research and other projects relating to the Permanent Fund.

IT IS THEREFORE MUTUALLY AGREED THAT:

CLAUSE I. - STATEMENT OF WORK

(a) The Contractor shall, on the request of the Chairman of the Senate Interim Committee on the Alaska Permanent Fund (hereinafter referred to as "the Chairman"), provide the Committee assistance in developing work plans for Permanent Fund research.

(b) The Contractor shall, on the request of the Chairman, provide such other planning and consulting services as may be deemed necessary to the Committee's interim effort.

(c) All work performed under this contract shall be at the request of and under the direction of the Chairman of the Senate Interim Committee on the Alaska Permanent Fund.

CLAUSE II. - PERIOD OF PERFORMANCE

(a) This contract covers the period beginning April 1, 1977 and ending November 30, 1977.

(b) This contract may be terminated by either party upon written notice to the other.

CLAUSE III. - COMPENSATION AND METHOD OF PAYMENT

(a) The Contractor shall be paid at the rate of \$250.00 per day for each day of work under this contract.

(b) In addition the daily fee of \$250.00 set out in (a) the Contractor shall be reimbursed for travel and other expenses authorized in advance by the Chairman, except that per diem shall be paid at prevailing State rates, and all air travel shall be reimbursed on the basis of coach class fares.

(c) Total payments under this contract may not exceed \$11,700.00, inclusive of expenses.

(d) Reimbursement for Contractor's services shall be paid upon receipt and acceptance of itemized billings by the Chairman of the Senate Interim Committee on the Alaska Permanent Fund.

CLAUSE IV.- PERSONNEL

The Alaska Native Foundation will assign Michael DeMan, Director of Village Management Assistance as Contractor's designee responsible for performance of services under this contract.

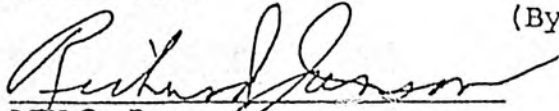
CLAUSE V.- ALL WRITINGS CONTAINED HEREIN

This agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this agreement shall be deemed to exist or to bind either of the parties to this agreement,

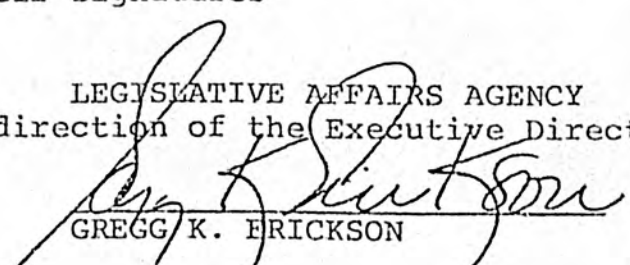
Contract
Page 3

IN WITNESS WHEREOF, the parties have executed this agreement
on the dates noted next to their signatures

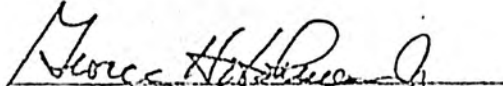
CONTRACTOR


APR 1968

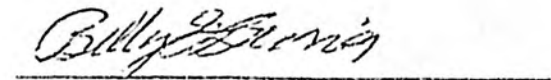
LEGISLATIVE AFFAIRS AGENCY
(By direction of the Executive Director)


GREGG K. ERICKSON

accepted


GEORGE HOHMAN, Chairman

Approved as to form


AGENCY LEGAL COUNSEL

CONTRACT BETWEEN
STATE OF ALASKA
DIVISION OF LEGISLATIVE FINANCE
AND

WHITE, WFLD & CO., INC.

The parties of this agreement are the Division of Legislative Finance, hereinafter referred to as the "Division" by and for the House Special Committee on the Permanent Fund and White, Weld & Co., Inc., One Liberty Plaza, 91 Liberty Street, New York, N.Y. 10006.

THE PURPOSE OF THIS AGREEMENT is to provide, through the Division, professional services in relation to the Alaska Permanent Fund and the Renewable Resources Loan Fund.

IT IS THEREFORE MUTUALLY AGREED THAT:

CLAUSE I. - STATEMENT OF WORK

The Contractor shall provide consultations on financial questions connected with the above funds. These shall include, but not be limited to, gaps in existing capital markets for Alaska and the limitations, if any, to be placed on the leverage capabilities of the funds.

The Contractor shall coordinate, work with, and exchange information with Price Waterhouse & Company of Anchorage so as to prevent duplication of effort.

CLAUSE II. - STANDARDS OF PERFORMANCE

The work shall be done in accordance with generally recognized standards of professional consulting services. In the event that any work does not meet these standards, the Project Director may serve written notice and satisfactory correction shall be made within ten (10) days. Completion dates for any portion(s) of the work shall be set by mutual agreement. Failure to complete the work on time shall result in liquidated damages of ten percent of the contract amount plus one hundred dollars (\$100) per day for each day of delay beyond the completion deadline, except for delays due to causes beyond the control and without fault or negligence of the Contractor. Liquidated damages shall not exceed the total payments allowed under the contract and may be deducted from payments that are owing.

Any dispute concerning a question of fact that relates to the Contractor's performance, if not disposed of by agreement between the parties, shall be decided by the Project Director, who shall notify the Contractor. This decision, unless appealed

to a court of competent jurisdiction within ninety (90) days of the completion or termination of the contract, shall be final and conclusive.

CLAUSE II. - PERIOD OF PERFORMANCE

- (A) The period of performance under this contract shall commence on August 29, 1977, or on the date both parties sign this agreement and expires on the close of the Second Session, Tenth Alaska State Legislature, provided, however, that the Project Director grants an extension for additional periods in a mutual written agreement of the parties.
- (B) The agreement may be terminated
 - (1) by the Project Director. Written notice of the necessity for doing so shall be delivered to the Contractor. Payment shall be made for satisfactory work; or
 - (2) by mutual consent of the parties to this agreement.

CLAUSE IV. - PROJECT DIRECTORS

Work assignments may be made by Representative Clark Gruening, Chairman of the House Special Committee on the Permanent Fund, upon written notification to the Administration by way of the Commissioner of Revenue.

CLAUSE V. - COMPENSATION AND METHOD OF PAYMENT

- (A) Total compensation under this contract, including travel or other expenses, shall not exceed \$7,500.
- (B) Out of pocket expenses, including economy airfare, communications, lodging, meals and the like, shall be billed as separate items. Receipts shall be required.

CLAUSE VI. - REPORTS

The Contractor shall keep the Project Director informed as to the progress of the work performed under this agreement and shall provide progress reports as specified by him.

CLAUSE VII. - RECORDS, DOCUMENTS, AUDIT

The Contractor shall maintain accurate records which are subject to inspection by the Division at all reasonable times. All documents, reports and writings produced in the course of the work performed under this contract are, upon delivery to the Division or at the termination of this agreement, the property of the Division. The Committee shall have the full right to use these documents for its purposes, or otherwise, when and where the Committee may designate without any claim on the part of the Contractor for additional compensation.

CLAUSE VIII. - ALL WRITINGS CONTAINED HEREIN

This agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this agreement shall be deemed to exist or to bind either party to this agreement.

IN WITNESS WHEREOF, the parties have executed this agreement on the date indicated.

CONTRACTOR:

STATE OF ALASKA

DIVISION OF LEGISLATIVE FINANCE:

By: Theodore P. Swick

By: J. H. Boyer

Theodore P. Swick

Title First Vice President

Title Director

Date October 3rd, 1977

Date 10/17/77

APPROVED BY:

Clark Gruening

Clark Gruening, Chairman
House Permanent Fund Committee

Date 9/28/77

CONTRACT BETWEEN

STATE OF ALASKA

DIVISION OF LEGISLATIVE FINANCE

AND

WHITE, WELD & CO., INC.

The parties of this agreement are the Division of Legislative Finance, hereinafter referred to as the "Division," by and for the Senate Special Committee on the Permanent Fund and the House Special Committee on the Permanent Fund, and White, Weld & Co., Inc., One Liberty Plaza, 91 Liberty Street, New York, N.Y. 10006.

THE PURPOSE OF THIS AGREEMENT is to provide, through the Division professional services in relation to the Alaska Permanent Fund and the Renewable Resources Loan Fund.

IT IS THEREFORE MUTUALLY AGREED THAT:

CLAUSE I. - STATEMENT OF WORK

The Contractor shall provide consultations on financial questions connected with the above funds. These shall include, but not be limited to, gaps in existing capital markets for Alaska and the limitations if any, to be placed on the leverage capabilities of the funds.

The Contractor shall coordinate, work with, and exchange information with Price Waterhouse & Company of Anchorage so as to prevent duplication of effort.

CLAUSE II. - STANDARDS OF PERFORMANCE

The work shall be done in accordance with generally recognized standards of professional consulting services. In the event that any work does not meet these standards, the Project Director(s) may serve written notice and satisfactory correction shall be made within ten (10) days. Completion dates for any portion(s) of the work shall be set by mutual agreement. Failure to complete the work on time shall result in liquidated damages of ten percent of the contract amount plus one hundred dollars (\$100) per day for each day of delay beyond the completion deadline, except for delays due to causes beyond the control and without fault or negligence of the Contractor. Liquidated damages shall not exceed the total payments allowed under the contract and may be deducted from payments that are owing.

Any dispute concerning a question of fact that relates to the Contractor's performance, if not disposed of by agreement between the parties, shall be decided by the Project Director(s), who shall notify the Contractor. This decision, unless appealed to a court of competent jurisdiction within ninety (90) days of the completion or termination of the contract, shall be final and conclusive.

CLAUSE III. - PERIOD OF PERFORMANCE

- (A) The period of performance under this contract shall commence on August 29, 1977, or on the date both parties sign this agreement and expires on the close of the Second Session, Tenth Alaska State Legislature, provided, however, that the Project Directors grant an extension for additional periods in a mutual written agreement of the parties.
- (B) This agreement may be terminated
 - (1) by the Project Directors upon mutual agreement. Written notice of the necessity for doing so shall be delivered to the Contractor. Payment shall be made for satisfactory work; or
 - (2) by mutual consent of the parties to this agreement.

CLAUSE IV. - PROJECT DIRECTORS

Work assignments may be made by Senator George Hohman, Chairman of the Senate Special Committee on the Permanent Fund, or by Representative Clark Gruening, Chairman of the House Special Committee on the Permanent Fund, upon written notification to the other Chairman and to the Administration by way of the Commissioner of Revenue.

