

ALASKA LEGISLATIVE COMMITTEE DOZ 10072  
1840 HRES HB 359. - HB 364 ✓

H

B

3

5

9

**Article 4. Power Production Cost Assistance.****Section**

162. Power production cost assistance

164. Assistance to utilities not regulated  
by public utilities commission

---

Article repealed effective July 1, 1980, repeals this article, effective July 1, 1985. — Sections 51 and 54, ch. 63, SLA 1985.

---

**Sec. 44.83.162. Power production cost assistance [Repealed effective July 1, 1985].** (a) There is established as a separate fund to provide financial assistance to eligible electric utilities in the state, the power production cost assistance fund which shall be administered by the authority as a fund distinct from other funds of the authority and which is composed of money appropriated for the purpose of providing power production cost assistance to an eligible electric utility.

(b) Power production costs which may be paid from the power production cost assistance fund include

(1) production expenses for generating electricity, consisting of the costs of

- (A) operation supervision and engineering;
- (B) fuel, oil, gas, coal, and other thermal fuels;
- (C) generation expenses;
- (D) miscellaneous other power generation expenses;
- (E) rents;
- (F) maintenance supervision and engineering;
- (G) maintenance of structures;
- (H) maintenance of generating and electric plant; and
- (I) maintenance of miscellaneous other power generation;

(2) fixed costs relating to generating electricity, consisting of

- (A) depreciation of a generating plant and equipment;
- (B) taxes on a generating plant and equipment;
- (C) insurance on or attributable to a generating plant and equipment;
- (D) interest on indebtedness incurred for a generating plant and equipment;

(3) costs of purchased power, including but not limited to system control and load dispatching expenses;

(4) transmission expenses, consisting of

- (A) transmission operation supervision and engineering;
- (B) transmission load dispatching;
- (C) station expenses;

- (D) overhead line expenses;
- (E) underground line expenses;
- (F) transmission of electricity by others;
- (G) miscellaneous transmission expenses;
- (H) rents; and
- (I) maintenance costs for facilities associated with (A) — (E) of this paragraph; and

- (5) fixed costs relating to transmission, consisting of
  - (A) depreciation of transmission lines and equipment;
  - (B) taxes on transmission lines and equipment;
  - (C) insurance on or attributable to transmission lines and equipment; and
  - (D) interest on debt incurred for transmission lines and equipment.

~~(a) Power production cost assistance shall be paid to an eligible electric utility if the actual power production costs of the utility exceed its adjusted power production costs, as determined annually by the commission. The adjusted power production costs of an electric utility are~~

- ~~(1) 15 percent of the portion of the actual power production costs which does not exceed 40 cents per kilowatt hour; plus~~
- ~~(2) the base power production cost escalator; the base power production cost escalator is 7.65 cents per kilowatt hour adjusted annually by a percentage equal to the percentage of change in the Anchorage consumer price index for the year.~~

~~(d) An eligible electric utility may include as part of its revenue requirement for the purpose of setting rates charged for residential service, local community facilities service, and service to charitable organizations only the adjusted power production cost per kilowatt-hour sold.~~

(c) Power production cost assistance shall be paid to an eligible electric utility at the rate of 85 percent of the actual power production costs of the utility which exceed 10 cents per kilowatt hour but do not exceed 40 cents per kilowatt hour, as determined by the commission.

(d) An eligible electric utility shall credit the amount of its approved power production cost assistance for each kilowatt hour sold to residential consumers, local community facilities, and charitable organizations.

However, the utility's approved tariff shall show rates based on the actual cost of providing electric utility service and the state assistance derived from the power production cost assistance program under this section.

(e) The power production cost assistance program shall be administered by the authority based on a determination by the commission of ~~adjusted power production costs~~ <sup>assistance for each eligible</sup> for each electric utility eligible for power production cost assistance. An electric utility is eligible for power production cost assistance if

~~1) the actual power production costs of the utility exceed the adjusted power production costs, as determined by the commission under (c) of this section;~~ <sup>1) the actual power production costs of the utility exceed ~~the~~ 10¢/KWH,</sup>

~~2) at least 15 percent of the total energy sold by an electric utility during the calendar year preceding the year in which power production cost assistance may be claimed was for residential use.~~

(f) The ~~adjusted power production cost~~ <sup>cost</sup> shall be calculated ~~annually~~ in the manner prescribed by (c) of this section and shall be based on the actual power production cost filed with the commission by each eligible

electric utility as verified by the commission. The power production cost shall be derived from financial data supporting the most recently approved permanent rate schedule with adjustments incorporating the current cost of fuel. The determination of the cost of fuel by the commission shall be in accordance with the procedure for approving fuel cost rate adjustments in effect at the time of the determination. The commission shall review filings and approve an adjusted power production cost <sup>assistance</sup> per kilowatt-hour and revised rates based on the approved adjusted power production cost per kilowatt-hour, as determined under (c) of this section. The commission may change the adjusted power production cost <sup>assistance</sup>.

(1) an increase or decrease in a utility's cost of fuel has resulted in the approval of a fuel cost rate adjustment by the commission;

(2) a permanent or interim rate increase has been approved by the commission, thereby establishing a higher or lower power production cost; *or*

(3) the authority has discovered discrepancies in its review of data submitted, monthly, by the utilities; *or*

~~(4) the authority determines that appropriations are insufficient to fund full payments to eligible utilities.~~

(g) Each electric utility with a ~~rate schedule and adjusted power production cost~~ <sup>assistance</sup> approved by the commission shall report monthly to the authority within the time and in the form the authority designates (1) the total actual power production costs of electric power including a detailed breakdown of those costs as specified by the commission; (2) the total kilowatt-hours sold during the preceding month; (3) the total kilowatt-hours sold during the preceding month for service eligible for power production cost assistance under this section; ~~(4) the total kilowatt-hours generated during the preceding month;~~ (5) the total power production cost per kilowatt-hour sold; ~~(6) the total power production cost per kilowatt-hour generated;~~ and (7) any increase or decrease in the current unit price of fuel from the base price used by the commission in the determination of power production costs. The authority shall review the report and may submit the report to the commission for additional review before payment.

(h) After review and approval by the authority, the authority shall, subject to appropriation, pay to each eligible electric utility an amount equal to the <sup>approved</sup> difference between the actual power production cost <sup>assistance</sup> for the preceding month and the <sup>approved</sup> adjusted power production cost per kilowatt-hour times the number of kilowatt-hours sold to residential customers, local community facility customers, and facilities owned by charitable organizations during the preceding month. Payment shall be made by the authority within 30 days of receipt from the utility of the report required under (g) of this section. However, if there is a dispute between the authority and the utility relating to the payment, the authority shall submit the report to the

commission within 30 days of receipt of the report by the authority for review before payment. When a report is submitted to the commission for review under this section, payment shall be made by the authority within 30 days after submission. If appropriations are insufficient for payment in full, the amount paid to each electric utility is reduced on a pro-rata basis.

(i) If an electric utility receives a payment under this section, the utility shall furnish the following notice to its electric service customers eligible under this program for each period for which the payment is received:

The following notice is the suggested format, and any variation from this format shall be similar in content and shall be approved by the authority:

NOTICE TO CUSTOMER *will be*

For the current billing period the utility ~~has been~~ paid under the State of Alaska's power production cost assistance program (AS 44.83.162) to assist the utility and its customers in reducing the high cost of generation of electric energy.

Your total electrical service cost	\$
Less state assistance	\$
Your charge	\$

(j) For the purpose of this section,

(1) the terms used in (b) (1) — (4) of this section are defined as those items are defined in a recognized system of utility accounts designated by the commission;

(2) actual power production costs are the expenses and costs prescribed in this subsection less any other power production cost assistance provided to the electric utility.

(k) In this section,

(1) "charitable organization" means an organization, not organized for pecuniary profit, which is operated for the relief of poverty, distress, or other condition of public concern in the state; the term includes, but is not limited to, a church or religious organization;

(2) "commission" means the Alaska Public Utilities Commission;

(3) "local community facilities" means water and sewer facilities, public outdoor lighting, and community buildings whose operations are not paid for by the state, the federal government, or private commercial interests. (§ 42 ch 83 SLA 1980)

Section repealed effective July 1, 1985. — Section 51, ch. 83, SLA 1980, repeals this section, effective July 1, 1985.

Sec. 44.83.164. Assistance to utilities not regulated by Public Utilities Commission [Repealed effective July 1, 1985]. (a) A utility which is exempt from regulation under AS 42.05.711 may receive power production cost assistance under AS 44.83.162 without becoming subject to the jurisdiction of the Alaska Public Utilities Commission if the utility is otherwise eligible for assistance and if the utility

(1) files with the commission the audited financial data necessary to determine the adjusted power production cost in the form prescribed in a recognized system of utility accounts;

(2) makes the reports required in AS 44.83.162(g) required of an electric utility with a rate schedule approved by the commission within the time and in the form the Alaska Power Authority designates;

(3) sets rates charged for residential services, local community services, and for services to charitable organizations, ~~by including as part of its revenue requirements for these services only the adjusted power production cost per kilowatt-hour sold;~~

less the amount of power production cost assistance for which it is approved;

(4) allows audits which the commission determines are necessary to insure compliance with this section; and

(5) furnishes its electric service customers eligible under this program the "Notice to Customer" specified in AS 44.83.162(i).

(b) The provisions of AS 44.83.162 relating to determination of the amount of power production cost assistance and payment of the assistance apply to assistance under this section. (§ 42 ch 83 SLA 1980)

Section repealed effective July 1, 1985. — Section 51, ch. 83, SLA 1980. repeals this section, effective July 1, 1985.

## Article 5. Power Project Fund.

### Section

#### 170. Power project fund

**Sec. 44.83.170. Power project fund.** (a) There is established as a separate fund the power project fund which shall be distinct from any other money or funds of the authority, and which includes only money appropriated by the legislature.

(b) The authority may make loans from the power project fund

(1) to electric utilities, regional electric authorities, municipalities, cities, boroughs, regional and village corporations, village councils, and nonprofit marketing cooperatives to pay the costs of

(A) reconnaissance studies, feasibility studies, license and permit applications, preconstruction engineering, and design of power projects;

(B) constructing, equipping, modifying, improving, and expanding small-scale power production facilities, conservation facilities, bulk fuel storage facilities, and transmission and distribution facilities, including energy production, transmission and distribution, and waste energy conservation facilities which depend on fossil fuel, wind power, tidal, geothermal, biomass, hydroelectric, solar or other non-nuclear energy sources; and

(C) reconnaissance studies, preconstruction engineering, design, construction, equipping, modification, and expansion of potable water supply including surface storage and groundwater sources and

A. R. E. C. A.  
6000 C. Street, Suite C  
Anchorage, Alaska 99502

March 12, 1981

HB 359

Representative Jack Fuller  
Pouch V  
Juneau, Alaska 99811

Dear Jack:

At the request of your office I have reviewed the draft legislation dated 3-3-81 which is titled "An Act relating to power cost assistance; and providing for an effective date." The following is my analysis and comments on the effect of that proposed bill.

- (1) The costs to be considered for assistance would be broadened. At the present time, only power production costs are considered, but this bill would expand consideration to all costs associated with operating a utility. This approach was not recommended in the original study by Arthur Young & Co., and was not adopted by the legislature last year because it would not protect the public treasury from wasteful administrative practices which utilities could be tempted to engage in when they know the state will be paying the bill. The original concept was that present hardship is being caused by the drastic increase in oil prices, and the state should use a small portion of its windfall revenues resulting from those increased oil prices to diminish that hardship. The draft proposal gets away from this idea to some extent.
- (2) The program would be broadened to cover all consumers of an eligible utility. There is much to recommend this feature of the draft. It would have the effect of assisting businesses in high cost electric service areas. This is consistent with the original proposal last year, but this approach was rejected by the legislature in favor of limiting assistance to residential consumers, local community facilities, and charitable organizations. The reason behind this change was simply a strong opposition in the House Resource Committee to using state funds to assist commercial and industrial consumers with their utility bills. The strongest opposition was directed at subsidizing foreign owned fish processing plants.

Representative Jack Fuller

March 12, 1981

Page Two

- (3) Assistance is limited to 200 KWH per consumer (per month?). A good case can be made for fixing a maximum usage level of some sort, but there would be considerable debate as to what would be an appropriate level for that maximum. Administrative costs would be greatly increased for both the utilities and the Power Authority if a provision of this sort were adopted. Many of these utilities keep their records and prepare their bills by hand. The Power Authority would have to audit utility records to be sure that no more than 200 KWH per consumer were billed to APA. I imagine the drafter intended this to be a monthly figure, but that point is not at all clear.
- (4) The assistance formula is changed to reduce the assistance level. The maximum cost to be used in calculating the amount of assistance is changed from 40¢/KWH of power production cost to 40¢/KWH of all power costs. This would reduce the maximum assistance level by approximately one-third. (Actually a drafting error crept into the present law in its last rewrite in House Finance Committee last year which removed the upper limit entirely while still giving the impression that assistance stops at 40¢/KWH. This cap should be put in place.) When features (3) and (4) are considered together, the maximum assistance that any consumer could receive would be ~~\$40~~ (per month?). \$50
- (5) The requirement is removed that, to be eligible, a utility must sell at least 15% of its energy to residential consumers. This change is necessary to permit a few communities (Bettles is the only one I know about.) to be eligible to participate in the program. This change is appropriate and necessary.
- (6) Notice to consumers is made more flexible. This is a good provision which should eliminate the difficulty some utilities have had in complying with the rigid notice requirements in the present law. The language proposed in Section 9 of this draft is superior to my own proposed revision of this provision.
- (7) The assistance program would be terminated entirely in the very near future. Section 14 provides that this program would terminate on the date on which the U.S. Supreme Court upholds the permanent fund dividends program or on July 1, ~~1983~~, whichever date is earlier. 1991  
This would shorten the life of the program by at least two years. The original idea behind this program was to provide assistance as an interim measure while rural Alaska is in the process of moving away from dependence on diesel generation and developing its renewable energy resources. This process will take time, and it seems appropriate to me to extend the life of the program to a total of 10 years in preference to either the 5 years in the present law or the

Representative Jack Fuller  
March 12, 1981  
Page Three

3 years or less in this draft. The assistance program is necessary to get equity for rural areas because world energy prices, at least temporarily, place a disproportionate burden on the consumers in those areas. The permanent fund dividend program is based on an equitable return to all Alaskans from the depletion of our natural resources. These two programs are totally unrelated, and the existence of one should not be dependent on the fate of the other.

