

ALASKA LEGISLATURE COMMITTEE FILES 1981-1982 8672

2012 HSA HB 401 - HB 428 212

H B

401

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

3/25/81

(5)

Date: 5-6-81

Mr. Speaker:

The Committee on STATE AFFAIRS has had HB 401

"An Act authorizing participation by magistrates in the judicial retirement system; and providing for an effective date."

under consideration and reports it back as follows:

- 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
DC PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

John D. Miller

W. O. O.

W. O. O.

CHAIRMAN

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

POUCH C

JUNEAU, ALASKA 99611

Ph: 465-2200

May 11, 1981

Honorable Mike Miller
Pouch V
Juneau, AK 99811

Dear Representative Miller:

During your committee hearing on House Bill 401, An Act Authorizing Participation by Magistrates in the Judicial Retirement System, on May 7, 1981, you requested a revised fiscal note reflecting only the "47" active Magistrates.

The revised fiscal note is attached and reflects a savings in PERS of \$148.2 and a cost to JRS of \$642.7.

If I can be of further assistance, please let me know.

Respectfully,



W. R. Hudson
Commissioner

WRH/dm
C3/D1

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. House Bill 401
 Title An Act Authorizing Participation by Magistrates in the Judicial Retirement System
 Requested by Representative Miller Date 5-7-81

II. FISCAL DETAIL
 Agency Affected Administration - Division of Retirement and Benefits
 Program Category Affected Labor Services
 BRU, Program, or Subprogram(s) Affected PERS & JRS
 (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 STATE TRS MATCHING						
100 BENEFITS	0	494.5	494.5	494.5	494.5	494.5
TOTAL	0	494.5	494.5	494.5	494.5	494.5

FUNDING (Thousands of Dollars)

GENERAL FUND		405.0	405.0	405.0	405.0	405.0
FEDERAL FUNDS		(6.8)	(6.8)	(6.8)	(6.8)	(6.8)
VETERAN'S FUND		(.3)	(.3)	(.3)	(.3)	(.3)
FISH & GAME FUND		(.9)	(.9)	(.9)	(.9)	(.9)
HIGHWAY FUND		(1.9)	(1.9)	(1.9)	(1.9)	(1.9)
AIRPORT FUND		(4.3)	(4.3)	(4.3)	(4.3)	(4.3)
CAPITAL FUND		(12.6)	(12.6)	(12.6)	(12.6)	(12.6)
PERS						
TRS						

POSITIONS NONE

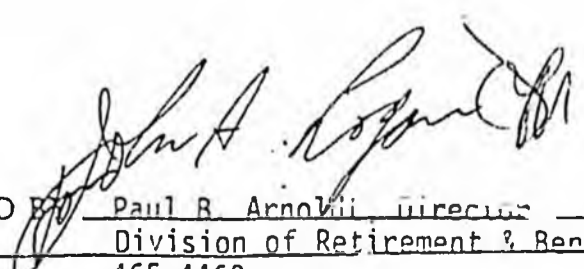
FULL TIME						
PART TIME						
TEMPORARY						

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

This is a summary of pages 2 and 3.

IV. DATE 5-7-81 PREPARED BY Paul B. Arnold, Director
 AGENCY Division of Retirement & Benefits
 PHONE 465-4460

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) Representative Haugen
 Office of the Governor (Keith Specking)



THE LEGISLATURE OF THE STATE OF ALASKA
 TWELFTH LEGISLATURE

Revised: 5-7-81
 Page 2 of 3 pages

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill 401
 Title An Act Authorizing Participation by Magistrates in the Judicial Ret. System
 Requested by Representative Miller Date 5-7-81

II. FISCAL DETAIL

Agency Affected Administration-Division of Retirement and Benefits
 Program Category Affected Labor Services
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-02-07 (JRS)

(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.						
100 Benefits	-0-	642.7	642.7	642.7	642.7	642.7
TOTAL	-0-	642.7	642.7	642.7	642.7	642.7

FUNDING (Thousands of Dollars)

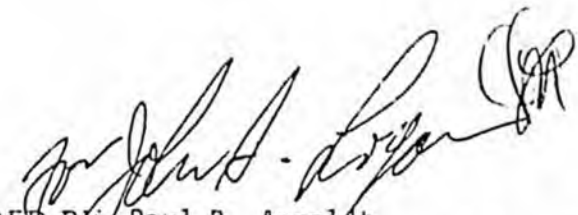
GENERAL FUND	-0-	642.7	642.7	642.7	642.7	642.7
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

1. Estimate approximately 47 Magistrates would be affected.
2. Estimate the average service per affected member to be approximately 5 years.
3. To fund this bill, the State contribution rate would be 60.71% of the FY82 covered payroll by Magistrates.
4. Estimated FY82 covered payroll for Magistrates to be \$1,058,574 (Assumes no annual increase).



IV. DATE 5-7-81

PREPARED BY Paul R. Arnold
 AGENCY Division of Retirement and Benefits
 PHONE 465-4460

Original: Legislative Finance
 cc: Budget and Management

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill 401
 Title An Act Authorizing Participation by Magistrates in the Judicial Ret. System
 Requested by Representative Miller Date 5-7-81

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits

Program Category Affected Labor Services

BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-01 (PERS)

(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 STATE TRS MATCHING						
100 BENEFITS	-0-	(148.2)	(148.2)	(148.2)	(148.2)	(148.2)
TOTAL	-0-	(148.2)	(148.2)	(148.2)	(148.2)	(148.2)

FUNDING (Thousands of Dollars)

GENERAL FUND		(121.4)	(121.4)	(121.4)	(121.4)	(121.4)
FEDERAL FUNDS		(6.8)	(6.8)	(6.8)	(6.8)	(6.8)
VETERAN'S FUND		(.3)	(.3)	(.3)	(.3)	(.3)
FISH & GAME FUND		(.9)	(.9)	(.9)	(.9)	(.9)
HIGHWAY FUND		(1.9)	(1.9)	(1.9)	(1.9)	(1.9)
AIRPORT FUND		(4.3)	(4.3)	(4.3)	(4.3)	(4.3)
CAPITAL FUND		(12.6)	(12.6)	(12.6)	(12.6)	(12.6)
PERS						
TRS						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

1. This bill would reduce the State contribution to PERS and increase the cost of the JRS.
2. The reduced State contribution to PERS will be 14.00% of covered payroll for Magistrates (estimated to be \$1,058,574 in FY 82--and assumes no annual increase).

IV. DATE 5-7-81 PREPARED BY Paul R. Arnold, Director
 AGENCY Division of Retirement & Benefits
 PHONE 465-4460

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) Representative Haugen
 Office of the Governor (Keith Specking)

Handwritten signature: Paul R. Arnold
Handwritten initials: JR
Handwritten initials: JC

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill 401
Title An Act Authorizing Participation by Magistrates in the Judicial Retirement System
Requested by Representative Miller Date 5-7-81

II. FISCAL DETAIL

Agency Affected Administration Division of Retirement and Benefits

Program Category Affected Labor Services

BRU, Program, or Subprogram(s) Affected PERS & JRS

(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 STATE TRS MATCHING						
100 BENEFITS	0	494.5	494.5	494.5	494.5	494.5
TOTAL	0	494.5	494.5	494.5	494.5	494.5

FUNDING (Thousands of Dollars)

GENERAL FUND		405.0	405.0	405.0	405.0	405.0
FEDERAL FUNDS		(6.8)	(6.8)	(6.8)	(6.8)	(6.8)
VETERAN'S FUND		(.3)	(.3)	(.3)	(.3)	(.3)
FISH & GAME FUND		(.9)	(.9)	(.9)	(.9)	(.9)
HIGHWAY FUND		(1.9)	(1.9)	(1.9)	(1.9)	(1.9)
AIRPORT FUND		(4.3)	(4.3)	(4.3)	(4.3)	(4.3)
CAPITAL FUND		(12.6)	(12.6)	(12.6)	(12.6)	(12.6)
PERS						
TRS						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

This is a summary of pages 2 and 3.

IV. DATE 5-7-81 PREPARED BY Paul B. Arnoldt, Director
AGENCY Division of Retirement & Benefits
PHONE 465-4460

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named) Representative Haugen
Office of the Governor (Keith Specking)

THE LEGISLATURE OF THE STATE OF ALASKA
 TWELFTH LEGISLATURE

Revised: 5-7-81
 Page 2 of 3 pages

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill 401
 Title An Act Authorizing Participation by Magistrates in the Judicial Ret. System
 Requested by Representative Miller Date 5-7-81

II. FISCAL DETAIL

Agency Affected Administration-Division of Retirement and Benefits
 Program Category Affected Labor Services
 ERU, Program, or Subprogram(s) Affected 02-96-8-01-02-07 (JRS)
 (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.						
100 Benefits	-0-	642.7	642.7	642.7	642.7	642.7
TOTAL	-0-	642.7	642.7	642.7	642.7	642.7

FUNDING (Thousands of Dollars)

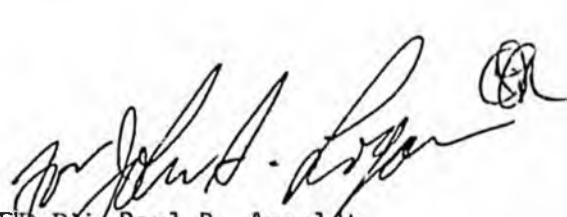
GENERAL FUND	-0-	642.7	642.7	642.7	642.7	642.7
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

1. Estimate approximately 47 Magistrates would be affected.
2. Estimate the average service per affected member to be approximately 5 years.
3. To fund this bill, the State contribution rate would be 60.71% of the FY82 covered payroll by Magistrates.
4. Estimated FY82 covered payroll for Magistrates to be \$1,058,574 (Assumes no annual increase).