CLAUSE V. - COMPENSATION AND METHOD OF PAYMENT

- (A) Total compensation under this contract including travel or other expenses. shall not exceed \$10,000.
- (B) Out of pocket expenses, including economy airfare, communications, lodging, meals and the like, shall be billed as separate items. Receipts shall be required.

CLAUSE VI. - REPORTS

The Contractor shall keep the Project Directors informed as to the progress of the work performed under this agreement and shall provide progress reports as specified by them.

CLAUSE VII. - RECORDS, DOCUMENTS, AUDIT

The Contractor shall maintain accurate records which are subject to inspection by the Division at all reasonable times. All documents, reports and writings produced in the course of the work performed under this contract are, upon delivery to the Division or at the termination of this agreement, the property of the Division. The Committees shall have the full right to use these documents for their purposes, or otherwise, when and where the Committees may designate without any claim on the part of the Contractor for additional compensation.

CLAUSE VIII. - ALL WRITINGS CONTAINED HEREIN

This agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this agreement shall be

deemed to exist or to bind either parties to this agreement.

IN WITNESS WHEREOF, the parties have executed this agreement
on the dates indicated.

CONTRACTOR:

STATE OF ALASKA
DIVISION OF LEGISLATIVE FINANCE:

By: _____

By: _____

Title

Title

Date

Date

APPROVED BY:

George Hohman, Chairman
Senate Permanent Fund Committee

Date

Clark Gruening

Clark Gruening, Chairman
House Permanent Fund Committee

Aug 29, 1977

Date

CONTRACT BETWEEN
STATE OF ALASKA
LEGISLATIVE AFFAIRS AGENCY
AND
JEROME ZEIFMAN

The parties of this agreement are the LEGISLATIVE AFFAIRS AGENCY, on behalf of the Legislature's Interim Committee on Oil and Gas Taxation and Leasing Policy, hereinafter referred to as the "Agency", and JEROME ZEIFMAN, hereinafter referred to as the "Consultant".

THE PURPOSE OF THIS AGREEMENT is to provide specialized professional consulting services to the Alaska State Legislature and the Alaska State Department of Revenue.

IT IS, THEREFORE, MUTUALLY AGREED THAT;

CLAUSE I. - STATEMENT OF WORK

- (a) The Consultant shall provide a written analysis of the issues raised in the joint memorandum of John Messenger and Gregg Erickson, dated 2 September 1976 (attached hereto and incorporated by this reference as though set out in full).
- (b) The Consultant shall appear and present expert witness testimony before committees of the Tenth Alaska State Legislature in Juneau. The times of appearances shall be scheduled by the Agency so as not to conflict with the Consultant's other professional obligations.

CLAUSE II. - PROJECT DIRECTOR

Performance of the work specified in Clause I shall be certified by the Commissioner of Revenue (the project director) or his designee, except that the times and places of testimony before legislative committees shall be as directed by the Director of Research, Legislative Affairs Agency.

CLAUSE III. - PERIOD OF PERFORMANCE

- (a) The work described in paragraph (a) of Clause I shall be carried out during the period between 1 September 1976 and 31 January 1977.
- (b) The work described in paragraph (b) of Clause I shall be carried out between 1 September 1976 and 30 June 1977.

(c) This agreement expires on 30 June 1977 unless terminated earlier in accordance with Clause IV.

CLAUSE IV. - EARLY TERMINATION

This agreement may be terminated by either party on written notice to the other. Termination by the Consultant prior to certification by the project director of completion of the work specified in paragraph (a) of Clause I shall result in reduction of the rate of compensation, as provided in paragraph (f) of Clause V.

CLAUSE V. - COMPENSATION AND METHOD OF PAYMENT

(a) The Consultant shall be compensated at a rate of \$250 per working day. Time spent in travel approved in advance by the project director shall be considered billable.

(b) Consultant shall be reimbursed for expenses incurred in travel approved in advance by the project director or the Director of Research, Legislative Affairs Agency, except that food and lodging shall be covered by payment at applicable state per diem rates.

(c) Consultant shall be reimbursed for expenses of research assistance and the expenses and fees of other professional consultants with whom the Consultant may wish to subcontract. However, reimbursement for all such expenses and fees shall only be for work approved in advance and in amounts specified in advance in writing by the project director.

(d) Payments under this contract shall be made by the Agency to the Consultant in response to billings submitted to and approved by the project director.

(e) Total payments (including expenses) to the Consultant under this contract shall not exceed \$20,000.

(f) In the event the Consultant elects to terminate this contract prior to completion and certification of the work specified in paragraph (a) of Clause I, Consultant's basic daily charge shall be recomputed according to the rate of \$125 per day, and any payments in excess of the recomputed amount (exclusive of expenses) shall be repaid to the Agency.

CLAUSE VI. - RECORDS, DOCUMENTS, AUDIT

The Consultant shall maintain accurate records, including detailed time records, as may be required by the project director. The records are subject to inspection by the project director at all reasonable times. All documents, reports and writings generated as a consequence of work done under this contract shall become the property of the State of Alaska, and on completion of the work or at the termination of this

contract shall be delivered in duplicate, one copy to the project director and one copy to the Director of Research, Legislative Affairs Agency.

CLAUSE VII. - ALL WRITINGS CONTAINED HEREIN

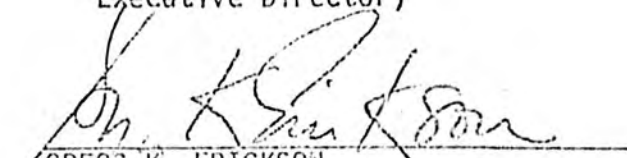
This agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this agreement shall be deemed to exist or to bind either of the parties to this agreement other than the approvals and authorizations which may in the future be given by the project director in respect of Paragraphs (a), (b) and (c) of Clause V.

IN WITNESS WHEREOF, the parties have executed this agreement
on this 12th day of October, 1976.

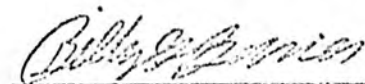
CONSULTANT


JEROME ZEIFMAN

LEGISLATIVE AFFAIRS AGENCY
(By direction of the
Executive Director)


GREGG K. ERICKSON

Approved as to form.


AGENCY LEGAL COUNSEL

Contract Between
STATE OF ALASKA
LEGISLATIVE AFFAIRS AGENCY
AND
DUPERE & ASSOCIATES, INC.

The parties to this agreement are the LEGISLATIVE AFFAIRS AGENCY, on behalf of the Legislative Council's Senate Interim Committee on the Alaska Permanent Fund, hereinafter referred to as the "Agency," and DUPERE & ASSOCIATES, INC., hereinafter referred to as the "Contractor."

THE PURPOSE OF THIS AGREEMENT is to provide the Senate Interim Committee on the Alaska Permanent Fund assistance in the development of the policies for the utilization and management of the Permanent Fund which will be recommended for adoption by the Senate.

IT IS THEREFORE MUTUALLY AGREED THAT:

CLAUSE I. - STATEMENT OF WORK

(a) The Contractor shall, on the request of the Chairman of the Senate Interim Committee on the Alaska Permanent Fund (hereinafter referred to as "the Chairman"), provide the Committee with the basic research and policy recommendations to be presented to the Senate.

(b) The approach to accomplish (a) above is essentially as follows:

- (1) Compare present statutory procedures in regards to the various State loan programs in all categories.

Determine if program meeting all needs.

Compare investment results and yield on portfolios.

Document the various criteria for loans in all programs.

Document extent and categories of loans and related programs utilized by others.

- (2) Outline indicated area which could be served.
- (3) Outline alternate approaches in regards to bank participation.
- (4) Streamline financial management programs to deliver loans at lowest possible interest rates.
- (5) Streamline the State of Alaska and its created agencies' tax-exempt borrowing for industrial aid bonds; housing; municipal financing to lower interest cost.

- (6) Expand the legislative branch's role in overview of debt financing.
- (7) Structure alternate treasury management procedures to provide checks and balances for those funds not utilized in specific legislative-directed programs.
- (8) Provide innovative approaches to extend funds on a relative risk-free basis for Alaskans.
- (9) Streamline executive organization to fix responsibilities for effective and efficient delivery of services and management of the Permanent Fund and other investments.
- (10) Streamline service to potential Alaskan borrowers.
- (11) Input to Legal Affairs' indicated bills to accomplish Committee's goal.
- (12) Prepare situation papers for Committee meetings.

CLAUSE II. - PERIOD OF PERFORMANCE

- (a) This contract covers the period beginning July 2, 1977 and ending January 9, 1978.
- (b) This contract may be terminated by either party upon written notice to the other.
- (c) Upon termination, the final fee shall be for that portion of the fee schedule outlined in Clause III (b) upon given notice of termination.

CLAUSE III. - PROJECT DIRECTOR

The Project Director shall be the Chairman of the Senate Interim Committee on the Alaska Permanent Fund.

CLAUSE IV. - COMPENSATION AND METHOD OF PAYMENT

(a) The Contractor shall be paid a fixed fee of ^{115,000.00}~~\$138,000~~ for the work to be performed under this contract.

(b) The fee shall be paid as follows:

- (1) Upon approval of contract \$11,000
 - (2) On the first of each month August, September, October, November, December 1977 and January 1978 15,500
 - (3) Within 20 days of completion of the contract (January 9, 1978) the balance of 11,000
- \$115,000

- (c) The fixed fee shall defray the following expenses:
- (1) Additional staff engaged by Dupere & Associates, Inc. to perform the work.
 - (2) Present staff of Dupere & Associates, Inc.
 - (3) Travel of the employees of Dupere & Associates, Inc. as directed by the Contractor.
 - (4) Travel of others as directed by the Contractor.
 - (5) Long distance telephone calls as directed by the Contractor.
 - (6) Office services and supplies generated by the project.
 - (7) Postage and related cost generated by the contract.
 - (8) Fees of Consultants utilized by the Contractor at his discretion; these being: Wainwright & Ramsey Inc. and Lombard/Wall Inc. -- but not limited to these.
 - (9) All related payroll expenses, employee benefits, workmen's compensation and unemployment insurance.

CLAUSE V. - PERSONNEL

- (a) The Contractor will hire the following additional personnel:

Three Consultant-Researchers

These will be subject to direction and supervision by the Contractor.

