

ALASKA LEGISLATURE COMMITTEES 9019020072

1908 SRES SB 401 - SB 608 1908

1. The Palmer Fair has not been including the cost of labor in the valuation of capital assets.
2. The Y-K Fair included as its gross revenue the sale of arts and crafts by local residents.
3. The Ninilchik Fair understated 1978 revenues and expenditures by omitting seven months of financial activity.
4. Deficiencies at various fairs were noted in the internal control of cash collected during fairs.

Turnover of board members is a constant problem for the smooth operation of the fairs, particularly the smaller fairs. Some board members also feel there is a need for improved communications between their fairs and the Division. Preparation of a manual designed to guide fair boards toward procedures which comply with statutes would help alleviate these problems as well as provide the Division with a more definitive set of detailed rules. Such a manual could act as the quick reference for fair management in understanding Division policy and for planning their own operations in accordance with that policy.

In order to properly account for fair operations in accordance with the new statutes, and to increase understanding on the part of the fairs, the following revisions to the current annual report form are recommended:

1. Include a line for the amount of donations allowed under AS 03.20.020(c). Effective July 1, 1980, the fairs will be allowed to use donated labor, materials, or services in amounts up to 50% of their operation and maintenance aid. The donations should be reported under the "Fair Funds" column.
2. Detail for the expenditures of premiums should be provided on the form since the Division will need to compare the reported use of premiums to the newly-defined allowable premium criteria as found in AS 03.20.020(d).

The intent behind the report format should be fully explained in the proposed manual. We noted most part-time bookkeepers of the smaller fairs were confused by the separate columns for State Aid and Fair Funds and wondered why the exhibit information was needed.

Recommendation No. 6

The Division should ensure that prior year annual reports are received and reviewed before current year funds are disbursed to fair associations.

The Division disbursed \$24,500 of Fiscal Year 1980 operation and maintenance funds to Kodiak prior to receipt of their 1978 annual report (due January 20, 1979). The effect of this was to allow the entitlement of state funds under the program before statutory compliance of prior years' fairs could be verified. In the case of the 1978 fair, Kodiak was not in compliance (Recommendation No. 3), but the Division was not aware of this at the time of the release of the funds in July of 1979.

The Division has had a long-standing policy of requiring an annual report on the prior fair before disbursing new State aid; however, in this instance, it was not followed. One way to provide assurance that the policy is followed would be to insert a checklist of requirements in each fair's file and have the Division's program manager mark the date of receipt so that requirements are not overlooked.

STATE OF ALASKA
THE LEGISLATURE

POUCH STATE CAPITOL
JUNEAU ALASKA 99801
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 4, 1980

SUBJECT: Donated labor and materials as matching for
fair grants

TO: Gerald L. Wilkerson
Legislative Auditor

FROM: Billy G. Berrier *BGB*
Director
Division of Legal Services

RECEIVED

MAR 4 1980

LEGISLATIVE
AUDIT

You have asked whether in our opinion the value of donated labor and materials may be used to meet matching requirements of AS 03.20.020. You have furnished us with background materials including a letter from the Division of Agriculture stating these can be allowed.

In my opinion, the statute is clear that the matching requirement is a money, not an in-kind, match. The interpretation of the Division to the contrary may not be relied on when the law is clear. The in-kind match of up to 50 percent is allowed effective July 1, 1980, under certain conditions, by AS 03.20.020(c); but this is not relevant to the situation you are auditing.

Before the amendment effective July 1, 1980, AS 03.20.020(a) read:

"Sec. 03.20.020. AMOUNT AND CONDITIONS OF AID. (a) Fairs may be held each year in each of the house election districts and state aid for the operation and maintenance of the fairs may not exceed the sum of \$25,000 each for fairs having an annual event the 10 previous years and may not exceed \$8,000 for other fairs held annually. The people of each district sponsoring a fair are not eligible for state aid unless they subscribe to spend from their own funds for that purpose an amount equal to the amount of the state aid and have or organize an

Gerald L. Wilkerson
Page 2
March 4, 1980

agricultural and industrial fair association for the operation and maintenance of the fair. Each fair receiving state aid is open to entries by the people of the whole state and special provision shall be made for exhibits from boys' and girls' clubs.

"(b) An agricultural and industrial fair association qualifying for and applying for operation and maintenance grants may also apply for capital improvement grants."
(emphasis supplied)

Further AS 03.20.030(b) provides in relevant part:

". . . Each association shall furnish a statement executed and acknowledged by the president and secretary, covering the disbursements by the association of all operation and maintenance funds, for fairs held under this chapter. The statement shall definitely set forth that whenever any state aid money has been disbursed that a like amount of fair association fund money has been expended and that in no instance has the expenditure of state money exceeded the expenditure of fair association money. . . ." (emphasis supplied)

The language is clear and unambiguous. The fair associations are required to spend from their own funds an amount equal to the state aid and show that whenever any state aid money has been disbursed a like amount of fair association money has been expended. Both "spend" and "money" have clear meaning in popular usage and there is no indication they were used in any other sense here.

Although it is unfortunate that fair associations may have been misled by the Division, an administrative interpretation of the law cannot vary the clear terms of the law; and a person is not entitled to rely on that interpretation and thereby fail to comply with the law.

In my opinion, your recommendations are those required by the law. Any relief, if this situation the fair associations now find themselves in is considered unfair, would be legislative.

BGB:jdn

AUDIT DIVISION
POUCH W—ALASKA OFFICE BUILDING

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

FINANCE DIVISION
POUCH WF—STATE CAPITOL

JUNEAU, ALASKA 99811

February 1, 1980

Members of the
Legislative Budget and Audit Committee:

We have examined the Statement of Expenditures and Encumbrances Compared With Appropriations for Operating Programs and the Statement of Expenditures and Encumbrances Compared with Appropriations for Capital Outlays for the Department of Natural Resources, Division of Agriculture, State Aid to Agricultural and Industrial Fairs Program, for the Fiscal Year ending June 30, 1979. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned financial statements present fairly the appropriations, expenditures, encumbrances, and closing balances of the Department of Natural Resources, Division of Agriculture, State Aid to Agricultural and Industrial Fairs Program, at June 30, 1979, in accordance with the accounting policies as stated in Note 1, on a basis consistent with that of the preceding year.



Gerald L. Wilkerson, CPA
Legislative Auditor
Division of Legislative Audit

STATE OF ALASKA
 DEPARTMENT OF NATURAL RESOURCES
 DIVISION OF AGRICULTURE
 AID TO AGRICULTURAL AND INDUSTRIAL FAIRS
 STATEMENT OF EXPENDITURES AND ENCUMBRANCES
 COMPARED WITH APPROPRIATIONS FOR OPERATING PROGRAMS
 July 1, 1978 - June 30, 1979

<u>Budget Category</u>	<u>1978-1979 Budget Act</u>	<u>Continuations Supplementals and Revisions</u>	<u>Total Authorizations</u>	<u>Expenditures</u>	<u>Encumbrances at Close of Year</u>	<u>Unencumbered Continuing Programs</u>	<u>Balances Lapsed</u>
<u>Development</u>							
State Fairs	\$165,500	\$-0-	\$165,500	\$165,500	\$(5,054)	\$-0-	\$5,054
<u>Total Budget Category</u>	<u>\$165,500</u>	<u>\$-0-</u>	<u>\$165,500</u>	<u>\$165,500</u>	<u>\$(5,054)</u>	<u>\$-0-</u>	<u>\$5,054</u>
<u>By Object</u>							
Assistance, Grants and Benefits	\$165,500	\$-0-	\$165,500	\$165,500	\$(5,054)	\$-0-	\$5,054
<u>Totals By Object</u>	<u>\$165,500</u>	<u>\$-0-</u>	<u>\$165,500</u>	<u>\$165,500</u>	<u>\$(5,054)</u>	<u>\$-0-</u>	<u>\$5,054</u>
<u>Source of Funds</u>							
Appropriation Act (SIA 1978 Chapter 113)	\$165,500						
<u>Total Source of Funds</u>	<u>\$165,500</u>						

See Accompanying Notes to the Financial Statements

STATE OF ALASKA
DIVISION OF LEGISLATIVE AUDIT

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF AGRICULTURE
AID TO AGRICULTURAL AND INDUSTRIAL FAIRS
STATEMENT OF EXPENDITURES AND ENCUMBRANCES
COMPARED WITH APPROPRIATIONS FOR CAPITAL OUTLAYS
July 1, 1978 - June 30, 1979

<u>Budget Category</u>	<u>1978-1979 Budget Act</u>	<u>Continuations Supplementals and Revisions</u>	<u>Total Authorizations</u>	<u>Expenditures</u>	<u>Encumbrances at Close of Year</u>	<u>Balances</u>	
						<u>Continuing Programs</u>	<u>Lapsed (Note 2)</u>
Development							
State Fairs-Palmer	\$ 55,000	\$ 55,000	\$110,000	\$ 55,000	\$ 53,900	\$ -0-	\$ 1,100
State Fairs-Kodiak	12,000	-0-	12,000	12,000	-0-	-0-	-0-
State Fairs-Ninilchik	12,000	-0-	12,000	12,000	-0-	-0-	-0-
State Fairs-Southeast AK	12,000	100,000	112,000	12,000	98,000	-0-	2,000
State Fairs-Tanana Valley	55,000	425,000	480,000	55,000	416,500	-0-	8,500
State Fairs-Yukon Kuskokwim	12,000	-0-	12,000	12,000	-0-	-0-	-0-
State Fairs-Haines- Smoke Alarms	5,000	-0-	5,000	5,000	-0-	-0-	-0-
State Fairs-Galena	-0-	5,000	5,000	-0-	-0-	5,000	-0-
<u>Total Budget Category</u>	<u>\$163,000</u>	<u>\$585,000</u>	<u>\$748,000</u>	<u>\$163,000</u>	<u>\$568,400</u>	<u>\$5,000</u>	<u>\$11,600</u>
By Object							
Assistance, Grants and Benefits	\$163,000	\$585,000	\$748,000	\$163,000	\$568,400	\$5,000	\$11,600
<u>Totals By Object</u>	<u>\$163,000</u>	<u>\$585,000</u>	<u>\$748,000</u>	<u>\$163,000</u>	<u>\$568,400</u>	<u>\$5,000</u>	<u>\$11,600</u>
Source of Funds							
<u>General Fund</u>							
Appropriation Act (SLA 1978 Chapter 113)	\$163,000						
Appropriation Act (SLA 1979 Chapter 80)	\$585,000						
<u>Total Source of Funds</u>	<u>\$748,000</u>						

See Accompanying Notes to the Financial Statements.

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
NOTES TO THE FINANCIAL STATEMENTS
July 1, 1978 - June 30, 1979

Note 1 - Summary of Significant Accounting Policies

Alaska Statute 37.05.150 requires the State of Alaska to conform to generally accepted accounting principles. The following is a summary of the significant policies applicable to the Department of Natural Resources.

Basis of Accounting. The accrual basis of accounting is followed, with minor exceptions, by the Enterprise, Intergovernmental Service, Capital Project, Trust and Agency or Special Assessment Fund(s). The General, Special Revenue, or Debt Service Fund(s) utilize(s) the modified accrual basis of accounting. Modifications in such method from the accrual basis and modifications used by the Department are as follows:

1. Revenues are recorded as received in cash except for:
 - (a) revenues susceptible to accrual; and
 - (b) material revenues that are not received at the normal time of receipt.
2. Expenditures are recorded on accrual basis except for:
 - (a) Certain types of expenses which are considered expenditures at time of purchase:
 - (1) inventory items;
 - (2) prepaid expenses, such as insurance; and
 - (3) interest on long-term debt.
 - (b) Encumbrances which represent:
 - (1) valid obligations accrued at June 30, 1979 and paid during the July - August reappropriation period; and
 - (2) purchase order and contract commitments at June 30, 1979 which were recorded by August 31, 1979.

Note 2

Lapsed capital outlay appropriations shown on the Statement of Expenditures and Encumbrances Compared With Appropriations for Capital Outlays in the amount of \$11,600 represent 2% of the appropriation from Chapter 80, SLA 1979, except for the \$5,000 appropriated for Galena. These amounts were withheld during Fiscal Year 1979 to fund fair association audits which the Division of Agriculture intended to underwrite. However, the withholding was deemed to be illegal by the Attorney General, and the \$11,600 was disbursed to the three fair associations in February, 1980.

SUPPLEMENTAL INFORMATION

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION
POUCH W—ALASKA OFFICE BUILDING

FINANCE DIVISION
POUCH WF—STATE CAPITOL

JUNEAU, ALASKA 99811

February 1, 1980

Members of the
Legislative Budget and Audit Committee:

Our examination of the financial statements presented in the preceding section of this report was made primarily to form an opinion on such financial statements. The supplementary information, contained in the following pages, is not considered necessary for the fair presentation of the financial statements of the State of Alaska, Department of Natural Resources, Division of Agriculture, Aid to Agricultural and Industrial Fairs Program, but is presented as additional analytical data. However, the following information has been subjected to the tests and other auditing procedures applied in the examination of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements.