IV. DATE 5-7-81 PREPARED BY Paul B. Arnoldt

AGENCY Division of Retirement and Benefits
 PHONE 465-4460

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

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill 401
Title An Act Authorizing Participation by Magistrates in the Judicial Ret. System
Requested by Representative Miller Date 5-7-81

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits

Program Category Affected Labor Services

BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-01 (PERS)

(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 STATE TRS MATCHING						
100 BENEFITS	-0-	(148.2)	(148.2)	(148.2)	(148.2)	(148.2)
TOTAL	-0-	(148.2)	(148.2)	(148.2)	(148.2)	(148.2)

FUNDING (Thousands of Dollars)

GENERAL FUND	(121.4)	(121.4)	(121.4)	(121.4)	(121.4)
FEDERAL FUNDS	(6.8)	(6.8)	(6.8)	(6.8)	(6.8)
VETERAN'S FUND	(.3)	(.3)	(.3)	(.3)	(.3)
FISH & GAME FUND	(.9)	(.9)	(.9)	(.9)	(.9)
HIGHWAY FUND	(1.9)	(1.9)	(1.9)	(1.9)	(1.9)
AIRPORT FUND	(4.3)	(4.3)	(4.3)	(4.3)	(4.3)
CAPITAL FUND	(12.6)	(12.6)	(12.6)	(12.6)	(12.6)
PERS					
TRS					

POSITIONS NONE

FULL TIME					
PART TIME					
TEMPORARY					

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

1. This bill would reduce the State contribution to PERS and increase the cost of the JRS.
2. The reduced State contribution to PERS will be 14.00% of covered payroll for Magistrates (estimated to be \$1,058,574 in FY 82--and assumes no annual increase).

IV. DATE 5-7-81 PREPARED BY Paul R. Arnoldt, Director
AGENCY Division of Retirement & Benefits
PHONE 465-4460

Original: Legislative Finance
cc: budget and Management
Prime Sponsor (First Legislator Named) Representative Haugen
Office of the Governor (Keith Specking)

HB
401

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill 401 (Page 1 of 3)
Title An Act Authorizing Participation by Magistrates in the Judicial Ret. System
Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits
Program Category Affected LABOR SERVICES
BRU, Program, or Subprogram(s) Affected PIPS & TR
(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 STATE TPS MATCHING						
100 BENEFITS	-0-	1,049.6	1,049.6	1,049.6	1,049.6	1,049.6
TOTAL	-0-	1,049.6	1,049.6	1,049.6	1,049.6	1,049.6

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND		1,106.5	1,106.5	1,106.5	1,106.5	1,106.5
FEDERAL FUNDS	(14.5)	(14.5)	(14.5)	(14.5)	(14.5)	(14.5)
VETERAN'S FUND	(.6)	(.6)	(.6)	(.6)	(.6)	(.6)
FISH & GAME FUND	(1.9)	(1.9)	(1.9)	(1.9)	(1.9)	(1.9)
HIGHWAY FUND	(4.1)	(4.1)	(4.1)	(4.1)	(4.1)	(4.1)
AIRPORT FUND	(9.1)	(9.1)	(9.1)	(9.1)	(9.1)	(9.1)
CAPITAL FUND	(26.7)	(26.7)	(26.7)	(26.7)	(26.7)	(26.7)
PERM						
TRS						

POSITIONS NONE

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME						
PART TIME						
TEMPORARY						

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

This is a summary of pages 2 and 3

IV. DATE 5/5/81

PREPARED BY Paul B. Arnoldt, Director
AGENCY Division of Retirement & Benefits
PHONE 465-4860

Original: Legislative Finance

HB
401

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill 401 (Page 2 of 3)
Title An Act Authorizing Participation by Magistrates in the Judicial Ret. System
Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration-Division of Retirement and Benefits
Program Category Affected LABOR SERVICES
BRU, Program, or Subprogram(s) Affected 02-96-A-01-00-07 (195)
(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						
100 BENEFITS	-0-	1,364.2	1,364.2	1,364.2	1,364.2	1,364.2
TOTAL	-0-	1,364.2	1,364.2	1,364.2	1,364.2	1,364.2

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND	-0-	1,364.2	1,364.2	1,364.2	1,364.2	1,364.2
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME						
PART TIME						
TEMPORARY						

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

1. Estimate approximately 83 Magistrates would be affected.
2. Estimate the average service per affected member to be approximately 5 years.
3. To fund this bill, the State contributions rate would be 60.71% of the FY82 covered payroll for Magistrates.
4. Estimated FY82 covered payroll for Magistrates to be \$2,247,000 (assumes no annual increase).

IV. DATE 5/5/81

PREPARED BY Paul B. Arnoldt
AGENCY Division of Retirement and Benefits

HB
401

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. House Bill 401 (Page 3 of 3)
 Title An Act Authorizing Participation by Magistrates in the Judicial Bar System
 Requested by _____ Date _____

II. FISCAL DETAIL
 Agency Affected Administration - Division of Retirement and Benefits
 Program Category Affected Labor Services
 BRU, Program, or Subprogram(s) Affected 0-75-8-01-01-91 (PERS)
 (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 STATE TIES MATCHING						
100 BENEFITS	-0-	(314.6)	(314.6)	(314.6)	(314.6)	(314.6)
TOTAL	-0-	(314.6)	(314.6)	(314.6)	(314.6)	(314.6)

FUNDING (Thousands of Dollars)

GENERAL FUND	(257.7)	(257.7)	(257.7)	(257.7)	(257.7)
FEDERAL FUNDS	(14.5)	(14.5)	(14.5)	(14.5)	(14.5)
VETERAN'S FUND	.6	.6	.6	.6	.6
FISH & GAME FUND	1.9	1.9	1.9	1.9	1.9
HIGHWAY FUND	4.1	4.1	4.1	4.1	4.1
AIRPORT FUND	9.1	9.1	9.1	9.1	9.1
CAPITAL FUND	26.7	26.7	26.7	26.7	26.7
PERS					
IRS					

POSITIONS NONE

FULL TIME					
PART TIME					
TEMPORARY					

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

PART TIME
 TEMPORARY
 PART TIME: The reduced State contribution to PERS will reduce the state contribution to PERS and increase the cost of the Judicial Retirement System.


- The reduced State contribution to PERS will be 14.00% of covered payroll for magistrates (estimated to be \$2,247,000 in FY 82 and assumes no annual increase).

IV. DATE 5/5/81 PREPARED BY Paul B. Arnoldt, Director
 AGENCY Division of Retirement & Benefits

HB 401 continued

The letter regarding the fiscal note appears as follows:

TO: Sam Cotten, Chairman
House Finance

FROM: Mike Miller, Chairman
House State Affairs 

DATE: May 7, 1981

RE: Fiscal Note, HB 401

In preparing a fiscal note for HB 401, an act which places magistrates under the judicial retirement system, the Division of Retirement has come up with a fiscal note which indicates that 23 magistrates would be affected by this legislation. During the course of the hearing on this legislation, it was brought out, however, that there are only 47 "bonified" magistrates, the balance being "acting" magistrates who are actually public employees with only incidental and occasional call to serve as magistrates. It is the position of the State Affairs Committee that only the 47 designated, and not the "acting" magistrates, should be covered under the proposed legislation. We did not amend the legislation, because we thought this was not necessary. However, you may wish to consider amendatory language to make it completely clear. In any event, the Division of Retirement is preparing a new fiscal note, which will reflect the lesser number of employees who would be affected by the legislation.

HB 508

The State Affairs Committee has had HOUSE BILL NO. 508 (relating to requirements for fiscal notes and employment notes in the legislative process; effective date) under consideration and recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 508 (State Affairs)(same title) that it do pass and attaches a fiscal note. Concurring: Miller (Chairman), Brown and Fuller. Not concurring: Abood recommends it not pass. Cuddy has no recommendation.

HB 508 was referred to the Finance Committee.

The fiscal note appears in House Journal Supplement No. 39.

HB

405

7 B

4/5

COMMITTEE REPORT

HOUSE

FURTHER:

3/26/81

(5)

Date: _____

Mr. Speaker:

The Committee on STATE AFFAIRS has had HB 415

"An Act relating to the processing of permits by state agencies; and providing for an effective date."

under consideration and reports it back as follows:

- 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

ALASKA STATE LEGISLATURE

TWELFTH.. Legislature FIRST... Session

HOUSE .BILL..... NO. .415..

By BETTISWORTH, ABOOD,
ANDERSON, BARNES, BEIRNE,
BYLSMA, HALFORD, HAUGEN,
HAYES, MARTIN, METCALFE,
MONTGOMERY, O'CONNELL AND
PHILLIPS

"An Act relating to the processing
of permits by state agencies;
and providing for an effective
date."

Processing permits/state
agencies

Introduced in the House 3/26....., 1981.

HISTORY IN THE HOUSE

19 81	Read first time and referred to Committee on										
Mar 26	State Affairs										
	Reported back with recommendation that										
	Read second time and										
	Read third time and										
	<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
PASS	Effective Date										
Yeas	Yeas										
Nays	Nays										
Absent	Absent										
Excused	Excused										
	Reconsideration										
	<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
PASS	Effective Date										
Yeas	Yeas										
Nays	Nays										
Absent	Absent										
Excused	Excused										
	Reported correctly engrossed										
	Signed by Speaker										
	Sent to Senate										
	CHIEF CLERK OF THE HOUSE										

HISTORY IN THE SENATE

19	Read first time and referred to Committee on										
	Reported back with recommendation that										
	Read second time and										
	Read third time and										
	<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
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Yeas	Yeas										
Nays	Nays										
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	Reconsideration										
	<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
PASS	Effective Date										
Yeas	Yeas										
Nays	Nays										
Absent	Absent										
Excused	Excused										
	Reported correctly engrossed										
	Signed by President										
	Returned to House										
	SECRETARY OF THE SENATE										

HISTORY IN THE HOUSE

19	Received from Senate
	Concurred in Senate amendment thus adopting: VOTE
	Failed to concur in Senate amendment; asked Senate to recede VOTE
	Senate receded from amendment VOTE
	Senate failed to recede from amendment VOTE
	CC appointed by House
	CC appointed by Senate
	CC adopted by House VOTE
	CC adopted by Senate VOTE
	To enrolling Reported correctly enrolled Sent to Governor by Governor
	Filed with Lt. Governor
	Chapter No.