- (b) The Contractor will establish the standards of performance, pay schedule, retention and scope of work for each.
- (c) The Contractor will subcontract with other Consultant firms for advisory to the Contractor to the extent deemed feasible. The firm of Wainwright & Ramsey Inc. will be utilized on questions involving State and agency credit and rating bureaus. Lombard/Wall Inc. will be utilized for advice concerning management of investment portfolios.

CLAUSE VI. - REPORTS

The Consultant shall keep the Project Director informed as to the progress of the work performed under this agreement and shall be prepared to make presentations to the Committee as scheduled by the Project Director.

CLAUSE VII. - OFFICE SPACE, EQUIPMENT, AND SERVICES

- (a) Office space, telephone, and necessary equipment shall be made available for the Contractor's staff in the general proximity of Room 645 of the Court and Office Building, Juneau, Alaska.

- (b) Specific drafting of legislation shall be provided on a timely basis from the Legal Affairs personnel of the Legislative Affairs Agency; such drafting to meet the scheduled meetings of the Committee.

CLAUSE VIII - ALL WRITINGS CONTAINED HEREIN

This agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this agreement shall be deemed to exist or to bind either of the parties to this agreement.

IN WITNESS WHEREOF, the parties have executed this agreement on the dates noted next to their signatures.

CONTRACTOR

LEGISLATIVE AFFAIRS AGENCY
(By direction of the Executive Director)

DUPERE & ASSOCIATES, INC.
Robert J. Dupere, President

GREGG K. ERICKSON

Accepted

Approved as to form

GEORGE HOHMAN, Chairman

AGENCY LEGAL COUNSEL



Arthur D. Little, Inc. ONE MARITIME PLAZA • SAN FRANCISCO CALIFORNIA 94111 • (415) 981-2500

June 21, 1977

Mr. Jim Edenso, Deputy Commissioner
State of Alaska, Department of Revenue
Pouch SBL
Juneau, Alaska 99801

1-8883

Dear Mr. Edenso:

Arthur D. Little, Inc., is pleased to submit this letter of intent to provide financial counseling advice to the Department of Revenue and the State Investment Advisory Committee. We view this as an exciting opportunity to be "present at the creation" of what could emerge as one of the more momentous economic development mechanisms so far conceived. We appreciate having had the opportunity to participate in a number of State Investment Advisory Committee meetings and to meet with interested parties within the Administration and the Legislature regarding the possible scope of our services and the need for assistance in defining economic development analyses appropriate to the Permanent Fund.

We have prepared this letter of intent on the basis of discussions between you and staff of Arthur D. Little, Inc., in San Francisco. We believe we have the necessary combination of experience and professional skills to assist you in developing the necessary financial and economic information and analysis required for initiation of the Permanent Fund.

We have made a diligent effort to respond to your needs on the basis of our professional judgment as to the appropriate manner in which to conduct this project. Should you wish modifications of this letter of intent, we hope that we will have the opportunity to jointly review your needs in order to make the necessary changes.

BACKGROUND

Based on existing best estimates, between now and 1985 Alaska's share of North Slope, Prudhoe Bay, and other Outer Continental Shelf (OCS) oil and gas production can be expected to exceed \$7 billion. In addition, the possibility exists for additional state income from the extraction of

CAMBRIDGE, MASSACHUSETTS

ATHENS BRUSSELS CARACAS LONDON MEXICO CITY NEW YORK PARIS RIO DE JANEIRO SAN FRANCISCO TORONTO WASHINGTON

Arthur D Little Inc.

June 21, 1977

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Mr. Jim Edenso, Deputy Commissioner
State of Alaska, Department of Revenue

1-8883

coal, iron ore, and other minerals. With this large potential revenue from non-renewable resources flowing in at an increasing rate over the coming period, it becomes necessary to determine from a public standpoint the optimal ways to best utilize this income.

Until now, the majority of the oil-related revenues have gone into the state's General Fund. While these revenues have provided for much-needed improvement in services and facilities provided by the state, a saturation point has probably been reached in terms of the ability of state government to absorb much additional revenue on a current operating basis. This will be underscored by the significant increase in state revenues following the start of the flow of oil through the pipeline.

Last November the Alaskan voters overwhelmingly approved the concept and the creation of the "Alaska Permanent Fund." Simply put, the concept was to provide a means of collecting at least a portion of the ongoing non-renewable resource revenues and placing these revenues in a permanent fund where the revenue capital would be maintained (the concept of permanence) while the income from the fund could be utilized for various purposes. This action was taken in anticipation of the fund's providing a sound basis for ongoing economic development beyond the period of non-renewable resource extraction.

Along with the passage of the referendum on the Alaska Permanent Fund, the ongoing State Investment Advisory Committee was expanded with additional citizen members reflecting a wide range of viewpoints to consider the questions of the structure and organization of the proposed Permanent Fund. Over the past few months, the investment committee, in association with its consultants, has developed draft legislation detailing the proposed management and organization for the Alaska Permanent Fund.

Quoting from Section 37.13.020, "Purpose of the Permanent Fund," House Bill 298, one version of the proposed legislation, provides an indication of the thrust of the goals of the Permanent Fund:

- "(a) The purpose of the Permanent Fund is to provide a means of conserving a portion of the state's revenues from mineral resources to the ultimate benefit of present and future generations of Alaskans. The revenues so conserved shall be invested in income-producing investment which will provide further benefits to present and future generations of Alaskans.

Arthur D Little, Inc.

June 31, 1977

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Mr. Jim Edenso, Deputy Commissioner
State of Alaska, Department of Revenue

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"(b) Further benefits may be derived from the use of the Permanent Fund to:

"(1) Assist the diversification of the economy of Alaska by making sound investments in Alaska's renewable and non-renewable resources.

"(2) Seek to smooth the cyclical pattern of growth of the Alaska economy.

"(3) Encourage and assist the participation of private capital from both within and outside Alaska in private enterprises of benefit to Alaskans...."

The Permanent Fund, at least as envisioned in the legislation under consideration, will be both a savings bank as well as a development bank. The draft bill provides that:

- Half the revenues derived by Alaska from its mineral resources will be put into the Permanent Fund. At a minimum 40% of the fund's balances must be put into "investment grade securities."
- As much as 30% of the remainder of the Permanent Fund will go to providing long-term investment capital for expansion of private sector economic activity in Alaska when sufficient capital is not available from other sources.
- No more than 30% can go to public works for community development projects for municipalities and public entities within Alaska.

Under this structure, a significant amount of revenue will be available to the Permanent Fund for purposes of providing investment capital for existing and potential economic activity within the state.

Arthur D Little, Inc.

June 21, 1977

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Mr. Jim Edenso, Deputy Commissioner
State of Alaska, Department of Revenue

1-8883

In addition to the structure as proposed in this legislation, several alternatives have been put forth which would significantly alter the allocation procedures:

- Utilize the revenues accruing to the Permanent Fund (or at least a portion thereof) as the basis for loans to citizens of Alaska for a variety of purposes. Presumably, eligibility criteria would be established for these loans and market rate interest would be charged depending on the loan purpose, e.g., mortgage, consumer, commercial, etc.
- Place all the revenues derived by Alaska from its mineral resources earmarked for the Permanent Fund in investment grade securities instead of the minimum of 40% as envisioned in the current draft legislation.

PROPOSED SCOPE OF SERVICES

As a beginning point for determining the implications for Alaska of the alternative uses to which the Permanent Fund could be put, we propose to begin immediately on the following areas of analysis:

1. Sectoral analysis of the Alaskan economy focusing on its renewable resource base.
2. Preliminary assessment of the effects on the economy, on the institutions, and on state government of the proposal to provide loans from Permanent Fund revenues to individual residents of Alaska.
3. Preliminary assessment of the financial implications of placing Permanent Fund revenues in investment grade securities.

These three areas of analysis are discussed in depth in the following paragraphs.

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Mr. Jim Edenso, Deputy Commissioner
State of Alaska, Department of Revenue

1-8883

1. Analysis of the Renewable Resource Sectors

This element of work would be directed toward developing a structure and/or framework for evaluating proposed projects for investment. We have termed this a sectoral analysis -- an examination of the Alaskan economy from a macro viewpoint, linking its current and potential outputs with those of the rest of the U.S. economy as well as Pacific Rim areas, to identify those long-term markets in which Alaska can most probably compete. Our work would also include an assessment of the internal Alaskan demand for various outputs, to identify areas where there is a possibility for "import substitution."

Our proposed work would identify the assets that would foster growth and the liabilities that constrain or inhibit development of particular activities in Alaska, and the mechanisms that might be used to remove or at least mitigate impediments in various sectors. The crux of our approach is to build upon existing studies, data compilations, and investigations of current activity in a manner which will maximize the involvement of the private sector as well as the public sector.

Specifically, our analysis would include examination of the following renewable resource sectors:

- Fisheries. With the passage of Public Law 94-264 extending the U.S. Conservation and Management zone to 200 nautical miles, fishing is still in a period of flux. It can be anticipated that at least some portion of the yield of groundfish currently going to Russian and Japanese ships, will go to Alaska either through actual participation in the fishing or some payment mechanism. In addition, the traditional catches of the Alaskan fishing industry -- salmon, king crab, snow crab, shrimp, and halibut -- will continue to provide a basis for possible expansion of this sector.
- Forest products. This sector, in which the current demand is primarily for pulp for both the lower 48 as well as Japan, reflects the sensitivity of the industrialized economies to materials competition.

Arthur D Little, Inc

June 21, 1977

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Mr. Jim Edenso, Deputy Commissioner
State of Alaska, Department of Revenue

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With the recent rise in oil prices, pulp has been substituted to some extent for petroleum-based fiber. The balance to be struck in the forest products industry in the future is unknown.

- Tourism. Certainly in large measure a renewable resource, tourism has emerged recently as an important component of the Alaskan economy. Because its impact covers numerous sectors in a typical economy, it is difficult to measure. Whatever the combination of cruise ship, highway, ferry, liner, plane, and motor coach modes of travel, tourism will continue to grow over the next 10 years. Ways of insuring maximum returns to Alaska of tourism activity are still to be determined.
- Agriculture. Agriculture -- mainly eggs, potatoes, and milk -- provides a modest contribution to Alaska's domestic needs. Similarly, truck farming surrounding the urban areas meets a modest part of the increasing demand in the urban population. Importation of food products from the lower 48 continues to be an important "leakage" out of the economy, and it can be anticipated that opportunities in this sector will emerge over time.