Gerald L. Wilkerson, CPA
Legislative Auditor
Division of Legislative Audit

Appendix A

FISCAL YEAR 1979 APPROPRIATION FOR
AID TO AGRICULTURAL AND INDUSTRIAL FAIRS

	<u>Operation & Maintenance</u>	<u>Capital Improvements</u>
Anchorage 4-H Fair (1)	\$ 1,500	\$ -0-
Anchorage Fur Rendezvous (1)	25,000	-0-
Chevak Village Youth Association	5,800	-0-
Juneau 4-H Fair	350	-0-
Kodiak Rodeo and State Fair (1)	25,000	12,000
Ninilchik Fair (1)	8,000	12,000
Palmer State Fair (1)	25,000	55,000
Sitka Fair	5,000	-0-
Southeast Alaska State Fair (Haines) (1)	25,000	17,000 (2)
Tanana Valley State Fair (1)	25,000	55,000
Wrangell 4-H Fair	350	-0-
Yukon-Kuskokwim State Fair (1)	19,500	12,000
	<u>\$165,500</u>	<u>\$163,000</u>

(1) Field audit performed.

(2) Includes \$5,000 for smoke alarms.

Appendix B

YUKON-KUSKOKWIM FAIR ASSOCIATION
SCHEDULE OF 1978 and 1979 DISBURSEMENTS

	<u>1979</u>	<u>1978</u>
Administration	\$ 2,834.00	\$ 3,327.32
Eskimo Dance	3,005.00	1,687.32
Arts & Crafts (1)	-	1,984.35
Eskimo Games	-	700.00
Dog Mushing	3,870.00	3,940.00
Motor Mushing	4,830.00	4,000.00
Small Events	381.57	310.47
Entertainment	-	25.00
Awards	1,012.01	454.69
Travel	-	724.78
Medical/Nurse Services	325.00	449.00
Skiing	-	640.72
Advertising	542.50	50.00
Food Premiums	662.00	377.00
4-H Premiums	13.00	23.00
Basketball Tournament	400.00	-
Miscellaneous	207.24	183.51
TOTAL DISBURSEMENTS	<u>\$18,082.32</u>	<u>\$18,877.16</u>

(1) Reimbursement to Bethel Council on the Arts still pending for 1979.

Appendix C

YUKON-KUSKOKWIM FAIR ASSOCIATION
CASH FLOW STATEMENT, CHECKING ACCOUNT

	1/1/78 Beginning Balance	\$ 4,896
Add:	State O&M Aid (1978)	\$19,500
	State Capital Aid (1978)	10,000
	1978 Fair Revenues	3,751
	Transfer from Closure of Other Checking Accounts	<u>1,630</u>
		<u>34,881</u>
		39,777
Less:	1978 Fair Disbursements	18,877
	Transfer to Savings Account (10/78)	8,900
	Purchase of CD (1/79)	<u>10,000</u>
		<u>37,777</u>
		2,000
Add:	State O&M Aid (1979)	19,500
	State Capital Aid (1979)	12,000
	1979 Fair Revenues	3,903
	CD Matures	10,600
	Transfer from Savings Account	<u>8,900</u>
		<u>54,903</u>
		56,903
Less:	1979 Fair Disbursements	18,082
	Purchase of CD (2/79)	<u>36,000</u>
		<u>54,082</u>
	10/1/79 Ending Balance	<u>\$ 2,821</u>
Cash on Hand, 10-1-79	Checking Account	\$ 2,821
	CD (FY 1977 Capital Improvement Aid Plus Interest)	23,050
	CD (2/79)	37,700
	Savings Account (approximate)	<u>150</u>
		<u>\$63,721</u>

Appendix C (Continued)

CD Computation (2/79):

Interest from maturing CD	\$ 600
State O&M Aid	19,500
State Capital Improvement Aid	12,000
Transfer from Savings Account	<u>8,900</u>
Less: Deposit (2/79)	41,000
Retained in Checking Account	<u>(5,900)</u>
Withdrawal for CD (2/79)	36,000
Interest to 10/31/79	<u>1,700</u>
CD Balance 10/31/79	<u>\$37,700</u>

SOUTHEAST ALASKA STATE FAIR ASSOCIATION
SCHEDULE OF 1978 DISBURSEMENTS

Premiums/Awards	\$ 7,976.96
Salaries	4,750.00
Premium Catalog	3,958.40
Entertainment	2,199.30
Maintenance	12,195.11
Utilities	3,232.29
Insurance	1,154.03
Horseshow	1,940.66
Judges	586.43
Supplies	1,499.22
Fair Workers Expense	573.71
Publicity	1,001.37
Security	936.75
Janitorial	574.01
Equipment Maintenance	364.27
Equipment Purchases	707.75
Exchanges	48.60
Parade	1,100.00
Banquet	700.00
Travel	979.78
Miscellaneous	<u>2,279.16</u>
TOTAL DISBURSEMENTS	<u>\$48,758.00</u>

Appendix E

KODIAK RODEO AND STATE FAIR ASSOCIATION
SCHEDULE OF 1978 DISBURSEMENTS

Utilities	\$ 2,138.71
Advertising and Promotion	5,591.37
Insurance	3,940.00
Travel and Entertainment	2,080.00
"State Fair Operations"	3,535.98
4-H Fair	1,051.64
Supplies and Office Expense	59.60
Bar-B-Q, Horses, Band	7,570.07
Miscellaneous	<u>126.30</u>
TOTAL DISBURSEMENTS	<u>\$26,093.67</u>

Appendix F

KODIAK RODFO AND STATE FAIR ASSOCIATION
CASH FLOW STATEMENT, CHECKING ACCOUNT

1/1/78 Beginning Balance (Unused State Capital Improvements Aid)		\$ 9,586
Add: 1978 Fair Revenues	\$ 18,874	
Add: State O&M Aid	25,000	
Add: State Capital Aid	12,000	
Less: 1978 Fair O&M Disbursements	(26,093)	
1978 Capital Disbursements	(18,849)	<u>\$10,932</u>
12/31/78 Ending Balance		<u>\$20,518</u>

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

POUCH M - JUNEAU 99811

May 23, 1980

RECEIVED

MAY 23 1980

LEGISLATIVE
AUDIT

Mr. Gerald L. Wilkerson
Legislative Auditor
Division of Legislative Audit
Pouch W
Juneau, Alaska 99811

Dear Mr. Wilkerson:

RE: Audit of Aid to State Fairs

Recommendation No. 1.

The Division should require reimbursement of State operations and maintenance funds in the amount of \$39,000 from the Yukon-Kuskokwim Fair Association.

Response: The Division will request reimbursement. If reimbursement is not forthcoming, the Division will withhold FY 81 grants.

Recommendation No. 2.

The Division should require reimbursement of State Operation and Maintenance funds in the amount of \$1,242 from the Southeast Alaska State Fair Association.

Response: The Division will request reimbursement. If reimbursement is not forthcoming, the Division will withhold sufficient FY 81 grants.

Recommendation No. 3.

The Division should require reimbursement of State Operation and Maintenance funds in the amount of \$23,906 from the Kodiak Rodeo and State Fair Association.

Response: The Division will request reimbursement. If reimbursement is not forthcoming, the Division will withhold FY 81 grants.

Recommendation No. 4.

AS 03.20.070 (b) should be amended to reduce from five years to two years the period of time that fair associations may retain unspent state aid for capital improvements.

Response: The Division concurs.

Recommendation No. 5.

The Division should exercise more effective control over the program through the following measures which should not result in stall increases:

- a. Preparation of a manual for distribution to the fair associations outlining, in simple form, their operating, accounting, and reporting responsibilities under the statutes.
- b. Modification of the annual report format to provide for specific donation and premium data which will be necessitated by the enactment of AS 03.20.020 (c) and (d)

Response: Aid to State Fairs is a separate component (10-71-3-100) within the Division of Agriculture. The entire appropriation to the component, \$162,300, is in line item 700 (assistance, grants) funds. There is no appropriation for administration. The Department has made several attempts to secure funds to ensure that recipients are in compliance with their grants, but has been unsuccessful:

1. At the commencement of the FY 80 budget year, the Division of Agriculture withheld three percent of each grant for audit and overhead purposes. Several fair grantees complained and the Department of Law issued an opinion disallowing the withholding of administrative expenses. The withheld funds were returned to the fairs.
2. During the FY 81 budget cycle, the Division of Agriculture requested \$25,000 for audit purposes in the State Fair component. The funds were disallowed by the Budget Review Committee. Since that time, the House and Senate have added \$125,000 to the State Fair component, but all of the additional funds are for increased grants.

Therefore, the Division would recommend that administration of the Aid to State Fairs component be moved to the new municipal grants category.

Recommendation No. 6.

The Division should ensure that prior year annual reports are received and reviewed before current year funds are disbursed to fair associations.

Response: The Division concurs.

Sincerely,


Robert E. LeResche
Commissioner 

S

B

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8

COMMITTEE REPORT

SENATE

FURTHER: Finance

4/10/81

Date: _____

Mr. President:

The Committee on RESOURCES has had SB 418
agricultural development projects

under consideration and (a majority of the committee) (the committee)
reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for SB 418 same title
- new title

and recommends WITH INDIVIDUAL RECOMMENDATIONS

- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]

[Signature]

[Signature]

[Signature]

[Signature] Co Pass

CHAIRMAN

AMENDMENT #2

Adapted

OFFERED IN THE SENATE:

By: Fahrenkamp

To: CS SENATE BILL No. 418

HOUSE BILL No. _____

PAGE: 1

LINE: _____

On line 11, delete the word "requirements" and insert "prerequisites"

On line 11, delete "should"

On line 12, delete "at the discretion of the project administrators," and insert "shall, as required,"

On line 15, delete "must, at their discretion," and insert "shall"

On line 16, delete "particular"

On line 17, delete "kinds" and insert "each type"

On line 17, delete ", as for example and not by way of limitation, for"

On line 18, delete "dairy farming"

On line 20, delete "ratifies the actions" and insert "stipulates these are actions to be"

Alaska State Legislature

DETTYE FAHRENKAMP, CHAIRMAN
VIC FISCHER, VICE-CHAIRMAN
BRAD BRADLEY
DICK ELIASON
DON GILMAN
BOB MULCAHY
ARLISS STURGULEWSKI



POUCH V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3835

Senate

Committee on Resources

April 15, 1981
1:30 p.m.

Beltz Room
211 - Capitol

MEMBERS PRESENT

Senator Fahrenkamp
Senator Fischer
Senator Bradley
Senator Sturgulewski
Senator Eliason
Senator Mulcahy
Senator Gilman

HEARING:

- SB 291 An Act making a special appropriation to the Department of Fish and Game for shooting and firearm safety.
- SB 292 An Act making a special appropriation to the Department of Fish and Game for the purchase of real property.
- SB 418 An Act relating to agricultural development projects.

Rodger Pegues, Assistant Attorney General, stated that SB 418 eliminates the litigation which has arisen over the Point McKenzie agricultural development project. SB 418 retroactively ratifies the prequalification requirements and classification of tracts used by the Agricultural Action Council and the Department of Natural Resources. Prolonged delay will bankrupt a number of the successful applicants and severely injure others.

Bob Palmer, Coordinator, Special Projects, Office of the Governor, spoke in favor of SB 418. He explained the Point McKenzie project was to increase the state's dairy production, therefore the prequalification requirements were necessary to insure that the lands would indeed go into dairy production.

Senator Sturgulewski put forth the motion to move SB 418 with individual recommendations.

Greg Bos, Division of Game, Department of Fish and Game, stated that the division strongly supports SB 291. The State Range Planning Committee identifies where ranges are needed and then makes recommendations to the Department of Fish and Game. The City of Anderson was deleted until more information is made available by the Planning Committee.

Joe Nava, Chairman, State Range Planning Committee, stated that he supports SB 291. He stated that the program needs some flexibility because the Committee does not always know the actual cost of a facility until the proposals are signed.

Ted Dixon, President, Tanana Valley Sportsmen Association, Fairbanks, stated that TVSA stands ready and willing to operate the range facility in Fairbanks. SB 291 will provide the needed funds for the range facility.

Randy Smith, representing himself and a member of numerous national gun clubs, stated that he favors the passage of SB 291. The program is very important and other states have benefited from similar programs.

Senator Mulcahy put forth the motion to delete "and operation" on page 1, line 12 of SB 291.

Senator Sturgulewski put forth the motion to obtain a fiscal note on SB 291.