REC'D OCT 16 1981

ADMINISTRATIVE REGULATION REVIEW COMMITTEE

COMMITTEE MEMBERS
REP. DICK RANDOLPH, CHAIRMAN
SEN. ROBERT H. ZIEGLER, SR., VICE-CHAIRMAN
REP. MITCHELL ABOOD, JR.
REP. H. PAPPY MOSS
SEN. GEORGE H. KOHMAN, JR.
SEN. MIKE COLLETTA

ALASKA STATE LEGISLATURE
POUCH V. STATE CAPITOL
JUNEAU, AK 99811
(907) 465-3873



Handwritten notes:
F...
W...
S...

October 12, 1981

Dear Representative Metcalfe:

This letter is to inform you that the Administrative Regulation Review Committee has scheduled public hearings in Fairbanks on October 16 and 17. The committee will hear testimony on the permitting issue, land use and land disposal, regulations pertaining to games of skill and chance, and finally, on the operation of the Alaska Housing Finance Corporation.

The hearing regarding the Alaska Housing Finance Corporation is being teleconferenced from Anchorage. The hearing will commence at 1:30 p.m. and your attendance and testimony is welcome. The teleconference office is located at 1024 W. 6th, Anchorage.

The other three hearings will not be teleconferenced.

If you have any questions, please call Ronnie at the Administrative Regulation Review Committee office in Anchorage (272-6341).

Sincerely,

Dick Randolph, Chairman
A.R.R.C.

by: John M. Elliott

DR:JME/p

H

B

4

2

8

Alaska State Legislature



House of Representatives

RAY METCALFE

POUCH V
JUNEAU, ALASKA 99811

P O BOX 4-2766
ANCHORAGE ALASKA 99509

MEMO

DATE: March 15, 1981
TO: Thomas K. Williams
Commissioner of Revenue
FROM: Representative Ray Metcalfe
RE: IRS Rule Change

I just came across the attached story about IRS Rules changes. I assume you're familiar with this proposed change. I'm curious as to what the effect would be on the State of Alaska if these changes were to be implemented.

Alaska State Legislature



House of Representatives

RAY METCALFE

POUCH V
JUNEAU, ALASKA 99811

P.O. BOX 4-2788
ANCHORAGE, ALASKA 99509

March 31, 1981

Al Schafer, Manager
Afognak Logging
Box 682
Kodiak, Alaska 99615

Dear Mr. Schafer,

I am proposing legislation to curb the abuse of our legal system by those who consistently bring frivolous and often unfounded environmental suits merely for the purpose of burdening and/or destroying our state's industry. Most of these suits stem from activity on or around state lands or resources: roads that cross public land, mining or timber cutting rights on public lands, and numerous other areas.

The attached legislation would require that anyone wishing to bring such action would first be required to show that they were somehow being directly affected by the activity the suit action would delay.

In the absence of being able to demonstrate direct effect, the party bringing the suit would be required to post bond or other security in an amount sufficient to cover the damages and losses that may be suffered by others as the result of actions brought.

I have attached comments for your review, which were made by others when I introduced similar legislation last year.

Your comments, input and most importantly, your support and letters to other legislators, would be sincerely appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Ray Metcalfe".
Ray Metcalfe
Representative

RM/br

Alaska State Legislature



House of Representatives

RAY METCALFE

POUCH V
JUNEAU, ALASKA 99811

P.O. BOX 4-2786
ANCHORAGE, ALASKA 99509

19 January 1982

Honorable Ramona Barnes
Alaska State Legislature
Pouch V
State Capitol
Juneau, Alaska 99811

Re: HB 428

Dear Ramona:

I am proposing legislation to curb the abuse of our legal system by those who consistently bring frivolous and often unfounded environmental suits merely for the purpose of burdening and/or destroying our State's industry. Most of these suits stem from activity on or around State lands or resources: roads that cross public lands, mining or timber-cutting rights on public lands, and numerous other areas.

The enclosed legislation would require that anyone wishing to bring such action would first be required to show that they were somehow being directly affected by the activity the suit action would delay.

In the absence of being able to demonstrate direct effect, the party bringing the suit would be required to post bond or other security in an amount sufficient to cover the damages and losses that may be suffered by others as the result of actions brought.

I have enclosed comments which were made by others when I introduced similar legislation during the last legislature for your review.

As you can see, there is considerable sentiment for this legislation. The scheduling of a hearing on this bill would be greatly appreciated.

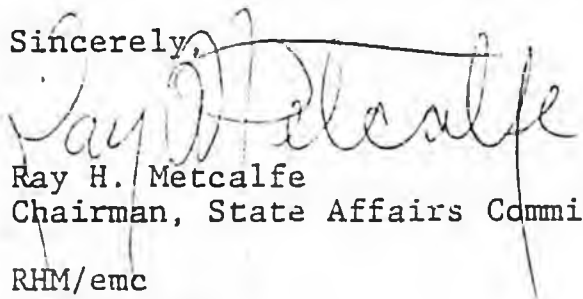
Rep. Ramona Barnes

- 2 -

19 January 1982

Please arrange for approximately two weeks' advance notice to enable me to notify all those who wish to provide testimony on this issue.

Sincerely,



Ray H. Metcalfe
Chairman, State Affairs Committee

RHM/emc
Enclosures

Alaska State Legislature



House of Representatives

RAY METCALFE

POUGH V
JUNEAU ALASKA 99811

P O BOX 4-2766
ANCHORAGE, ALASKA 99509

Dear

I ~~am proposing~~ ^{have proposed} legislation to curb the abuse of our legal system by those who consistently bring frivolous and often unfounded environmental suits merely for the purpose of burdening and/or destroying our state's industry. Most of these suits stem from activity on or around state lands or resources: roads that cross public lands, mining or timber cutting rights on public lands, and numerous other areas.

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In the absence of being able to demonstrate direct effect, the party bringing the suit would be required to post bond or other security in an amount sufficient to cover the damages and losses that may be suffered by others as the result of actions brought.

I have attached comments for your review, which were made by others when I introduced similar legislation last year.

Your comments, input and most importantly, your support and letters to other legislators, would be sincerely appreciated.

Sincerely,

Ray Metcalfe
Representative

RM/br
Enclosures

STATE OF ALASKA THE LEGISLATURE

FOUCHY - STATE CAPITOL
BUREAU ALASKA 99811
907 465-3900

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

January 29, 1980

SUBJECT: Litigation involving state action
(Work Order No. 7697)

TO: Representative Ray H. Metcalfe

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

This is, as you have noticed, a highly technical procedural bill. Any non-technical synopsis will of necessity be broad brush.

Essentially, the bill is directed toward preliminary proceeding when an action is brought in court to prevent action on a decision made by the state or an agency.

It requires that notice be given of a proposal by the state to award a contract in the amount of \$100,000 or more or to grant a permit where expenditures under the permit will be \$100,000 or more. If these notices are already given, no new requirements are imposed. (Sec. 09.50.510)

If a person wishes to go to court to enjoin action, he must have

- (1) raised the issue with the state agency which has responsibility for the action complained of and requested the agency to take the requested action
- (2) show that he has a real interest in the action complained of by showing there is substantial likelihood of a specific, personal injury if the action is carried out

and he must show specifically what his efforts to get the state agency to meet his demands have been. (Sec. 09.50.450)

January 29, 1980

If the grounds alleged in support of the action sought have been raised with the agency and found to be without merit or were not raised before the agency, the state may ask the court for an order requiring security to be posted (sec. 09.-50.460); the motion shall be heard by the court (sec. 09.50.-460) and the amount of security may include damages for actual or prospective breach of contract, extra costs from inflation caused by delay and other costs or damages, including costs of litigation (sec. 09.50.480). The state or an intervenor (another person who has an interest in the contract who has become a party to the suit such as a company to whom a contract was awarded) may request that the security be furnished.

When the action is terminated, the defendant may have access to the security as the court determines.

In the broadest summary:

- (1) The state must give notice of its actions where \$100,000 or more is involved.
- (2) A person must have an interest in the action that could create a personal and specific injury to him in order to bring suit.
- (3) The person bringing suit must have presented his objections and proposed alternative to the agency making the decision and must show that he has done so.
- (4) On motion of a party, security for damages, including inflation increases and costs of suit may be required from a party who did not present his claim to the state agency or who was ruled against by the state agency.
- (5) The security may be used to pay damages caused by the suit.

I realize this broad brush summary omits significant conditions. It does not, for instance, deal with the time periods or the burdens of proof. Please let us know if a more detailed technical analysis is required.

BGB:jdn

APR 28 1981



ALASKA LUMBER & PULP CO., INC.

P.O. BOX 1050 · SITKA ALASKA 99835 · 1907 747-2265

April 20, 1981

The Honorable Ray Metcalfe
House of Representatives
State of Alaska
Pouch V
Juneau, Alaska 99811

Dear Representative Metcalfe:

Thank you for your letter to me of March 31, 1981, regarding the several bills that you are proposing to introduce in the Legislature. I have asked our attorney, Jim Clark, to review this package and to contact you at the earliest opportunity. In the meantime, we stand by Jim's letter to you of February 14, 1980, regarding House Bill 632.

Thank you very much for giving me a chance to respond. We certainly appreciate the opportunity to work with you.