Where does the economy go in the future? Are there take-off possibilities based on capitalizing on the renewable resources? Can this tremendous storehouse of resources and energy potential be developed with sensitivity to the compatibility of maximum utilization of renewable resources with the unavoidable use of non-renewable resources? These are the types of questions which a sectoral analysis of the Alaskan economy will begin to examine.

2. Effects of Individual Loan Program

The alternative of providing loans to individuals in the state needs to be examined from the following perspectives:

- The effects on the economy in terms of the housing market, on consumer spending, and on capital availability.

Arthur D Little, Inc.

June 21, 1977

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Mr. Jim Edenso, Deputy Commissioner
State of Alaska, Department of Revenue

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- The institutional effects, especially the impacts on the existing commercial lending system as well as on existing state loan programs.
- The impacts of this program on a state level structure to administer and monitor the loan program in terms of staffing and budget.

3. Implication of Total Investment in the U.S. Money Market

The other alternative of placing all the revenues in investment grade securities needs to be assessed from the standpoint of likely levels of return, and the types of uses to which the income generated from this approach would be put to in Alaska.

COST

It is understood that you have allocated \$40,000 to cover our initial work on the three principle elements of this study. It is agreed that this amount will not be exceeded without your prior written approval. Based on our preliminary schedule, we expect that this budget will fund our work through August, 1977. Invoices in the amount of \$20,000 each will be submitted in July and August.

It is expected that by the end of August, 1977, we will be able to provide detailed work plans and cost to cover the tasks needed to complete this assignment.

GENERAL PROVISIONS

Our work for clients is conducted on a confidential basis, and we will treat information developed hereunder in accordance with our established professional standards.

Since announcement to the public of our working relationship, either while it is in progress or afterward, might be mutually beneficial, we will discuss with you any opportunities we see in this area. Of course, the details of any such announcement would be confirmed in writing by both parties.

Arthur D Little Inc

June 21, 1977

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Mr. Jim Edenso, Deputy Commissioner
State of Alaska, Department of Revenue

1-8883

Our work will be on a best efforts basis. We trust the results will meet the objectives sought, and we have assigned to the work professional personnel having the required skills, experience and competence. In any event, our liability for damages direct or consequential resulting from this work will be limited to the amount paid us hereunder.

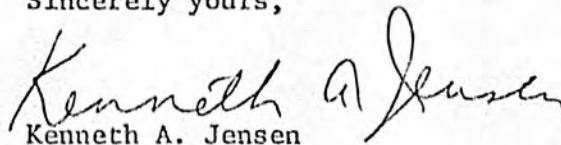
Any change in this agreement shall be confirmed in writing. This agreement shall be interpreted according to the laws of the State of California.

Our agreement may be terminated on 30 days' written notice by either party, or within such lesser time as we may find necessary to conclude the work currently under way and summarize our findings for you. In that event, you will be responsible only for the professional services and expenses which have been committed to that time.

ACCEPTANCE

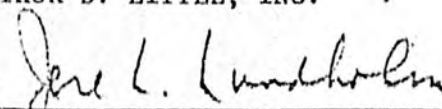
We look forward with great interest to working with you on this project. If this letter of intent meets with your approval and you would like us to proceed, please sign and return one copy to us.

Sincerely yours,


Kenneth A. Jensen

KAJ/bb

Approved
ARTHUR D. LITTLE, INC.

By 
Authorized Contracting Officer

Accepted
STATE OF ALASKA, DEPARTMENT OF REVENUE

By _____

Title _____

Date _____

CONTRACT BETWEEN
STATE OF ALASKA
LEGISLATIVE FINANCE DIVISION
AND
MIKE DOOGAN

The parties to this agreement are the LEGISLATIVE FINANCE DIVISION, hereinafter referred to as the "Division", on behalf of the House Finance Committee, and MIKE DOOGAN, hereinafter referred to as the "Contractor."

The purpose of this agreement is to provide consulting services to the House Finance Committee through the Division.

IT IS, THEREFORE, MUTUALLY AGREED THAT:

CLAUSE I. - STATEMENT OF WORK

The Contractor shall prepare a report to the House Finance Committee on revenue issues involving the State of Alaska. The report shall be a review of existing information on oil and gas revenues and oil and gas tax revenues to the state, written in easily understandable language. The report shall include, but not be limited to, past, present and proposed revenue measures and their impacts upon the oil and gas industry and the State of Alaska.

CLAUSE II. - PERIOD OF PERFORMANCE

- (A) Work under Clause I shall be performed between February 6, 1978, and April 6, 1978, with the final draft report due by March 31, 1978, with the provision that the period of performance may be extended by mutual agreement of the parties.
- (B) This agreement may be terminated
 - (1) by either party on 10 days' written notice to the other party, or
 - (2) by mutual consent of the parties to this agreement.

CLAUSE III. - COMPENSATION AND METHOD OF PAYMENT

- (A) The Contractor shall be compensated as a contract employee at a rate of \$15.22 per hour. The Division will make necessary arrangements for such compensation to be remitted to the Contractor on or about the first and fifteenth days of each month and shall advise the Contractor of information or records that may be necessary to process such payments. Payments under this clause are not to exceed \$8,000.
- (B) Travel expenses of the Contractor while on the business of the Division or the House Finance Committee, approved by the Division prior to the Contractor's incurring the expenses, shall be reimbursed according to Article 2 of AS 39.20 and the regulations enacted pursuant to Article 2 of AS 39.20. Payments under this clause are not to exceed \$2,000.
- (C) Deductions from the Contractor's compensation shall be made for federal withholding tax, Alaska withholding tax and social security.

CLAUSE IV. - PROJECT DIRECTOR

Performance of the work specified in this agreement shall be under the general direction of Rep. Steve Cowper, Chairman of the House Finance Committee, or his designee.

CLAUSE V. - REPORTS

The Contractor shall keep the Project Director informed as to the progress of the work performed under this agreement and shall provide progress reports as specified by him.

CLAUSE VI. - RECORDS, DOCUMENTS, AUDIT

The Contractor shall maintain accurate records, including detailed time records, as may be required by the Division. The records are subject to inspection by the Division at all reasonable times. All documents,

reports, and writings performed under this contract are, upon delivery to the Division or at termination of this agreement, the property of the Division. The Committee shall have the full right to use these documents for its purposes, or otherwise, when and where the Committee may designate without any claim on the part of the Contractor for additional compensation.

CLAUSE VII. - ALL WRITINGS CONTAINED HEREIN

This agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this agreement shall be deemed to exist or to bind either of the parties to this agreement.

IN WITNESS WHEREOF, the parties have executed this agreement on the date indicated.

CONTRACTOR:

STATE OF ALASKA
LEGISLATIVE FINANCE DIVISION

By: _____
Mike Doogan

By: _____
Jay Hogan, Director

Date

Date

APPROVED BY:

Rep. Steve Cowper, Chairman
House Finance Committee

October 12, 1977

Jay Hogan
Director
Legislative Finance Division
Legislative Affairs Agency
Pouch WF
Juneau, AK 99811

Dear Mr. Hogan;

Enclosed is the contract between the Division of Legislative Finance and White, Weld & Company. If it's in order, please sign it and retain for your files. I would greatly appreciate it if you could send a copy signed by all parties to this office for our files.

You should by now have received copies of the letter of agreement between the Chairmen of the House and Senate Permanent Fund Committees and the contract with Price Waterhouse. The enclosed contract rounds out this transaction.

Sincerely,

Mike Doogan
Mike Doogan
Administrative Assistant

MD:LAD

Enclosure

September 30, 1977

Ted Swick
White, Weld & Company, Inc.
One Liberty Plaza
91 Liberty Street
New York, NY 10006

Dear Mr. Swick:

Enclosed is the original of the contract between the Division of Legislative Finance and your firm. If you find it in order, please sign it and return it to our office.

Under the contract, we would like your firm to:

1. Be present to offer financial advice to the Committee at the Southeastern Hydropower Conference on October 13 and 14 in Sitka.
2. Prepare a report for the Committee's October 20 and 21 meeting in Juneau. The report should include but not be limited to, descriptions of principles in management of trust funds, performance of various sorts of trusts and recommendations to the Committee on how to structure the Permanent Fund as a financially viable, politically accountable trust fund.
3. Collect any available information on the existence and location of any capital gap in Alaska and be prepared to offer comment on any other capital gap studies being compiled.

To help you in planning for the meetings, the information is as follows:

October 13--1:30 p.m. Centennial Building, Sitka;

October 21--9:00 a.m. Conference Room 123, Juneau.

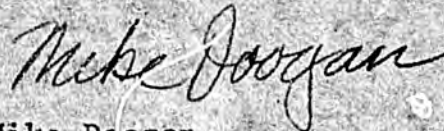
Ted Swick

-2-

September 30, 1977

// Additional information on requirements for October 14 and 20 will be forthcoming as soon as I get my hands on it.

Sincerely,

A handwritten signature in cursive script that reads "Mike Doogan".

Mike Doogan
Administrative Assistant

MD:LAD

Enclosure

OCTOBER 25, 1977

TED SWICK
WHITE WELD & COMPANY, INC.
ONE LIBERTY PLAZA
99 LIBERTY STREET
NEW YORK, NY 10006

DEAR TED:

ENCLOSED PLEASE FIND A COMPLETE COPY OF THE CONTRACT
BETWEEN YOUR FIRM AND LEGISLATIVE FINANCE.

SINCERELY,



MIKE DOOGAN
ADMINISTRATIVE ASSISTANT

ENCLOSURE

October 12, 1977

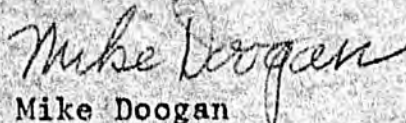
Jay Hogan
Director
Legislative Finance Division
Legislative Affairs Agency
Pouch WF
Juneau, AK 99811

Dear Mr. Hogan;

Enclosed is the contract between the Division of Legislative Finance and White, Weld & Company. If it's in order, please sign it and retain for your files. I would greatly appreciate it if you could send a copy signed by all parties to this office for our files.

You should by now have received copies of the letter of agreement between the Chairmen of the House and Senate Permanent Fund Committees and the contract with Price Waterhouse. The enclosed contract rounds out this transaction.