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

Sincerely,



David Hutchens  
Executive Director

STATE  
of ALASKA

# MEMORANDUM

TO	<input type="checkbox"/> The Honorable Terry Gardiner -and- The Honorable Fred Zharoff House Resources Committee	DATE:	April 8, 1981
		FILE NO.	
		TELEPHONE NO.	465-3573
FROM:	James Souby Deputy Director Division of Policy Development and Planning Office of the Governor	SUBJECT:	House Bill 359

The following information is presented in an effort to respond more fully to questions raised in your Committee hearing of April 7, concerning HB 359.

What is the existing program?

The existing Power Production Cost Assistance Program subsidizes electricity consumption through State payments to utilities. These payments are then passed on to residential and charitable consumers and some local facilities in the form of lower rates. The amount of the subsidy is based on certain types of costs -- those associated with power generation. The State pays 85% of these costs over 9¢ per kilowatt hour and 100% of these costs over 40¢ per kilowatt hour (kwh).

What utilities are currently receiving assistance and who may be eligible under the new program?

Attachment A provides a list of current recipients of power production assistance. The following organizations have applications pending before the APUC:

Takotna Community Association  
Manley Utility  
Kwethluk Utility

The following organizations have contacted the APUC about the program:

City of Unalaska  
King Cove Municipal Utility  
Andreanof Electric Corporation (Atka)  
North Pacific Rim Corporation (on behalf of certain villages)  
Yugtak Corporation (Bethel)

Attachment B provides a list of regulated and non-regulated utilities, all of which are eligible to apply for assistance. Neither the APUC nor the APA have a list of utilities which are unregulated and non-certificated by the APUC. However, those organizations are also eligible for assistance provided the criteria in the statute are met.

Why are amendments being recommended?

There are concerns regarding the equity of the existing program. Currently, consumers faced with comparable electricity rates may receive very different levels of assistance as the result of the particular cost structure of their utility. Further, consumers in particularly high cost areas may not be receiving assistance because of information and reporting requirements.

There are also efficiency or incentive problems under the existing program. Since the amount of the subsidy is unlimited and in fact increases from 85% to 100% as production costs increase, incentives to pursue consumption and production alternatives are reduced.

How do these amendments address the problems stated above?

Equity: First, the cost basis on which the subsidy is calculated is expanded to include the full range of costs which are faced by utilities, exclusive of a rate of return on equity. This will reduce the large differences in subsidy going to consumers facing the same rates. Second, many high cost areas have not been able to take advantage of the program due to information and reporting requirements. Ten utilities, nine of which are regulated, are now participating in the program. A statewide energy survey by RurAL CAP lists 59 communities, with estimated population totaling 34,400, which have non-regulated utilities (list attached). These amendments reduce the information requirements for non-regulated utilities and increase the technical assistance to be provided by the Alaska Public Utilities Commission.

Efficiency: A kilowatt hour limit of 200 kwh per month per customer is established as the subsidy basis as opposed to the unlimited usage now subsidized. The purpose of the limit is to provide assistance for basic usage, and at the same time not eliminate the price signals which reflect the true cost of providing power. A lid of 40¢/kwh is placed on costs eligible for subsidization. Systems with costs above this level are thus further encouraged to pursue efficiency improvements which may be financed under provisions of HB 310 or HB 461. The program would be phased out over a 10 year period, thus gradually reinstating price incentives for consumers and producers. This approach appears preferable to the current statute which eliminates the program in 1985.

What additional costs are allowed under the proposed amendments?

Currently production and transmission costs are allowed. This would be expanded to full costs, exclusive of the rate of return on equity. Examples of additional costs are distribution expenses (such as line and meter operation and maintenance), customer services, sales expenses, and administrative costs.

Why was a cap of 40¢/kwh included in this proposal?

A cap is included on the principle that the State should not act in

such a way to encourage development of nonviable utility systems. In reviewing rate structures of regulated utilities, 40¢/kwh appears to cover a substantial portion of the costs now faced by participating utilities including AVEC and THREA.

Page 3, lines 11 and 12 states "An eligible utility may not be denied power cost assistance if complete cost information is not available." Why is this stated as a negative proposition?

Many utilities that will be eligible for the program under HB 359 are not regulated by APUC and do not compile information in the manner currently prescribed for regulated utilities. The purpose of this statement is to insure that utilities which compile less than complete information on power costs will be eligible to receive power cost assistance. The language following that which is cited above directs the Commission to assist eligible non-regulated utilities in compiling the cost information necessary to comply with the requirements of the Act.

The use of the negative proposition is a legislative drafting technique that can be modified to clarify the intent.

Chapter 136, SLA 80 authorized certain utilities to seek exemption from regulation by the APUC. Does HB 359 reimpose APUC regulation for those utilities which have exercised that option?

The answer is no. HB 359 provides that both regulated and non-regulated utilities may seek assistance under the power cost assistance program. The government agencies designated by statute to conduct the program are the Alaska Power Authority (APA) and the Alaska Public Utilities Commission (APUC). The Power Authority must administer the fund from which assistance payments are made and the APUC must verify cost information needed to qualify for the program and provide technical assistance to eligible utilities. The statute does not provide any new regulatory functions for the APUC and does not allow APUC to change the rate structure of the utility. It simply relies on the Commission's knowledge and expertise to insure compliance with the law.

How would the subsidy calculation change for costs above and below the 40¢/kwh cost ceiling, and for consumption above and below the 200 kwh/month limit?

The chart below illustrates the total power costs and State assistance which result from various combinations of kilowatt hour costs and usage patterns. For example, if power costs were 35¢/kwh and a customer used 200 kilowatt hours per month, total costs would be \$70.00 per month, \$40.00 of which would be paid by the State.

Power Cost  
and  
(State Assistance)

USAGE	COST*		
	35¢/kwh	40¢/kwh	45¢/kwh
100 kwh	\$35.00 (\$20.00)	\$40.00 (\$25.00)	\$45.00 (\$25.00)
200 kwh	\$70.00 (\$40.00)	\$80.00 (\$50.00)	\$90.00 (\$50.00)
300 kwh	\$105.00 (\$40.00)	\$120.00 (\$50.00)	\$135.00 (\$50.00)

\* Rates may be somewhat higher than costs due to the inclusion of return on equity which is not allowed in the cost basis for subsidy.

Does HB 359 repeal the entire act or simply amend the existing statute?

Sections 1 - 11 of the bill amend the existing law on power production assistance. Section 12 provides for the repeal of those sections of existing law which sunset the program on July 1, 1985 and repeals references to "charitable organizations" which will remain eligible, since HB 359 expands the subsidy to all classes of consumers. Sections 13 and 14 provide for repeal of the entire program when the U.S. Supreme Court rules that Permanent Fund Dividends may be paid to Alaskans on July 1, 1991, whichever is earlier.

Attachments

ATTACHMENT A  
 PROJECTION OF POWER PRODUCTION ASSISTANCE PROGRAM  
 December 15, 1980

(1) Utility	(2) Location	(3) Actual Power Production Cost (¢/KWH)	(4) Adjusted Power Production Cost (¢/KWH)	(5) Approved Assistance (¢/KWH)	(6) Utility Reported Annual KWH Sales Qualifying for Ass.	(7) Estimate of Annualized Assistance
Alaska Village Electric Cooperative	Villages	29.97	12.14	17.83	5,220,116	\$ 930,746.63
Copper Valley Electric pending	Glennallen	11.60	9.39	2.21	3,394,370	75,015.58
	Glennallen	11.54	9.38	2.16		73,318.39
	Valdez	11.29	9.34	1.95	10,482,241	204,403.70
Haines Light & Power	Haines	10.78	9.26	1.52	2,856,958	43,425.76
Kodiak Electric Assoc.	Port Lions	28.99	12.00	16.99	255,596	41,253.19
	Port Lions	27.99	11.85	16.14		
Kotzebue Electric Assoc.	Kotzebue	14.4345	9.8152	4.6193	3,537,223	163,395.17
Tlingit-Haida Regional Electric Authority	Angoon, Hoonah, Kake, Klawock, Kasaan	19.98	10.65	9.33	2,736,791	255,342.60
Cordova Electric Coop.	Cordova	11.16	9.32	3.12	5,710,401	173,164.51
Matanuska Elec. Assoc.	Unalakleet	19.665	10.500	9.065	476,103	43,158.74
Kodiak Electric Assoc.	Kodiak	10.40	9.21	1.19	16,321,696	200,178.13
McGrath Light & Power	McGrath	20.20	10.68	9.52	412,056	39,227
Nome Municipal Utility	Nome	12.7499	9.5625	3.1874	4,649,856	187,752.00

## ATTACHMENT B

## REGULATED UTILITIES

LOCATION	POP	RESID
AEL & P	22105	6483
AK POWER & TELE		
-CRAIG	587	219
-HYDABURG	384	123
-SKAGWAY	858	365
-TOK & TANACROSS	863	317
-DOT LAKE	81	20
AVEC	14241	2616
AMFAC (SAND POINT)	829	126
ANCHORAGE L & P		13765
ANIAK POWER	323	87
BARRON UTILITIES	2715	670
BETHEL UTILITIES	3004	1216
BETTLES L & P	88	16
CHUGACH ELEC		
-ANCHORAGE		42575
-GIRDWOOD	144	10
-KENAI PEN.	427	239
CIRCLE	76	14*
COPPER VALLEY		
-GLENNALLEN	716	629
-VALDEZ	4481	959
CORDOVA ELEC	2406	682
FORT YUKON UT.	700	194
GLACIER HWY ELEC		790
GOLDEN VALLEY	45208	13591
HAINES L & P	1366	419
HOMER ELEC		
-HOMER	5309	4021
-KENAI	5223	3957
-SOLDOVIA, PT. GRAHAM	809	613
-ENGLISH BAY	110	83
HYDER-BC HYDRO	49	5.
KODIAK ELEC		
-KODIAK	4911	2459
-PORT LIONS	265	49*
KOTZEBUE	2431	455
MANLEY UT.	74	21
MATANUSKA ELEC	19615	11164
MAT EL-UNALAKLEET	600	125
MCGRATH	350	64
MUS-FDKS.	15069	4494
NAKHEK ELEC		
-NAKHEK	350	185
-EGEGIK	148	78
NORTHERN POWER	256	29
NORTHWAY	361	67*
-NUSUAGAK ELEC	1252	410
PELICAN UT	221	57
TANANA POWER	449	136
TELLER POWER	219	41*
THREA	2671	541
YAKUTAT POWER	500	169

## NON-REGULATED UTILITIES

LOCATION	POP	RESID
AKIACHAK	371	68C
AKIAK	192	35C
ALLAKAKEET	164	30C
ANAKTUVUK PASS	173	32C
ARCTIC VILLAGE	191	18C
ATKASOOK	93	17C
ATMAUTLUAK	140	25C
BUCKLAND	174	32C
CHIGHIK BAY	73	13C
CHISTOCHINA	35	6C
CLARK'S POINT	70	12C
DEERING	104	19C
EAGLE	161	29C
GALENA	631	116C
KAKTOVIK	192	35C
KEYCHIKAN P.U.	8273	4312
KING COVE	734	135C
KIPHOX	579	107C
KLUKIAN	150	27C
LAKE MINCHUMIA	15	2C
MADOKOTAK	300	55C
MERTASTA LAKE	56	10C
METLAKATLA	1160	355
NAFAKIAK	293	54C
NAPASKIAK	210	53C
NELSON LAGOON	55	10C
NEJTOK	150	27C
NIGHTMUTE	123	22C
NIKOLSKI	57	10C
HOME	2555	1040
HOME VICINITY	252	100
NUIGSUT	182	33C
OUZINKIE	173	32C
PAXSON	24	4
PEDRO BAY	65	12C
PETERSBURG	3197	985
PLATINUM	65	12C
POINT HOPE	464	85C
POINT LAY	57	10C
PORT HEIDEN	64	12C
RAMPART	5	9C
RUBY	220	40C
RUSSIAN MISSIF.	150	27C
SAINT GEORGE	184	34C
SAINT PAUL	689	127C
SEWARD	2864	1049
SITKA	3390	2015
SKWENTA	16	2C
SLEETMUTE	121	22C
TATITLEK	111	20C
TENAKEE SPRINGS	101	18C
TETLIN	130	24C
THORNE BAY	310	57C
TULUKSAK	258	47C
UNALASKA	725	134C
WAINWRIGHT	429	79C
WHITE MT.	103	19C
WRANGELL	3152	786
KUETHLUK	450	85C

## NOTE:

Population figures compiled by RuralCAP.  
Residential customer figures compiled by Alaska  
Power Administration.

\* or "C" indicates residential customer information was developed using data  
provided by AVEC.