Dave Harkness, Area Game Biologist, Department of Fish and Game, stated that he supports the passage of SB 292. He has spoken with the owner of the property and he has indicated a willingness to sell all of his land, 250.5 acres. This land provides a good access point, a viewing area, is adjacent to the rifle range and is close to the most popular wildlife viewing area in Anchorage.

Senator Fischer put forth the motion to move SB 292 with individual recommendations.

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

Received
11:25 a.m. - 4/15/81
SRE
JAY S. HAMMOND, GOVERNOR

POUCH K - STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

April 15, 1981

Hon. Bettye Fahrenkamp
Alaska State Legislature
Pouch V
Juneau, AK 99811

Re: SB 418, relating to agricultural development projects

Dear Senator Fahrenkamp:

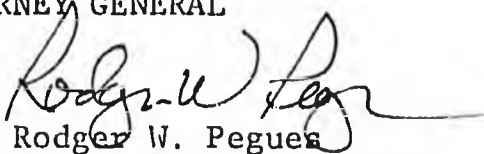
This bill makes clarifying amendments to provisions of the Lands Act (AS 38.05) and to the Government Code (AS 44.33) to eliminate the litigation which has arisen over the Point Kenzie agricultural development project by expressly and retroactively ratifying the prequalification requirements and classification of tracts used by the Agricultural Action Council and the Department of Natural Resources.

The reason for eliminating the litigation at as early a date as is possible is to allow the successful applicants to proceed with the project this year and to avoid an entire year's delay. Prolonged delay will apparently bankrupt a number of the successful applicants and severely injure others.

We recommend several amendments to the bill and enclose a proposed committee substitute for that purpose.

Sincerely yours,

WILSON L. CONDON
ATTORNEY GENERAL

By: 
Rodger W. Pegues
Assistant Attorney General

RWP/pjg

Enc.

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

Received
11:25 a.m. - 4/15/81
SRE

JAY S. HAMMOND, GOVERNOR

POUCH K - STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

April 15, 1981

Hon. Bettye Fahrenkamp
Alaska State Legislature
Pouch V
Juneau, AK 99811

Re: SB 418, relating to agricultural development projects

Dear Senator Fahrenkamp:

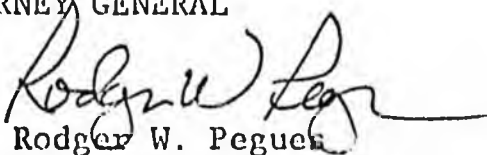
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Sincerely yours,

WILSON L. CONDON
ATTORNEY GENERAL

By: 
Rodger W. Pegues
Assistant Attorney General

kWP/pjg

Enc.



Alaska State Legislature

SENATE Resources Committee

Official Business

BETTYE FAHRENKAMP, Chairman
VIC FISCHER, Vice-Chairman
BRAD BRADLEY
DICK ELIASON
DON GILMAN
BOB MULCAHY
ARLISS STURGULEWSKI

MEMBERS PRESENT

Senator Fahrenkamp
Senator Fischer
Senator Bradley
Senator Eliason
Senator Gilman
Senator Mulcahy
Senator Sturgulewski

POUCH V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3835

June 3, 1982
10:40 a.m.

Beltz Room
Room 211 Capitol

HCS CSSB 697 (Fin) Establishing the Alaska Resources Corporation in place of the Alaska Renewable Resources Corporation.
HCS CSSB 418 (Rls) Relating to the disposal of land for agricultural development.

SB 697

Senator Fahrenkamp pointed out the change in the House-passed version of the bill on page 10, line 13 that would allow the Corporation to continue and sustain investments that have already been made.

Dave Gray, Alaska Food Company, expressed support for the change.

Senator Sturgulewski expressed support for the House-passed version, stating that the State must keep its commitments to these investments.

Senator Gilman moved that the Committee recommend passage of HCS CSSB 697 (Fin) and asked unanimous consent.

SB 418

Senator Gilman explained that the language in the House-passed version came from the Attorney General's office, and is sufficient to rectify the problem that caused the State to be involved in the McKenzie Sale lawsuit. He recommended that the Committee support HCS CSSB 418 (Rls).

Senator Sturgulewski asked unanimous consent.

The meeting was adjourned at 10:50 a.m.

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IDENTIFICATION:

BILL NAME: *Relating to land lotteries*

SPONSOR(S):

Kerttula

RELATED BILLS PENDING:

DATE INTRODUCED: *4/28/81*

REFERRALS *Res. + Fin*

INITIAL RESEARCH:

INITIAL BILL SUMMARY COMPLETED

SUMMARY BY LEGAL DIVISION:
DEPT. OF LAW SUMMARY:

SPONSOR CONTACTED FOR BACKUP
MATERIALS:

*1/20 Kerttula Reg. move
1/21 - Norcha (Kuti) matter (on 1/27)*

FISCAL NOTE: *DNR ?*

AGENCY RESPONSE: *1/25 Kyrk → 1/27 Norcha - no matter.
Kerttula will not testify (?).*

OTHER INTERESTED SENATORS OR
REPS. NOTIFIED:

BACKGROUND RESEARCH:

SIMILAR BILLS INTRODUCED IN PREVIOUS LEGISLATURES:

RESPONSES FROM INTERESTED PERSONS AND/OR GROUPS:

OTHER STATE OR FEDERAL PRECEDENTS, REGULATIONS, LAWS:

HEARING PREPRATION:

CHAIRMAN BRIEFED:

DATE AND PLACE SET:

STAFF MEMO TO COMMITTEE:

TELECONFERENCE

BACKGROUND MATERIAL DISTRIBUTED

PSA/PRESS RELEASE

LIST OF WITNESSES:

SUGGESTED AMENDMENTS/CS DRAFTED:

2-2-82
Carl Amstrup
✓ Kerttula
Bob Palmer 465-3568 (Julie)
DNR - 465-2700 Shawn Barton or Mark Whitson

Alaska State Legislature

BETTYE FAHRENKAMP, CHAIRMAN
VIC FISCHER, VICE-CHAIRMAN
BRAD BRADLEY
DICK ELIASON
DON GILMAN
BOB MULCAHY
ARLISS STURGULEWSKI



FOUCH V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3832

Senate

Committee on Resources

February 5, 1982
1:40 p.m.

Beltz Room
211 - Capitol

MEMBERS PRESENT

Senator Fahrenkamp
Senator Fischer
Senator Bradley
Senator Gilman
Senator Mulcahy
Senator Sturgulewski

Hearing:

SB 275 An Act relating to the compensation of persons collecting hunting and fishing license and tag fees.

SB 525 An Act relating to land lotteries.

SB 275

Senator Kertulla expressed support for SB 275, stating that the cost to the vendors of selling licenses and tags far outweighs the benefit. It must be made equitable.

Rupe Andrews, Director, Division of Sport Fish, Alaska Department of Fish and Game, recognizes the need for increased funds to vendors, but stated that the Divisions of Game and Sport Fish rely heavily on the fees from the sale of these licenses. They estimate a first-year loss of \$422,000 under SB 275, and have submitted a substitute bill which would allow for vendor compensation from the general fund.

Senator Gilman expressed concern over the increased burden on vendors to fill out vouchers.

Senate Resources Committee
February 5, 1982
Page 2

Phillip Walls, Director, Division of Administrative Services, Department of Revenue, stated he desires a change in the vendor's reporting period, preferring that the length of the period be left to Revenue's discretion--perhaps quarterly for small vendors and weekly for large vendors. This would require amending the statute.

Senator Mulcahy inquired about an effective date for the bill; Mr. Wall suggested January 1, 1982.

Marian Endicott, vendor, Endicott Ace Hardware, supports SB 275, and feels a change to quarterly reporting would benefit the vendor.

Senator Fahrenkamp stated that SB 275 will be back before the Committee in final version Wednesday, 2/10/82.

SB 525

Senator Kertulla expressed support for SB 525, indicating that this minor change in wording would "plug a loophole".

Carl Amstrup, Executive Director, Alaska Agricultural Action Council, expressed support for SB 525.

Sharon Barton, Special Assistant to the Commissioner, Department of Natural Resources, expressed support for SB 525.

Senator Sturgulewski moved that SB 525 be moved with individual recommendations.

The meeting was adjourned at 2:50 p.m.

Introduced: 4/28/81
Referred: Resources and
Finance

1 IN THE SENATE

BY KERTTILA

2 SENATE BILL NO. 525

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: An Act relating to land lotteries."

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

8 * Section 1. AS 38.05.057(c) is amended to read:

9 (c) The commissioner may adopt regulations under the Administra-
10 tive Procedure Act (AS 44.62) which specify qualifications for lottery
11 participants in addition to [DIFFERENT FROM] those specified in (b) of
12 this section if

13 (1) an interest in land limited to agricultural purposes is
14 to be sold under (a) of this section;

15 (2) the sale is a part of a program to develop agricultural
16 land as a renewable resource of the state; and

17 (3) the regulations include residency, skill, experience,
18 and financial requirements necessary to qualify persons who are compe-
19 tent and financially able to develop the land as a successful agricul-
20 tural enterprise.

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LEGISLATION SUMMARY

SB 525: "An Act relating to land lotteries."

Sec. 1: Eliminates the power of the Commissioner DNR to adopt different land lottery purchaser qualifications for agricultural land disposals. The statutory qualifications are: 18 years age; 1 year residency; no land lottery purchase in the prior eight years. The Commissioner may adopt additional qualifications if: the land is limited to agricultural purposes; the sale is part of an agriculture development program; the qualifications include residency, skill, experience and financial requirements.

PRIME SPONSOR: Kerttula

ADINGS TITLE 38.
PUBLIC LANDS.
CHAPTER 05.
ALASKA LAND ACT.
ARTICLE 2.
SALE OF LANDS.

- SB 525 -

ATION SEC. 38.05.057.

ATCH LINE

DISPOSAL OF LAND BY LOTTERY.

XT

(A) THE COMMISSIONER MAY DISPOSE OF LAND, INCLUDING LAND LIMITED TO USE FOR AGRICULTURAL PURPOSES, BY LOTTERY. THE PURCHASE PRICE OF LAND SOLD BY LOTTERY SHALL BE THE FAIR MARKET VALUE OF THE LAND AS DETERMINED BY THE COMMISSIONER. THE COMMISSIONER MAY SELL LAND BY LOTTERY FOR LESS THAN THE FAIR MARKET VALUE OF THE LAND IF HE DETERMINES THAT SCARCITY OF LAND FOR PRIVATE USE IN THE AREA OF THE LAND TO BE SOLD HAS RESULTED IN UNREALISTIC LAND VALUES. BEFORE THE COMMISSIONER DETERMINES THE PURCHASE PRICE FOR LAND WHICH IS LOCATED IN A MUNICIPALITY AND WHICH IS TO BE SOLD UNDER THIS SECTION, HE SHALL CONSULT WITH THE ASSESSOR OF THE MUNICIPALITY. THE LOTTERY SHALL BE CONDUCTED IN PUBLIC BY THE COMMISSIONER OR HIS REPRESENTATIVE. AN APPLICANT MAY NOT BE SELECTED TO PURCHASE LAND UNLESS HE IS PRESENT ON THE DATE AND AT THE PLACE THAT THE LOTTERY IS CONDUCTED UNLESS MEDICAL REASONS, ATTENDANCE AT SCHOOL, OR MILITARY SERVICE OUTSIDE THE STATE PREVENT ATTENDANCE. AN APPLICANT MAY BE REPRESENTED BY AN AGENT ON THE DAY OF THE

LOTTERY IF THE LAND OFFERED FOR SALE IS COMMERCIAL, INDUSTRIAL, OR AGRICULTURAL LAND. ON THE DAY OF THE LOTTERY A PURCHASER SELECTED BY LOT SHALL DEPOSIT AN AMOUNT EQUAL TO FIVE PERCENT OF THE PURCHASE PRICE, OR IF THE PURCHASER ELECTS TO USE LAND DISCOUNTS GRANTED UNDER AS 38.05.05B, FIVE PERCENT OF THE PURCHASE PRICE AFTER DEDUCTION OF THE DISCOUNT.

(B) TO QUALIFY TO PARTICIPATE IN A LOTTERY UNDER (A) OF THIS SECTION, A POTENTIAL PURCHASER SHALL

(1) AT THE TIME OF APPLICATION HAVE ATTAINED THE AGE OF

18;

(2) SUBMIT PROOF, AS REQUIRED BY REGULATION, THAT HE HAS BEEN A RESIDENT OF THE STATE FOR NOT LESS THAN ONE YEAR IMMEDIATELY PRECEDING THE DATE HIS APPLICATION WAS SUBMITTED; AND

(3) CERTIFY THAT HE HAS NOT PURCHASED LAND AT A SALE BY LOTTERY IN THE STATE WITHIN EIGHT YEARS IMMEDIATELY PRECEDING THE SALE DATE.