Sincerely,



Mike Doogan
Administrative Assistant

MD:LAD

Enclosure

CONTRACT BETWEEN

STATE OF ALASKA

DIVISION OF LEGISLATIVE FINANCE

AND

WHITE, WFLD & CO., INC.

The parties of this agreement are the Division of Legislative Finance, hereinafter referred to as the "Division" by and for the House Special Committee on the Permanent Fund and White, Weld & Co., Inc., One Liberty Plaza, 91 Liberty Street, New York, N.Y. 10006.

THE PURPOSE OF THIS AGREEMENT is to provide, through the Division, professional services in relation to the Alaska Permanent Fund and the Renewable Resources Loan Fund.

IT IS THEREFORE MUTUALLY AGREED THAT:

CLAUSE I. - STATEMENT OF WORK

The Contractor shall provide consultations on financial questions connected with the above funds. These shall include, but not be limited to, gaps in existing capital markets for Alaska and the limitations, if any, to be placed on the leverage capabilities of the funds.

The Contractor shall coordinate, work with, and exchange information with Price Waterhouse & Company of Anchorage so as to prevent duplication of effort.

CLAUSE II. - STANDARDS OF PERFORMANCE

The work shall be done in accordance with generally recognized standards of professional consulting services. In the event that any work does not meet these standards, the Project Director may serve written notice and satisfactory correction shall be made within ten (10) days. Completion dates for any portion(s) of the work shall be set by mutual agreement. Failure to complete the work on time shall result in liquidated damages of ten percent of the contract amount plus one hundred dollars (\$100) per day for each day of delay beyond the completion deadline, except for delays due to causes beyond the control and without fault or negligence of the Contractor. Liquidated damages shall not exceed the total payments allowed under the contract and may be deducted from payments that are owing.

Any dispute concerning a question of fact that relates to the Contractor's performance, if not disposed of by agreement between the parties, shall be decided by the Project Director, who shall notify the Contractor. This decision, unless appealed

to a court of competent jurisdiction within ninety (90) days of the completion or termination of the contract, shall be final and conclusive.

CLAUSE II. - PERIOD OF PERFORMANCE

(A) The period of performance under this contract shall commence on August 29, 1977, or on the date both parties sign this agreement and expires on the close of the Second Session, Tenth Alaska State Legislature, provided, however, that the Project Director grants an extension for additional periods in a mutual written agreement of the parties.

(B) The agreement may be terminated

(1) by the Project Director. Written notice of the necessity for doing so shall be delivered to the Contractor. Payment shall be made for satisfactory work; or

(2) by mutual consent of the parties to this agreement.

CLAUSE IV. - PROJECT DIRECTORS

Work assignments may be made by Representative Clark Gruening, Chairman of the House Special Committee on the Permanent Fund, upon written notification to the Administration by way of the Commissioner of Revenue.

CLAUSE V. - COMPENSATION AND METHOD OF PAYMENT

(A) Total compensation under this contract, including travel or other expenses, shall not exceed \$7,500.

(B) Out of pocket expenses, including economy airfare, communications, lodging, meals and the like, shall be billed as separate items. Receipts shall be required.

CLAUSE VI. - REPORTS

The Contractor shall keep the Project Director informed as to the progress of the work performed under this agreement and shall provide progress reports as specified by him.

CLAUSE VII. - RECORDS, DOCUMENTS, AUDIT

The Contractor shall maintain accurate records which are subject to inspection by the Division at all reasonable times. All documents, reports and writings produced in the course of the work performed under this contract are, upon delivery to the Division or at the termination of this agreement, the property of the Division. The Committee shall have the full right to use these documents for its purposes, or otherwise, when and where the Committee may designate without any claim on the part of the Contractor for additional compensation.

CLAUSE VIII. - ALL WRITINGS CONTAINED HEREIN

This agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this agreement shall be deemed to exist or to bind either party to this agreement.

IN WITNESS WHEREOF, the parties have executed this agreement on the date indicated.

CONTRACTOR:

STATE OF ALASKA

DIVISION OF LEGISLATIVE FINANCE:

By: Theodore P. Swick

By: J. H. Bryan

Theodore P. Swick

Title First Vice President

Title Director

Date October 3rd, 1977

Date 10/12/77

APPROVED BY:

Clark Gruening

Clark Gruening, Chairman
House Permanent Fund Committee

Date 9/28/77

CONTRACT

JUDY

BROGAN

Alaska State Legislature

SPECIAL COMMITTEE ON
THE ALASKA PERMANENT FUND

(907) 276-3433

528 W. 5TH, SUITE 270
ANCHORAGE, AK. 99501

[POUCH V, JUNEAU, AK. 99811]

(907) 465-3873



MEMBERS

REP. CLARK GRUENING, CHMN.
REP. TERRY GARDINER, V. CHMN.
REP. E. J. HAUGEN
REP. RUSS MEEKINS
REP. BILL MILES
REP. LEO SCHAEFFER
REP. RICK URION

House of Representatives

December 23, 1977

June Meacham, Secretary
Division of Research Services
Legislative Affairs Agency
Pouch Y
Juneau, AK 99811

Dear Ms. Meacham:

Please have this amendment signed by legal counsel
and put into effect. Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Mike Doogan".

Mike Doogan
Administrative Assistant

Enclosure

CONTRACT AMENDMENT

Amendment to contract of July 28, 1977 by and between the Legislative Affairs Agency on behalf of the House Special Committee on the Permanent Fund and Judy Brogan (dba Word Services).

Clause II subsection (A) is amended by the deletion of the existing Clause II subsection (A) and the substitution of the following:

Clause II - PERIOD AND DATES OF PERFORMANCE

(A) The work under this contract shall be performed between 20 July 1977 and 9 January 1978.

CONTRACTOR

LEGISLATIVE AFFAIRS AGENCY
(By direction of the Executive Director)

Judy Brogan 12/24/77 By H. S. R 12/23/77
JUDY BROGAN (Date) GREGG K. ERICKSON (Date)

Accepted

Approved as to form:

Clark Gruening 12/23/77 /
CLARK GRUENING (Date) AGENCY LEGAL COUNSEL (Date)
Chairman, House Special
Committee on the
Permanent Fund

CONTRACT BETWEEN
STATE OF ALASKA
LEGISLATIVE AFFAIRS AGENCY
AND
JUDY BROGAN

The parties to this agreement are the LEGISLATIVE AFFAIRS AGENCY, on behalf of the Alaska State Legislature's Committee on the Alaska Permanent Fund (House), hereinafter referred to as the "Agency", and JUDY BROGAN (dba Word Service, 815 O Place, Anchorage, Alaska 99501), hereinafter referred to as the "Contractor".

THE PURPOSE OF THIS AGREEMENT is to provide professional services to the Alaska State Legislature through the Agency.

IT IS THEREFORE MUTUALLY AGREED THAT:

CLAUSE I. - STATEMENT OF WORK

The Contractor shall, at the direction of the Project Director, produce and distribute a publication relating to the Alaska Permanent Fund, prepare a preliminary report on responses to the publication, prepare material for Alaska Public Forum; and perform other tasks as specified by the Project Director.

CLAUSE II. - PERIOD AND DATES OF PERFORMANCE

- (A) The work under this contract shall be performed between 20 July 1977 and 1 October 1977.
- (B) This contract may be terminated by either party upon written notice to the other.

CLAUSE III. - PROJECT DIRECTOR

The Project Director shall be Representative Clark Gruening, Chairman of the Legislative Committee on the Alaska Permanent Fund (House), or his designee.

CLAUSE IV. - COMPENSATION AND METHOD OF PAYMENT

- (A) For the work specified in this contract the Contractor shall be compensated at the rate of \$15.00 per hour. Invoices shall be submitted to the Agency, after approval thereof by the Project Director.

(B) The Consultant shall be compensated for expenses incurred in travel approved in advance by the Project Director, except that per diem shall be paid at prevailing State rates, and all air travel shall be reimbursed on the basis of coach class fares.

(C) Total payments under this contract, including expenses, shall not exceed \$2500.

CLAUSE V. - OFFICE SPACE, EQUIPMENT, CLERICAL SUPPORT

Office space, equipment, and clerical support to the Contractor that will be necessary to carry out the Contractor's obligations under this contract shall be supplied by the Contractor at no cost to the Agency.

CLAUSE VI. - RECORDS, DOCUMENTS, AUDIT

The Contractor shall maintain accurate records, including detailed time records, as may be required by the Project Director. The records are subject to inspection by the Agency or the Project Director at all reasonable times. All documents, reports and writings generated as a consequence of work done under this contract shall become the property of the State of Alaska and, on completion of the work or at the termination of this contract, shall be delivered to the Project Director. The Contractor shall keep the Project Director informed as to the progress of the work performed under this agreement and shall provide progress reports as specified by him.

CLAUSE VII. - ALL WRITINGS CONTAINED HEREIN

This agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this agreement shall be deemed to exist or to bind either of the parties to this agreement.

IN WITNESS WHEREOF, the parties have executed this agreement on the dates indicated.

CONTRACTOR

LEGISLATIVE AFFAIRS AGENCY
(By direction of the Executive Director)

Judy Brogan
JUDY BROGAN

8/5/77
Date

Gregg K. Erickson 7/28/77
GREGG K. ERICKSON Date

Accepted:

Clark Gruening
CLARK GRUENING, Chairman
House Special Committee on
the Permanent Fund

7/28/77
Date

Approved as to form:

David J. Walker 7/28/77
AGENCY LEGAL COUNSEL Date

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

July 28, 1977

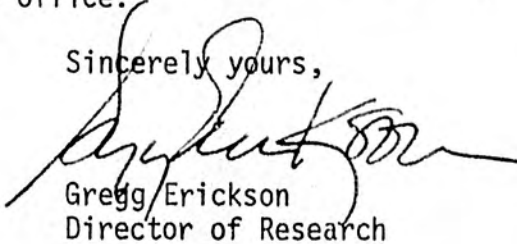
Judy Brogan
dba Word Service
815 O Place
Anchorage, Alaska 99501

Dear Ms. Brogan:

Enclosed is a contract which Clark Gruening directed that we prepare for you. If all is in order please sign it and return the original to me.

Please note that your billings under this contract should be endorsed by Clark prior to being sent to my office.

Sincerely yours,

A handwritten signature in dark ink, appearing to read 'Gregg Erickson', written over the typed name and title.