THE LEGISLATURE OF THE STATE OF ALASKA ATTACHMENT C  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 359  
 Title An Act relating to power cost assistance  
 Requested by Office of the Governor Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Commerce & Economic Development  
 Program Category Affected Public Protection and Development  
 BRU, Program, or Subprogram(s) Affected Alaska Public Utilities Comm. & Alaska Power Authority  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL		10.5				
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		1,758.7				
<b>TOTAL</b>		<b>1,769.2</b>				

FUNDING (Thousands of Dollars)

GENERAL FUND		1,769.2				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

It is estimated that grants for the Power Cost Assistance Program will not exceed \$3,500.0 in FY 82. The \$1,758.7 in this fiscal note plus the \$1,741.3 in the Alaska Power Authority proposed FY 82 operating budget for the Power Production Cost Program totals \$3,500.0. Data is not available to reliably estimate the amount of grants needed for future fiscal years. On one hand, the eligible grant amount will increase due to population growth and rising utility production costs. On the other hand, the minimal adjusted power costs will increase by two cents per kilowatt hour which will reduce the amount of eligible grants. Once the number of eligible utilities is established, a revised fiscal note will estimate the amount of grants needed for future fiscal years.

One of the intents of the Power Cost Assistance Program is to extend this form of State assistance to a greater number of utilities which have high power costs. This will require a \$8.0 increase in travel for the APUC in order for them to offer technical assistance to utilities which apply. The Alaska Power Authority will also need approximately 2.5 in travel funds to verify the cost and consumption data of utilities.

IV. DATE March 17, 1981 PREPARED BY George Matz  
 AGENCY Budget & Management  
 PHONE 465-4632

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

April 7, 1981

ALASKA PUBLIC UTILITIES COMMISSION

COMMENTS - HB 359


Consistent with its comments on the original legislation, The Alaska Public Utilities Commission will not address the social policy embodied in the proposed revisions to AS 44.83.162.

The Commission has reviewed and provided technical assistance in the preparation of this legislation by the Governor's Office and is capable of performing the required functions contemplated in HB 359 with the assistance of additional travel monies.

---

Rebecca or Carla:

Please deliver to ~~Christine Harder~~, House Resources Committee, for hearing 4/8/81, 3:00 p.m.

  
Carolyn S. Guesz  
Chairman  
Alaska Public Utilities Commission

## POWER PRODUCTION ASSISTANCE FORMULA

Problem - existing scenario provides little or no incentive for utilities in the 15¢ - 40¢ cost range to hold utility costs down, particularly when most customers consumption level is below the subsidy ceiling. This incentive is currently provided because the subsidy is only applied to the production portion of the power cost to the consumer. The local consumer is the best watchdog for local level efficiency and incentive is needed to encourage efficiency.

Proposal - Subsidy based on the following formula:

Floor - 12¢, increasing 2¢ annually for inflation.

Subsidy provided on costs over 12¢.

Subsidy = 100% of cost or formula, whichever is lower.

Subsidy Formula -  $110\% - (C-F) = \% \text{ Subsidy}$

C = cost in cents

F = Floor in cents

Example - Consumer Cost - 25¢

Floor Cost - 12¢

$110 - (25-12) = 97\% \text{ subsidy}$

## EXPANSION

110% - (C-F)

Cost	Subsidy	Percentage	Net Cost
20	-08.0		12¢
22	-10.0	100%	12¢
25	-12.6	97%	12.4¢
30	-16.6	92%	13.4¢
35	-20.1	87%	14.9¢
40	-23.0	82%	17.0¢
45	-25.4	77%	19.6¢
50	-27.4	72%	22.6¢
60	-29.8	62%	30.2¢

115% - (C-F)

Cost	Subsidy	Percentage	Net Cost
20	-08.0		12¢
22	-10.0		12¢
25	-13.0		12¢
30	-17.5	97%	12.5¢
35	-21.2	92%	13.8¢
40	-24.4	87%	15.6¢
45	-27.1	82%	17.9¢
50	-29.3	77%	20.7¢
60	-29.8	67%	30.2¢

120% - (C-F)

Cost	Subsidy	Percentage	Net Cost
20	-09.0		11¢
22	-11.0		11¢
25	-13.9		11.1¢
30	-18.4		11.6¢
35	-22.3	97%	12.7¢
40	-25.8	92%	14.2¢
45	-28.7	87%	16.3¢
50	-31.2	82%	18.8¢
60	-34.6	72%	25.4¢

85% assistance on power costs between  
12¢ and 60¢ per kWh for 600 kWh/mo.

Sec 3

(c) An eligible electric utility is entitled to receive power cost assistance for sales of power to local community facilities for not more than \_\_\_\_\_ kilowatt-hours for each resident in the most recent federal decennial census and for not more than 600 kilowatt-hours per month sold to each customer in all other classes served by the utility. The amount of power cost assistance provided per month for the fiscal year ending June 30, 1982 is 85 percent of the average power costs per kilowatt-hour of the utility, as determined by the Commission, which exceed 12 cents per kilowatt-hour but ~~do not~~ do not exceed 60 cents per kilowatt-hour for the number of kilowatt-hours eligible for assistance. The minimum power cost ~~interest~~ ~~is~~ eligible for assistance shall increase by one cent per kilowatt-hour for each fiscal year thereafter.

AVEC

Power Production cost = 27¢/kWh
Power Cost = 39.6¢/kWh
Retail Rate = 44¢/kWh
Typical AVEC consumption = 180 kWh/mo
High AVEC consumption = 500 kWh/mo

Plan Existing Low

Typical Consumer

High Use Consumer

HR 359  
(conservation credit) included  
(conservation credit) not included

12¢ - 500kWh  
15¢ - 600kWh

85% - 600kWh  
90% - 600kWh  
95% - 600kWh

bill	79.20	79.20	79.20	79.20	79.20	79.20	79.20
assistance	76.08	49.68	49.73	49.71	49.68	49.73	49.71
net bill	3.12	29.52	29.47	29.49	29.52	29.47	29.49
bill	220.00	220.00	220.00	220.00	220.00	220.00	220.00
assistance	110.90	132.00	117.50	124.20	132.00	117.50	124.20
net bill	109.60	88.00	102.70	95.80	88.00	102.70	95.80
bill	220.00	220.00	220.00	220.00	220.00	220.00	220.00
assistance	143.50	76.50	131.10	131.10	76.50	131.10	131.10
net bill	76.50	143.50	88.90	88.90	143.50	88.90	88.90

### Sec. 3

(c) An eligible electric utility is entitled to receive power cost assistance for sales of power to local community facilities for not more than 100 kilowatt-hours for each resident in the most recent federal decennial census and for not more than 600 kilowatt-hours per month sold to each customer in all other classes served by the utility.

The amount of power cost assistance provided per month is the amount by which the average power cost per kilowatt-hour of the utility, as determined by the commission, exceeds the adjusted power costs of ~~that~~ the utility multiplied by the number of kilowatt-hours eligible for assistance sold in each assistance category in this subsection. The adjusted power costs of an eligible electric utility are

(1) for sales for local community facilities not exceeding 50 kilowatt-hours per resident per month and for sales to all other classes of consumers not exceeding 300 kilowatt-hours per month

(A) the power costs which do not exceed 12 cents per kilowatt-hour; plus

(B) the power costs which exceed 60 cents per kilowatt-hour; plus

(C) one cent per kilowatt-hour for the fiscal year ending June 30, 1985,

plus one cent per kilowatt-hour for each fiscal year thereafter; and

(2) for sales for local community facilities between 50 and 100 ~~per~~ kilowatt-hours per ~~month~~ resident per month and for sales to all other classes of consumers between 300 and 600 kilowatt-hours per month

(A) the power costs which do not exceed 15 cents per kilowatt-hour; plus

(B) the power costs which exceed 60 cents per kilowatt-hour; plus

(C) ~~the~~ one cent per kilowatt-hour for the fiscal year ending June 30, 1933, plus one cent per kilowatt-hour for each fiscal year thereafter.

New Section 14      Transition Provision

The Alaska Power Authority is authorized to continue accepting and making payment on claims from eligible utilities under the power production cost assistance program until it determines

(a) the utility has had sufficient time to apply for assistance under this act; and

(b) the Alaska Public Utilities Commission has had sufficient time to act upon such ~~an~~ an application; or

(c) the utility is not eligible for assistance under this act.

A M E N D M E N T

A new section is added to the bill, to the intent:

\*Sec. \_\_\_\_\_. The Alaska Power Authority is authorized to continue accepting and making payment on claims from eligible utilities under the power production cost assistance program until it determines that

(a) the utility has had sufficient time to apply for assistance under this Act; *and*

(b) the Alaska Public Utilities Commission has had sufficient time to act upon such applications; *and*

(c) the utility is not eligible for assistance under this Act;

AMENDMENTS

BY VASKA

1. Page 5, lines 13 - 28 are amended to read:

(2) beginning July 1 of the first fiscal year following the date on which the production capacity of all power projects acquired or constructed by the authority under the energy program for Alaska exceeds 500 megawatts, the authority shall establish and maintain a single wholesale power rate applicable to all power projects which it has acquired or constructed under the energy program for Alaska; the wholesale power rate shall be computed by the authority annually, and shall be not less than five percent of the amount which the authority has invested in the power project from the fund or the rate which the authority estimates is necessary to produce revenue which is sufficient to pay

(A) operation, maintenance, and equipment replacement costs of the power projects;

(B) debt service costs of the power projects;

(C) safety inspections and investigations of the power projects by the authority; and

(D) annual costs of the power production cost assistance program (AS 44.83.162).

whichever is greater.

2. Page 6, lines 3 - 13 are amended to read:

(d) The legislature may appropriate to the authority the amount required under AS 44.85.479 from the amount collected

under (b)(1) and (2) of this section which the commissioner of revenue estimates will be deposited into the general fund for paying costs of operating and maintaining power projects which it acquired or constructed as part of the energy program for Alaska. The balance of the amount determined under (b)(1) and (2) of this section which the commissioner of revenue estimates will be deposited into the general fund may be appropriated by the legislature to the power production costs assistance fund and to pay the costs of energy conservation programs, alternative energy systems, energy research and development, and costs related to energy production and use, including but not limited to electricity, space heating and transportation.

///

### Article 4. Power Production Cost Assistance.

#### Section

162. Power production cost assistance

164. Assistance to utilities not regulated  
by public utilities commission

---

Article repealed effective July 1, 1980, repeals this article, effective July 1, 1985. — Sections 51 and 54, ch. 63, SLA 1985.

---

**Sec. 44.83.162. Power production cost assistance [Repealed effective July 1, 1985].** (a) There is established as a separate fund to provide financial assistance to eligible electric utilities in the state, the power production cost assistance fund which shall be administered by the authority as a fund distinct from other funds of the authority and which is composed of money appropriated for the purpose of providing power production cost assistance to an eligible electric utility.

(b) Power production costs which may be paid from the power production cost assistance fund include

(1) production expenses for generating electricity, consisting of the costs of

- (A) operation supervision and engineering;
- (B) fuel, oil, gas, coal, and other thermal fuels;
- (C) generation expenses;
- (D) miscellaneous other power generation expenses;
- (E) rents;
- (F) maintenance supervision and engineering;
- (G) maintenance of structures;
- (H) maintenance of generating and electric plant; and
- (I) maintenance of miscellaneous other power generation;

(2) fixed costs relating to generating electricity, consisting of

- (A) depreciation of a generating plant and equipment;
- (B) taxes on a generating plant and equipment;
- (C) insurance on or attributable to a generating plant and equipment;
- (D) interest on indebtedness incurred for a generating plant and equipment;

(3) costs of purchased power, including but not limited to system control and load dispatching expenses;

(4) transmission expenses, consisting of

- (A) transmission operation supervision and engineering;
- (B) transmission load dispatching;
- (C) station expenses;

- (D) overhead line expenses;
- (E) underground line expenses;
- (F) transmission of electricity by others;
- (G) miscellaneous transmission expenses;
- (H) rents; and
- (I) maintenance costs for facilities associated with (A) — (E) of this paragraph; and
- (5) fixed costs relating to transmission, consisting of
  - (A) depreciation of transmission lines and equipment;
  - (B) taxes on transmission lines and equipment;
  - (C) insurance on or attributable to transmission lines and equipment; and
  - (D) interest on debt incurred for transmission lines and equipment.

~~(a) Power production cost assistance shall be paid to an eligible electric utility if the actual power production costs of the utility exceed its adjusted power production costs, as determined annually by the commission. The adjusted power production costs of an electric utility are~~

- ~~(1) 15 percent of the portion of the actual power production costs which does not exceed 40 cents per kilowatt hour; plus~~
- ~~(2) the base power production cost escalator; the base power production cost escalator is 7.65 cents per kilowatt hour adjusted annually by a percentage equal to the percentage of change in the Anchorage consumer price index for the year.~~

~~(d) An eligible electric utility may include as part of its revenue requirement for the purpose of setting rates charged for residential service, local community facilities service, and service to charitable organizations only the adjusted power production cost per kilowatt hour sold.~~

(c) Power production cost assistance shall be paid to an eligible electric utility at the rate of 85 percent of the actual power production costs of the utility which exceed 10 cents per kilowatt hour but do not exceed 40 cents per kilowatt hour, as determined by the commission.