(C) THE COMMISSIONER MAY ADOPT REGULATIONS UNDER THE ADMINISTRATIVE PROCEDURE ACT (AS 44.62.010 44.62.650) WHICH SPECIFY QUALIFICATIONS FOR LOTTERY PARTICIPANTS DIFFERENT FROM THOSE SPECIFIED IN (B) OF THIS SECTION IF

(1) AN INTEREST IN LAND LIMITED TO AGRICULTURAL PURPOSES IS TO BE SOLD UNDER (A) OF THIS SECTION;

(2) THE SALE IS A PART OF A PROGRAM TO DEVELOP AGRICULTURAL LAND AS A RENEWABLE RESOURCE OF THE STATE; AND

(3) THE REGULATIONS INCLUDE RESIDENCY, SKILL, EXPERIENCE, AND FINANCIAL REQUIREMENTS NECESSARY TO QUALIFY PERSONS WHO ARE COMPETENT AND FINANCIALLY ABLE TO DEVELOP THE LAND AS A SUCCESSFUL AGRICULTURAL ENTERPRISE.

(D) TO APPLY FOR PARTICIPATION IN A LOTTERY UNDER THIS SECTION AN APPLICANT SHALL

(1) CERTIFY THAT HE IS QUALIFIED UNDER THE APPLICABLE PROVISIONS OF THIS SECTION; AND

(2) PAY A NONREFUNDABLE APPLICATION FEE OF NOT MORE THAN \$25 FOR EACH APPLICATION.

(E) THE DIRECTOR SHALL ACCEPT APPLICATIONS TO PURCHASE PARTICULAR PARCELS UNDER THE FOLLOWING PROCEDURES AND CONDITIONS:

(1) THE APPLICATION PERIOD MAY NOT BE LESS THAN 45 DAYS;

(2) NO APPLICATION MAY BE ACCEPTED LESS THAN 15 DAYS BEFORE EACH LOTTERY;

(3) NOTICE OF THE APPLICATION PERIOD AND THE DATE OF THE LOTTERY SHALL BE GIVEN IN ACCORDANCE WITH AS 38.05.345(E); AND

(4) THE APPLICATION SHALL BE MADE ON A FORM PROVIDED BY THE DEPARTMENT.

(F) IF ONLY ONE APPLICATION FOR A PARCEL IS RECEIVED, THE COMMISSIONER SHALL OFFER THE PARCEL TO THE APPLICANT WHO APPLIED FOR THE PARCEL IF THE APPLICANT IS QUALIFIED TO PARTICIPATE IN THE LOTTERY. IF MORE THAN ONE APPLICATION IS RECEIVED FOR A PARCEL, OR IF MORE APPLICATIONS ARE RECEIVED FOR THE RIGHT TO SELECT A REMOTE PARCEL OFFERED UNDER AS 38.05.077 THAN THE NUMBER OF REMOTE PARCELS AUTHORIZED, THE COMMISSIONER SHALL SELECT THE APPLICANT WHO IS ENTITLED TO RECEIVE A CONVEYANCE OF THE LAND BY LOTTERY. IF THE COMMISSIONER DOES NOT RECEIVE AN APPLICATION FOR A PARCEL OF STATE LAND OR IF A PURCHASER FAILS TO SIGN A LEASE

AGREEMENT OR CONTRACT OF SALE, THE PARCEL SHALL BE OFFERED TO THE FIRST ELIGIBLE PERSON TO APPLY FOR THE PARCEL. IF THE PARCEL WAS DESIGNATED AS A HOMESITE AND OFFERED TO THE PUBLIC UNDER AS 38.05.047(F), THE PARCEL SHALL BE DISPOSED OF UNDER THE TERMS REQUIRED BY AS 38.08.010 - 38.08.120.

(G) AFTER RECEIVING THE DEPOSIT REQUIRED UNDER (A) OF THIS SECTION, THE DIRECTOR OR HIS REPRESENTATIVE SHALL IMMEDIATELY ISSUE A RECEIPT CONTAINING A DESCRIPTION OF THE LAND OR PROPERTY TO BE CONVEYED, THE PRICE OF THE LAND, AND THE TERMS OF DISPOSAL. THE RECEIPT SHALL BE ACKNOWLEDGED IN WRITING BY THE PURCHASER. A CONTRACT OF SALE SHALL BE EXECUTED IN THE SAME FORM AND MANNER AS REQUIRED UNDER AS 38.05.055.

(H) AN AGGRIEVED LOTTERY PARTICIPANT MAY APPEAL TO THE COMMISSIONER WITHIN FIVE DAYS AFTER THE LOTTERY IS CONDUCTED FOR A REVIEW OF THE LOTTERY PROCEDURES.

(I) THE DIRECTOR MAY INCLUDE IN CONTRACTS FOR SALE OF LAND UNDER THIS SECTION TERMS WHICH

(1) REQUIRE PURCHASERS TO USE OR OCCUPY, OR BOTH, THE LAND PURCHASED FOR A REASONABLE PERIOD OF TIME AFTER A SALE;

(2) PROHIBIT THE RESALE OF LAND PURCHASED BY THE INITIAL PURCHASER UNTIL THE REQUIREMENTS IMPOSED UNDER (1) OF THIS SUBSECTION, IF ANY, ARE SATISFIED.

HISTORY (SEC. 4 CH 176 SLA 1978; AM SECS. 15 - 22 CH 85 SLA 1979; AM SEC. 16 CH 113 SLA 1981)

R0601 * END OF DOCUMENTS IN LIST - ENTER RETURN OR ANOTHER COMMAND.



Official Business

Alaska State Legislature

Senate

Office of the President

JAN 20 1982

Pouch V
State Capitol
Juneau, Alaska 99811

MEMO

To: Senator Bettye Fahrenkamp
Chairman, Senate Resources Committee

From: Jay Kerttula, Senate President

Date: January 18, 1982

Subject: Senate Bill 525

I am very interested in the progress of Senate Bill 525, amending the statute relating to land lotteries, now pending before your committee. I believe this to be an important bill and one which should be expedited. Accordingly, I would appreciate your efforts toward moving this bill out of committee.

JK/bb

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COMMITTEE REPORT
SENATE

5/15/81

FURTHER: None

Date: _____

Mr. President:

The Committee on RESOURCES has had SSSB 555

Guide Licensing and Control Board

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for SSSB 555 same title
 new title
- and recommends do pass
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

SENATE AMENDMENT

BY SENATE RESOURCES COMMITTEE

To: _____ SENATE BILL No. SSSB 555

To: _____ HOUSE BILL No. _____

PAGE:

LINE:

Page 1, line 6, delete "relating to" and replace with "continuing the existence of"

Page 1, line 7, delete ", continuing its existence, and amending the"

Page 1, line 8, delete "qualifications for a special guicing permit"

Page 1, delete lines 11-19

Page 1, line 22, delete "1985" and replace with "1982"

MAY 19 1981

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 555 " An act relating to the Guide Licensing and Control Board;
Title continuing its existence and repealing the requirements...; ... effective date.
Requested by Hohman Date 5/14/81

II. FISCAL DETAIL

Agency Affected Department of Commerce and Economic Development

Program Category Affected Public Protection

BRU, Program, or Subprogram(s) Affected Regulation and Licensing of Professions - Boards & Admin

(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						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

Original sponsor: Hohman

Introduced: 5/15/81
Referred: Resources

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 SENATE CS FOR SS FOR SENATE BILL NO. 555 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act continuing the existence of the Guide Licensing and
7 and Control Board: and providing for an effective date."

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

9 * Section 1. AS 08.03.010(c) is amended by adding a new paragraph to
10 read:

11 (19) Guide Licensing and Control Board (AS 08.54.010) --

12 June 30, 1982.

13 *Section 2. AS 08.03.010(b)(7) is repealed.

14 *Section 3. This Act takes effect immediately in accordance with AS 01.10. -

15 070(c).

Handwritten notes:
16 *shall continue in existence until a full and complete*
17 *year program - including the offer*

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PROPOSED COMMITTEE SUBSTITUTE OR AMENDMENTS

Page 1, line 6, delete "relating to" and replace with "continuing the existence of"

Page 1, line 7, delete ", continuing its existence, and amending the"

Page 1, line 8, delete "qualifications for a special guiding permit"

Page 1, delete lines 11-19

Page 1, line 22, delete "1985" and replace with "1982"

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SSSB 555: " An act relating to the Guide Licensing and Control Board; Title continuing its existence and repealing the requirements...; ...effective date. "

Requested by Hohman Date 5/14/81

II. FISCAL DETAIL

Agency Affected Department of Commerce and Economic Development

Program Category Affected Public Protection

Bill, Program, or Subprogram(s) Affected Regulation and Licensing of Professions - Boards & Adm

(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						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

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

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

No fiscal impact; functions are currently budgeted.

IV. DATE 5-21-81

PREPARED BY Nick Coti, Management Analyst
AGENCY Division of Occupational Licensing
PHONE 465-2535

Original: Legislative Finance
cc: Budget and Management

(First Legislator Named)

Effect of amendments. — The first, second, fourth, sixth and seventh 1980 amendments, effective June 1, 1980, June 3, 1980, June 13, 1980, June 30, 1980, and July 3, 1980, respectively, all substituted "Except as otherwise provided in this title" for "All" at the beginning of subsection (a).
The third and fifth 1980 amendments, effective June 5, 1980, and July 1, 1980, respectively, both substituted "Except as

otherwise provided by statute" for "All" at the beginning of subsection (a).
The third and fifth 1980 amendments were superseded by the sixth and seventh 1980 amendments, and therefore, subsection (a) is set out as it appears in the later amendments.
As the rest of the section was not affected by the amendments, it is not set out.

Chapter 02. Miscellaneous Provisions.

Sec. 08.02.020. Limitation of liability for members of licensing boards.

Cross reference. — As to notes to AS 09.55.536 and Alas. Const., constitutionality of ch. 102, SLA 1976, see art. II, § 14.

Chapter 03. Termination, Continuation and Reestablishment of Regulatory Boards.

Section 10. Termination, continuation and reestablishment of regulatory boards	Section 20. Procedures governing termination, transition and continuation
-----------------------------------------------------------------------------------	------------------------------------------------------------------------------

Sec. 08.03.010. Termination, continuation and reestablishment of regulatory boards. (a) Boards listed in this subsection have a termination date of June 30, 1979:

- (1) Repealed by § 3 ch 36 SLA 1980;
- (2) Repealed by § 3 ch 40 SLA 1980;
- (3) Repealed by § 3 ch 87 SLA 1980;
- (4) Repealed by § 3 ch 74 SLA 1979;
- (5) Repealed by § 3 ch 39 SLA 1980;
- (6) Repealed by § 3 ch 37 SLA 1980;
- (7) Repealed by § 3 ch 38 SLA 1980;
- (8) Repealed by § 3 ch 41 SLA 1980;
- (9) Repealed by § 3 ch 67 SLA 1980;
- (10) Repealed by § 2 ch 43 SLA 1980;
- (11) Repealed by § 3 ch 42 SLA 1980;

(b) Boards listed in this subsection have a termination date of June 30, 1980:

- (1) Repealed by § 15 ch 82 SLA 1980;
- (2) Repealed by § 5 ch 159 SLA 1980;
- (3) Collection Agency Board (AS 08.24.011);
- (4) Repealed by § 5 ch 159 SLA 1980;
- (5) Repealed by § 11 ch 71 SLA 1980;
- (6) Repealed by § 7 ch 72 SLA 1980;