Gregg Erickson
Director of Research

GE:dh
Enclosure

CONTRACT
PRICE
WATERHOUSE

October 3, 1977

Dan Regis
Price Waterhouse & Company
601 West Fifth Avenue
Anchorage, AK 99501

Dear Dan:

As we discussed, the Committee would like your firm to fulfill the following assignment under the contract with Legislative Finance:

Provide models of venture capital institutions in the private sector. This would include organization, purpose, evaluation criteria, planning and other pertinent functions of independent venture capital organizations and subsidiary venture capital arms of financial institutions. In the latter case you should include a description of the relationship between venture capital subsidiary and parent firm.

Also as we discussed, the Committee would like a cost estimate on this assignment before the work goes forward.

Finally, also under this contract, we request the presence of Peter McDowell at the Committee's Juneau meeting October 20 and 21.

Sincerely,

Mike Doogan
Administrative Assistant

MD:LAD

cc: Sterling Gallagher
Rep. Terry Gardner
Tom Singer

September 29, 1977

Jay Hogan, Director
Legislative Finance Division
Legislative Affairs Agency
Pouch WF
Juneau, AK 99811

Dear Mr. Hogan:

Enclosed is the original of the contract between Price Waterhouse and the Division of Legislative Finance. It has been signed by the Chairman and Dan Regis of Price Waterhouse. If it is in order, I would appreciate it if you could send copies after you have signed it for our files and those of Price Waterhouse.

The contract with White Weld, signed by the Chairman, has been sent to Ted Swick in New York for his signature and will be forwarded to you.

Sincerely,

Mike Doogan
Mike Doogan
Administrative Assistant

MD:LAD

Enclosure

Alaska State Legislature

SPECIAL COMMITTEE ON
THE ALASKA PERMANENT FUND

(907) 276-3433

528 W. 5TH, SUITE 270
ANCHORAGE, AK. 99501

[POUCH V, JUNEAU, AK. 99811]
(907) 465-3873



MEMBERS

REP. CLARK GRUENING, CHMN.
REP. TERRY GARDINER, V. CHMN.
REP. E. J. HAUGEN
REP. RUSS MEEKINS
REP. BILL MILES
REP. LEO SCHAEFFER
REP. RICK URION

House of Representatives

October 6, 1977

Dan Regis
Price Waterhouse & Company
601 West Fifth
Anchorage, AK 99501

Dear Dan:

After conferring with Tom Singer, we would like to change the assignment made to you under your firm's contract with the Division of Legislative Finance. The assignment, as Tom explained it to me, is:

Read the Renewable Resources Development Fund Subcommittee's first interim report and make suggestions on structural alternatives for implementing the Subcommittee's procedures. Such suggestions should be ready for the Committee's meeting October 20 and 21 in Juneau.

This assignment replaces the previous assignment, but the cost estimate request still applies.

Sincerely,

A handwritten signature in cursive script that reads "Mike".

Mike Doogan
Administrative Assistant

MD:LAD

cc: Rep. Terry Gardiner
Tom Singer
Sterling Gallagher
Jim Edenso

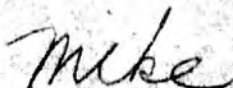
October 3, 1977

Sterling Gallagher
Commissioner
Department of Revenue
Pouch S
Juneau, AK 99811

Dear Sterling:

Pursuant to the contracts between Legislative Finance
and Price Waterhouse and White Weld, I am notifying
you that the enclosed assignments have been made.

Sincerely,



Mike Doogan
Administrative Assistant

MD:LAD

Enclosures

THE FOLLOWING DOCUMENT(S) MAY NOT FILM
LEGIBLY BECAUSE OF POOR QUALITY OF THE
ORIGINAL.

CONTRACT BETWEEN
STATE OF ALASKA
DIVISION OF LEGISLATIVE FINANCE
AND
PRICE WATERHOUSE & CO.

The parties of this agreement are the Division of Legislative Finance, hereinafter referred to as the "Division," by and for the House Special Committee on the Permanent Fund, and Price Waterhouse & Co., 601 W. 5th Avenue, Anchorage, Alaska 99501.

THE PURPOSE OF THIS AGREEMENT is to provide, through the Division, professional services in relation to the Alaska Permanent Fund and the Renewable Resources Loan Fund.

IT IS THEREFORE MUTUALLY AGREED THAT:

CLAUSE I. - STATEMENT OF WORK

The Contractor shall provide consultations on:

- . The structures of the organizations.
- . The relationship of the organizations to the Legislature, the State Administration and the public.
- . The selection of the management and policy making board (or boards).
- . Criteria for insuring that the funds retain their integrity.
- . Security and protection from fraud and political influence. .
- . Reporting requirements to the public.
- . Such other matters as may reasonably be requested.

The Contractor shall coordinate, work with, and exchange information with White, Weld and Company, New York so as to prevent duplication of effort.

CLAUSE II. - STANDARDS OF PERFORMANCE

The work shall be done in accordance with generally recognized standards of professional consulting services. In the event that any work does not meet these standards, the Project Director may serve written notice and satisfactory correction shall be made within ten (10) days. Completion dates for any portion(s) of the work shall be set by mutual agreement. Failure to com-

plete the work on time shall result in liquidated damages of ten percent of the contract amount plus one hundred dollars (\$100) per day for each day of delay beyond the completion deadline, except for delays due to causes beyond the control and without fault or negligence of the Contractor. Liquidated damages shall not exceed the total payments allowed under the contract and may be deducted from payments that are owing.

Any dispute concerning a question of fact that relates to the Contractor's performance, if not disposed of by agreement between the parties, shall be decided by the Project Director, who shall notify the Contractor. This decision, unless appealed to a court of competent jurisdiction within ninety (90) days of the completion or termination of the contract, shall be final and conclusive.

CLAUSE III. - PERIOD OF PERFORMANCE

- (A) The period of performance under this contract shall commence on August 4, 1977, or on the date both parties sign this agreement and expires on the close of the Second Session, Tenth Alaska State Legislature, provided, however, that the Project Director grants an extension for additional periods in a mutual written agreement of the parties.
- (B) This agreement may be terminated
 - (1) by the Project Director. Written notice of the necessity for doing so shall be delivered to the Contractor. Payment shall be made for satisfactory work; or
 - (2) by mutual consent of the parties to this agreement.

CLAUSE IV. - PROJECT DIRECTOR

Work assignments may be made by Representative Clark Gruening, Chairman of the House Special Committee on the Permanent Fund, upon written notification to the Administration by way of the Commissioner of Revenue.

CLAUSE V. - COMPENSATION AND METHOD OF PAYMENT

- (A) Total compensation under this contract, including travel or other expenses, shall not exceed \$17,500.
- (B) Out of pocket expenses, including economy airfare, communications, lodging, meals and the like shall be billed as separate items. Receipts shall be required.

CLAUSE VI. - REPORTS

The Contractor shall keep the Project Director informed as to the progress of the work performed under this agreement and shall provide progress reports as specified by him.

CLAUSE VII. - RECORDS, DOCUMENTS, AUDIT

The Contractor shall maintain accurate records which are subject to inspection by the Division at all reasonable times. All documents, reports and writings produced in the course of the work performed under this contract are upon delivery to the Division or at the termination of this agreement, the property of the Division. The Committee shall have the full right to use these documents for its purposes, or otherwise, when and where the Committee may designate without any claim on the part of the Contractor for additional compensation.

CLAUSE VIII. - ALL WRITINGS CONTAINED HEREIN

This agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this agreement shall be deemed to exist or to bind either party to this agreement.

IN WITNESS WHEREOF, the parties have executed this agreement on the dates indicated,

CONTRACTOR:

STATE OF ALASKA
DIVISION OF LEGISLATIVE FINANCE

By *Arnold C. Rejes* By *J. H. Hagan*
President *Director*
Title Title

Sept. 29, 1977 *Oct. 3, 1977*
Date Date

APPROVED BY:

Clark Greening *Sept 29, 1977*
Clark Greening, Chairman Date
House Permanent Fund Committee

THE PRECEDING DOCUMENT(S) MAY NOT FILM
LEGIBLY BECAUSE OF POOR QUALITY OF THE
ORIGINAL

CONTRACT BETWEEN
STATE OF ALASKA
DIVISION OF LEGISLATIVE FINANCE
AND
PRICE WATERHOUSE & CO.

The parties of this agreement are the Division of Legislative Finance, hereinafter referred to as the "Division," by and for the House Special Committee on the Permanent Fund, and Price Waterhouse & Co., 601 W. 5th Avenue, Anchorage, Alaska 99501.

THE PURPOSE OF THIS AGREEMENT is to provide, through the Division, professional services in relation to the Alaska Permanent Fund and the Renewable Resources Loan Fund.

IT IS THEREFORE MUTUALLY AGREED THAT:

CLAUSE I. - STATEMENT OF WORK

The Contractor shall provide consultations on:

- . The structures of the organizations.
- . The relationship of the organizations to the Legislature, the State Administration and the public.
- . The selection of the management and policy making board (or boards).
- . Criteria for insuring that the funds retain their integrity.
- . Security and protection from fraud and political influence.
- . Reporting requirements to the public.
- . Such other matters as may reasonably be requested.

The Contractor shall coordinate, work with, and exchange information with White, Weld and Company, New York so as to prevent duplication of effort.

CLAUSE II. - STANDARDS OF PERFORMANCE

The work shall be done in accordance with generally recognized standards of professional consulting services. In the event that any work does not meet these standards, the Project Director may serve written notice and satisfactory correction shall be made within ten (10) days. Completion dates for any portion(s) of the work shall be set by mutual agreement. Failure to com-

plete the work on time shall result in liquidated damages of ten percent of the contract amount plus one hundred dollars (\$100) per day for each day of delay beyond the completion deadline, except for delays due to causes beyond the control and without fault or negligence of the Contractor. Liquidated damages shall not exceed the total payments allowed under the contract and may be deducted from payments that are owing.

Any dispute concerning a question of fact that relates to the Contractor's performance, if not disposed of by agreement between the parties, shall be decided by the Project Director, who shall notify the Contractor. This decision, unless appealed to a court of competent jurisdiction within ninety (90) days of the completion or termination of the contract, shall be final and conclusive.

CLAUSE III. - PERIOD OF PERFORMANCE

(A) The period of performance under this contract shall commence on August 4, 1977, or on the date both parties sign this agreement and expires on the close of the Second Session, Tenth Alaska State Legislature, provided, however, that the Project Director grants an extension for additional periods in a mutual written agreement of the parties.