(d) An eligible electric utility shall credit the amount of its approved power production cost assistance for each kilowatt hour sold to residential consumers, local community facilities, and charitable organizations,

However, the utility's approved tariff shall show rates based on the actual cost of providing electric utility service and the state assistance derived from the power production cost assistance program under this section.

e) The power production cost assistance program shall be administered by the authority based on a determination by the commission of ~~adjusted power production cost~~ <sup>assistance for each eligible</sup> for each electric utility eligible for power production cost assistance. An electric utility is eligible for power production cost assistance if

~~(1) the actual power production costs of the utility exceed the adjusted power production cost, as determined by the commission under (c) of this section.~~ <sup>10¢/kwh,</sup>

~~(2) at least 15 percent of the total energy sold by an electric utility during the calendar year preceding the year in which power production cost assistance may be claimed was for residential use.~~

(1) The ~~adjusted power production cost~~ <sup>assistance</sup> shall be calculated annually in the manner prescribed by (c) of this section and shall be based on the actual power production cost filed with the commission by each eligible

electric utility, as verified by the commission. The power production cost shall be derived from financial data supporting the most recently approved permanent rate schedule with adjustments incorporating the current cost of fuel. The determination of the cost of fuel by the commission shall be in accordance with the procedure for approving fuel cost rate adjustments in effect at the time of the determination. The commission shall review filings and approve an adjusted power production cost <sup>assistance</sup> per kilowatt-hour and revised rates based on the approved adjusted power production cost per kilowatt-hour, as determined under (c) of this section. The commission may change the adjusted power production cost <sup>assistance</sup>.

(1) an increase or decrease in a utility's cost of fuel has resulted in the approval of a fuel cost rate adjustment by the commission;

(2) a permanent or interim rate increase has been approved by the commission, thereby establishing a higher or lower power production cost; *or*

(3) the authority has discovered discrepancies in its review of data submitted, monthly, by the utilities ~~or~~

~~(4) the authority determines that appropriations are insufficient to fund full payments to eligible utilities.~~

(g) Each electric utility with a ~~rate schedule and adjusted power production cost~~ <sup>assistance</sup> approved by the commission shall report monthly to the authority within the time and in the form the authority designates: (1) the total actual power production costs of electric power including a detailed breakdown of those costs as specified by the commission; (2) the total kilowatt-hours sold during the preceding month; (3) the total kilowatt-hours sold during the preceding month for service eligible for power production cost assistance under this section; ~~(4) the total kilowatt-hours generated during the preceding month;~~ (5) the total power production cost per kilowatt-hour sold; ~~(6) the total power production cost per kilowatt-hour generated;~~ and (7) any increase or decrease in the current unit price of fuel from the base price used by the commission in the determination of power production costs. The authority shall review the report and may submit the report to the commission for additional review before payment.

(h) After review and approval by the authority, the authority shall, subject to appropriation, pay to each eligible electric utility an amount equal to the <sup>approved</sup> ~~difference between the actual~~ power production costs <sup>assistance</sup> for the preceding month and the approved adjusted power production cost ~~per kilowatt-hour~~ times the number of kilowatt-hours sold to residential customers, local community facility customers, and facilities owned by charitable organizations during the preceding month. Payment shall be made by the authority within 30 days of receipt from the utility of the report required under (g) of this section. However, if there is a dispute between the authority and the utility relating to the payment, the authority shall submit the report to the

commission within 30 days of receipt of the report by the authority for review before payment. When a report is submitted to the commission for review under this section, payment shall be made by the authority within 30 days after submission. If appropriations are insufficient for payment in full, the amount paid to each electric utility is reduced on a pro-rata basis.

(i) If an electric utility receives a payment under this section, the utility shall furnish the following notice to its electric service customers eligible under this program for each period for which the payment is received.

The following notice is the suggested format, and any variation from this format shall be similar in content and shall be approved by the authority:

NOTICE TO CUSTOMER *will be*

For the current billing period the utility ~~has been~~ paid under the State of Alaska's power production cost assistance program (AS 44.83.162) to assist the utility and its customers in reducing the high cost of generation of electric energy.

Your total electrical service cost	\$
Less state assistance	\$
Your charge	\$

(j) For the purpose of this section,

(1) the terms used in (b) (1) — (4) of this section are defined as those items are defined in a recognized system of utility accounts designated by the commission;

(2) actual power production costs are the expenses and costs prescribed in this subsection less any other power production cost assistance provided to the electric utility.

(k) In this section,

(1) "charitable organization" means an organization, not organized for pecuniary profit, which is operated for the relief of poverty, distress, or other condition of public concern in the state; the term includes, but is not limited to, a church or religious organization;

(2) "commission" means the Alaska Public Utilities Commission;

(3) "local community facilities" means water and sewer facilities, public outdoor lighting, and community buildings whose operations are not paid for by the state, the federal government, or private commercial interests. (§ 42 ch 83 SLA 1980)

Section repealed effective July 1, 1985. — Section 51, ch. 83, SLA 1980.

Sec. 44.83.164. Assistance to utilities not regulated by Public Utilities Commission [Repealed effective July 1, 1985]. (a) A utility which is exempt from regulation under AS 42.05.711 may receive power production cost assistance under AS 44.83.162 without becoming subject to the jurisdiction of the Alaska Public Utilities Commission if the utility is otherwise eligible for assistance and if the utility

(1) files with the commission the audited financial data necessary to determine the adjusted power production cost in the form prescribed in a recognized system of utility accounts;

(2) makes the reports required in AS 44.83.162(g) required of an electric utility with a rate schedule approved by the commission within the time and in the form the Alaska Power Authority designates;

(3) sets rates charged for residential services, local community services, and for services to charitable organizations, ~~by including as part of its revenue requirements for these services only the adjusted power production cost per kilowatt-hour sold,~~

less the amount of power production cost assistance for which it is approved;

(4) allows audits which the commission determines are necessary to insure compliance with this section; and

(5) furnishes its electric service customers eligible under this program the "Notice to Customer" specified in AS 44.83.162(i).

(b) The provisions of AS 44.83.162 relating to determination of the amount of power production cost assistance and payment of the assistance apply to assistance under this section. (§ 42 ch 83 SLA 1980)

Section repealed effective July 1, 1985. — Section 51, ch. 83, SLA 1980.

#### Article 5. Power Project Fund.

##### Section

##### 170. Power project fund

**Sec. 44.83.170. Power project fund.** (a) There is established as a separate fund the power project fund which shall be distinct from any other money or funds of the authority, and which includes only money appropriated by the legislature.

(b) The authority may make loans from the power project fund

(1) to electric utilities, regional electric authorities, municipalities, cities, boroughs, regional and village corporations, village councils, and nonprofit marketing cooperatives to pay the costs of

(A) reconnaissance studies, feasibility studies, license and permit applications, preconstruction engineering, and design of power projects;

(B) constructing, equipping, modifying, improving, and expanding small-scale power production facilities, conservation facilities, bulk fuel storage facilities, and transmission and distribution facilities, including energy production, transmission and distribution, and waste energy conservation facilities which depend on fossil fuel, wind power, tidal, geothermal, biomass, hydroelectric, solar or other non-nuclear energy sources; and

(C) reconnaissance studies, preconstruction engineering, design, construction, equipping, modification, and expansion of potable water supply including surface storage and groundwater sources and

H

B

3

6

1

FROM: JOYCE SCHORR, BOX 192, TRAPPER CREEK 99688

JACK BROCKMAN, BOX 193, TRAPPER CREEK, 99688

RICK AND MARY CARR, BOX 124, TRAPPER CREEK 99688

RE: HOUSE BILL 361

ENCOURAGE PASSAGE IMMEDIATELY. GIVE TIME TO REDO THE LANDS DISPOSAL BILL SO WE CAN LIVE WITH IT. IT IS UNACCEPTABLE AS IS AND NEEDS REVISION. MAKING AVAILABLE 5 ACRE LOTS IN REMOTE AREAS WHERE THERE IS INADEQUATE TIMBER FOR FUEL AND HOMES, NO INDUSTRY FOR JOBS AND INADEQUATE ACCESS IS JUST ASKING FOR MORE FUTURE TROUBLE THAN YOU CAN IMAGINE! PLEASE MOVE BILL QUICKLY---THEN DISPOSE OF LAND IN A MORE SANE FASHION.

12  
MSG 81-00011157 PRTY 1 04/06/81 12:06:40 ORIG: LM00 IN= 0004 OUT= 0036  
FROM: MARTIE/ MAT SU TO: JUNEAU INFORMATION  
TARGET: LJH2 SUBJ: P.O.M. TO HOUSE RESOURCES, LISTED BELOW PAGE 0004

FROM: JOYCE SCHORR, VICE PRESIDENT PETERS CREEK COMMUNITY ASSOCIATION  
DENNIS BRADBURY, PRESIDENT BOX 124, TRAPPER CREEK 99688  
THE PETERS CREEK ASSOCIATION, INC., CONSISTING OF 56 LAND OWNERS, URGES THAT  
YOU MOVE HOUSE BILL 361 QUICKLY.

12  
MSG 81-00011157 PRTY 1 04/06/81 12:06:40 ORIG: LM00 IN= 0004 OUT= 0034  
FROM: MARTIE/ KAT SU TO: JUNEAU INFORMATION  
TARGET: LJH2 SUBJ: P.O.M. TO HOUSE RESOURCES, LISTED BELOW PAGE 0003

FROM: DENNIS AND LINDA BRADBURY, BOX 124, TRAPPER CREEK 99600  
RELATING TO HOUSE BILL 331

IF THE 100,000 ACRE MANDATE IS NOT LIFTED AT ONCE, IT WILL NOT AFFECT THIS  
SPRING'S STATE LAND SALE. I FEEL IT IS NECESSARY THAT THE STATE AND BOROUGH  
BE GIVEN MORE TIME FOR BETTER LAND SELECTION AND THE PROBLEMS OF THE INVOLVED  
AREAS.

12  
MSG 81-00011157 PRTY 1 04/06/81 12:06:40 ORIG: LM00 IN= 0004 OUT= 0036  
FROM: MARTIE/ MAT SU TO: JUNEAU INFORMATION  
TARGET: LJH2 SUBJ: P.O.M. TO HOUSE RESOURCES, LISTED BELOW PAGE 0002

(TO HOUSE RESOURCE COMMITTEE)  
FROM: DANNY WACHHOLTZ, BOX 101, TRAPPER CREEK 99688  
HOUSE BILL 361

I FEEL THE STATE IS BEING FORCED TO GIVE THESE LANDS ON DEMAND WHEN IN FACT  
MUCH MORE TIME AND THOUGH NEED TO BE GIVEN IN THE SELECTION AND OUTCOME.  
THIS BILL NEEDS TO BE PASSED BEFORE THIS SPRING'S STATE LAND SALE BEGINS AND  
BEFORE IT IS ADVERTIZED IN THE BROCHURE.

FROM: JIM MEYER, 3307 BONIFACE PKWY, SPACE 124, ANCHORAGE 99504

HOUSE BILL 361 IS A BILL THAT SHOULD HAVE BEEN PUT INTO EFFECT LONG AGO.  
THERE HAS NOT BEEN ENOUGH PUBLIC INPUT OR IMPACT STUDIES MADE TO HAVE A  
100,000 ACRE MANDATE. IN MY OPINION IT SHOULD BE LIFTED IMMEDIATELY.

12  
MSG 81-00011157 PRTY 1 04/06/81 12:06:40 ORIG: LM00 IN= 0004 OUT= 0036  
FROM: MARTIE/ MAT SU TO: JUNEAU INFORMATION  
TARGET: LJH2 SUBJ: P.O.M. TO HOUSE RESOURCES, LISTED BELOW PAGE 0001

TO: REPRESENTATIVES ZHAROFF, GARDINER, CHUCKWUK, GRUSSENDORF, HURLBERT, SHITIL-  
VASKA, BARNES, BETTISWORTH, HALFORD, SUTCLIFFE  
FROM: MARY MEYER, BOX 1143, WASILLA 99687

HOUSE BILL 361 NEEDS TO BE PASSED AT ONCE SO IT WILL BE IN EFFECT BEFORE THIS  
SPRING'S STATE LAND SALE.  
THERE HAS NOT BEEN ENOUGH THOUGHT OR ENOUGH STUDY MADE TOWARD THE RESULTS OF  
THESE SALES.

FROM: MR. AND MRS. ARTHUR CHURCH, GENERAL DELIVERY, TRAPPER CREEK  
RELATING TO HOUSE BILL 361  
IT IS MANDATORY THAT THIS BILL BE PUT INTO EFFECT BEFORE THE STATE LAND SALE  
THIS SPRING. STATE AND BOROUGH OFFICIALS AGREE THEY NEED MORE TIME TO SELECT  
BETTER LANDS AND ALSO TIME TO SOLVE THE PROBLEMS THAT ARE BEING BROUGHT TO  
THEIR ATTENTION OVER DUSH SUBDIVISIONS.

12  
MSG 81-00011174 PRY 1 04/06/81 12:58:17 ORIG: LM60 IN= 0005 OUT= 0039  
FROM: MARY/MATSU TO: JUNEAU INFORMATION  
TARGET: LJH2 SUBJ: P.O.M. PAGE 0001

TO: HOUSE RESOURCES COMMITTEE  
REP. ZHAROFF, REP. GARDINER, REP. CHUCKWUK, REP. GRUSSENDORF, REP.  
HURLBERT, REP. SMITH, REP. VASKA, REP. BARNES, REP. BETTISWORTH,  
REP. HALFORD, REP. SUTCLIFFE  
FR: KATHY NICHOLS, BOX 173, TRAPPERS CREEK 99688  
RE: HB 361

THIS BILL NEEDS TO BE ACTED UPON IMMEDIATELY. IF NOT, IT WILL HAVE NO  
EFFECT ON THIS YEAR'S STATE LAND SALE. IT IS IMPERATIVE THAT THE 100,000  
ACRE MANDATE BE LIFTED IMMEDIATELY.