Yours very truly,

ALASKA LUMBER & PULP CO., INC.

Kiyoshi Nagumo
Kiyoshi Nagumo
President

KN:es

James W. ...

OF COUNSEL
M E MONAGLE

ROBERTSON, MONAGLE, EASTAUGH & BRADLEY

ROBERT D BAKER
LEROY J BAKER
L G BERRY
C R RICH
WM RONALD HULEN

R E ROBERTSON (1885-1981)
F C EASTAUGH
J B BRADLEY
WILLIAM G RUDDY
L B JACOBSON
MICHAEL T THOMAS
JAMES F CLAI
PAUL M HOFFMAN
J P TANGEN
DEBORAH A HCLBROOK
D ELIZABETH CUADRA
HAROLD E. SNOW, JR.
PAMELA L FINLZY

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW
POST OFFICE BOX 1211
JUNEAU ALASKA 99802

ANCHORAGE OFFICE
601 WEST FIFTH SUITE 510
ALASKA MUTUAL BANK BLDG
POST OFFICE BOX 679
ANCHORAGE ALASKA 99510
PHONE (907) 277-8693
CABLE ROMEA
TELEX 090-26-486

JUNEAU OFFICE
200 NBA BUILDING
POST OFFICE BOX 1211
JUNEAU ALASKA 99802
PHONE (907) 586-3340
CABLE ROMEA
TELEX 099-45-376

February 14, 1980

The Honorable Ray H. Metcalfe
Alaska State Legislature
Pouch V
State Capitol
Juneau, Alaska

Re: House Bill 632

Dear Mr. Metcalfe:

On behalf of our client, Alaska Lumber & Pulp Co., Inc., we thank you for sponsoring House Bill 632 and hereby register our support for it.

During this law firm's experiences representing corporations, large and small, and particularly in representing Alaska Lumber & Pulp Co., Inc., we have frequently been in the position of seeking a state license or permit, or defending our client against plaintiffs seeking an injunction against state action where the main burden of the injunction would fall upon our clients. We and our clients have learned, after much litigation and expense, that plaintiffs do not always seek to achieve their ends by early negotiation and by exhausting their administrative remedies, but sometimes wait until a matter has gone so far that nothing remains to them but litigation preceded by a request for injunctive relief. This is expensive and counter-productive for all concerned.

We expect enactment of H. B. 632 would provide the necessary motivation to many groups to resolve many matters by negotiation and by administrative agency processes, without the need for litigation. We especially support the provisions requiring plaintiffs to post security with the court if the plaintiffs have failed to raise the same grounds in negotiations with the license or permit applicant and/or in proceedings before the state agency. The factors

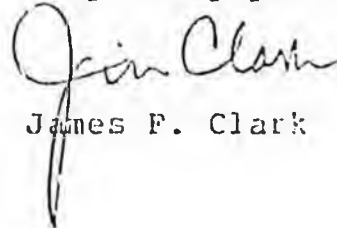
The Honorable Ray H. Metcalfe
February 14, 1980
Page Two

listed by which the court should decide the amount of security to be posted are very appropriate. Clearly, whoever drafted H. B. 632 has been a close observer of what has been going on in some Alaskan cases recently.

On the other hand, the bill is perfectly fair to plaintiffs who, as they should, come forward to negotiate at the earliest possible time and voice their concerns before the agencies, as some of the more sophisticated plaintiffs have already learned to do. The provision for state agency notice to the public prior to issuance of state contracts above a certain magnitude or granting of a state license or permit for a project above a certain value is warranted as a safeguard that potential plaintiffs have no reason to complain they were unaware of the impending state action. This provision should be retained.

In short, we agree with H. B. 632, thank you for introducing it, and we will support it.

Very truly yours,



James F. Clark

JFC:DEC:es
cc: J. A. Rynearson

OF COUNSEL
M E MONAGLE

ROBERTSON, MONAGLE, EASTAUGH & BRADLEY

ROBERT B BAKER
LEROY J BARBER
L G BERRY
C R RICH
WM RONALD MULEN

R E ROBERTSON 1885-1961
F C EASTAUGH
J E BRADLEY
WILLIAM G RUDDY
L E JACOBSON
MICHAEL T THOMAS
JAMES F CLARK
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D ELIZABETH CUADRA
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ATTORNEYS AT LAW
POST OFFICE BOX 1211
JUNEAU, ALASKA 99802

ANCHORAGE OFFICE
601 WEST FIFTH SUITE 510
ALASKA MUTUAL BANK BLDG
POST OFFICE BOX 670
ANCHORAGE, ALASKA 99510
PHONE 19071 277-0603
CABLE ROMEA
TELEX 090-26-486

JUNEAU OFFICE

200 NDA BUILDING
POST OFFICE BOX 1211
JUNEAU, ALASKA 99802
PHONE 19071 566-3340
CABLE ROMEA
TELEX 090-45-376

February 14, 1980

The Honorable Ray H. Metcalfe
Alaska State Legislature
Pouch V
State Capitol
Juneau, Alaska

Re: House Bill 632

Dear Mr. Metcalfe:

On behalf of our client, Alaska Lumber & Pulp Co., Inc., we thank you for sponsoring House Bill 632 and hereby register our support for it.

During this law firm's experiences representing corporations, large and small, and particularly in representing Alaska Lumber & Pulp Co., Inc., we have frequently been in the position of seeking a state license or permit, or defending our client against plaintiffs seeking an injunction against state action where the main burden of the injunction would fall upon our clients. We and our clients have learned, after much litigation and expense, that plaintiffs do not always seek to achieve their ends by early negotiation and by exhausting their administrative remedies, but sometimes wait until a matter has gone so far that nothing remains to them but litigation preceded by a request for injunctive relief. This is expensive and counter-productive for all concerned.

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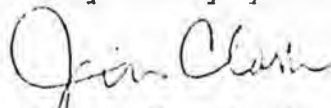
The Honorable Ray H. Metcalfe
February 14, 1980
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In short, we agree with H. B. 632, thank you for introducing it, and we will support it.

Very truly yours,



James F. Clark

JFC:DEC:es
cc: J. A. Rynearson

OF COUNSEL
M E MCNAGLE

ROBERTSON, MONAGLE, EASTAUGH & BRADLEY

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F D EASTAUGH
J E BRADLEY
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S ELIZABETH CUADRA
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PAMELA L FINLEY

A PROFESSIONAL CORPORATION

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POST OFFICE BOX 121
JUNEAU ALASKA 99802

ROBERT B BAUER
LEROY J BARBER
L G BERRY
C R RICH
WM RONALD MULEN

ANCHORAGE OFFICE

601 WEST FIFTH SUITE 510
ALASKA MUTUAL BANK BLDG
POST OFFICE BOX 679
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JUNEAU OFFICE

200 NBA BUILDING
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PHONE (907) 586-3340
CABLE ROMEA
TELEX 090-45-376

February 14, 1980

The Honorable Ray H. Metcalfe
Alaska State Legislature
Pouch V
State Capitol
Juneau, Alaska

Re: House Bill 632

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During this law firm's experiences representing corporations, large and small, and particularly in representing Alaska Lumber & Pulp Co., Inc., we have frequently been in the position of seeking a state license or permit, or defending our client against plaintiffs seeking an injunction against state action where the main burden of the injunction would fall upon our clients. We and our clients have learned, after much litigation and expense, that plaintiffs do not always seek to achieve their ends by early negotiation and by exhausting their administrative remedies, but sometimes wait until a matter has gone so far that nothing remains to them but litigation preceded by a request for injunctive relief. This is expensive and counter-productive for all concerned.

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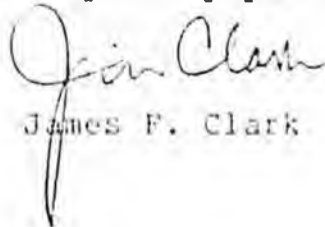
The Honorable Ray H. Metcalfe
February 14, 1980
Page Two

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On the other hand, the bill is perfectly fair to plaintiffs who, as they should, come forward to negotiate at the earliest possible time and voice their concerns before the agencies, as some of the more sophisticated plaintiffs have already learned to do. The provision for state agency notice to the public prior to issuance of state contracts above a certain magnitude or granting of a state license or permit for a project above a certain value is warranted as a safeguard that potential plaintiffs have no reason to complain they were unaware of the impending state action. This provision should be retained.

In short, we agree with H. B. 632, thank you for introducing it, and we will support it.

Very truly yours,



James F. Clark

JFC:DEC:es
cc: J. A. Rynearson

APR 20 1981



April 16, 1981

The Honorable Ray H. Metcalfe
Alaska State Legislature
Pouch V
State Capitol
Juneau, Alaska 99811

Re: House Bill 632

Dear Mr. Metcalfe:

*Sent HB 428 + back up
letters*

In response to your letter of April 15, 1981 concerning your proposed legislation in the form of House Bill 632, Soderberg Logging and Construction Co. strongly supports the Bill and your efforts in this endeavor.

It has become increasingly apparent that industries in this State as well as nationwide have been exhausted and severely damaged by frivolous and unfounded environmental suits. As a member of Alaska's Timber Industry for the past 20 years we have seen this industry especially burdened in this manner. Most often to the detriment of an entire community. SEACC vs. State of Alaska, Schnabel Lumber Co, et al in Haines for instance.

We believe this proposed Bill is perfectly fair to potential plaintiffs, and, with the listed provisions, they should have no reason to react at an extremely late date claiming they were unaware of impending state action.

The Bill's provisions requiring plaintiffs to post security with the court would encourage many groups to attempt to resolve matters through negotiations and administrative agency processes, thereby negating the need for litigation. Also the factors by which the court should decide the amount of security to be posted are very appropriate.

We encourage you to pursue H.B. 632. We will support it in every way possible.