- (7) Guide Licensing and Control Board (AS 08.64.010);
 - (8) Repealed by § 8 ch 143 SLA 1980;
 - (9) Repealed by § 42 ch 167 SLA 1980;
 - (10) Repealed by § 2 ch 153 SLA 1980;
 - (11) Board of Governors of the Alaska Bar Association (AS 08.08.040).
- (c) The following boards have the termination date provided by this subsection:
- (1) Board of Nursing (AS 08.68.010) — June 30, 1983.
 - (2) Board of Chiropractic Examiners (AS 08.20.010) — June 30, 1984.
 - (3) Board of Examiners in Optometry (AS 08.72.010) — June 30, 1984.
 - (4) Board of Pharmacy (AS 08.80.010) — June 30, 1984.
 - (5) Board of Dispensing Opticians (AS 08.71.010) — June 30, 1985.
 - (6) Board of Dental Examiners (AS 08.36.010) — June 30, 1982.
 - (7) Board of Veterinary Examiners (AS 08.98.010) — June 30, 1985.
 - (8) State Physical Therapy Board (AS 08.84.010) — June 30, 1986.
 - (9) Board of Nursing Home Administrators (AS 08.70.010) — June 30, 1986.
 - (10) Board of Psychologist and Psychological Associate Examiners (AS 08.86.010) — June 30, 1982.
 - (11) State Medical Board (AS 08.64.010) — June 30, 1983.
 - (12) Board of Marine Pilots (AS 08.62.010) — June 30, 1983.
 - (13) Board of Welding Examiners (AS 08.99.010) — June 30, 1981.
 - (14) Board of Electrical Examiners (AS 08.40.010) — June 30, 1982.
 - (15) State Board of Registration for Architects, Engineers, and Land Surveyors (AS 08.48.011) — June 30, 1984.
 - (16) Board of Barbers and Hairdressers (AS 08.13.010) — June 30, 1984.
 - (17) Board of Public Accountancy (AS 08.04.010) — June 30, 1984.
 - (18) Real Estate Commission (AS 08.88.011) — June 30, 1982.
- (j) Repealed by § 3 ch 74 SLA 1979.
- (o) Repealed by § 3 ch 74 SLA 1979. (§ 2 ch 149 SLA 1977; am §§ 1, 3 ch 74 SLA 1979; am §§ 1, 3 ch 36 SLA 1980; am §§ 1, 3 ch 37 SLA 1980; am §§ 1, 3 ch 38 SLA 1980; and §§ 1, 3 ch 39 SLA 1980; am §§ 1, 3 ch 40 SLA 1980; am §§ 1, 3 ch 41 SLA 1980; am §§ 1, 3 ch 42 SLA 1980; am §§ 1, 2 ch 43 SLA 1980; am §§ 1, 3 ch 67 SLA 1980; am §§ 10, 11 ch 71 SLA 1980; am §§ 6, 7 ch 72 SLA 1980; am §§ 2, 15 ch 82 SLA 1980; am §§ 1, 3 ch 87 SLA 1980; am §§ 7, 8 ch 143 SLA 1980; am §§ 1, 2 ch 153 SLA 1980; am §§ 2, 5 ch 159 SLA 1980; am §§ 41, 42 ch 167 SLA 1980)

Revisor's note. — Subsection (c) was rearranged by the revisor of statutes pursuant to AS 01.05.031 to conform to a logical arrangement of the subject matter. **Cross reference.** — For present provisions covering the subject matter of

Alaska State Legislature

BETTYE FAHRENKAMP, CHAIRMAN
VIC FISCHER, VICE-CHAIRMAN
BRAD BRADLEY
DICK ELIASON
DON GILMAN
BOB MULCAHY
ARLISS STURGULEWSKI



POUCH V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 485-3834
(907) 465-3835

Senate

Committee on Resources

June 17, 1981
1:30 p.m.

Beltz Room
211 - Capitol

MEMBERS PRESENT

Senator Fahrenkamp
Senator Mulcahy
Senator Gilman
Senator Sturgulewski
Senator Fischer

Hearing:

- HB 460 An Act relating to the fisheries and salmon enhancement taxes.
- SSSB 555 An Act relating to the Guide Licensing and Control Board, continuing its existence, and amending the qualifications for a special guiding permit.
- CSHB 472 An Act relating to the maximum amounts which may be loaned under the fisheries enhancement loan program.
- HJR 44 Relating to the Alaska Native Allotment Act.

Mark Jensen, Chairman, Guide Licensing and Control Board, stated that he supports the proposed Senate Committee Substitute for SSSB 555 which extends the Board until 1982.

Senator Sturgulewski put forth the motion to move CSSSB 555 (Res) with individual recommendations.

Senator Mulcahy stated that the Fisheries Subcommittee had waived CSHB 472 to the full Committee. The measure raises the loan limit under the fisheries enhancement loan program.

Joe Davis, Loan Examiner, Department of Commerce and Economic Development, stated that the loan limit should be raised because some non-profit hatcheries will require loans in excess of the present limit of \$6 million.

Senator Mulcahy put forth the motion to move CSHB 472 with individual recommendations.

SENATE RESOURCES COMMITTEE

June 17, 1981

Page: 1

Senator Gilman put forth the motion to move HJR 44 with individual recommendations.

Senator Fahrenkamp stated that the proposed Senate Committee Substitute for HB 460 amends the title and adds some portions of SB 524 which had passed the Senate and deleted in the House.

Tom Williams, Commissioner of Revenue, stated that he saw some problems with raising the tax credit limit to \$20 million. He suggested that on page 1, line 14, after the word "use" insert "in the state". He also, stated that the Attorney General had informed him that in order for Section 1 to be retroactive there needed to be a showing of public purpose.

Senator Mulcany put forth the motion to insert the words "in the state" after the word "use" on page 1, line 14, in CSHB 460 (Res).

Senator Mulcahy put forth the motion to move Senate CSHB 460 (Res) with individual recommendations.

The Committee adjourned at 2:25 p.m.

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COMMITTEE REPORT
SENATE

5/20/81

FURTHER: None

Date: 5/20/81

Mr. President:

The Committee on RESOURCES has had SR 573

regulating the sale and labeling of honey

under consideration and (a majority of the committee) (the committee reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

~~AMENDMENT~~

*Committee
Substitute*

~~OFFERED IN THE SENATE:~~

BY: RESOURCES

To: _____ SENATE BILL No. 573

HOUSE BILL No. _____

PAGE: 1

LINE: 9

Page 1, Line 9, delete: "sold, offered for sale, or"

*sent to
legis
1/29
2-2-2002*

Alaska State Legislature

BETTYE FAHRENKAMP, CHAIRMAN
VIC FISCHER, VICE-CHAIRMAN
BRAD BRADLEY
DICK ELIASON
DON GILMAN
BOB MULCAHY
ARLISS STURGULEWSKI



POUCH V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3835

Senate

Committee on Resources

May 29, 1981
1:30 p.m.

Beltz Room
211 - Capitol

MEMBERS PRESENT

Senator Fahrenkamp
Senator Sturgulewski
Senator Bradley
Senator Mulcahy
Senator Gilman

Hearing:

- SJR 48 Relating to the implementation of the Surface Mining and Reclamation Control Act by the Secretary of the Interior
- SB 145 An Act providing for free resident hunting and sport fishing licenses for disabled veterans; and providing for an effective date
- SB 573 An Act relating to the sale and labeling of honey
- CSHJR 50 (Coal) Expressing the sense of the Alaska Legislature that the state's coal resources be developed for sale and export

Phil Holdsworth stated that he was speaking in behalf of the state's coal lessees. The lessees approve of SJR 48. The resolution is necessary to notify the Department of the Interior that the state is working on a surface mining act and regulations.

Mr. Holdsworth stated that Section 708 of the federal Act allows for study and recommendations to take special conditions in Alaska into account. The Secretary of the Interior has not yet submitted those recommendations, and the Office of Surface Mining is undergoing changes in personnel and philosophy. It seems wise to delay adoption of an act until the next session of the Alaska Legislature.

Senator Sturgulewski put forth the motion to move SJR 48.

Senator Bradley stated that the State Affairs Committee substitute for SB 145 corrected a citation error and "degendered" the language in the original bill. The committee substitute also adds an effective date.

Senator Bradley stated that 38 states have free hunting and sport fishing licenses for disabled veterans, and that four states have legislation to this effect before their legislatures. There are 515 persons that would be eligible for free licenses under the provisions of the bill.

Senator Mulcahy put forth the motion to move CSSB 145 (State Affairs) with individual recommendations.

Senator Fahrenkamp stated that there was an amendment proposed by the sponsor to SB 573, to delete the words "sold, offered for sale" from line 9, and to insert the word "distribute" in that place.

Don Magnusson (Alaska Retail Association) stated that he had suggested the sponsor's proposed amendment. The intention was to insure that retailers would not be liable for the content of labels on honey.

Senator Gilman put forth the motion to amend SB 573, deleting the words "for sale" from the title and the words "sold, offered for sale, or" from line 9.

Senator Mulcahy put forth the motion to move SB 573 as amended as CSB 573 (Resources) with individual recommendations.

Senator Fahrenkamp stated that there was a proposed committee substitute for CSHJR 50 (Coal). After discussion, the Committee withheld action on the resolution.

The Committee adjourned at 2:07 p.m.

STATE OF ALASKA

MEMBER

TENTH ALASKA LEGISLATURE
ELEVENTH ALASKA LEGISLATURE
TWELFTH ALASKA LEGISLATURE



POUCH V
JUNEAU, ALASKA 99811
(907) 465-3822
283 MULDOON ROAD
STATION BOX 76
ANCHORAGE, ALASKA 99504
(907) 333-1179

SENATOR TIM KELLY

May 26, 1981

To: Senator Bettye Fahrenkamp
Chairman, Senate Resources Committee

From: Senator Tim Kelly *TK*

Re: Senate Bill 573

Senate Bill 573 was introduced at the request and behalf of the Honey Producers of Alaska. The concern of these producers is that there are distributors of Honey in the state that are selling honey that they have purchased from outside the state in large multi-gallon drums. These same producers are labeling this Honey in a way that the consumer is under the impression that the Honey is in fact Alaskan produced Honey. The labeling is something to the effect that the Honey is "packaged in Alaska".

The distributors of the outside honey are able to under price instate producers by sometimes as much as 50¢ - \$1.00, due mainly to the fact that it is acquired in such large quantities. The present situation is resulting in a revenue loss for Alaskan producers in that they are not able to compete fairly with the producers and distributors that import their honey.

SB 573 would require that all Honey distributed or labeled in the state is to say specifically on the label not only where the Honey is packaged but more importantly where the Honey is produced, thereby giving the consumer that prefers Alaskan produced honey a clear and honest choice.

AMENDMENT #1

Page 1, Line 9, delete: (sold, offered for sale,)

Page 1, Line 9, add: Honey distributed or

The effect of this amendment is to take the burden off of the producer in that his primary concern is to sell the Honey and not to be held responsible for the distributors who choose not to comply with the law by not properly labeling their product.

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STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

Leg Lib SB 582
1981-82
JAY S. HAMMOND, GOVERNOR

POUCH M
JUNEAU, ALASKA 99811
PHONE: (907) 465-2400

May 10, 1982

The Honorable Bettye Fahrenkamp
Chairman
Senate Resources Committee
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Chairman Fahrenkamp:

The Department very much appreciates the attention you and your Committee have devoted to the inauguration of a State Forest System through deliberations on SB 582, relating to the creation of a Fairbanks State Forest.

As you know, State lands proximate to the road network in the greater Fairbanks area are the subject of intense competition between resource interest groups given inadequate road access to interior lands. The combination of timber and firewood demand, agricultural development, land disposals, municipal entitlements, mining and oil and gas development, and recreational use has made the allocation of lands to primary uses an exceedingly difficult task. This problem, coupled with varying opinions on the management guidelines to be applied to State retained forest lands, has made it impractical to achieve a consensus Fairbanks State Forest bill during this session despite the excellent effort you have directed to this subject.

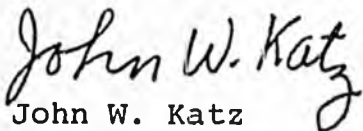
Nevertheless, there remains the urgent need to firmly identify a permanent timber base in the Fairbanks area to provide assurance to the industry of a continuous timber development program and to permit accurate calculations of allowable cut and sustainable yield. Therefore, it is the Department's intention to identify those lands around Fairbanks which plainly belong in the State's long term timber resource holdings and to formally place them in a forestry classification by the close of this calendar year. This should

May 10, 1982

provide adequate evidence to the forest products industry of the Department's commitment to a forest development land base in Fairbanks, as well as to establish at least some of those lands which may be formally consecrated as part of the Fairbanks State Forest during the next legislative session. This will also provide an expanded land base from which to schedule future timber sales and other wood utilization projects. At the same time, since the lands involved will be managed on a sustained yield, multiple use basis, other uses, such as public recreation, mining and habitat protection, can also be permitted.

The Department would certainly commend you and the Committee for your leadership and support on this important issue. We look forward to working with you and other Committee members as the Department formally initiates the land classification process.

Sincerely,



John W. Katz
Commissioner

cc: Fairbanks delegation
Other Committee members

...of un-
 ...detailing sale procedures
 later this week, Barton said.
 Nineteen of the 29 parcels are con-
 sidered suitable for dairy farm
 development; the others for vegetable
 and beef production.
 The sale is intended to get the Point
 MacKenzie agricultural project back
 on track after it was derailed by several
 court rulings issued since the first state
 agricultural sale there on March 6,
 1981.
 That sale was annulled and lottery
 winners prevented from clearing or

...bias
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 ...stituted
 The
 prequalifi-
 said. App-
 have to be
 or a one-
 whether a
 the Legislat-
 If the bill is
 Jay Kertula

5/18/82 Fairbanks News Miner

State to designate land for forestry activities

News-Miner Bureau

JUNEAU—Portions of state land in the Fairbanks area will be set aside for woodcutting, mining, recreation and other multiple uses but restricted from land disposals for homesites or agricultural projects.

That's according to Natural Resources Commissioner John Katz who has pledged that his department will identify and designate forestry lands in the Fairbanks area by December.

The move, outlined in a letter to Sen. Bettye Fahrenkamp, D-Fairbanks, comes after state officials and lawmakers have given up chances for passing a state forest bill this year.