12  
MSG 81-00011127 PRTY 1 04/06/81 10:19:07 ORIG: LM00 IN= 0002 OUT= 0020  
FROM: MARY/MATSU TO: JUNEAU INFORMATION  
TARGET: LJH2 SUBJ: P.O.M. PAGE 0005

TO: HOUSE RESOURCES COMMITTEE  
REP. ZHAROFF, REP. GARDINER, REP. CHUCKWUK, REP. GRUSSENDORF, REP.  
HURLBERT, REP. SMITH, REP. VASKA, REP. BARNES, REP. BETTISWORTH,  
REP. HALFORD, REP. SUTCLIFFE

FR: JERRY AND KAREN ZEEK, BOX 1562F, ANCHORAGE (DID NOT KNOW ZIP CODE)  
IT IS IMPORTANT THAT HB 361 BE GIVEN YOUR IMMEDIATE ATTENTION. IT IS MY  
CONCERN THAT IN THE PAST THERE HAS NOT BEEN ADEQUATE FEASIBILITY STUDIES  
GIVEN TO THE INVOLVED AREAS. DUE TO THIS THE 100,000 ACRE MANDATE SHOULD  
BE LIFTED AT ONCE SO IT WILL HAVE AN EFFECT ON THIS SPRING'S LAND SALE.

TO: HOUSE RESOURCES COMMITTEE (SAME AS ABOVE)  
FR: CLAYTON CHURCH, BOX 101, TRAPPERS CREEK 99688  
I FEEL HB 361 SHOULD BE GIVEN YOUR IMMEDIATE ATTENTION DUE TO THE SHORT TIME  
BEFORE THE SPRING STATE LAND SALE IS OFFERED. THANK YOU.

HB 361

9 people saying "Pass quickly"  
before spring land sale

12  
MSG 81-00011157 PRY 1 04/06/81 12:06:40 ORIG: LM00 IN= 0004 OUT= 0036  
FROM: MARTIE/ MAT SU TO: JUNEAU INFORMATION PAGE 0004  
TARGET: LJH2 SUBJ: P.O.M. TO HOUSE RESOURCES, LISTED BELOW

FROM: JOYCE SCHORR, VICE PRESIDENT PETERS CREEK COMMUNITY ASSOCIATION  
DENNIS BRADBURY, PRESIDENT BOX 124, TRAPPER CREEK 99689  
THE PETERS CREEK ASSOCIATION, INC., CONSISTING OF 56 LAND OWNERS, URGES THAT  
YOU MOVE HOUSE BILL 361 QUICKLY.

FROM: JOYCE SCHORR, BOX 192, TRAPPER CREEK 99680  
JACK BROCKMAN, BOX 193, TRAPPER CREEK. 99688  
RICK AND MARY CARR, BOX 124, TRAPPER CREEK 99688  
RE: HOUSE BILL 361

ENCOURAGE PASSAGE IMMEDIATELY. GIVE TIME TO REDO THE LANDS DISPOSAL BILL SO WE CAN LIVE WITH IT. IT IS UNACCEPTABLE AS IS AND NEEDS REVISION. MAKING AVAILABLE 5 ACRE LOTS IN REMOTE AREAS WHERE THERE IS INADEQUATE TIMBER FOR FUEL AND HOMES, NO INDUSTRY FOR JOBS AND INADEQUATE ACCESS IS JUST ASKING FOR MORE FUTURE TROUBLE THAN YOU CAN IMAGINE! PLEASE MOVE BILL QUICKLY--THEN DISPOSE OF LAND IN A MORE SANE FASHION.

MSG 81-00011174 PRTY 1 04/06/81 12:58:17 ORIG: LMOO IN= 0005 OUT= 0037  
FROM: MARY/KATSU TO: JUNEAU INFORMATION  
TARGET: LJM2 SURJ: P.O.M. PAGE 0001

TO: HOUSE RESOURCES COMMITTEE  
REP. ZHAROFF, REP. GARDINER, REP. CHUCKWIK, REP. GRUSSENDORF, REP.  
HURLBERT, REP. SMITH, REP. VASKA, REP. BARNES, REP. BETTISWORTH,  
REP. HALFORD, REP. SUTCLIFFE  
FR: KATHY NICHOLS, BOX 173, TRAPPERS CREEK 99688  
RE: HB 361

THIS BILL NEEDS TO BE ACTED UPON IMMEDIATELY. IF NOT, IT WILL HAVE NO  
EFFECT ON THIS YEAR'S STATE LAND SALE. IT IS IMPERATIVE THAT THE 100,000  
ACRE MANDATE BE LIFTED IMMEDIATELY.

12  
MSG 81-00011157 PRTY 1 04/06/81 12:06:40 ORIG: LHO0 IN= 0004 OUT= 0036  
FROM: MARTIE/ MAT SU TO: JUNEAU INFORMATION  
TARGET: LJH2 SUBJ: P.O.N. TO HOUSE RESOURCES, LISTED BELOW PAGE 0007

FROM: DENNIS AND LINDA BRADBURY, BOX 124, TRAPPER CREEK 99680  
RELATING TO HOUSE BILL 361

IF THE 100,000 ACRE MANDATE IS NOT LIFTED AT ONCE, IT WILL NOT AFFECT THIS  
SPRING'S STATE LAND SALE. I FEEL IT IS NECESSARY THAT THE STATE AND BOROUGH  
BE GIVEN MORE TIME FOR BETTER LAND SELECTION AND THE PROBLEMS OF THE INVOLVED  
AREAS.

12  
MSG 81-00011157 PRTY 1 04/06/81 12:06:40 ORIG: LM00 IN= 0004 OUT= 0036  
FROM: MARTIE/ MAT SU TO: JUNEAU INFORMATION  
TARGET: LJM2 SUBJ: P.O.M. TO HOUSE RESOURCES. LISTED BELOW PAGE 0002

(TO HOUSE RESOURCE COMMITTEE)

FROM: DANNY WACHHOLTZ, BOX 101, TRAPPER CREEK 99688  
HOUSE BILL 361

I FEEL THE STATE IS BEING FORCED TO GIVE THESE LANDS ON DEMAND WHEN IN FACT  
MUCH MORE TIME AND THOUGH' NEED TO BE GIVEN IN THE SELECTION AND OUTCOME.  
THIS BILL NEEDS TO BE PASSED BEFORE THIS SPRING'S STATE LAND SALE BEGINS AND  
BEFORE IT IS ADVERTIZED IN THE BROCHURE.

FROM: JIM MEYER, 3307 BONIFACE PKWY, SPACE 124, ANCHORAGE 99504

HOUSE BILL 361 IS A BILL THAT SHOULD HAVE BEEN PUT INTO EFFECT LONG AGO.  
THERE HAS NOT BEEN ENOUGH PUBLIC INPUT OR IMPACT STUDIES MADE TO HAVE A  
100,000 ACRE MANDATE. IN MY OPINION IT SHOULD BE LIFTED IMMEDIATELY.

12  
MSG 81-00011157 PRTY 1 04/06/81 12:06:40 ORIG: LM00 IN= 0004 OUT= 0036  
FROM: MARTIE/ MAT SU TO: JUNEAU INFORMATION  
TARGET: LJH2 SUBJ: P.O.M. TO HOUSE RESOURCES, LISTED BELOW PAGE 0001

TO: REPRESENTATIVES ZHAROFF, GARDINER, CHUCKWUK, GRUSSENDORF, HURLBERT, SMITH,  
VASKA, BARNES, BETTISWORTH, HALFORD, SUTCLIFFE  
FROM: MARY MEYER, BOX 1143, WASILLA 99687

HOUSE BILL 361 NEEDS TO BE PASSED AT ONCE SO IT WILL BE IN EFFECT BEFORE THIS  
SPRING'S STATE LAND SALE.  
THERE HAS NOT BEEN ENOUGH THOUGHT OR ENOUGH STUDY MADE TOWARD THE RESULTS OF  
THESE SALES.

FROM: MR. AND MRS. ARTHUR CHURCH, GENERAL DELIVERY, TRAPPER CREEK  
RELATING TO HOUSE BILL 361  
IT IS MANDATORY THAT THIS BILL BE PUT INTO EFFECT BEFORE THE STATE LAND SALE  
THIS SPRING. STATE AND BOROUGH OFFICIALS AGREE THEY NEED MORE TIME TO SELECT  
BETTER LANDS AND ALSO TIME TO SOLVE THE PROBLEMS THAT ARE BEING BROUGHT TO  
THEIR ATTENTION OVER BUSH SUBDIVISIONS.

12

MSG 81-00011127 PRY 1 04/06/81 10:19:07 ORIG: LM00 IN= 0002 OUT= 0020  
FROM: MARY/MATSU TO: JUNEAU INFORMATION  
TARGET: LJH2 SUBJ: P.O.M. PAGE 0005

TO: HOUSE RESOURCES COMMITTEE  
REP. ZHAROFF, REP. GARDINER, REP. CHUCKWUK, REP. GRUSSENDORF, REP.  
HURLBERT, REP. SMITH, REP. VASKA, REP. BARNES, REP. BETTISWORTH,  
REP. HALFORD, REP. SUTCLIFFE

FR: JERRY AND KAREN ZEEK, BOX 1562P, ANCHORAGE (DID NOT KNOW ZIP CODE)  
IT IS IMPORTANT THAT HB 361 BE GIVEN YOUR IMMEDIATE ATTENTION. IT IS MY  
CONCERN THAT IN THE PAST THERE HAS NOT BEEN ADEQUATE FEASIBILITY STUDIES  
GIVEN TO THE INVOLVED AREAS. DUE TO THIS THE 100,000 ACRE MANDATE SHOULD  
BE LIFTED AT ONCE SO IT WILL HAVE AN EFFECT ON THIS SPRING'S LAND SALE.

TO: HOUSE RESOURCES COMMITTEE (SAME AS ABOVE)  
FR: CLAYTON CHURCH, BOX 101, TRAPPERS CREEK 99688  
I FEEL HB 361 SHOULD BE GIVEN YOUR IMMEDIATE ATTENTION DUE TO THE SHORT TIME  
BEFORE THE SPRING STATE LAND SALE IS OFFERED. THANK YOU.

H B

3 6 4

If Fuller gets his Amendment, do  
you want to play the usual games  
and all for TVFA?

Ellen



# Alaska State Legislature

## House of Representatives

### Committee on Resources

Terry Gardiner, Co-Chairman  
Fred F. Zharoff, Co-Chairman  
465-3715

Pouch V  
State Capitol  
Juneau, Alaska 99811

#### BREAKDOWN OF FUNDS ALLOCATED TO THE DEPARTMENT OF NATURAL RESOURCES FOR STATE FAIRS IN FISCAL YEAR 81:

Greater Anchorage Incorporated	\$75,000
Galena Agricultural Fair	5,000
Tanana Valley Fair	75,000
Alaska State Fair/Palmer	75,000
Ninilchik State Fair	8,000
Anchorage 4-H Fair	1,500
Juneau 4-H Fair	500
Delta Fair	2,000
Kodiak State Fair and Rodeo	22,500
Southeast Alaska State Fair	30,000

MONTH OF IDITAROD FAIR

BUDGET

CAPITAL

Reindeer Fair: purchase of reindeer, feed, pens	\$3,500
Booth construction for handicrafts, etc.	1,000
Trail staking for ski and dog sled events	6,500
Downhill skiing towline, generator and generator housing, equipment	6,000
	<u>\$17,000</u>

OPERATIONS AND MAINTENANCE

(includes qualifying premiums and prizes)	15,000
	<u>\$32,000</u>

A M E N D M E N T

OFFERED IN THE HOUSE:

By: FULLER

To: \_\_\_\_\_ HOUSE BILL No. 364

SENATE BILL No. \_\_\_\_\_

PAGE: 1

LINE: 16

Add new Section 3. The sum of \$16,700 is appropriated from the general fund to the Department of Natural Resources for payment as a grant to the Month of Iditarod Committee for capital expenses.

Renumber Sections 3 and 4 accordingly.



# Alaska State Legislature

## House of Representatives

Official Business

Pouch V  
State Capitol  
Juneau, Alaska 99811

### M E M O R A N D U M

TO: Reps. Terry Gardiner and Fred Zharoff  
Co-chairmen, House Resources Committee

FROM: Rep. Jack Fuller *JF*

DATE: April 27, 1981

I have spoken with Rep. Carney and would like to offer an amendment to his HB 364 which is scheduled for hearing on Thursday, April 30 in your committee.

The amendment would appropriate \$16,700 for capital expenses for the Month of Iditarod Fair. My previous efforts on behalf of the Iditarod have been to hand-carry a bill each year which appropriates funds for the Iditarod Trail Race. The funding covers only those expenses directly associated with the dog race itself, and does not cover the Fair.

Over the years, the Iditarod has generated greater and greater interest, and now has turned into a month-long winter tourism event for the Northwest which receives international NBC coverage. The people behind the Fair have been working hard to qualify the Month of Iditarod as an Agricultural and Industrial Fair, which would make it eligible for matching funds from the state.

I have been working closely with the Nome chairman of the Month of Iditarod Committee and Nick Carney of the Div. of Agriculture to help pull this together. As soon as the final paperwork is completed, the Month of Iditarod will qualify as an Agricultural and Industrial Fair. All of this has come about too late for inclusion in the Division's budget. I am attempting to have operating expenses included in the budget under the Aid to Agricultural and Industrial Fairs Program. This request covers only the capital expenses. The Month of Iditarod Committee will submit a budget request for their FY 83 expenses.

Thank you.