Very truly yours,

Virgil Soderberg
Virgil Soderberg
President

cc: The Honorable Ernie Paugan
The Honorable Jim Duncan



Reinhart
Lumberland of Alaska
P. O. Box 834, Homer, AK 99605

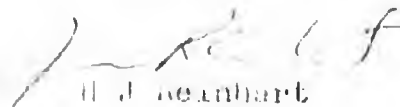
April 21, 1981

Rep. Ray Metcalfe
Pouch V
Juneau, Alaska

Mr Metcalfe,

I fully support HB 428, but would prefer to see it strengthened so that vexatious litigants could be sued, not only for court costs, but also for any economic loss suffered by defendants. In the case of Southeast Alaska Conservation Council vs State of Alaska, the Council and its officers individually should be held liable for any loss suffered by Schnabel Lumber Co. The quickest way to stop this sort of litigation is to assure overwhelming financial risk for the loser. Perhaps this risk should also be extended to judges who make obviously faulty, biased rulings which are later overturned.

Sincerely,


H. J. Reinhart

CITY OF HAINES

TELEPHONE (907) 766-2231 - POST OFFICE BOX 576 - HAINES, ALASKA 99827

February 8, 1980

The Honorable Charles H. Parr
Chairman, House Judiciary Committee
Pouch V
Juneau, Alaska 99811 (Mail Stop 3100)

Re: House Bill No. 632
"An Act Relating to the litigation Involving Action by the State..."

Dear Representative Parr:

Having gained the first-hand experience and frustrations from intervening in the ongoing litigation "Southeast Alaska Conservation Council vs. State of Alaska, et al", the City of Haines STRONGLY supports the passage of HB 632. The subject litigation concerns a challenge to the validity of a contract for a long-term timber sale negotiated between the Alaska Department of Natural Resources and the Haines-based Schnabel Lumber Company.

The negotiated contract is recognized by the defendants (State, Schnabel, City of Haines and Haines Borough) as having been lawfully entered into pursuant to AS. 38.05.118 and to be most reasonable from an environmental standpoint. Yet, the action has been challenged by the Southeast Alaska Conservation Council. Defense of the action, particularly on the part of Schnabel and the Haines local governments, has had significant adverse consequences on an already sorely depressed economy. Legal costs incurred to date in the subject litigation by the City in its intervenor defendant status are well in excess of \$30,000. The Haines Borough, also an intervenor defendant, will be holding a special election on March 4, 1980, in an attempt to obtain voter ratification of a recently enacted ordinance doubling the Haines Borough sales tax levy. The increased tax is being sought in order to meet anticipated future legal expenses of the Haines Borough in the subject litigation.

February 8, 1980

Schnabel Lumber Company, of course, has also incurred tremendous legal fees in this action. More significantly, the challenge to the contract brought by the Southeast Alaska Conservation Council has, up until just recently, tied up any efforts on the part of Schnabel Lumber Company to begin operations under the terms of the contract.

The City of Haines considers it vital to the interests of our community and to the State as a whole that all litigants be held accountable for the consequences of their legal actions. House Bill 632 is a major step in that direction. The Mayor and Council of the City of Haines urge your support of the Bill.

Sincerely,



Dan R. Bockhorst
City Administrator

DRB:tce

cc: The Honorable Bill Ray
The Honorable Jim Duncan
The Honorable Ray Metcalfe
The Honorable Mike Miller
The Honorable Pappy Moss

Schnabel Lumber Company



P.O. Box 595

Haines, Alaska 99827

Tel. (907) 766-2511

December 29, 1980

The Honorable Ray Metcalfe
P. O. Box 4-2766
Anchorage, Alaska 99509

Dear Sir:

I appreciate your efforts to minimize nuisance suits which currently afflict the nation and particularly at this moment Haines.

Mr. Zaelke's letter expresses what we have been saying all along. These charges are not valid, have little chance of being won and only serve to delay and destroy. Please continue your efforts for sanity in these matters.

Yours sincerely,

A handwritten signature in cursive script that reads "John J. Schnabel".

John J. Schnabel
President

S/j

Enc.

UNITED STATES DEPARTMENT OF AGRICULTURE
FOREST SERVICE
Tongass National Forest
Federal Building
Ketchikan, Alaska 99901
907-225-3101

RECEIVED
SCHNABEL LBR. C.

APR 13 1981

HAINES, ALASKA

2450

MAR 31 1981



Mr. John Schnabel, President
Schnabel Lumber Company
P.O. Box 595
Haines, Alaska 99827

CERTIFIED MAIL NO. 0306039

Dear Mr. Schnabel:

Reference is made to our letter to you dated August 13, 1980.

Subsequent to that letter, we have taken the following steps to determine what, if any, damages may be due the Government as a result of Schnabel Lumber Company's repudiation of contract.

On August 14, 1980 the sale was offered to the other two bidders at the high bid rate. This offer was ultimately rejected by both parties.

The original sale was appraised again and advertised on January 10, 1981, with a scheduled bid opening February 12, 1981. Ketchikan Pulp Company was the sole high bidder, submitting the minimum acceptable bid of \$508,348.60.

Schnabel Lumber Company has thus subjected the Government to an apparent monetary loss, the difference between the two high bids.

\$2,894,000.40	Schnabel Lumber Company Bid 12-27-79
- 508,348.60	Ketchikan Pulp Company Bid 2-12-81
<u>\$2,385,651.80</u>	Apparent loss to the United States.

Please advise if you know of any reasons why the Forest Service should not proceed to collect damages due the United States.

J. S. WATSON
Forest Supervisor



CORROON & BLACK/DAWSON & CO., INC.

2011 • Second Avenue
P.O. Box C-34201
Seattle, Washington 98124
206-583-2300 Telex: 32-0215

October 21, 1980

Mr. John Schnabel
Schnabel Lumber Company
Post Office Box 595
Haines, Alaska 99827

Re: U.S. Forest Service Timber Sale 02-519

Dear John:

We have carefully reviewed the information submitted on October 16 in regard to the bond required.

John, I am sorry to advise that due to the current litigation, we cannot provide the bond required.

The bonding companies have advised that any bond requests will be denied until the issue before the court is settled.

We are confident that when the legal issue is settled, we will be able to provide you with the bonds you need and, in our opinion, deserve.

Sincerely,



Durand R. Eaton

lm

RECEIVED
SCHNABEL LUM. CO.

OCT 21 1980

HAINES, ALASKA

Schnabel Lumber Company



P.O. Box 595

Haines, Alaska 99827

Tel. (907) 766-2511

April 13, 1981

The Honorable Ray H. Metcalfe
Pouch V
Juneau, Alaska 99811

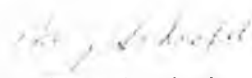
Dear Ray:

I support H.B. 428. Because of the lawsuit brought against us by the Southeast Alaska Conservation Council, we have been unable to get U.S.F.S. timber sale bonding and have been billed \$2,385,000 as damages by the U.S.F.S. for the difference of our bid and the bid of a subsequent purchaser.

These suits also cause delay, instability and loss of profit and employees. May you succeed in your efforts to gain us relief.

Yours sincerely,

SNABEL, LUMBER COMPANY


John J. Schnabel
President

S/j

Enc. - Letter - CB/D - 10/21/80
USFS - 3/31/81

cc: The Honorable Jim Duncan, Mike Miller, Bill Ray, Bob Ziegler, Oral Freeman,
Ernie Haugen



AFOGNAK LOGGING, Inc.

April 21, 1981

The Honorable Ray Metcalfe
Alaska State Legislature
Pouch V
Juneau, AK 99811

Reference: House Bill No. 632

Dear Mr. Metcalfe:

Hurray! for your legislation to, as you say, "curb the abuses of the legal system," in regards to environmental suits.

We, at Afognak Logging, as well as many other corporations in Alaska have been forced to spend many thousands of dollars to defend ourselves from frivolous suits brought by self-esteemed world saving environmentalists, some of whom admit that it is only a delaying action.

In our United States, every man may have his day in court if he wishes. All I would ask, is that a bond be put up or a means for proper reimbursement if that suit proves to be a sham and costs the defendant unjustly.

Sincerely,

Albert Schafer
President and
General Manager

cc: Senator Bob Mulcahy
Representative Fred Zharoff



SIERRA CLUB LEGAL DEFENSE FUND, INC.

Summit, Mt. McKinley

Ansel Adams

419 6th Street Suite 321 Juneau, Alaska 99801 (907) 586-2751

SAN FRANCISCO OFFICE

Fredric P. Sutherland
Executive Director

Laurens H. Silver
Michael R. Sherwood
Julie E. McDonald
Staff Attorneys

Vawter Parker
Litigation Coordinator

Paula Carrell
Assistant Litigation Coordinator

Deborah S. Reames
Legal Assistant

311 California St.
Suite 311
San Francisco, CA 94104
(415) 398-1411

ROCKY MOUNTAIN OFFICE

H. Anthony Ruckel
William S. Curtis
Staff Attorneys

335 Republic Building
1612 Tremont Place
Denver, CO 80202
(303) 892-6301

WASHINGTON, D.C. OFFICE

Fredrick S. Middleton, III
Karin P. Sheldon
Howard I. Fox
Staff Attorneys

1424 K St., NW
Suite 600
Washington, D.C. 20005
(202) 347-1770

ALASKA OFFICE

Staff Attorney

419 6th St.
Suite 321
Juneau, AK 99801
(907) 586-2751

December 15, 1980

Editor
Juneau Empire
235 2nd Street
Juneau, Alaska 99801

Editor:

In your story on Haines in Friday's paper you report Mr. Schnabel saying that his workers have been laid off and his mill closed because of economic conditions in Asia and the SEACC lawsuit. This is as ludicrous as it is untrue. The lawsuit to protect the eagles has had absolutely no effect on Mr. Schnabel's mill. Indeed, even the casual observer could tell from the outset that the case had only the slightest chance of being won. It was a valiant effort to protect the eagles (with relatively minor changes in Schnabel's contract), but it was a long shot from the very beginning. Schnabel is merely looking for a scapegoat. The citizens of Haines who want to diversify their economy and attract tourists should be wary of Schnabel and others of his ilk.