(B) This agreement may be terminated

(1) by the Project Director. Written notice of the necessity for doing so shall be delivered to the Contractor. Payment shall be made for satisfactory work; or

(2) by mutual consent of the parties to this agreement.

CLAUSE IV. - PROJECT DIRECTOR

Work assignments may be made by Representative Clark Gruening, Chairman of the House Special Committee on the Permanent Fund, upon written notification to the Administration by way of the Commissioner of Revenue.

CLAUSE V. - COMPENSATION AND METHOD OF PAYMENT

(A) Total compensation under this contract, including travel or other expenses, shall not exceed \$17,500.

(B) Out of pocket expenses, including economy airfare, communications, lodging, meals and the like shall be billed as separate items. Receipts shall be required.

CLAUSE VI. - REPORTS

The Contractor shall keep the Project Director informed as to the progress of the work performed under this agreement and shall provide progress reports as specified by him.

CLAUSE VII. - RECORDS, DOCUMENTS, AUDIT

The Contractor shall maintain accurate records which are subject to inspection by the Division at all reasonable times. All documents, reports and writings produced in the course of the work performed under this contract are, upon delivery to the Division or at the termination of this agreement, the property of the Division. The Committee shall have the full right to use these documents for its purposes, or otherwise, when and where the Committee may designate without any claim on the part of the Contractor for additional compensation.

CLAUSE VIII. - ALL WRITINGS CONTAINED HEREIN

This agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this agreement shall be deemed to exist or to bind either party to this agreement.

IN WITNESS WHEREOF, the parties have executed this agreement on the dates indicated,

CONTRACTOR:

STATE OF ALASKA

DIVISION OF LEGISLATIVE FINANCE:

By: *Daniel C. Regis*

By: _____

Partner
Title

Title

Sept. 29, 1977
Date

Date

APPROVED BY:

Clark Gruening
Clark Gruening, Chairman
House Permanent Fund Committee

Date

CONTRACT BETWEEN
STATE OF ALASKA
DIVISION OF LEGISLATIVE FINANCE
AND
PRICE WATERHOUSE & CO.

The parties of this agreement are the Division of Legislative Finance, hereinafter referred to as the "Division," by and for the Senate Special Committee on the Permanent Fund and the House Special Committee on the Permanent Fund, and Price Waterhouse & Co., 601 W. 5th Avenue, Anchorage, Alaska 99501.

THE PURPOSE OF THIS AGREEMENT is to provide, through the Division, professional services in relation to the Alaska Permanent Fund and the Renewable Resources Loan Fund.

IT IS THEREFORE MUTUALLY AGREED THAT:

CLAUSE I. - STATEMENT OF WORK

The Contractor shall provide consultations on:

- . The structures of the organizations.
- . The relationship of the organizations to the Legislature, the State Administration and the public.
- . The selection of the management and policy making board (or boards).
- . Criteria for insuring that the funds retain their integrity.
- . Security and protection from fraud and political influence.
- . Reporting requirements to the public.
- . Such other matters as may reasonably be requested.

The Contractor shall coordinate, work with, and exchange information with White, Weld and Company, New York so as to prevent duplication of effort.

CLAUSE II. - STANDARDS OF PERFORMANCE

The work shall be done in accordance with generally recognized standards of professional consulting services. In the event that any work does not meet these standards, the Project Director(s) may serve written notice and satisfactory correction shall be made within ten (10) days. Completion dates for any portion(s) of the work shall be set by mutual agreement. Failure

to complete the work on time shall result in liquidated damages of ten percent of the contract amount plus one hundred dollars (\$100) per day for each day of delay beyond the completion deadline, except for delays due to causes beyond the control and without fault or negligence of the Contractor. Liquidated damages shall not exceed the total payments allowed under the contract and may be deducted from payments that are owing.

Any dispute concerning a question of fact that relates to the Contractor's performance, if not disposed of by agreement between the parties, shall be decided by the Project Director(s), who shall notify the Contractor. This decision, unless appealed to a court of competent jurisdiction within ninety (90) days of the completion or termination of the contract, shall be final and conclusive.

CLAUSE III. - PERIOD OF PERFORMANCE

(A) The period of performance under this contract shall commence on August 4, 1977, or on the date both parties sign this agreement and expires on the close of the Second Session, Tenth Alaska State Legislature, provided, however, that the Project Directors grant an extension for additional periods in a mutual written agreement of the parties.

(B) This agreement may be terminated

(1) by the Project Directors upon mutual agreement. Written notice of the necessity for doing so shall be delivered to the Contractor. Payment shall be made for satisfactory work; or

(2) by mutual consent of the parties to this agreement.

CLAUSE IV. - PROJECT DIRECTORS

Work assignments may be made by Senator George Hohman, Chairman of the Senate Special Committee on the Permanent Fund, or by Representative Clark Gruening, Chairman of the House Special Committee on the Permanent Fund, upon written notification to the other chairman and to the Administration by way of the Commissioner of Revenue.

CLAUSE V. - COMPENSATION AND METHOD OF PAYMENT

(A) Total compensation under this contract, including travel or other expenses, shall not exceed \$40,000.

(B) Out of pocket expenses, including economy airfare, communications, lodging, meals and the like, shall be billed as separate items. Receipts shall be required.

CLAUSE VI. REPORTS

The Contractor shall keep the Project Directors informed as to the progress of the work performed under this agreement and shall provide progress reports as specified by them.

CLAUSE VII. - RECORDS, DOCUMENTS, AUDIT

The Contractor shall maintain accurate records which are subject to inspection by the Division at all reasonable times. All documents, reports and writings produced in the course of the work performed under this contract are, upon delivery to the Division or at the termination of this agreement, the property of the Division. The Committees shall have the full right to use these documents for their purposes, or otherwise, when and where the Committees may designate without any claim on the part of the Contractor for additional compensation.

CLAUSE VIII. - ALL WRITINGS CONTAINED HEREIN

This agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this agreement shall be deemed to exist or to bind either parties to this agreement.

IN WITNESS WHEREOF, the parties have executed this agreement on the dates indicated.

CONTRACTOR:

STATE OF ALASKA
DIVISION OF LEGISLATIVE FINANCE:

By: _____

By: _____

Title

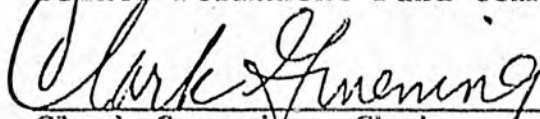
Title

Date

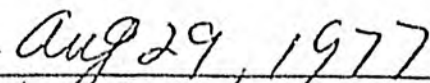
Date

APPROVED BY:

George Hohman, Chairman
Senate Permanent Fund Committee


Clark Gruening, Chairman
House Permanent Fund Committee

Date


Date

CONTRACT BETWEEN
STATE OF ALASKA
DIVISION OF LEGISLATIVE FINANCE
AND
PRICE WATERHOUSE & CO.

The parties of this agreement are the Division of Legislative Finance, hereinafter referred to as the "Division," by and for the House Special Committee on the Permanent Fund, and Price Waterhouse & Co., 601 W. 5th Avenue, Anchorage, Alaska 99501.

THE PURPOSE OF THIS AGREEMENT is to provide, through the Division, professional services in relation to the Alaska Permanent Fund and the Renewable Resources Loan Fund.

IT IS THEREFORE MUTUALLY AGREED THAT:

CLAUSE I. - STATEMENT OF WORK

The Contractor shall provide consultations on:

- . The structures of the organizations.
- . The relationship of the organizations to the Legislature, the State Administration and the public.
- . The selection of the management and policy making board (or boards).
- . Criteria for insuring that the funds retain their integrity.
- . Security and protection from fraud and political influence.
- . Reporting requirements to the public.
- . Such other matters as may reasonably be requested.

The Contractor shall coordinate, work with, and exchange information with White, Weld and Company, New York so as to prevent duplication of effort.

CLAUSE II. - STANDARDS OF PERFORMANCE

The work shall be done in accordance with generally recognized standards of professional consulting services. In the event that any work does not meet these standards, the Project Director may serve written notice and satisfactory correction shall be made within ten (10) days. Completion dates for any portion(s) of the work shall be set by mutual agreement. Failure to com-

plete the work on time shall result in liquidated damages of ten percent of the contract amount plus one hundred dollars (\$100) per day for each day of delay beyond the completion deadline, except for delays due to causes beyond the control and without fault or negligence of the Contractor. Liquidated damages shall not exceed the total payments allowed under the contract and may be deducted from payments that are owing.

Any dispute concerning a question of fact that relates to the Contractor's performance, if not disposed of by agreement between the parties, shall be decided by the Project Director, who shall notify the Contractor. This decision, unless appealed to a court of competent jurisdiction within ninety (90) days of the completion or termination of the contract, shall be final and conclusive.

CLAUSE III. - PERIOD OF PERFORMANCE

(A) The period of performance under this contract shall commence on August 4, 1977, or on the date both parties sign this agreement and expires on the close of the Second Session, Tenth Alaska State Legislature, provided, however, that the Project Director grants an extension for additional periods in a mutual written agreement of the parties.

(B) This agreement may be terminated

(1) by the Project Director. Written notice of the necessity for doing so shall be delivered to the Contractor. Payment shall be made for satisfactory work; or

(2) by mutual consent of the parties to this agreement.

CLAUSE IV. - PROJECT DIRECTOR

Work assignments may be made by Representative Clark Gruening, Chairman of the House Special Committee on the Permanent Fund, upon written notification to the Administration by way of the Commissioner of Revenue.

CLAUSE V. - COMPENSATION AND METHOD OF PAYMENT

(A) Total compensation under this contract, including travel or other expenses, shall not exceed \$17,500.

(B) Out of pocket expenses, including economy airfare, communications, lodging, meals and the like shall be billed as separate items. Receipts shall be required.

CLAUSE VI. - REPORTS

The Contractor shall keep the Project Director informed as to the progress of the work performed under this agreement and shall provide progress reports as specified by him.