Project Title ① Month of Iditarod Fair		Location(s) ② Nome		Election Districts Served ③ 22		Start Date ④ FY 82		Completion Date ⑤	
⑥ AGENCY REQUEST			⑦ Operational Cost & No. Personnel Increase - (Decrease)		First Operating Year	Ultimate Annual Year	GOVERNOR'S REQUEST		
							Approved	Deferred	Disapproved
1002	Federal Receipts		Funding Source	Federal Receipts			1002	Federal Receipts	
1003	G/F Match			General Fund			1003	G/F Match	
1004	General Fund	1.7					1004	General Fund	
1005	I/A Receipts						1005	I/A Receipts	
	G.O. Bonds							G.O. Bonds	
			Total Annual Operational Cost						
			Position (FTE)						
			Previous Year Priority		Agency Priority	Governor's Priority			
Total			1.7				Total		

PROJECT DESCRIPTION ⑧

The amount applied for is \$16,700 to be disbursed as follows:

Reindeer Fair: purchase of reindeer, feed and pens	\$3,500
Booth construction for handicrafts, etc.	700
Trail staking for ski and dog sled races	6,500
Downhill skiing tow line, generator and generator housing, misc. equipment	6,000
	\$16,700

LEGISLATIVE MEMBER'S SIGNATURE:

*John Smith*

CATEGORY ⑨ Development

AGENCY DNR  
PROGRAM Ag Financing/marketing Promotion

Page	of
Revised Date	

FY 82

35 LEGISLATIVE REQUEST  
PROPOSED CAPITAL  
PROJECT

MONTH OF IDITAROD FAIR

BUDGET

CAPITAL

Reindeer Fair:	
purchase of reindeer, feed, pens	\$3,500
Booth construction for handicrafts, etc.	1,000
Trail staking for ski and dog sled events	6,500
Downhill skiing towline, generator and generator housing, equipment	6,000
	<hr/>
	\$17,000

OPERATIONS AND MAINTENANCE

(includes qualifying premiums and prizes)	15,000
	<hr/>
	\$32,000

A M E N D M E N T

OFFERED IN THE HOUSE:

By: FULLER

To: \_\_\_\_\_ HOUSE BILL No. 364

SENATE BILL No. \_\_\_\_\_

PAGE: 1

LINE: 16

Add new Section 3. The sum of \$16,700 is appropriated from the general fund to the Department of Natural Resources for payment as a grant to the Month of Iditarod Committee for capital expenses.

Renumber Sections 3 and 4 accordingly.

try under the laws of the United States. The Department assures compliance with this provision by excluding from selection all lands noted on its records as being appropriated and reserved, or subject to valid existing interests, and by requiring that adequate notice be given to all other persons claiming an interest in the selected land. The Department can then receive objections to the issuance of a patent and can render a determination as to the availability of the selected lands.

3. Alaska: Land Grants and Selections: Mineral Lands—Alaska: Land Grants and Selections: Validity—Alaska: Statehood Act—Patents of Public Lands: Reservations

Section 6(1) of the Alaska Statehood Act provides that grants of mineral lands to the State are made upon the condition that all subsequent State conveyances of the mineral lands shall be subject to and contain a reservation to the State of all the minerals in the lands so conveyed. The Act does not require that federal patents to the State include a proviso to the above effect, rather, it is subsequent State conveyances which must contain a reservation for minerals.

APPEARANCES: Max Barash, Esq., Washington, D.C., for appellants; James N. Reeves, Esq., Office of the Attorney General, for the State of Alaska; Karen A. Shaffer, Esq., Office of the Solicitor, Department of the Interior, for the United States.

RICHARD W. ROWE,  
DANIEL GAUDIANE

2) IBLA 59

Decided April 24, 1976

Appeal from decision of the Alaska State Office, Bureau of Land Management, rejecting oil and gas lease offer F-694.

Affirmed.

1. Alaska: Land Grants and Selections: Generally—Notice: Constructive Notice

Published notice of a proposed State selection in accordance with regulatory requirements is adequate notice to all persons claiming the lands adversely to the State.

2. Alaska: Land Grants and Selections: Validity—Alaska: Statehood Act—Notice: Generally—Patents of Public Lands: Generally

Section 6(b) of the Alaska Statehood Act does not require that patents issued to the State include a proviso that the conveyed lands are vacant, unappropriated, and unreserved, and do not affect any valid existing claim, location or en-

OPINION BY ADMINISTRATIVE JUDGE RITVO  
INTERIOR BOARD OF LAND APPEALS

[1] In their initial argument, appellants contend that it was improper for the Department to issue a patent to the State without having first given appellants actual notice and an opportunity to object to the issuance of the patent. In accordance with 43 CFR 2627.4(c), the State of Alaska published notice of its proposed selection for five consecutive weeks in order to bring to the knowledge and attention of all persons who were interested in the lands described therein the fact that the State proposed to establish and perfect its claim to the selected lands. The State's publication specifically stated that, "One purpose of this notice is to allow all persons claiming the lands adversely to file in this [BLM] office their objections to issuance of patent to the State." Publication in accordance with regulatory requirements is

adequate notice. *Duncan Miller*, 20 IBLA 1 (1975); *Chem-Gate Perilita Corp. v. Bowen*, 72 I.D. 403 (1965); see also 66 C.I.S. Notice §§ 13, 18 (1965), and cases cited therein. Accordingly, we find that, as a result of the publication, appellants received adequate notice and an opportunity to object to the issuance of the patent to the State of Alaska.

In their next argument, appellants contend that it was improper for the Department to issue a patent to the State which failed to describe the lands selected as vacant, unappropriated, and unreserved, and as not affecting any valid existing claim, location, or entry under the laws of the United States. Appellants also object to the fact that the patent did not include a proviso prohibiting the State from subsequently reconveying the mineral interests it acquired.

[2] Section 6(b) of the Statehood Act provides that the State may select up to 102,550,000 acres from the public lands in Alaska which are vacant, unappropriated and unreserved at the time of their selection, provided the selection does not affect any valid existing claim, location or entry under the laws of the United States. The Act does not require that patents to the State include a proviso to that effect. Compliance with this provision is fulfilled by the Department excluding from selection all lands noted on its records as being appropriated and reserved, or subject to valid existing interests, and by requiring that

adequate notice be given to all other persons claiming an interest in the land. The Department can then receive objections to the issuance of a patent and can render a determination as to the availability of the selected lands. In the present case, following publication of the State's proposed selection, the BLM, in its decision tentatively approving the State's application, made a finding that, "The lands described \* \* \* are not known to be occupied or appropriated under the public land laws, including the mining laws \* \* \*." We conclude that this procedure adequately assured conformity with the requirements of the Statehood Act.

[3] We also reject appellants' argument that it was improper to issue a patent to the State without including a proviso prohibiting the State from reconveying acquired mineral interests. Section 8(i) of the Statehood Act provides that grants of mineral lands to the State are made upon the condition that all subsequent State conveyances of the mineral lands shall be subject to and contain a reservation to the State of all of the minerals in the lands so conveyed. All lands or minerals disposed of contrary to the provision are to be forfeited to the United States by appropriate proceedings instituted by the United States Attorney General. Again we note that the Act does not require that federal patents to the State include a proviso to the above effect. Rather, it is subsequent State conveyances which must contain a res-

ervation for minerals. Adherence to this requirement of the Act is adequately assured by the fact that the laws of the United States are the supreme law of the land, and state action in contravention can be set aside. *Leo v. Florida*, 392 U.S. 378, 385-86 (1968).

Therefore, pursuant to the authority delegated to the Board of Land Appeals by the Secretary of the Interior, 43 CFR 4.1, the decision below is affirmed.

MARRIN RITVO,  
*Administrative Judge.*

WE CONCUR:

DOUGLAS E. HENRIQUES,  
*Administrative Judge.*

EDWARD W. STEVENSON,  
*Administrative Judge.*



MONTH OF IDITAROD COMMITTEE

c/o NOME KENNEL CLUB

P. O. Box 3 • NOME, ALASKA 99762

PROJECTED COST BREAKDOWN OF MONTH OF IDITAROD ACTIVITIES:

PARADE: 5 categories cash prizes plus 1 trophy .

#1.	Overall Best	\$100.00	plus trophy
#2.	Most Original	\$ 50.00	
#3.	Best Theme	\$ 50.00	
#4.	Most Original Individual	\$ 25.00	
#5.	Best School Float	\$ 25.00	
		<u>\$250.00</u>	

KICK OFF DOG RACE:

Adult	1st place	\$100.00	plus trophy
	2nd place	50.00	" "
	3rd place	25.00	" "
Jr. Mushers			
One Dog	1st place	\$ 25.00	plus trophy
	2nd place	15.00	" "
	3rd place	10.00	" "
		<u>\$225.00</u>	

STREET GAMES: All children ages 3 to 16 approximately 400 participants.

1st place	75 ribbons*
2nd place	75 ribbons
3rd place	75 ribbons

\$700.00 needed for markers of street set up which consists of 4 stop watches, 2 starter guns, 24 orange street blocker cones. These cones can serve dual purpose as trail markers where needed.

\*Cost of ribbons would come under the total estimated under the trophies category.

REINDEER FAIR: Purpose would tie this into a winter promotional tour package. Would like to purchase about four reindeer for a program of taming and training them in conjunction with the Nome Schools, Community Schools Programs, UofA Community College and Extension Service relating to 4-H, Cultural Arts of the Indian and Eskimo nature which would tie in with Kaweraks on-going reindeer program. Approximately \$3500.00 would cover costs of beginning this project, the purchase, feed, hay for the pens.



MONTH OF IDITAROD COMMITTEE  
c/o NOME KENNEL CLUB

P. O. Box 3 • NOME, ALASKA 99762

PROJECTED COST BREAKDOWN OF MONTH OF IDITAROD ACTIVITIES: (cont.)

VOLLEYBALL TOURNAMENT: Approximately 20 teams to participate local and out of town teams.  
1st place \$100.00 plus trophy  
2nd place \$ 50.00 plus trophy  
3rd place \$ 25.00 plus trophy  
\$175.00 cash prizes plus trophies

Would need referee compensation, purchase equipment, (nets, balls, score cards, marking tape) This would be coordinated with the Nome Community Center being utilized year round by the Community Center itself and the Community Schools Program.

MS A.N.B.: Involves Senior Citizens (55 & up) 3 places  
1st place \$200.00 plus trophy  
2nd place \$100.00 plus trophy  
3rd place \$ 50.00 plus trophy  
\$350.00 cash prizes plus trophies

"Fun"  
FRONT STREET GAMES: Activities 5 Volleyball, Broomstick Hockey  
and Snowshoe Soccer.  
1st place for each event + Trophy award

CROSS COUNTRY SKI TOURNEY: Coordinated through the Community Center  
\*\*3 categories first prize each category  
\*\*1st place \$100.00 plus trophy  
\*\* OPEN.....INDIVIDUAL....SCHOOLS  
\$300.00 allotted for cash prizes  
\$1500.00 allotted for trail marking, gas for snowmachiners staking trails and assisting in the event, of emergencies etc.

SCRAMBLE RACE: Contestants start out inside a sleeping bag (outside having to get up and out of it get dressed with winter gear harness up dogs and sled and mush on to the finish line.  
1st place \$100.00 plus trophy  
2nd place \$ 50.00 plus trophy  
3rd place \$ 25.00 plus trophy  
\$175.00 cash prizes plus trophies

LEAD DOG CONTEST: Anyone with a dog team using only their lead dog. 500 #'s dog food plus trophy 1st plac



MONTH OF IDITAROD COMMITTEE  
c/o NOME KENNEL CLUB

P. O. Box 3 • NOME, ALASKA 99762

PROJECTED COST BREAKDOWN OF MONTH OF IDITAROD ACTIVITIES: (cont)

ESKIMO OLYMPI S: \$1100.00 Attached itemized list of events provided by Nome Eskimo Community sponsors of the event.

&  
Potluck to wrap up the event purchasing 1/2 or whole reindeer.

BASKETBALL TOURNAMENT CITY LEAGUES (Adult):

Presently have 36 to 40 teams signed up with a waiting list. Largest basketball tourney in the state drawing teams from all over. Women's competition also included.

1st place Men's \$500.00 plus trophy  
1st place Women's \$500.00 plus trophy

46 trophies needed to participating teams and their placements.

\$5000.00 allotted for referees, tournament workers, scoring, security, general organization and clean up, plus the cash prizes.

DART TOURNAMENT:

1st place \$50.00 plus trophy  
2nd place \$25.00 plus trophy  
3rd place \$15.00 plus trophy  
\$ 90.00 cash prizes plus trophies

SONG FEST:

Audio Video taping contracted out, the purpose being to preserve the Eskimo traditional songs and stories of their heritage. Participants would be local and out of town villages with their traditional dress. These tapings would be preserved at the local museum available to tour group viewings, and all other interested parties, i.e. the schools and historical societies, etc.

\$2500.00 allotted for this to include equipment rental and contract of the audio/video taping by professional person.

CARNIVAL:

Sponsored by the High School Student Council All community, school and otherwise, groups participating.

SNOW MACHINE RACE: Sponsored by the Bering Sea Lions Club in



MONTH OF IDITAROD COMMITTEE  
c/o NOME KENNEL CLUB

P. O. Box 3 • NOME, ALASKA 99762

PROJECTED COST BREAKDOWN OF MONTH OF IDITAROD ACTIVITIES: (cont)

SNOW MACHINE RACE CONT: conjunction with the Month of Iditarod donating to the event each year. Participation is local and out of town. \$5000.00 to include aircraft coverage, gas, oil, safety, trail marking, officials, clean-up, trophies and cash prizes.