Durwood J. Zaelke

(Ed. Note: Mr. Zaelke recently took over the Sierra Club Legal Defense Fund office in Juneau. Prior to that he served as a Special Litigation Attorney in the Justice Department in Washington, D.C., where he headed the Love Canal investigation of Hooker Chemical Co., as well as the Justice Department investigation of the Three Mile Island accident.)

DJZ/lw
cc: Mr. Schnabel

Schnabel Lumber Company



P.O. Box 595

Haines, Alaska 99827

Tel. (907) 766-2511

December 22, 1980

Editor

Alaska Juneau Empire

235 2nd Avenue

Juneau, Alaska 99801

Dear Editor:

I am dismayed as I read Mr. Zaelke's letter in your paper portraying me as a liar and that, "the citizens of Haines who wish to diversify the Haines economy should be wary of me and others of my ilk." - as if I am a leper or criminal. I have and will continue to push for a diversified economy as I owned a 40 unit Apartment-Motel complex in Haines for over 20 years. My name was the second on a petition to establish the present Eagle Sanctuary - a petition I helped formulate. I spent hundreds of hours of my time and thousands of dollars of my money in pushing for the establishment of the ferry system - all these things aimed at broadening the economic base in Haines, especially in tourism.

Contrary to what Mr. Zaelke writes, the SEAC Lawsuit has had a devastating effect on the Schnabel Mill. No one wants to work for a company with an uncertain future. We need qualified people of proven expertise and we cannot woo them away from their present employers as long as the SEAC group has the right to appeal. The \$3,600,000 funding for the 5,000 KVA wood waste electrical generating plant cannot be obtained until the litigation is settled. (See enclosure). The export lumber market requires a high quality product. The Haines forest is a low quality second growth stand that will not meet the export grade requirements. Therefore, to meet the market requirements and to provide the additional log volumes needed to run a full shift on a year round basis, it is necessary to purchase USFS timber sales. Due to the lawsuit we have been unable to purchase any USFS timber because bonding companies have refused to bond any sale until the litigation is settled. (See enclosure).

In December of 1979 we were awarded the USFS Broken Key sale on Tuxecan Island. We searched all markets, domestic and foreign for a timber sale bond. In August of 1980 the Forest Service notified us the contract would have to be cancelled for failure to provide the bond. We currently hold the award on the Gilbert Bay timber sale but are unable to obtain a bond due to the litigation. Should we fail we are subject to our bid deposit of \$55,000.00 being forfeited. Mr. Zaelke says, "This is ludicrous as it is untrue." My position is documented while Mr. Zaelke's is a pipe dream. As an attorney he is a disgrace to his profession. Mr. Zaelke's statement, "Even the casual observer could tell from the outset that the case had only the slightest chance of being won," leads me to believe it is nothing more than the usual ENVIRONMENTAL nuisance suit designed to harass, to disrupt and delay at any cost and in any community no matter how small.

Editor
Alaska Juneau Empire
December 22, 1980
Page 2

Mr. Zaelke's arrival on the Alaskan scene, pen in hand, ready to slash at anyone who is a productive citizen, especially those trying to preserve our free enterprise system as well as the individual freedom such as Mr. Zaelke enjoys, leads me to question his motivation towards and loyalty to the principals upon which this country is founded.

Mr. Zaelke states that the lawsuit seeks, "relatively minor changes in Schnabel's contract." The Post Trail Briefs spells out the issue, "the State decision to fix the annual volume at 10.2 million feet was arbitrary, capricious, and an abuse of discretion." The allowable cut was improperly calculated. The rotation age on old growth volume and second growth volume has no rationale. These charges were not minor - they sought to cancel the entire contract.

Article 4 Sec. 8 of the State Constitution provides for, "Fish, Forest, wildlife and grasslands shall be utilized, developed, and maintained on the sustained yield principal, subject to preference among beneficial users." The people of Haines voted a sales tax to provide funding to defend their rights to this resource. That action speaks for itself as a preference.

The value of Mr. Zaelke's letter may be that it will help awaken people to the unreasonableness of the ENVIRONMENTALIST position. Mr. Zaelke does not consider people as a national resource. Mr. Zaelke advertizes irresponsibility. It may help do away, legislatively, the use of Intervenor funding and it may help lead to laws being formulated that require bonding for such suits that when taken to court, will protect the defendant and allow the defendant to be reimbursed for the costs and losses inflicted upon him and the affected community.

Yours truly,

John J. Schnabel
President

S/j

Enclosures



CORROON & BLACK/DAWSON & CO., INC.

2911 - Second Avenue
P.O. Box C 34201
Seattle, Washington 98124
206-583-2300 Telex: 32-0215

October 21, 1980

Mr. John Schnabel
Schnabel Lumber Company
Post Office Box 595
Haines, Alaska 99827

Re: U.S. Forest Service Timber Sale 02-519

Dear John:

We have carefully reviewed the information submitted on October 16 in regard to the bond required.

John, I am sorry to advise that due to the current litigation, we cannot provide the bond required.

The bonding companies have advised that any bond requests will be denied until the issue before the court is settled.

We are confident that when the legal issue is settled, we will be able to provide you with the bonds you need and, in our opinion, deserve.

Sincerely,


Durand R. Eaton

lm

RECEIVED
SCHNABEL LUM. C.

OCT 21 1980

HAINES, ALASKA

Original sponsor: Rules Committee

Offered: 5/23/80
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 1022

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act granting authority to the Alaska Renewable
7 Resources Corporation to exceed investment limits by
8 investing \$3,600,000 in Schnabel Lumber Company; and
9 providing for an effective date."

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

1 * Section 1. It is the intent of the legislature that this bill fulfill
2 the requirement of AS 37.12.080(b)(1).

3 * Sec. 2. The legislature finds that the Alaska Renewable Resources
4 Corporation has had applications for an investment of \$3,600,000 in Schnabel
5 Lumber Company, an Alaska corporation, for a waste wood high temperature
6 boiler system. AS 37.12.080(b) states that no financial assistance of more
7 than \$1,500,000 may be provided to a single project or applicant unless the
8 legislature has approved the investment by concurrent resolution. The legis-
9 lature further finds that approval of the investment may be in the public
0 interest. Notwithstanding the provisions of AS 37.12.080(b) requiring ap-
1 proval by concurrent resolution, the investment in the amount of \$3,600,000
2 is approved for a waste wood high temperature boiler system and the corpora-
3 tion is authorized to make the proposed investment in Schnabel Lumber Company,
4 an Alaska corporation, subject to the following conditions:

(1) that all proceeds of the financial assistance are deposited
into a separate account for the exclusive expenditure on the waste wood high
temperature boiler system and not for other purposes;

(2) that an agreement is concluded and signed guaranteeing the
purchase of the electricity to be generated;

~~(3) that current litigation is resolved in a manner that does not~~

~~danger to the investment.~~

(4) that Schnabel Lumber Company meets all other requirements of the Alaska Renewable Resources Corporation;

(5) that the Alaska Renewable Resources Corporation completes its review and approves the investment.

* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.00(c).

*SEAC program ...
under present contract. to a point that the mill will close, as
an annual cut of less than 2 million ft will remain.*

CHILKAT VALLEY LAND PROTECTION PROPOSAL

The Southeast Alaska Conservation Council feels that the entire Chilkat Valley contains particularly significant, valuable, and unique natural resources and that the Valley's ecosystems should be maintained in its natural state as much as possible. SEACC proposes that certain State-owned lands in the Chilkat Valley be traded to the federal government in return for other federal lands of equal value being traded to the State.

The SEACC proposal calls for protection of lands in a Southwest Unit, which includes the State lands bounded on the north by the Klehini River and on the east by the Chilkat River, and a Northern Extension Unit, which includes State lands in a corridor along the Chilkat River upstream of its confluence with the Klehini River.

The Southwest Unit stretches over 30 miles from the northern boundary of Tongass National Forest to the Canadian border on the Haines highway. It includes some of the most stunning mountain scenery in Alaska, moose, bear, and mountain goat habitat, prime wilderness and recreation lands, hundreds of miles of important anadromous fish spawning and rearing streams, and the principal areas used by the Chilkat eagle gathering. The Haines highway forms the northern boundary, but otherwise this unit is virtually roadless.

The Northern Extension extends along the main stem of the Chilkat River north of the Haines Highway bridge. This area is part of the USFWS 1971 proposed Chilkat National Bald Eagle Refuge Proposal. For the most part, the boundary follows the 500 foot contour elevation up the Chilkat and Tahini Rivers to the Canadian border. This unit protects mostly river-bottom lands including important salmon spawning and eagle nesting habitat. Additionally, winter moose and mountain goat range would be protected. Included in the area is important waterfowl nesting habitat and the southernmost nesting grounds of the trumpeter swan. These lands have a high recreational potential for hunting, fishing, berry picking, skiing, etc. A great deal of logging has already occurred in this section of the Chilkat and more is anticipated. The Northern Extension is expected to act as a buffer to help maintain water quality and productivity in the main stem of the Chilkat.

Approximate acreage of state-owned lands within the proposal and spruce-hemlock commercial forest lands classified "Forest Lands" within the proposal.

	Southwest Unit	Northern Unit	Total
Patented, T.A.'d & Selected State Lands (includes some private)	148,000	23,000	171,000
Spruce-Hemlock CFL classified "Forest" (includes approx. 5,000 acres which have already been	33,676	estimated under 2,000	35,000. (est.)