CONTRACT

ALEPHE

MORRIS

Alaska State Legislature

SPECIAL COMMITTEE ON
THE ALASKA PERMANENT FUND
(907) 276-3433

528 W. 5TH, SUITE 270
ANCHORAGE, AK. 99501

[POUCH V, JUNEAU, AK. 99811]
(907) 465-3873



MEMBERS

REP. CLARK GRUENING, CHMN.
REP. TERRY GARDINER, V. CHMN.
REP. E. J. HAUGEN
REP. RUSS MEEKINS
REP. BILL MILES
REP. LEO SCHAEFFER
REP. RICK URION

House of Representatives

November 18, 1977

Gregg Erickson
Director
Division of Research Services
Legislative Affairs Agency
Pouch Y
Juneau, AK 99811

Dear Gregg:

Enclosed please find the contract between the
Committee and Alephe Morris.

Sincerely,

Mike Doogan
Administrative Assistant

Enclosure

Alaska State Legislature

SPECIAL COMMITTEE ON
THE ALASKA PERMANENT FUND
(907) 276-3433

528 W. 5TH, SUITE 270
ANCHORAGE, AK. 99501

[POUCH V, JUNEAU, AK. 99811]
(907) 465-3873



MEMBERS

REP. CLARK GRUENING, CHMN.
REP. TERRY GARDINER, V. CHMN.
REP. E. J. HAUGEN
REP. RUSS MEEKINS
REP. BILL MILES
REP. LEO SCHAEFFER
REP. RICK URION

House of Representatives

November 14, 1977

Gregg Erickson
Director
Division of Research Services
Legislative Affairs Agency
Pouch Y
Juneau, AK 99811

Dear Gregg:

Enclosed please find a contract between the Committee and Alephe Morris. If you find it in order, please sign it and return a completed copy to this office. If you find something wrong with it, please do not hesitate to give me a call.

Sincerely,

A handwritten signature in cursive script that reads "Mike".

Mike Doogan
Administrative Assistant

Enclosure

CONTRACT BETWEEN
STATE OF ALASKA
DIVISION OF LEGISLATIVE AFFAIRS
AND
ALEPHE MORRIS

The parties of this agreement are the Division of Legislative Affairs, hereinafter referred to as the "Division," by and for the House Special Committee on the Permanent Fund, and Alephe Morris, 538 M St., Anchorage, Alaska 99501.

THE PURPOSE OF THIS AGREEMENT is to provide, through the Division, professional services in relation to the Alaska Permanent Fund and the Renewable Resources Loan Fund.

IT IS THEREFORE MUTUALLY AGREED THAT:

CLAUSE I. - STATEMENT OF WORK

The Contractor shall provide editing and typing services as assigned by the Project Director.

CLAUSE II. - STANDARDS OF PERFORMANCE

The work shall be done in accordance with generally recognized standards of professional services. In the event that any work does not meet these standards, the Project Director may serve written notice and satisfactory correction shall be made within ten (10) days. Completion dates for any portion(s) of the work shall be set by mutual agreement. Failure to complete the work on time shall result in liquidated damages of ten per cent of the contract amount for each day of delay beyond the completion deadline, except for delays due to causes beyond the control and without fault or negligence of the Contractor. Liquidated damages shall not exceed the total payments allowed under the contract and may be deducted from payments that are owing.

Any dispute concerning a question of fact that related to the Contractor's performance, if not disposed of by agreement between the parties, shall be decided by the Project Director, who shall notify the Contractor. This decision, unless appealed to a court of competent jurisdiction within ninety (90) days of the completion or termination of the contract, shall be final and conclusive.

CLAUSE III. - PERIOD OF PERFORMANCE

- (A) The period of performance under this contract shall commence on October 15, 1977, or on the date both parties sign this agreement and expires on December 31, 1977.

(B) This agreement may be terminated

- (1) by the Project Director. Written notice of the necessity for doing so shall be delivered to the Contractor. Payment shall be made for satisfactory work; or
- (2) by mutual consent of the parties to this agreement.

CLAUSE IV. - PROJECT DIRECTOR

Work assignments may be made by Representative Clark Gruening, Chairman of the House Special Committee on the Permanent Fund or his Assistant, Mike Doogan.

CLAUSE V. — COMPENSATION AND METHOD OF PAYMENT

The Contractor shall be paid at the rate of \$10.00 per hour upon receipt of a bill for services rendered in the form of a time sheet.

CLAUSE VI. - ALL WRITINGS CONTAINED HEREIN

This agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this agreement shall be deemed to exist or to bind either party to this agreement.

IN WITNESS WHEREOF, the parties have executed this agreement on the dates indicated.

CONTRACTOR:

STATE OF ALASKA
DIVISION OF LEGISLATIVE AFFAIRS:

By: Alpheus Morris By: _____

Date 11-11-77 Title _____

_____ Date _____

APPROVED BY:

Clark Gruening Date 11/11/77
Clark Gruening, Chairman
House Permanent Fund Committee

CONTRACT AMENDMENT

Amendment to contract of November 17, 1977 by and between the Legislative Affairs agency on behalf of the House Special Committee on the Permanent Fund and Alphe Morris.

Clause V is amended by the deletion of existing Clause V and the substitution of the following:

CLAUSE V. - COMPENSATION AND METHOD OF PAYMENT.
The Contractor shall be paid at the rate of \$10.00 per hour upon receipt of a bill for services rendered in the form of a time sheet. The total amount of compensation for services performed under this agreement shall not exceed \$2,500. No travel is contemplated and none is provided for under this contract.

CONTRACTOR

LEGISLATIVE AFFAIRS AGENCY
(By direction of the Executive Director)

Alphe Morris 11/30/77 Gregg K. Erickson 12/2/77
ALEPHE MORRIS Date GREGG K. ERICKSON Date

Accepted:

Clark Gruening
CLARK GRUENING, Chairman Date
House Permanent Fund Committee

Approved as to form:

Betty J. Dennis 12/2/77
AGENCY LEGAL COUNSEL Date

CONTRACT BETWEEN
STATE OF ALASKA
LEGISLATIVE AFFAIRS AGENCY
AND
ALEPHE MORRIS

The parties of this agreement are the Legislative Affairs Agency, hereinafter referred to as the "Agency," on behalf of the House Special Committee on the Permanent Fund, and Alephe Morris, 538 M Street, Anchorage, Alaska 99501, hereinafter referred to as the "Contractor."

THE PURPOSE OF THIS AGREEMENT is to provide, through the Agency, professional services in relation to the Alaska Permanent Fund and the Renewable Resources Loan Fund.

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(B) This agreement may be terminated

(1) by the Project Director on written notice to the Contractor;
or

(2) by mutual consent of the parties to this agreement.

CLAUSE IV. - PROJECT DIRECTOR

The Project Director shall be Representative Clark Gruening, Chairman of the House Special Committee on the Permanent Fund, or his designee.

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The Contractor shall be paid at the rate of \$10.00 per hour upon receipt of a bill for services rendered in the form of a time sheet. The total amount of compensation for services performed under this agreement shall not exceed \$1000. No travel is contemplated and none is provided for under this contract.

CLAUSE VI. - RECORDS, DOCUMENTS, AUDIT

All documents, reports and writings generated as a consequence of work done under this contract shall become the property of the State of Alaska, and on completion of the work or at the termination of this contract shall be delivered to the Agency. The Contractor shall keep the Project Director informed as to the progress of the work performed under this agreement and shall provide progress reports as specified by the Project Director.

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CONTRACTOR

LEGISLATIVE AFFAIRS AGENCY
(By direction of the Executive Director)

Alephe Morris
ALEPHE MORRIS

11-17-77
Date

Gregg K. Erickson
GREGG K. ERICKSON

11/15/77
Date

Accepted:

Clark Gruening
CLARK GRUENING, Chairman
House Permanent Fund Committee

11/16/77
Date

Approved as to form:

Billy J. Barnes
AGENCY LEGAL COUNSEL

11/16/77
Date

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(By direction of the Executive Director)

Alphe Morris 11/30/77 Gregg K. Erickson 12/2/77
ALEPHE MORRIS Date GREGG K. ERICKSON Date

Accepted:

Clark Gruening
CLARK GRUENING, Chairman Date
House Permanent Fund Committee

Approved as to form:

Betty J. Davis 12/2/77
AGENCY LEGAL COUNSEL Date

CONTRACT BETWEEN
STATE OF ALASKA
LEGISLATIVE AFFAIRS AGENCY
AND
ALEPHE MORRIS

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CONTRACTOR

LEGISLATIVE AFFAIRS AGENCY
(By direction of the Executive Director)

Alephe Morris
ALEPHE MORRIS

11-17-77
Date

Gregg K. Erickson
GREGG K. ERICKSON

11/17/77
Date

Accepted:

Clark Gruening
CLARK GRUENING, Chairman
House Permanent Fund Committee

11/16/77
Date

Approved as to form:

Billy B. Burns
AGENCY LEGAL COUNSEL

11/16/77
Date

CONTRACT

BELDEN

DANIELS

Alaska State Legislature

SPECIAL COMMITTEE ON
THE ALASKA PERMANENT FUND
(907) 276-3433

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ANCHORAGE, AK. 99501

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MEMBERS

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REP. E. J. HAUGEN
REP. RUSS MEEKINS
REP. BILL MILES
REP. LEO SCHAEFFER
REP. RICK URION

House of Representatives

August 12, 1977

Sent to Committee members, Jim Edenes, Fran Ulmer

Fran Ulmer
Division of Policy Development
and Planning
Office of the Governor
Pouch AA
Juneau, AK 99811

Dear Ms. Ulmer:

Enclosed please find a copy of the Committee's contract with
Belden Daniels.

Sincerely,

Mike Doogan

Mike Doogan
Administrative Assistant

Enclosure

December 20, 1977

Belden Daniels
Council for Community Development
Four Sentry Hill Place
Boston, MA 02114

Dear Belden:

Your final payment under your contract with the committee will not be \$2,115.15.

Why, you ask?

Because, Legislative Affairs tells me, there is not that much money left in the contract. I am informed that after subtracting the cost of your trips to Kotzebue and Fairbanks, originally paid with committee TR's, the balance is \$1,838.71.

So, your final payment will be \$1,838.71, bringing your total payment under the contract to \$19,500, the contract maximum.

As a precaution, I have requested a breakout on charges against your contract from Legislative Affairs to be sure that their charges against the contract are accurate.

I trust this is satisfactory from your end. If it is not, I suggest that you pursue the matter with the Chairman, since any additional payments can be made only after an amendment to the contract.

In closing I make a final plea for Page 51 of your first report if it has not already been sent. The printer in Juneau is up to his ears in uncompleted