DAVID WALLUK MEMORIAL SLED DOG RACE : Sponsored by the Nome Kennel Club

WEIGHT FULL: World's richest one dog weight pull. 3 categories of weight 1st, 2nd & 3rd place \$3000.00 cash prizes trophies for each category and place (total of '9)

CARD TOURNAMENT: 1st PLACE \$100.00 plus trophy  
2nd place \$ 50.00 plus trophy  
3rd place \$ 25.00 plus trophy  
\$175.00 cash prizes plus trophies

COMMUNITY POTLUCK FOR MUSHERS & FAMILIES: Hospitality potluck sponsored by the community for all. Purchase a reindeer. \$500.00

IDITAROD BALL (Adult Fri. & Teen Sat.) : No live entertainment in town available to teens or adults other than a couple of groups contracted with local bars. Must hire a group out of town.  
Band.....\$2000.00  
Airline..\$2000.00  
Freight..\$1600.00  
Hotel....\$ 500.00  
Decorations..\$300.00  
Clean up.....\$ 50.00  
\$6450.00



MONTH OF IDITAROD COMMITTEE  
c/o NOME KENNEL CLUB

P. O. Box 3 • NOME, ALASKA 99762

PROJECTED COST BREAKDOWN OF MONTH OF IDITAROD ACTIVITIES:(cont)

DOWN-HILL SKIING:

Purpose would be to offer the first Iditarod downhill ski meet. Tying in possibly with winter promotional ski package. Allotting \$6000.00 for the following items, which ~~would~~ be put up or installed with volunteer help, ...toe line, generator, lumber or purchase small shack to install and house generator, drilling, and general rental of equipment to smooth out the projected slope area. This project has been a desire of the community for many many years but money has always been the hangup.



MONTH OF IDITAROD COMMITTEE

c/o NOME KENNEL CLUB

P. O. Box 3 • NOME, ALASKA 99762

Senator Frank Ferguson  
Pouch V  
Juneau, Alaska 99811

Dear Senator Ferguson:

We would like to request 32,000.00 to supplement our volunteer donations and regular fund raising efforts from the legislature for the Month of Iditarod.

We have enclosed a copy of our activity calendar and a projected cost breakdown for the month of March. Our hopes are to tie all of this in as a winter promotional tour package. As everyone is aware of, the economy of this northwest area at this particular time of year is in definite need of some sort of stimulus.

The Month of Iditarod, which the city has declared as being March, has generated interest from all around, statewide and even on the international level, through various media organizations participating in coverage each year.

Therefore, we know that the interest of the people is definitely with us. In years previous we have had up to as many as 500 local people per year directly involved, on a volunteer basis, responsible for carrying off the particular events of the day. During the Month of Iditarod we see as many as 3500 new faces in town. Without the Iditarod and all of our activities we would not have this at all.

The Month of Iditarod does not benefit just a few of the people it will benefit all, old times as well as new comers of the area. Our ultimate goal is to promote individual and community involvement and improvement to our people of this northwest area of the state.

Our request would cover approximately 2/3rds. of our budget. We would like to present our request divided into four funding categories:

<u>TROPHIES</u>	<u>PRIZE \$ ACCT.</u>	<u>TRAIL STAKING</u>	<u>OPER.&amp; EQUIP.</u>
102 Trophies			
15 Plaques	\$6565.00	\$8500.00*	\$8935.00
225 Ribbons			
\$6000.00			



MONTH OF IDITAROD COMMITTEE  
c/o NOME KENNEL CLUB


P. O. Box 3 • NOME, ALASKA 99762

\* The trail staking category includes the projected down-hill ski program, Newton Ski Slope.

1981 marks the sixth annual Month of Iditarod. Each year it grows and we as a community must keep pace with its demands. The Month of Iditarod comes at a time when "cabin fever" is at a high in northwest Alaska and the economy is at a low. In addition to the Month of Iditarod for our community, we can tie into a promotion of Winter Tourism. Month of Iditarod is turning Nome from a block of ice to a winter wonderland.

We thank you for your time and would appreciate serious consideration to our request as it would mean so much to so many people. This is one time of the year that everyone looks forward to.

Sincerely,



Rosemary Phillips  
Chairman of Month of Iditarod Committee  
Pres., Nome Kennel Club

Encl

MONTH OF IDITAROD FAIR

BUDGET

CAPITAL

Reindeer Fair: purchase of reindeer, feed, pens	\$2,500
Purchase of street markers	1,000
Trail staking for ski and dog sled events	6,500
Downhill skiing towline, generator and generator housing, equipment	6 00
	<hr/>
	\$17,000

OPERATIONS AND MAINTENANCE

(includes qualifying premiums and prizes)	15,000
	<hr/>
	\$32,000

# STATE OF ALASKA

## DEPARTMENT OF NATURAL RESOURCES

### DIVISION OF AGRICULTURE

APR 09 1981

JAY S. HAMMOND, GOVERNOR

POUCH A  
WASILLA, ALASKA 99687  
PHONE: (907) 376-3276

April 3, 1981

Representative Jack Fuller  
Pouch V  
Juneau, AK 99811

Dear Representative Fuller:

I apologize for the tardy response to your office's request about the eligibility of the Month of Iditarod for State Aid to Fairs funds. Somehow, the original packet of material disappeared from my desk and we had to get a replacement.

Based on the planned program, the Month of Iditarod Winter Carnival will not qualify as a fair. The principal shortcoming of their plans concerns the lack of an allocation for premiums to individual exhibitors for locally produced items. The major activities are races, parades and sports contests. A major purpose of the Aid to Fairs program is to assist local communities in giving recognition to people of the area, including local and state wide boys and girls groups that produce products for home or commercial use. Also, although not disqualifying them for funds, the short history of the carnival (in fact it has not yet had a history of an acceptable fair for the reason just cited) will mean when they do become eligible they will qualify for only the statutory minimum.

Here is what it will take to qualify:

1. The local group sponsoring the program should get together with the homemakers, skin sewers, 4-H clubs, reindeer herders and other interested parties to work out display and premium lists for their efforts.
2. A specific funding request should be submitted to enable us to judge the allocation of funds to meet the statute requirements.
3. The sponsoring organization will need to develop, adopt and file incorporation papers, which will include the list of the Board of Directors of the organization and other material required for incorporation. The request for funds must be signed by the President and the Secretary of the new association.

Representative Jack Fuller

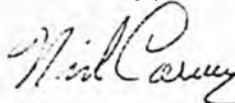
- 2 -

April 3, 1981

It does not appear to be an impossible task, but will require a good bit of legwork and diligence on the part of the local people. There is no reason why an amount of operating funds for the fair cannot be added to the Aid for Fairs budget for the MOI. Naturally we could not issue the check until all the paperwork was finished and the fair formally qualified.

If you have any questions, please give us a call.

Sincerely,



Domonic L. Carney  
Director

cc: Jeff Haynes



REP. JOHN G. (JACK) FULLER

Home  
P.O. Box 689  
Nome, Alaska 99762  
(907) 443-2968

While in Juneau  
Pouch V  
Juneau, Alaska  
99811

(907) 465-3789  
465-3750

*Alaska House of Representatives*

April 20, 1981

- Chairman  
Bush Caucus
- Chairman  
Regulation Review Committee
- Vice Chairman  
Labor & Commerce Committee
- Vice Chairman  
State Affairs Committee
- Majority Whip
- Member Rules Committee
- Member Special Committee  
on Subsistence
- Member Committee on Committees

MEMORANDUM

DISTRICT 22

- Brevig Mission
- Buckland
- Deering
- Diomedea
- Elim
- Gambell
- Golovin
- Kotlik
- Koyuk
- Nome
- Savounga
- Selawik
- Shaktolik
- Shishmaref
- Stebbins
- St. Michael
- Teller
- Unalakleet
- Wales
- White Mountain

TO: Rep. Terry Gardiner, Chairman  
House Resources Committee

✓ Rep. Fred Zharoff, Co-Chairman  
House Resources Committee

FROM: Rep. Jack Fuller *JF*

I would like to offer an amendment to Rep. Carney's House Bill 364 which would appropriate \$32,000 to the Month of Iditarod Fair in Nome. My previous efforts on behalf of the Iditarod have been to hand-carry a bill each year which appropriates funds for the Iditarod Trail Race. The funding covers only those expenses directly associated with the dog sled race itself. Over the years, the Iditarod has generated greater and greater interest, and now has turned into a month-long winter tourism event for the Northwest which receives international NBC coverage. The people behind the fair have been working hard to qualify the Month of Iditarod as an Agricultural and Industrial Fair, which would make it eligible for an appropriation from the state.

I have been working closely with the Nome Chairman of the Month of Iditarod and Nick Carney of the Division of Agriculture to help pull this together. As soon as the paperwork is completed, the Month of Iditarod will qualify as an Agricultural and Industrial Fair. All of this has come about too late for inclusion in the Department's FY 82 budget, so I would like to add on \$15,000 for operating expenses, which is the amount that a fair in existence for six years is eligible for (the rate is \$2,500/year for fairs in existence for more than five years). The remaining \$17,000 is for the capital expenses (see attached Form 35). The total amount provides operating and capital funds for the 1982 Month of Iditarod

Reps. Gardiner and Zharoff  
April 20, 1981  
page 2

Fair, which is held during March. The application period for inclusion in the FY 83 budget is August 1; I'm sure the Month of Iditarod's application will be one of the first in the mail.

Attachment

AMENDMENT

HB 364: "An Act making special appropriations to the Department of Natural Resources for the Alaska State Fair in Palmer; and providing for an effective date."

Add new Section: The sum of \$32,000 is appropriated from the general fund to the Department of Natural Resources, Aid to Agricultural and Industrial Fairs Program, for the Month of Iditarod fair.

Project Title ① Month of Iditarod Fair		Location (s) ② Nome		Election Districts Served ③ 22		Start Date ④ FY 82		Completion Date ⑤	
⑥ AGENCY REQUEST			⑦ Operational Cost & No. Personnel Increase -- (Decrease)		First Operating Year _____	Ultimate Annual Year _____	GOVERNOR'S REQUEST		
							Approved <input type="text"/>	Deferred <input type="text"/>	Disapproved <input type="text"/>
1002	Federal Receipts		Funding	Federal Receipts			1002	Federal Receipts	
1003	G/F Match			General Fund			1003	G/F Match	
1004	General Fund	1.7	Source				1004	General Fund	
1005	I/A Receipts						1005	I/A Receipts	
	G.O. Bonds		Total Annual Operational Cost					G.O. Bonds	
			Position (FTE)						
			Previous Year Priority		Agency Priority	Governor's Priority			
Total			1.7				Total		

PROJECT DESCRIPTION ⑧

The amount applied for is \$16,700 to be disbursed as follows:

Reindeer Fair: purchase of reindeer, feed and pens	\$3,500
Purchase of street markers	700
Trail staking for ski and dog sled races	6,500
Downhill skiing tow line, generator and generator housing, misc. equipment	6,000
	<u>\$16,700</u>

LEGISLATIVE MEMBER'S SIGNATURE:

*John Brule*

CATEGORY ⑨ Development

AGENCY DNR

PROGRAM Ag Financing/marketing Promotion

Page	of
Revised Date	

FY 82

35 LEGISLATIVE REQUEST  
PROPOSED CAPITAL  
PROJECT

ABBREV. TITLE OF POLICY BUDGET PROGRAM DECISION INCREMENT OF WHICH THIS IS PART:  
 ① Project Title:  
 Month of Iditarod Fair

EXPLAIN WHICH POLICY BUDGET PROGRAM OBJECTIVE IS AFFECTED, AND HOW.  
 2  
 The Governor's policy theme number 4, "to encourage economic development which offers long term net benefits to all Alaskans" relates to the program objective guiding the Month of Iditarod Fair under the Aid to Agricultural and Industrial Fairs Program.

BRIEFLY DESCRIBE WHAT THIS INCREMENT PURCHASES.  
 ③ Provides, under AS 03.02.020, the state share of the operating expenses for the Month of Iditarod Fair. The fair was not certified as qualifying for a grant under this program in time for an FY 82 budget submission; this add-on would allow the fair to receive funding in time for the March, 1982 fair.

④				
CODE	EXPENDITURES BY OBJECT			AMOUNT
100	PERSONAL SERVICES			
200	TRAVEL			
300	CONTRACTUAL SERVICES			
400	COMMODITIES			
500	EQUIPMENT			
600	LANDS, BLDGS., ETC.			
700	GRANTS, CLAIMS, ETC.			
800	MISCELLANEOUS			
	TOTAL			
	I-A TRANS. (non-add)			
FED. RECEIPTS - CODE:				
GF MATCH.				
GEN. FUND				\$15,000
I-A RCPTS.				
PGM RCPTS.				
OTHER				
OTHER				
⑤	PFT	PPT <del>SEAS</del>	NON PERM	TOTAL
NO. POSITIONS				
NO. STAFF MONTHS				
6 PRIORITIES				
This increment is part of a Policy Budget increment which was classified as:			GOVERNOR	
(Check Only One!) LEVEL I <input type="checkbox"/> LEVEL II <input type="checkbox"/>			ACCEPT	
			REJECT	
THIS INCREMENT REQUESTS FUNDS FOR	CURRENTLY EXISTING SERVICE			
	NEW SERVICE			

LEGISLATIVE MEMBER'S SIGNATURE:

*John D. Miller*

CATEGORY: ⑦ Development

AGENCY: DNR

PROGRAM: Agricultural Mgmt/State Fairs

**FY 82**

5 L LEGISLATIVE OPERATING BUDGET REQUEST

Page \_\_\_\_ of \_\_\_\_

REVISED DATE \_\_\_\_\_

\_\_\_\_\_

# THE ALASKA STATE FAIR

the  
pressure  
is  
on



**ALASKA STATE FAIR, INC.**

**MILE 40  
GLENN HIGHWAY**

... "The Fair belongs to the people of Alaska and gives to every person in Alaska the opportunity to show what Alaska has to offer to the agricultural world."