171000 ACRES - IT'S FOR THE BIRDS!

Like Mr. Folta who advised his children to turn their rat collection loose in the local fairgrounds, LCC turned SEACC and the Sierra Club loose in Haines, Alaska, to nibble at the Forest Industry, and all three of these groups are now out of control. We have watched the erosion of our forest base through the land classification process and the accommodations made during the timber sale contract negotiations. SEACC and LCC, dedicated to obstructionism have since succeeded in holding up implementation of the contract through the intimidating process of the courts.

On a recent trip to Juneau I asked Mr. Steinberg how could he justify asking for the entire Chilkat Valley? He answered by asking me why we needed such a large mill? I explained the problem centered around the volume of logs needed to produce sufficient power from wood waste to replace the present dependence of the community on diesel fuel for electrical generation. I pointed out that the activities of SEACC, SIERRA, LCC et al. in continually expanding demands for more land withdrawals and nebulous complaints to the U.S.C.G. Corps of Engineers, F & G, etc. were not conservationist in nature but were truly obstructionist tactics. I also reminded him that if his tactics were successful it would only result in the closure of the mill forcing people to move out of Haines. He shrugged his shoulders and made no comment. I left Mr. Steinberg's office after 30 minutes of discussion with the impression that I could have used my time as effectively talking into an empty tin can.

These obstructionists, to camouflage their intent to paralyze the forest industry, and to create an acceptable image as a defender of the environment, have chosen the eagle in this case as a vehicle to propel themselves into a national issue and the national scene. The Bald eagle in Haines has become as sacred to America as Motherhood. SEACC, the SIERRA CLUB and LCC are giving the impression that they are willing to risk their lives to protect it.

I have been cutting logs 41 years in the Chilkat Valley. Twelve thousand acres of a one hundred twenty seven thousand acre forest have been harvested. During this time the eagle has flourished and his numbers increased. To SEACC and those they represent, including LCC, this has become a self-serving issue and the needs of the people in the Chilkat Valley are of little importance.



John F. Schnabel

BOROUGH

I am going to preface my statements with a direct quote from the book by Arthur Hailey, "Overload":

In a letter to the Governor of Haines, Dave C. the following comments: Chilkat Valley and support land exchange and eagle

"Despite the many efforts of appropriate agencies of organizations in our country the federal agencies they contribute in meaningful. We are very disappointed to accomplish thorough results assuring that logging will cause damage to public resources eagles. Furthermore, the disciplinary resource to Skagway Area Land Use Plan clear-cut logging is all understand that the Governor \$25,000 for the Haines/ tion to plan their own ization apparently into eagle study can only be cooperate meaningfully already underway, and a certain development in public resources - even national significance -

"All this leaves us less concerned citizens here more involved in the government do whatever that many national interests eagles are fully protected and the Justice and Interior the growing problem on helping all that they

What is really aggravated is that the Haines Public Resource Study Corp. has Audubon eagle study for the Haines/Klukwan Craighead, went on field group, exchanged reports submitted our eagle re

In addition, the State field monitoring the member of that team for trips to the field all which includes a soil etc.

There is no longer on what he represents!

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

of as many as 5,500 bald eagles in the Chilkat River Valley is a unique national resource.

(2) Within three years after the date of enactment of this Act, and after consultation with the Governor of the State, the City and Borough of Haines, the Village of Klukwan, and interested persons, the Secretary shall report to Congress on the bald eagles in the area generally depicted on the map entitled "Chilkat River Bald Eagle Study Area," dated April, 1980. The report shall identify and assess the population, habitat and other ecological requirements, and educational, scientific, and economic value of the bald eagles; and the effects of human activities on the bald eagles."

To John
this is a
copy of
which
just

On page 408, line 12, delete everything through page 415, line 16, and renumber subsequent titles accordingly.

On page 415, line 18, delete everything through page 416, line 16, and renumber subsequent sections accordingly.

On page 417, line 19, change the period to a comma and strike the remainder of that line through line 22 and add the following:

"Provided further, that the expertise of the U.S. Fish and Wildlife Service shall be utilized in development of the Forest Plan which includes the management of the Copper River-Bering River Area and any subsequent revisions of that plan. Such plan or its revision shall be coordinated with the U.S. Fish and Wildlife Service flyway and management plans and programs for the wildlife species using this area. Activities and uses shall be permitted in a manner

D-2 amendment

Amendment on refugees

SEC. 1325(a) Within one year after the date of the enactment of this Act, the Secretary and the State shall effect an exchange of lands within the Tetlin National Wildlife Refuge. In this exchange, the State shall relinquish all claims (including land selections filed under Section 6(b) of the Alaska Statehood Act) for up to forty-six thousand and eighty acres of lands selected by the State prior to November 14, 1978, within the refuge for an equivalent acreage of Federal lands north of the Alcan Highway within the Tetlin National Wildlife Refuge, which shall be conveyed to the State as though conveyed under the Statehood Act. Such lands relinquished by the State shall become part of the Tetlin National Wildlife Refuge. This exchange shall become effective upon the execution of all documents necessary to accomplish the exchange.

(b) If the State or any landowner offers to relinquish any lands which the State or such landowner owns within the area generally depicted on the map entitled "Chilkat River Bald Eagle Study Area", dated April 1980, or which the State has selected within such area under the Alaska Statehood Act, the Secretary may accept such relinquishment if such lands are of sufficient size to enable the Secretary to manage effectively the lands and bald eagles within them. In exchange for the relinquished lands, the Secretary (or the Secretary of Agriculture, as appropriate) shall convey to the State or landowner, subject to valid existing rights, such lands as the appropriate Secretary and the State or landowner shall agree to free along public lands not contained in conservation system units.

Done
17/1/80

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

RADICAL ENVIRONMENTALISM . . . WHOSE IDEA IS IT?

Suppose for a moment that it was 1968 and you were an Arab nation who had begun to realize the wealth and power that would be yours if you managed your oil reserves properly. Suddenly an announcement is made from Alaska that a giant oil field has been discovered.

This would certainly reduce your leverage in your anticipated manipulation of world oil supplies and prices. You must find a way to stop that Alaskan oil from reaching the marketplace. You notice that certain groups in the United States are also against building the necessary pipeline.

Their reasons are straightforward: They want to protect the caribou, moose and tundra and are against the "unsightliness" inherent in any man-made object. Their concerns are not im-

portant to you but what is important is that they have the same goals as you do: Stop the Pipeline! Since they are not political groups, financial contributions can be made without anyone worrying about the source of the money, but to be safe, you "launder" the money.

As the treasuries of the environmental groups swell, they gain more power and influence and are unwittingly doing a very effective job of delaying if not stopping pipeline construction for you. You take advantage of the delay by raising your oil prices several times. The few petrodollars contributed to the environmental groups turned out to be an excellent investment.

A wild scenario? Yes. Did it really happen? Probably. Foreign powers are able to accomplish their goals in the United States simply by selecting special

interest groups whose goals are essentially the same and carefully providing financing via well "laundered" money. Any group that is well financed and endowed with evangelistic zeal can make a real impact in the United States today.

The people of the Soviet Union have a great deal of faith in the ability of Siberia to provide the raw materials necessary to their industrial growth and military effort.

Time and time again it has been decreed to go and find special commodities needed by the U.S.S.R. to achieve an important goal. Time and time again Siberia has provided. The U.S.S.R. realizes that Siberia is of tremendous importance to their goal of becoming the supreme power in the world.

Continued next page

RADICAL ENVIRONMENTALISM

Continued from page 14

Alaska is the "Siberia" of the United States. Extremely well endowed with mineral and energy resources, Alaska can provide for the United States just as Siberia provides for the U.S.S.R. To a Russian, Alaska must be of critical importance to the U.S.

Thus, Alaska is of strategic importance to the U.S.S.R. If the United States could be stopped or delayed significantly in its utilization of Alaska as a source of energy and strategic minerals, it would be an important factor in any future confrontation.

Certain groups are working to get as much of Alaska withdrawn from exploration and development as is possible. Their reasons are simple and straightforward: they want to preserve this land in its present wilderness condition. The net result however is the same as

desired by the U.S.S.R.

Again, carefully laundered money is poured into treasuries of the environmental organizations. Politicians are elected with the help of the environmental groups. Lobbying by environmental groups in Washington, D.C. on the Alaska "d-2" lands issue is well-financed and very effective. After all, any issue supported so well financially must be the "will of the people."

Another wild scenario? Yes. Is it happening? No one knows for sure but it's time for a thorough investigation into the sources of the financing supporting the radical environmentalists and for a re-evaluation of the wisdom of locking up energy and mineral resources needed by our nation.

THE ALASKA MINER
WELCOMES
LETTERS TO THE EDITOR

Editorial



Remarks by C.R. Lewis

*"He that would know
what shall be must consider
what hath been."*

Ancient Proverb

Pipe fabricated to order using the latest equipment and newest techniques.

C.R. LEWIS CO. INC.
1500 Post Road 276-3624

Spring Valley, Inc.

P.O. BOX 1166

WRANGELL, ALASKA 99881

(907) 874-3333

April 28, 1981

The Honorable Ray W. Metcalfe
Alaska State Legislature
Pouch V
State Capital
Juneau, Alaska 99811

Re: House Bill No. 428

Dear Mr. Metcalfe:

Our company supports you wholeheartedly in your sponsoring of Bill No. 428. This is a step in the right direction in creating a smoother government operation. We do need to be able to withstand criticism at times, but opponents of a measure should be able to realize their responsibilities to others, also.

When there is a realistic avenue to take for solving an issue, before it becomes a full-fledged problem, that is the right approach. Creating more problems only costs more time and money, in the long run. If the persons or groups involved in this is proved to be wrong, they should be the ones to cover the loss. This seems only realistic.

It is good to know we can work towards cutting the paperwork, and possibly, saving money in this day of progress.

Yours truly,

Spring Valley, Inc.