A bill (CSSB 582), sponsored by Fahrenkamp, to create 1.5 million acres in state forests around Fairbanks is bogged down in the Legislature and its chances for approval this year are slim.

As a result, Katz has vowed to administratively set aside Fairbanks forest lands until a bill is approved.

"This will provide adequate evidence to the forest products industry of the department's commitment to a forest development land base in Fairbanks, as well as to establish at least some of those lands which may be formally consecrated as part of the Fairbanks State Forest during the next legislative session," he said in a letter last week.

"This will also provide an expanded land base from which to schedule future timber sales and other wood utilization projects."

Neither DNR officials nor Fahrenkamp had an estimate of the amount of land involved, but Fahrenkamp said it would include most of the land slated for state forest designation in her bill. Much of that land is located along the Richardson Highway.

The forestry classification means the land will be managed for a sustained yield, Katz said, meaning virtually all types of activities would be tolerated. Those include recreation, mining, hunting, oil and gas exploration and woodcutting both for firewood and home construction.

The advantage of the forestry designation, said Fahrenkamp, chairman of the Senate Resources Committee, is that the quota for wood products can be increased. That means more firewood and house logs would be available for interior residents.

Fairbanks is currently suffering a shortage of wood. Nearly 60 percent of the area residents use wood for some portion of home heating and last year about 2,700 wood cutting permits were issued.

During a recent hearing on Fahrenkamp's bill, all but one of 16 Fairbanksans who testified on it were in favor of the measure setting aside the state forests.

Arson

An arson evaluation of the Salvage differed presented by po Markland arson

Markland, 47, in connection with salvage office and tempting earlier and business.

He has pleaded

Arson expert Lio he believes the fire s than in one spot as the

Regal said he belle set. There is a "great were set as well, for a tot

On Tuesday, jurors Regal giving a step-by-building at 2416 South Cus viewed initially Monday out

Cable comp

A "pretty blatant" theft of television service was reported Alaska State Troopers Monday company workers discovered an connection spliced into an under cable.

Troopers are investigating alleged theft of service at a home Dartmouth Drive.

According to Larry Rhody, Front Color Cable manager, the comp due to start an audit of Fair homes on the system beginning week. Monday's discovery, Rhody called "a pretty blatant." was not part of the planned audit.

The service theft was discovered after water leaked into the spa

EA district tions slated

Valley Electric Association s in two of the cooperative's districts will gather this week to board representative for their

customers in District 4, covering areas east of the highway and north of the Chena excluding Island Homes, will 30 tonight at the fairgrounds. tins at 6:30 p.m.

7, generally covering clear, Anderson and Healy ts at 2 p.m. Sunday at the ic Center, with dinner at 1

ng committees have for- names of two candidates for and three candidates for

t board member Jack in insurance agent residing Steese Highway, fac Richard Seifert, an em with the Cooperative EA- ce, who resides on Violet

1 Sunday he wants to olph, adding that their on energy and GVEA rowing every day. Seifert board of the defunct Center.

7, incumbent Norman face Richard L. Me- ron C. Stokes.

a heavy-duty mechanic ntractor; Stokes owns r Court and is a retired rator; and Suckling is a

ts are rotated. Other GVEA board are Ivan Bergh, W.A. "Bill" Lomen and Daniel

testing satellite instrument here

ple that brought shuttle have been in imenting with a ent designed to

space and interpret atmospheric conditions automatically. Alger said the instrument would be beneficial for

a reading of the pressure. Experiments started

Rev. 3/26/82

17 March 1982

Fairbanks, ALASKA

Senator Bettye Fahrenkamp
Pouch V
Juneau, ALASKA 99811

Dear Senator Fahrenkamp:

Last year, you introduced legislation - Senate Bill 582 - which would establish a state forest system for Alaska. As problems with the original bill came to light, you began work on a Sponser Substitute for SB 582.

We, the undersigned, have carefully reviewed and discussed both versions of this legislation and reached agreement as to the features we feel should be included.

Based on this consensus, we have re-drafted the enclosed version of the bill which we hope you will seriously consider.

Our proposal was hammered out in two meetings held recently in Fairbanks. The most significant change from the original draft of the Sponser Substitute is the deletion of Section 41.15.540 dealing with preference rights. It is our feeling that the free enterprise system is the best means of allocating timber resources on state forests and that special rights are unnecessary.

We feel that establishment of state forests in the Interior is a matter of utmost importance and urgency.

We urge you to take immediate and positive action toward enactment of an amended version of SB 582 during current legislative session.

We greatly appreciate your continued leadership on this issue.

John Adams
John Adams,
Northern Alaska Environmental Center

Byron W. Haley
Byron W. Haley

Alan Jones
Alan Jones

Allen R. Cronk
Allen R. Cronk

Frederic J. Bethune
Frederic J. Bethune

Richard B. Jackson
Richard B. Jackson

Tony Gasbarro
Tony Gasbarro

Allen P. Richmond
Allen P. Richmond

respectfully,

William R. Wood
William R. Wood

Jerry Flodin
Jerry Flodin
Northland Wood Products Inc.

Steve LaBue
Steve LaBue
TNRWA
WOODCUTTERS
ASSOCIATION

George B. Sampson
George B. Sampson
Society of American Foresters

Edward Crobio
for Carl Armstrup AARC
Carl Armstrup, Alaska Agricultural
Action Council

213582

The attached pages delineate all timber sales on the Northcentral District during calendar year 1981.

The overall summary follows:

Spruce: 4219.81 MBF = \$167,911.41
 1626.5 CCF = \$9,221.55
 68.36 MLF = $\frac{\$17,090.00}{\$194,226.96}$

Hardwoods:
 5083 CCF = \$57,252.70
\$251,475.66

Personal Use Permits:
 25,557.5 cords = \$15,346.50

\$266,822.16 Total Revenue to State

Calendar Year 1981 commercial Hardwood Sales - SUMMARY

<u>Sale #</u>	<u>Species</u>	<u>Volume</u>	<u>\$/unit</u>	<u>Total value</u>	<u>Purchaser</u>
NC-360	Birch	100 cds.	\$3.00	\$300.00	Pyne
NC-361	Birch	100 cds.	\$3.00	\$300.00	Baker
NC-362	Birch	100 cds.	\$3.00	\$300.00	Griffith, Becky
NC-352	Birch	100 cds.	\$3.00	\$300.00	Kilfoyle
NC-365	Birch	80 cds.	\$7.00	\$560.00	Albrecht, D.
NC-368*	Birch	70 cds.	\$7.00	\$490.00	Horton
NC-355	Birch	100 cds.	\$7.00	\$700.00	King
NC-370	Birch	45 cds.	\$7.00	\$315.00	Hofshulte
NC-316	Birch	2327 CCF	\$10.60	\$24,666.20	Kipmik Log Homes
NC-349	Birch	50 cds.	\$2.26	\$113.00	Kenaston
NC-378#	Birch	70 cds.	\$5.00	\$350.00	Dry Creek Ent.
NC-383	Birch	60 cds.	\$3.27	\$196.20	Griffith, Doug
NC-323*	Birch	270 CCF	\$10.50	\$2,835.00	Northland Wood Prod.
	CW	181 CCF	\$2.80	\$506.80	Northland Wood Prod.
NC-344*	CW	186 CCF	\$2.80	\$520.80	Northland Wood Prod.
NC-376	Birch	550 CCF	\$18.50	\$10,175.00	North Pole W.P.
NC-357	Birch	669 CCF	\$21.30	\$14,249.70	Schallock Ent.
NC-397	Birch	75 cds.	\$3.00	\$225.00	Fitzsimons, B.
NC-396	Birch	50 cds.	\$3.00	\$150.00	Gregor

TOTALS

18 sales 1,000 cords + 4183 CCF = 5647.78 cords for \$57,252.70
 = average price of \$10.14/cord

* sale also includes some Spruce
 # indicates Delta Area Sales

Calendar Year 1981 Commercial Spruce Sales - SUMMARY

<u>Sale #</u>	<u>Species</u>	<u>Volume</u>	<u>\$/unit</u>	<u>Total Value</u>	<u>Purchaser</u>
NC-325#	Spruce	130 MBF	\$13.00	\$1,690.00	Dry Creek Ent.
NC-368*	"	30 cds.	\$23.33	\$700.00	Horton
NC-364	"	100 cds.	\$3.00	\$300.00	McFarland
NC-350	"	100 cds.	\$7.00	\$700.00	McCarter
NC-369#	"	145 MBF	\$28.10	\$4,074.50	Pine
NC-318	"	278.2 MBF	\$41.25	\$11,475.75	Northland Wood Prod.
NC-377	"	13.5 MBF	\$108.96	\$1,471.00	Kipmik Log Homes
NC-317	"	818.11 MBF	\$15.10	\$12,353.46	Northland Wood Prod.
NC-367	"	100 cds.	\$7.00	\$700.00	Albrecht, J.
NC-322	"	348 MBF	\$105.00	\$36,540.00	Hall
NC-371	"	50 cds.	\$3.00	\$150.00	Gumm
NC-378*#	"	515 cds.	\$5.00	\$2,575.00	Dry Creek Ent.
	"	132 MBF	\$28.35	\$3,742.20	
NC-388#	"	80 MBF	0	0	Four Star Lumber
NC-323*	"	1045 MBF	\$37.70	\$39,396.50	Northland Wood Prod.
	"	502 CCF	\$5.60	\$2,811.20	
NC-344*	"	1224 MBF	\$46.50	\$56,916.00	Northland Wood Prod.
	"	229 CCF	\$5.60	\$1,282.40	
NC-384	"	100 cds.	\$0.0295	\$2.95	Parks

TOTALS

16 sales 4213.81 MBF @ \$167,659.41 = \$39.79/MBF
 995 cds. @ \$5,127.55 = \$5.15/cd.
 751 CCF @ \$4,093.60 = \$5.60/CCF

* sale also includes some hardwoods
 # indicates Delta Area Sales

Calendar Year 1981 - Personal Use Sales

<u>Sale #</u>	<u>Species</u>	<u>Volume</u>	<u>\$/unit</u>	<u>Total Value</u>	<u>Purchaser</u>
P-44	Spruce	2 MLF	\$250.00	\$500.00	Price
P-47	"	3 MLF	\$250.00	\$750.00	Hauxhurst
P-49	"	2 MLF	\$250.00	\$500.00	McDonald, T.
P-54	"	2 MLF	\$250.00	\$500.00	McDonald, B.
P-81-72	"	2 MLF	\$250.00	\$500.00	Cooper
P-56	"	2 MLF	\$250.00	\$500.00	Lee
P-81-80	"	2 MLF	\$250.00	\$500.00	Hanna
P-60	"	2 MLF	\$250.00	\$500.00	Carroll
P-81-70	"	2 MLF	\$250.00	\$500.00	Murphy
P-81-69	"	2 MLF	\$250.00	\$500.00	Kahl
P-26	"	3 MLF	\$250.00	\$750.00	Crickshank
P-46	"	2 MLF	\$250.00	\$500.00	Kurth
P-53	"	2 MLF	\$250.00	\$500.00	Maddox
P-55	"	2 MLF	\$250.00	\$500.00	Garbowski
P-81-75	"	2 MLF	\$250.00	\$500.00	Pair
P-81-83	"	3 MLF	\$250.00	\$750.00	Noreen
P-52	"	2 MLF	\$250.00	\$500.00	Theuer
P-58	"	4 MLF	\$250.00	\$1000.00	Apperson
P-81-85	"	1 MLF	\$250.00	\$250.00	Gaedeke
P-81-86	"	.84 MLF	\$250.00	\$210.00	Moroney
P-81-76	"	2 MLF	\$250.00	\$500.00	Post VanderBurg
P-51	"	2 MLF	\$250.00	\$500.00	Leistikow
P-81-82	"	2 MLF	\$250.00	\$500.00	Speer
P-62	"	2 MLF	\$250.00	\$500.00	Graham
P-81-84	"	3 MLF	\$250.00	\$750.00	Merrill
P-82-1	"	3 MLF	\$250.00	\$750.00	Newton
P-82-11	"	3 MLF	\$250.00	\$750.00	Vorisek
P-82-12	"	2.5 MLF	\$250.00	\$625.00	Henry
P-82-14	"	1.02 MLF	\$250.00	\$255.00	Eberahrtd

Delta Personal Use sales:

DP-19	"	6 MBF	\$7.00	\$42.00	Peckham
DP-21	"	4 MLF	\$250.00	\$1000.00	Knight
DP-20	"	10 MBF	\$7.00	\$70.00	Chase
DP-22	"	10 MBF	\$7.00	\$70.00	Warden
DP-23	"	10 MBF	\$7.00	\$70.00	Walker
DP-25	"	1 MLF	\$250.00	\$250.00	Jorgensen