## The role of the Alaska State Fair today

---

in  
agriculture

in  
distribution of  
information

in  
recreation

These words are as true today as when they were spoken in 1951 by the late M.D. Snodgrass, founder of the Matanuska Experimental Station.

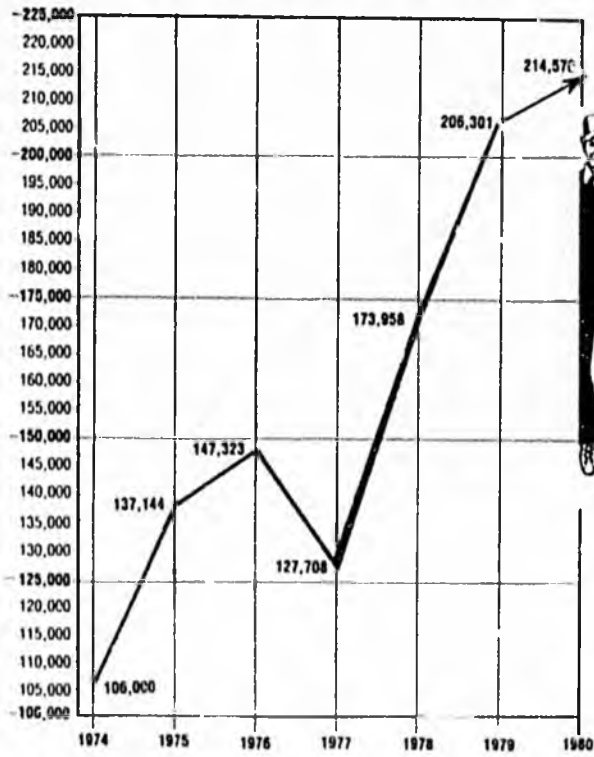
- Today the interest of the nation, indeed the world, is focused on Alaska and her natural beauty and energy resources. An equally important resource, not yet realized by many outside the state, is our tremendous agricultural potential. The State of Alaska has realized this importance as evidenced by the Delta Barley project, the Delta II project and the Pt. MacKenzie development.

For the past 45 years, the Alaska State Fair, 40 miles north of Anchorage, has been the premier showcase for the State of Alaska's agricultural efforts.

In the coming decades the growth of Alaska agriculture will require a growth in the Fair facilities to keep pace with this vital industry.

- The Alaska State Fair has been the place and event to reach and address one-half the number of the entire state population within an 11-day time span for dissemination of information (citizen education, if you will) on state, federal and private issues. The attendance is far greater than for any specialty show, trade fair, energy fair or other exposition.
- In addition to the agricultural and educational aspects, the Fair provides major recreational activity in the state. The Alaska State Fair office operates year-round, serving as a focal point in the community for information and meeting places. The Val'ay Performing Arts Center, the Transportation Museum of Alaska and the Mat-Su Miners semi-professional baseball team are at home on the fairgrounds.

## ATTENDANCE TREND



# Improvements are essential for the continued function

---

## PARKING

work done  
previously

present status

fairgoers bite  
the dust

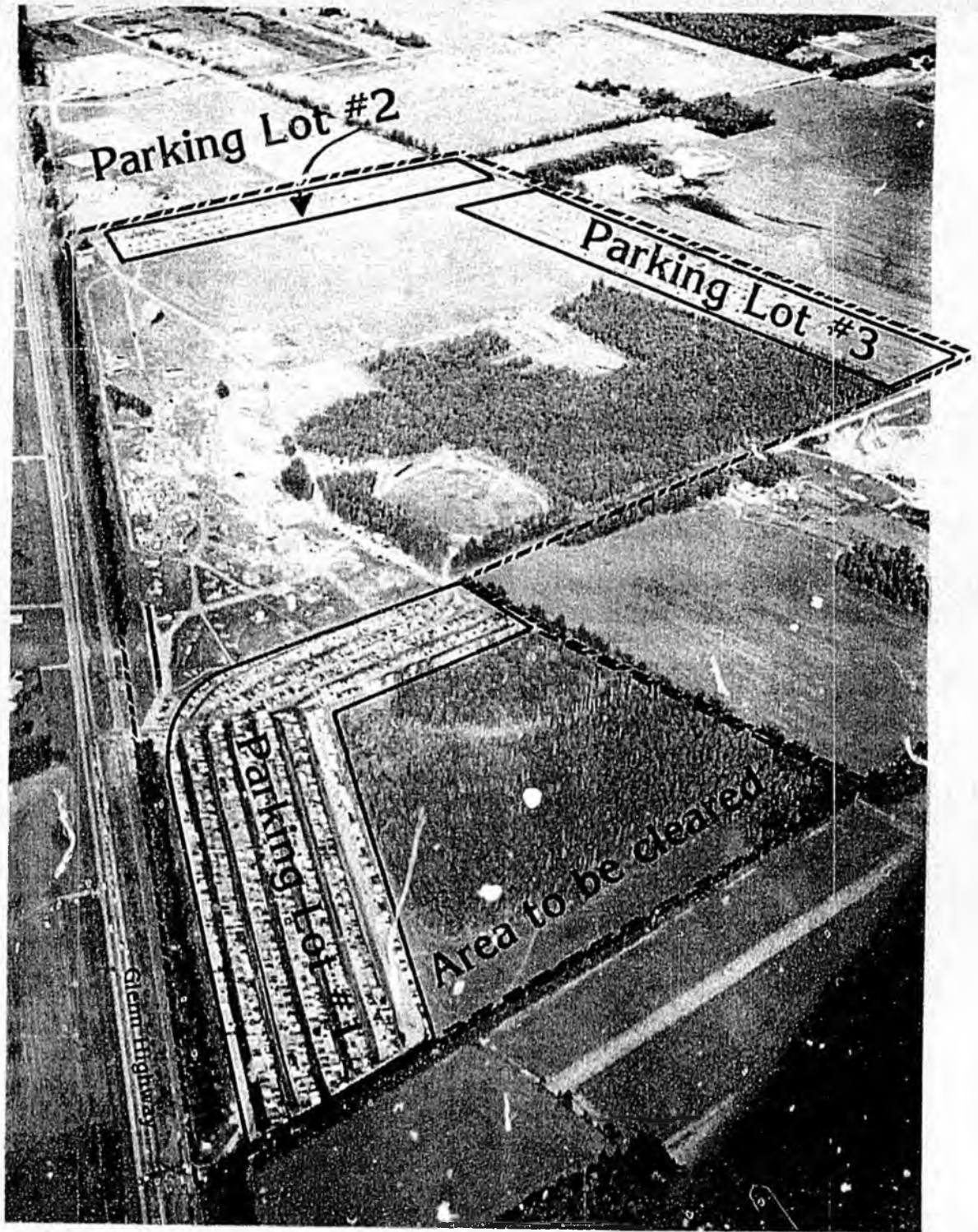
Phenomenal growth placed unexpected demands on the facilities of the Alaska State Fair

The 1980 annual Fair showed a 102 percent increase, a total of 214,576 people, in attendance over the 1974 event. This astounding growth has spawned one of the Fair's major problems, inadequate parking.

- The Fair recognized the need for expanded facilities, and in 1976 enlarged Parking Lot #1, improved the accesses from the highway, centralized the main walk-in gate, and back-filled with gravel Parking Lot #2. These measures plunged the Fair into debt for the next five years; but still each year the traffic increases. The parking situation has become critical.

Throughout the past four years, the Fair has paved many of the main walkways on the grounds, and last year completed paving an entire loop around the fairgrounds. In addition to greatly reducing the dust, which concessionaires and fairgoers battled constantly, it has facilitated movement for those with strollers and wheel chairs, and has made the Fair easier to see for the whole family.

- At a peak hour of the Fair, 2 o'clock on a Saturday afternoon, parking spaces are available at the far south end of Parking Lot #1 (a 2/3 mile walk to the main exhibit hall), the far east end of Parking Lot #2 (a full mile walk to the exhibit hall), and Parking Lot #3 at the extreme eastern rim of the fairgrounds (a 3/4 mile walk to the exhibit hall). Lots 1 and 2 are gravel. Although they are graded and oiled before fairtime they become excessively dusty. Many man-hours are spent laying out the parking lots each year, in order to insure that



## Parking

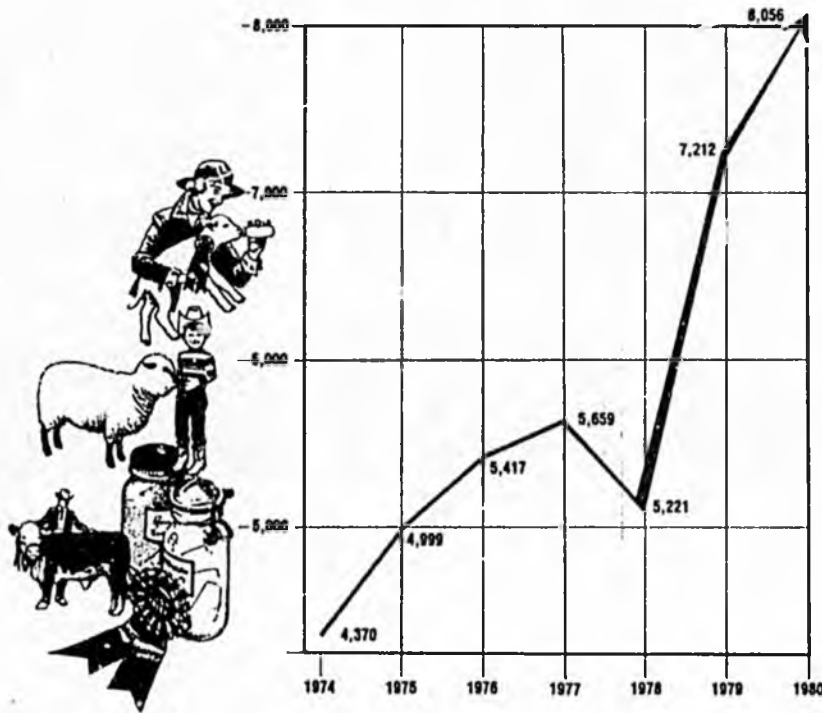
### cost for new parking

the maximum amount of space is available. Many more hours are spent during the Fair directing the traffic in these lots. Each year precautions are taken; however, the highway and surrounding roads leading to the fairgrounds are clogged with the overflow from the parking lots, and the Highway Department has to have the cars towed away.

- To increase the parking facilities by 75 percent, the area marked in the photograph will be cleared, Parking Lots 1 & 2 will be paved, walkways to Parking Lots 2 and 3 will be paved. The cost estimate for this work is \$1.7 million. Once the lots are paved, they will be surveyed and painted with permanent parking spaces, reducing the man-hours needed to ready the lots. It will encourage more families to come, by making it easier for strollers, very small children and the handicapped. This work will cut down on the dust problem, and alleviate the rocks which are worked to the surface by the traffic. It will insure that adequate parking is available and will lessen the highway hazards, the State Troopers' problems, and complete the master plan. We estimate that these measures will insure adequate facilities for the next twenty years.
- From the area to be cleared, we anticipate utilizing the top soil to create a bowl in our entertainment area. The Fair is one of the few attractions in the state which features an outdoor setting for high caliber family entertainment, and this has become one of the main attractions for the public. By creating this bowl in front of the main stage it will segregate this area and provide a buffer between the entertainment and the commercial exhibits.

### added benefits

## EXHIBITS PARTICIPATION TREND



### To win a ribbon . . .

and the recognition and esteem of friends and neighbors is the motivation to exhibit. For some this means an all-year effort to nurture an animal, or to do their best in whatever they choose. We all are aware how important it is to have the opportunity to show off what we have created. The Fair gives the people of Alaska that opportunity.

# EXHIBIT FACILITIES

---

## Livestock Exhibit Space

previous situation

present status

The prime focus of the Alaska State Fair is agriculture and educating the public to both the actual and potential agricultural accomplishments of our state. The present livestock structure is the oldest building on the fairgrounds, having been moved from the Fair's original site to the present grounds in 1967. Although an adequate showcase at the time, the growth of the Fair has shown this building to be inadequate for the number of exhibited animals, as well as the number of people interested in this exhibit.

- In the six years between the 1974 and the 1980 Fairs, exhibits increased an amazing 84 percent. The overcrowding that this has caused in all exhibit departments was temporarily alleviated by the conversion in 1980 of our indoor commercial concession space (Hoskins Building) to a fair exhibit area. In the past two years a phenomenal growth has been seen in the numbers of large livestock exhibited at the Fair. A good portion of this growth can be attributed to the expansion of youth agricultural programs in the state.
- Our 4-H and Future Farmers of America clubs are projecting animal exhibits in excess of available stall space for the upcoming Fair. We cannot discourage this recent explosion in raising livestock by denying exhibit space for student and non-student entrants from Kenai, Kodiak, Soldotna, the Matanuska Valley and Anchorage, Delta and Fairbanks who have counted on exhibiting or selling their animals at the Fair.

Stop-gap measures are being taken, such as pre-registration, in order to prevent exhibitors from transporting their animal entries uselessly. But still it means having to turn away livestock entries at a time when the State of Alaska is starting to intensify its program towards agricultural self-sufficiency.