Totals: 68.36 MLF = \$17,090.00
 36 MBF = \$252.00

Personal Use Permits:

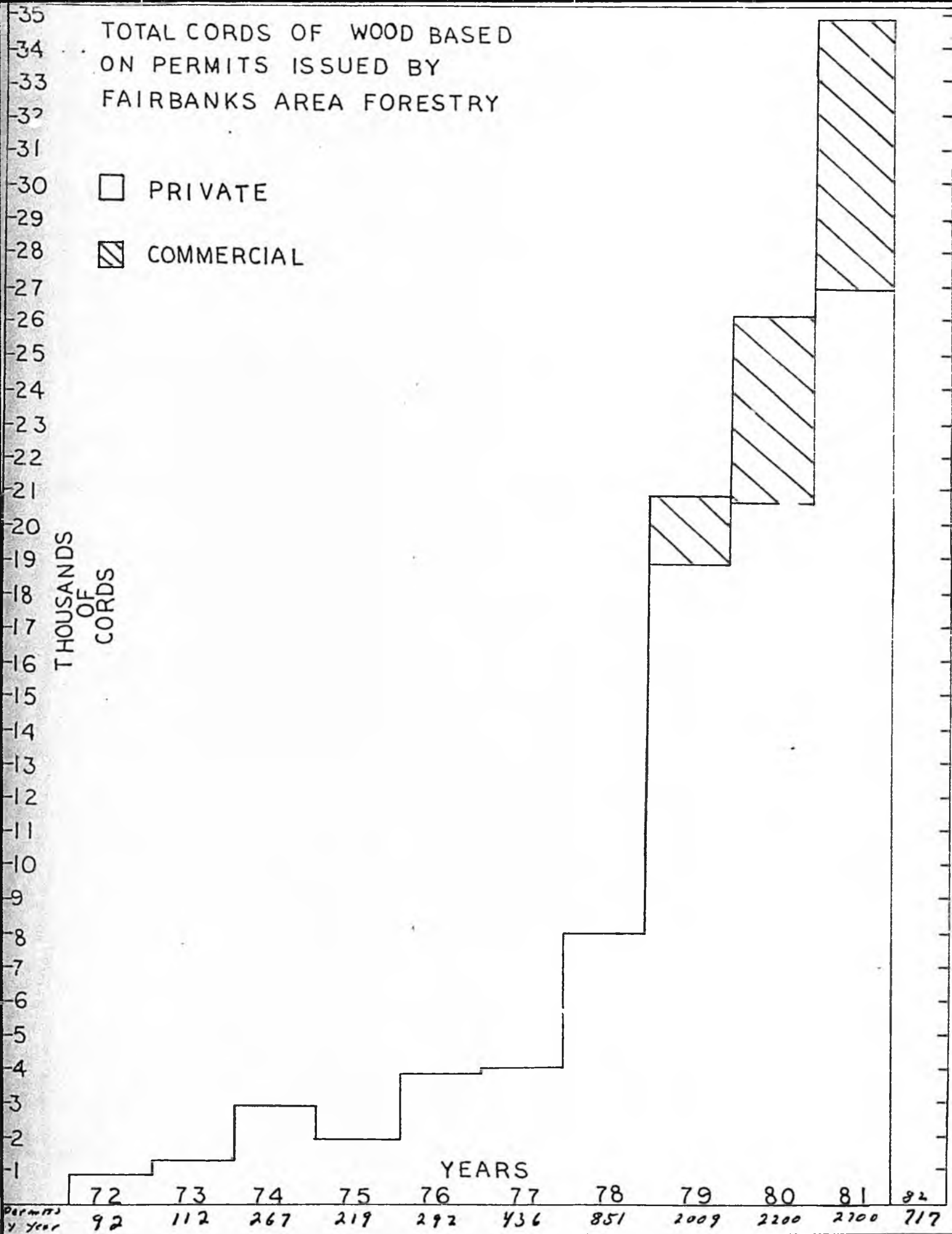
2,861 permits 25,557.5 cords \$15,346.50

TOTAL CORDS OF WOOD BASED
ON PERMITS ISSUED BY
FAIRBANKS AREA FORESTRY

- PRIVATE
- ▨ COMMERCIAL

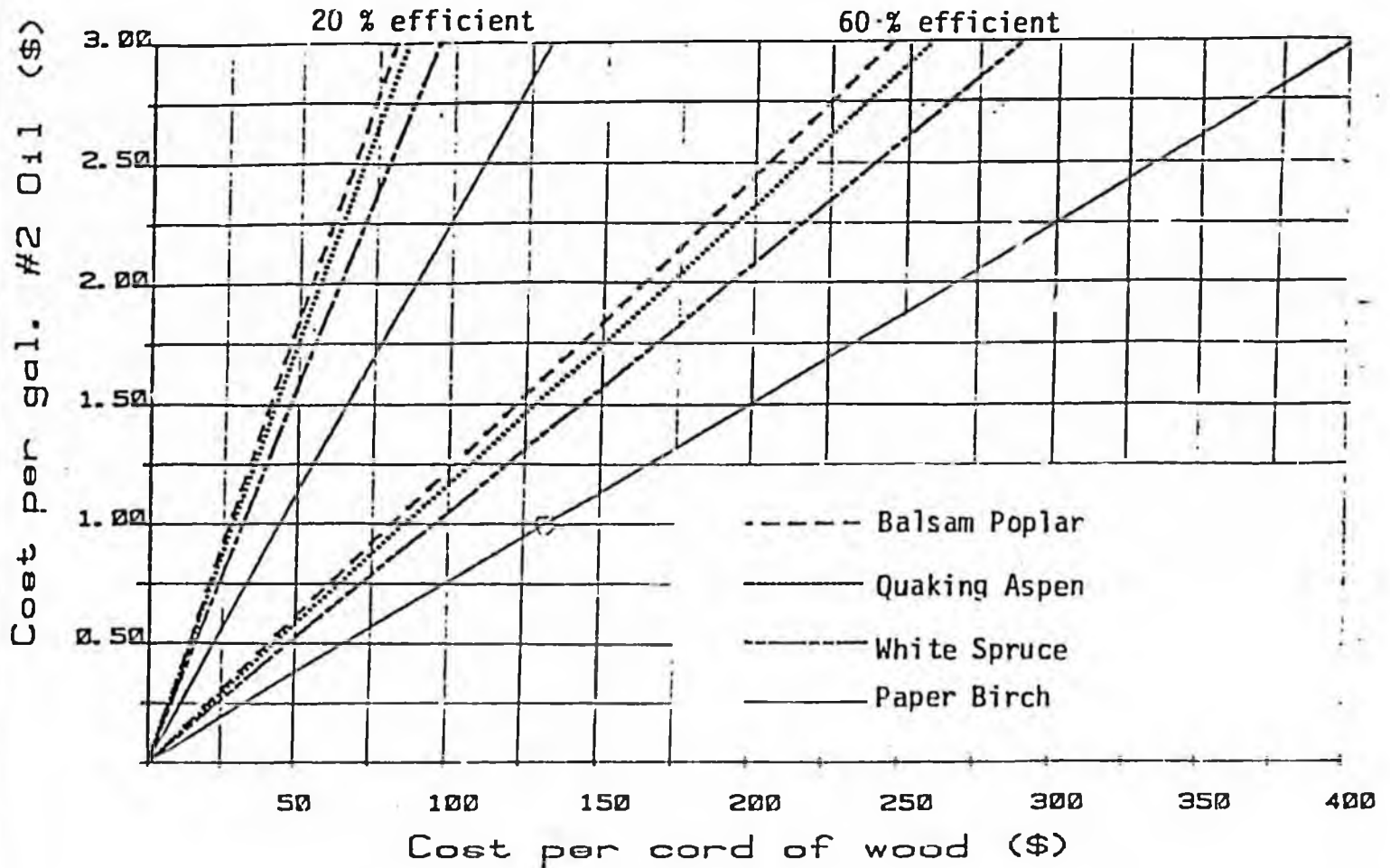
T H O U S A N D S
O F
C O R D S

Y E A R S



EVEN POINTS OF ECONOMICALLY heating with four different woods or No. 2 fuel oil.

Example: If local fuel costs are \$0.75 per gallon and you are burning dry paper birch in a 20% efficient wood heater, you can afford to pay up to \$33.00 per cord and break even. If you had a 60% efficient wood heater, you could afford to pay up to \$100.00 per cord.



Assumptions: Wood heaters compared are 20 and 60 percent efficient. Oil heater compared is 70 percent efficient ^{1/}. One cord of wood has 80 cu. ft. solid wood content. Wood is dried to 20% moisture content. One gallon No. 2 fuel oil is equal to 138,000 BTU's.

B.T.U. values of local wood based on air dried weight (20% moisture content) and 80 cu. ft. solid wood content per cord.

Paper birch	21.5 million BTU's
White spruce	15.5 million BTU's
Willow & Alder	15.5 million BTU's
Aspen	13.9 million BTU's
Balsam poplar	13.2 million BTU's

^{1/} Additional costs of electricity and maintenance of oil heaters are not reflected in the graph.

Graph prepared by J.D. Argyle - Forester USFS 11/1/79

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Alaska State Legislature

BETTYE FAHRENKAMP, CHAIRMAN
VIC FISCHER, VICE CHAIRMAN
BRAD BRADLEY
DICK ELIASON
DON GILMAN
BOB MULCAHY
ARLISS STURGULEWSKI



POUCH V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3835

Senate

Committee on Resources

June 5, 1981
1:30 p.m.

Beltz Room
211 - Capitol

MEMBERS PRESENT

Senator Fahrenkamp
Senator Fischer
Senator Bradley
Senator Sturgulewski
Senator Mulcahy
Senator Eliason
Senator Gilman

HEARING:

- CSHB 535 An Act relating to the Alaska Agricultural Action Council.
- HCR 29 Relating to the development of a plan for Alaska agricultural development.
- SB 588 An Act relating to mineral leasing.
- HB 456 An Act relating to agriculture.
- HB 88 An Act relating to the qualifications for the farm or agricultural lands tax exemption.
- HB 83 An Act making special appropriations to the Department of Fish and Game for bison management.
- HB 538 An Act relating to a small-scale agriculture grant program.

Representative Gardiner, stated that HCR 29 and HB 535 outline the state's policies and goals for agricultural development. HB 535 increases the membership on the Agricultural Action Council from 5 to 7 members.

Senator Sturgulewski put forth the motion to move SCS CSHB 535 with individual recommendations.

Senator Sturgulewski put forth the motion to move HCR 29 and the letter of intent with individual recommendations.

Representative Gardiner stated that the purpose of HB 456 is to promote small scale agriculture.

Representative Rogers suggested an amendment to HB 456 on page 1, line 16, place a period after "state" and delete line 17.

Senator Fischer put forth the motion to accept the amendment. He put forth several technical and grammatical amendments which were accepted.

Senator Fischer put forth the motion to move HB 456 as a Senate Committee Substitute with individual recommendations.

Dick Bishop, Regional Supervisor, Fairbanks, Department of Fish and Game, stated that HB 83 provides funding to develop the Delta Bison range and improve the bison summer range to delay their movement.

Representative Gardiner stated that he had looked at other alternatives and HB 83 was the least expensive to help ease the conflict between bison and agriculture.

Senator Mulcahy put forth the motion to move HB 83 with individual recommendations.

Representative Gardiner stated that HB 538 is designed to help small scale and village agricultural programs. He suggested that the Committee consider a letter of intent stating that the funds should be dispersed throughout the state and that no single geographical region receive an abnormal amount of the funds.

Senator Mulcahy put forth the motion to move CS HB 538 with individual recommendations and the letter of intent.

Senator Fahrenkamp put forth the motion to defer consideration of HB 88.

SB 588 was held until the Committee meeting June 8, 1981.

The Committee adjourned at 3:05 p.m.

Alaska State Legislature

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Senate

Committee on Resources

June 8, 1981
1:30 p.m.

Beltz Room
211 - Capitol

MEMBERS PRESENT

Senator Fahrenkamp
Senator Fischer
Senator Bradley
Senator Eliason
Senator Mulcahy
Senator Sturgulewski
Senator Gilman

Hearing:

SB 588 and HB 350 An Act relating to mineral leasing.

HB 434 An Act relating to pipelines and merging the Alaska Pipeline Commission with the Alaska Public Utilities Commission.

HB 507 An Act relating to the fishermen's mortgage and note program under AS 16.10.650 - 16.10.720.

HB 196 An Act relating to establishment of the Alaska State Climate Center and a State Weather and Climate Program.

SCR 31 Relating to the southeastern Alaska troll fishery.

Staff discussed SB 588 and HB 350.

Phil Holdsworth, Alaska Miners Association, stated that the proposed SCS CSHB 350 (res) is supported by his association.

Senator Sturgulewski put forth the motion to move SCS CSHB 350 (res) with individual recommendation.

Karen Corey, Chairman, Alaska Pipeline Commission, stated that she supports HB 434.

Carolyn Guess, Chairman, Alaska Public Utilities Commission, stated she supports HB 434.

Senator Sturgulewski put forth the motion to correct the

SENATE RESOURCES COMMITTEE

June 8, 1981

Page: 2

typographical errors on page 3, line 2 and page 3, line 20.

Senator Sturgulewski put forth the motion to move the corrected HB 196 with individual recommendations.

Senator Mulcahy stated that CSSB 507 is designed to provide mortgage loans to rural Alaskans.

Senator Mulcahy put forth the motion to move CSSB 507 with individual recommendations.

Senator Eliason requested that SCR 31 be held one day in order to work on the resolve clause.

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COMMITTEE REPORT

SENATE

FURTHER:

Date: 2/12/80

Mr. President:

The Committee on WARRANTS has had SEN 804

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s) same title
- replace with CS for _____ new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

SENATE AMENDMENT

By Senator Gilman

To: CSSS SENATE BILL No. 608 (Resources)

To: _____ HOUSE BILL No. _____

PAGE: 1 LINE: 27

Sec. 7. The sum of \$35,000,000 is appropriated from the general fund to Alaska Power Authority for construction of Bradley Lake hydroelectric project.

SENATE AMENDMENT

By Senator Dick Eliason

To: Senate Resources Committee SENATE BILL No. CSSSSS 608

To: _____ HOUSE BILL No. _____

PAGE:

LINE:

1

27 Add new Section 7

The sum of \$200,000 is appropriated from the general fund to the Alaska Power Authority for a new power distribution system in Tenakee Springs.

Renumber subsequent sections accordingly.

SB 608

TO: Billy Berrier
Director
Legal Services

DATE: 3/12/82

Attn: Pegues

FROM: Bettye Fahrenkamp
Chairman

RE: CSSSSB 608(Res)

Attached is CSSSSB 608(Res) the Committee would like the following changes incorporated in the bill:

Under "Funding Information" delete "34,400,000" and insert "\$36,900,000"

Page 1, line 27 insert a new Sec. 7 to read:

"The sum of \$2,500,000 is appropriated from the general fund to the Alaska Power Authority for an electric generation unit for Cordova."

And renumber the following sections accordingly.

If you have any questions please contact Resa King at 465-3834. When the bill is completed please return it to Room 211 Capitol Building.

Attachments.

Original sponsors: Kerttula, Dankworth,
Bennett, et al

Funding Information

General Fund \$34,400,000
Other Funds -0-
\$34,400,000

IN THE SENATE \$36,900,000

BY THE RESOURCES COMMITTEE

CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 608 (Resources)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act making special appropriations to the Alaska Power Authority for power projects; and providing for an effective date."

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

* Section 1. The sum of \$25,600,000 is appropriated from the general fund to the power development fund of the Alaska Power Authority (AS 44.83.380 - 44.83.425) for the Susitna River hydroelectric project (AS 44.83.300 - 44.83.360).

* Sec. 2. The sum of \$500,000 is appropriated from the general fund to the Alaska Power Authority for design and right-of-way activities for a possible Kake-Petersburg intertie.

* Sec. 3. The sum of \$2,000,000 is appropriated from the general fund to the Alaska Power Authority for installation of waste heat facilities in rural villages.

* Sec. 4. The sum of \$2,000,000 is appropriated from the general fund to the Alaska Power Authority for the Lower Kuskokwim power plan.

* Sec. 5. The sum of \$4,000,000 is appropriated from the general fund to the Alaska Power Authority for feasibility studies in rural villages.

* Sec. 6. The sum of \$300,000 is appropriated from the general fund to the Alaska Power Authority for feasibility analysis of alternatives that can lower the cost of power for Angoon.

* Sec. 7. The appropriations made by this Act are for capital projects and are subject to AS 37.25.020.

* Sec. 8. This Act takes effect immediately in accordance with AS 01.10.-

Adawa 2,500,000-1-

CSSEST 608(Res)

1 G70(c).

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The items listed below are in the subject
file - hydro, Alaska State Legislature - 82.

BETTYE FAHRENKAMP, CHAIRMAN
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Senate

Committee on Resources

TO: Senate Resources Committee
FROM: Senate Resources Committee Staff
DATE: 2/27/82
RE: Hearing - 3/3/82 - SB 608 - Special appropriation to the power development fund of the Alaska Power Authority for the Susitna River hydroelectric project and other projects.

Attached are several reports and documents regarding the Susitna project; and other related materials:

1. Battele Pacific Northwest Laboratories; Railbelt Electric Power Alternatives Study;
2. Four House Research Agency Reports;
3. State of Alaska Long Term Energy Plan - 1982 Report - Summary (entire report previously distributed);
4. Department of Labor - Official Population and projections through 1985;
5. January 15, 1982 Birch, Horton, Bittner and Monroe Report - Summary (the report is 3 volumes and 2 volumes of regulations);
6. February 5, 1982 Birch, Horton, Bittner and Monroe Report;
7. Arlon Tussing - Susitna Hydropower; A Review of the Issues;
8. February 24, 1982, Budget and Audit Memorandum, regarding general funds available for appropriation; and,
9. Alaska Ruralite article: The Alaska Scene.

Attachments

Ed: 3/8/82

ALASKA POWER AUTHORITY

334 WEST 5th AVENUE - ANCHORAGE, ALASKA 99501

Phone: (907) 277-7641
(907) 276-0001

March 5, 1982

The Honorable Bettye Fahrenkamp
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Fahrenkamp:

At your 3 March 1982 Senate Resources Committee hearing on SB-608, you requested that I identify the minimum funding requirements needed to insure that the energy development program proceeds unimpeded. Last year the Legislature appropriated both funds and interest to be earned on those funds to construct a number of projects. The Attorney General has made a preliminary funding that interest was improperly appropriated and thus is not available. In addition, construction costs of some of the projects have risen while the cost of others decreased.

The Power Authority has provided tax exempt interim financing for two of the projects and is prepared to do the same for others if necessary. This technique must be construed only as a temporary solution, however, as it will ultimately be necessary to provide long term financing through state appropriations or Revenue Bonds. Please also be aware that this is my perceptions of funding needs that would maintain the current program, but it has not been endorsed by Governor Hammond or his staff. The Governor's Budget Review Committee has a much broader view of the state's program priorities and should be consulted when reviewing this input. Finally, I have identified for Senator Dankworth those funds previously appropriated which are excessive to specific project needs and thus are available for reappropriation. Following is the information which you requested:

1. Swan Lake - It appears that it will cost up to \$16 million to complete the acquisition and construction of this project through December 1983. However, interim financing is in place. Therefore it is possible to defer subsequent appropriations of these amounts to the future, or long term bonds could be issued sometime prior to the maturity of the interim financing. Therefore the appropriation request could be reduced to zero for the current fiscal year.
2. Lake Teese - Interim financing has also been accomplished for this project, however, \$40 million in state funding may be necessary to complete the construction financing of this project if the state is going to directly fund the full costs of this project. It is possible that the FY 83 appropriation for this project could be deferred to FY 84.

The Honorable Bettye Fahrenkamp
March 5, 1982
Page 2

3. Bradley Lake - The Power Authority is currently preparing its recommendations to the Governor and the Legislature for this project. \$15 million has been appropriated to date for the project and it has been indicated by the Corps of Engineers that in order to enter into an agreement to proceed with construction of the project in FY 83, it would be necessary for an additional \$35 million to be appropriated in FY 83. In addition, the Legislature must authorize the Power Authority to proceed with design and construction of the project.
4. Anchorage/Fairbanks Intertie - Since interest earnings may not be available, unless the law is changed for funds appropriated for projects to be financed from the Power Development Fund, it would be necessary to appropriate \$57 million to complete construction of the project through FY 84. The Power Authority would need authorization to issue bonds to complete construction of the project if appropriations were not available in FY 83. For this project it is also necessary to amend or repeal Sec. 14, Ch. 118, SLA 1981, which is special legislation which could jeopardize efforts of the Power Authority to proceed with construction of the project.
5. Terror Lake - The estimated cost to complete construction of this project for the low dam scheme is \$174 million. The Power Authority will receive bids in mid-April for the major Civil Construction Contract associated with this project. It will only be at that time that we'll have a more definitive cost to complete construction of this project. The Power Authority can interim finance this project with the existing bond authorization of \$120 million and the \$81.5 million in appropriated funds if the civil construction bids come in reasonably close to the estimated cost of the project. The reason the existing \$120 million bond authorization would be insufficient, if the construction cost increase by from \$5 to \$15 million, is because the interim financing mechanism requires that all interest during construction be capitalized out of note proceeds. Therefore it would be advisable to obtain an approximately \$20 million appropriation in FY 83 for the Terror Lake project or receive an increased authorization to issue bonds for the project of \$20 million.
6. Rural Electrification Loan Fund - This appropriation request could be reduced to zero for FY 83 since no utility has applied to date for our FY 82 funds. However restructuring of the fund may generate instant demands for existing funds.
7. Power Cost Assistance Fund - This capital appropriation was shifted into the operating budget request of the Power Authority by the Budget Review Committee and by knowledge has been included in the Governor's request for funding.

8. Black Bear Lake - The Power Authority does not have to initiate construction with funds to be appropriated in FY 83 and the Power Authority could be prepared to proceed with construction in FY 84 if \$3 million was appropriated in the current fiscal year to proceed with design of the project. It would also be advisable to authorize the Power Authority to issue bonds in the amount not to exceed \$60 million for the project which would also include capitalized interest. The actual present pay cost of the project is roughly \$35 million.
9. Kake/Petersburg Transmission Line Intertie - The Power Authority is still studying the feasibility of this project and there will not be a determination for approximately another 4 months. If the project is feasible, approximately \$500,000 would be necessary in FY 83 to proceed with design and right-of-way activities.
10. Kotzebue District Heating Project - Funding request of \$2.5 million would be necessary in FY 83 to proceed with the detailed engineering and design of the project. Feasibility study results may not be available for at least 2 months.
11. Chester Lake Hydroelectric Project - The Power Authority recommendations are currently being prepared on the feasibility of this project. If the project is authorized for construction approximately \$14 million would be necessary in FY 83. A FERC license will not be required to initiate construction of this project. The Legislature would have to authorize the Power Authority to proceed with design and construction of the project, in addition to a bond authorization of \$20 million if the project is not state funded.
12. Rural Small Hydro Construction - The \$27 million request for this program represents \$5 million in FY 83 and only the best of the projects currently being investigated would proceed with design and construction. Construction could begin this summer on some of the small projects.
13. Rural Waste Heat Construction - The full funding request of \$2 million is necessary for FY 83 because the assessments demonstrate that waste heat recapture is very attractive for many rural communities.
14. Susitna Hydroelectric Project - The budget request of \$25.6 million is what will be necessary to proceed with the detailed design and continued processing of the FERC license during FY 83. Authorization to proceed with engineering and design of the project is necessary.

15. West Creek Hydroelectric Project - The budget request of \$2 million is what would be necessary to initiate the detailed design of this project if the determination of feasibility is made within the next 2 months. If the Power Authority is going to be appropriated funds and to proceed with design of this project once the determination of feasibility is made it would be necessary to receive an authorization to proceed with design of the project from the Legislature.
16. Grant Lake - The Power Authority is currently completing the feasibility study for this project. If the Power Authority were going to proceed with design of this project at least \$2 million would have to be appropriated in FY 83. In addition, legislative authorization for construction would be required.
17. Bristol Bay Project Licensing and Final Design - The feasibility study is still proceeding, however, there will not be a final determination of feasibility of a project before the end of the legislative session. If the capital intensive alternative is determined to be feasible in the region it would cost approximately \$4 million to complete the detailed design of the project. In addition the Power Authority would have to be authorized to proceed with detailed design in accordance with our statutes.
18. Lower Kuskokwim Power Plan - \$2 million is necessary in FY 83 to complete the detailed feasibility study of the preferred alternatives which will be identified as a result of the studies currently underway. The \$1 million in funding in FY 82 was sufficient to complete Phase I of the detailed feasibility study of the Lower Kuskokwim Region.
19. Chakachamna Hydroelectric Project - \$2.2 million is necessary in FY 83 in order to complete the Chakachamna feasibility study which was funded for \$1 million in FY 82.
20. Rural Village Feasibility Study - The budget request of \$4 million for this project is necessary to address the severe problems in rural Alaska and to establish the feasibility of those alternatives which are identified in FY 81 as a result of the rural recon studies currently underway. If funding is reduced below \$4 million, then feasibility studies will only be undertaken on the alternatives that showed the greatest potential as a result of the FY 82 reconnaissance studies in rural Alaska.
21. Hoonah Intertie - If a detailed feasibility study and initiation of design of this project is going to be initiated, Appropriation necessary in FY 83 will be \$1.1 million.