David C. Oliver
General Manager

DCO:vo

cc: The Honorable Ernie Hagan

APR 29 1981

Alaska Loggers Association, Inc.



111 STEDMAN, SUITE 200
KETCHIKAN, ALASKA 99901
Phone 907-225-6114

April 28, 1981

Honorable Ray Metcalfe
Alaska State Representative
Touch V State Capitol Building
Juneau, Alaska 99811

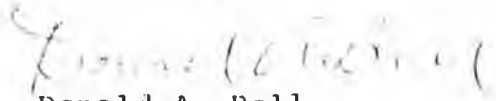
Dear Representative Metcalfe:

Thank you for mailing me your letter of April 15 and the copy of the House Bill No. 428. This is an excellent bit of legislation and you are to be congratulated by the industry for being the sponsor.

We feel the security clause of the proposed legislation will be a big step in decreasing nuisance suits that are primarily filed to harrass industry.

ALA Directors are being mailed a copy of the bill and asked to contact their legislators for its support.

Sincerely,


Donald A. Bell
General Manager
ALASKA LOGGERS ASSOCIATION

DAB/mjh
cc: ALA Directors with enclosures



Louisiana-Pacific Corporation

Ketchikan Division

Post Office Box 6600
Ketchikan, Alaska 99901, U.S.A.
Telephone 907-225-2151
Telex 099-55-251
Answer back KAYPULCO KET

April 21, 1981

The Honorable Ray Metcalfe
House of Representatives
State of Alaska
Pouch V
Juneau, Alaska 99811

Dear Mr. Metcalfe:

We concur with your efforts to put controls on agencies attempting to exceed their powers involving the writing and implementation of regulations. All regulations and amendments to regulations should be "absolutely necessary to carry out the purpose of the statute." They should also be accompanied by an evaluation that explains the costs involved for the benefits received.

We support the amendment of Section 1, AS 44.62.030 and Section 2, AS 44.62.300 in H.B. 339. We also support H.B. 340, especially Section 1, Findings.

We cite had. regulations proposed by the Alaska Fish & Game Boards and the Department of Fish and Game as an example of superfluous regulations. They exceed the authority of Title 16 and will be costly to enforce. Enclosed you will find a response to these regulations by Jim Clark on behalf of the Alaska Loggers Association.

We caution the use of a citizens' committee for regulatory review. If the legislative and judicial systems would follow through, there would be no need for such a committee.

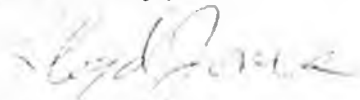
The Honorable Ray Metcalfe

-2-

April 21, 1981

Thank you for your concerns on a very serious problem.

Sincerely,



Lloyd Jones
Administrative Forester

je
Enclosure

cc: Senator Robert Ziegler
Representative Oral Freeman
Representative Terry Gardiner
Mr. Jim Clark

APR 17 1981

21



Louisiana-Pacific Corporation

Box 10000

Box 10000

Box 10000

Box 10000

Box 10000

Box 10000

April 16, 1981

Senator Robert Ziegler
Alaska Senate
Pouch V
Juneau, Alaska 99811

Dear Bob:

We are in receipt of House Bill 428 introduced by Representative Kay Metcalf relating to litigation involving state actions; and amending Rules 6 and 65 of the Rules of Civil Procedure.

We support this legislation and feel such action is long overdue. It should act as a real incentive for many groups to resolve their differences by negotiation or administrative procedures without expensive and time consuming litigation. We see the legislation as being fair to both defendants and plaintiffs by requiring an early assessment of the differences and likely damage.

An outstanding example of the need for this type of litigation is the Southeastern Alaska Conservation Council vs. State, Schnabel, City of Haines and Haines Borough. This lawsuit has caused the people of Haines and Schnabel Lumber Company untold harm. The City, through depressing their economy and high legal costs, and Schnabel by precluding his operating the timber sale in question, his inability to qualify for a State loan, his inability to obtain bonding for a Forest Service timber sale and his legal fees in defending against the litigation.

Even now, with a favorable ruling granting attorney fees and a charge against the plaintiffs of taking a "trivious suit with little chance of success", the harmful effects continue because SEACC has appealed the decision.



Louisiana-Pacific Corporation

Senator Robert Ziegler

-2-

April 16, 1981

We request your support in obtaining legislation that would stop these abuses of our court system.

Sincerely,

D. L. Finney, Manager
Forestry & Government Affairs

hr

cc: Representative Ray Metcalf
Mr. John Schnabel

APR 21 1981



Louisiana-Pacific Corporation

Ketchikan
Post Office
Ketchikan, Alaska
Telephone
Telex
Answer

April 16, 1981

Representative Terry Gardiner
Alaska House of Representative
Pouch V
Juneau, Alaska 99811

Dear Terry:

We are in receipt of House Bill 428 introduced by Representative Ray Metcalf relating to litigation involving state actions; and amending Rules 6 and 65 of the Rules of Civil Procedure.

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Louisiana-Pacific Corporation

Representative Terry Gardiner

Page 2

April 16, 1981

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Sincerely,

D. L. Finney, Manager
Forestry & Government Affairs

hr

cc: Representative Ray Metcalf
Mr. John Schnabel

APR 21 1981



Louisiana-Pacific Corporation

10000

Post Office Box 6600

Seattle, Alaska 99506

Telephone - 541-225-4000

Telex - 00155151

Armed Forces Address - 10000

April 16, 1981

Representative Oral Freeman
Alaska House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Oral:

We are in receipt of House Bill 428 introduced by Representative Ray Metcalf relating to litigation involving state actions; and amending Rules 6 and 65 of the Rules of Civil Procedure.

We support this legislation and feel such action is long overdue. It should act as a real incentive for many groups to resolve their differences by negotiation or administrative procedures without expensive and time consuming litigation. We see the legislation as being fair to both defendants and plaintiffs by requiring any early assessment of the differences and likely damages.

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Louisiana-Pacific Corporation

Representative Oral Freeman

Page 2

April 16, 1981

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Sincerely,

D. L. Finney, Manager
Forestry & Government Affairs

hr

cc: Representative Ray Metcalfe
Mr. John Schnabel



Alaska State Legislature

House of Representatives

Committee on State Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

HB 428

The legislation which I brought to your attention sometime ago proposing to curb the abuse of our legal system by those who consistently bring frivolous and often unfounded environmental suits merely for the purpose of burdening and/or destroying our state's industry, ~~HB 428~~ is scheduled for a hearing in the House Judiciary Committee at 1:15 on February 11, in room 124 of the capitol building.

It is proposed and designed to address the
Most such suits stem from activity on or around state lands or resources: roads that cross public land, mining or timber cutting rights on public lands, and numerous other areas. The legislation would require that anyone wishing to bring such action would first be required to show that they were somehow being directly affected by the activity the suit action would delay.

In the absence of being able to demonstrate direct effect, the party bringing the suit would be required to post bond or other security in an amount sufficient to cover the damages and losses that may be suffered by others as the result of actions brought.

The synopsis from our Legislative Affairs Agency is as follows:

The synopsis from Billy Berrier from our Division of Legal Services is as follows:

The following is a synopsis from Legislative Legal Services
This is, as you have noticed, a highly technical procedural bill. Any non-technical synopsis will of necessity be broad brush.

STATE OF ALASKA THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

January 29, 1980

SUBJECT: Litigation involving state action
(Work Order No. 7697)

TO: Representative Ray H. Metcalfe

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

This is, as you have noticed, a highly technical procedural bill. Any non-technical synopsis will of necessity be broad brush.

Essentially, the bill is directed toward preliminary proceeding when an action is brought in court to prevent action on a decision made by the state or an agency.

It requires that notice be given of a proposal by the state to award a contract in the amount of \$100,000 or more or to grant a permit where expenditures under the permit will be \$100,000 or more. If these notices are already given, no new requirements are imposed. (Sec. 09.50.510)

If a person wishes to go to court to enjoin action, he must have

(1) raised the issue with the state agency which has responsibility for the action complained of and requested the agency to take the requested action

(2) show that he has a real interest in the action complained of by showing there is substantial likelihood of a specific, personal injury if the action is carried out

and he must show specifically what his efforts to get the state agency to meet his demands have been. (Sec. 09.50.450)

Representative Ray H. Metcalfe
Page 2
January 29, 1980

If the grounds alleged in support of the action sought have been raised with the agency and found to be without merit or were not raised before the agency, the state may ask the court for an order requiring security to be posted (sec. 09.50.460); the motion shall be heard by the court (sec. 09.50.460) and the amount of security may include damages for actual or prospective breach of contract, extra costs from inflation caused by delay and other costs or damages, including costs of litigation (sec. 09.50.480). The state or an intervenor (another person who has an interest in the contract who has become a party to the suit such as a company to whom a contract was awarded) may request that the security be furnished.

When the action is terminated, the defendant may have access to the security as the court determines.

In the broadest summary:

- (1) The state must give notice of its actions where \$100,000 or more is involved.
- (2) A person must have an interest in the action that could create a personal and specific injury to him in order to bring suit.
- (3) The person bringing suit must have presented his objections and proposed alternative to the agency making the decision and must show that he has done so.
- (4) On motion of a party, security for damages, including inflation increases and costs of suit may be required from a party who did not present his claim to the state agency or who was ruled against by the state agency.
- (5) The security may be used to pay damages caused by the suit.

I realize this broad brush summary omits significant conditions. It does not, for instance, deal with the time periods or the burdens of proof. Please let us know if a more detailed technical analysis is required.

BGB:jdn

****PLEASE NOTE****

THE ORIGINAL FILE CONTAINS AN OVERSIZED DOCUMENT THAT IS UNSUITABLE FOR FILMING. PLEASE REFER TO THE ALASKA STATE ARCHIVES TO VIEW THE ORIGINAL.

*11 ALASKA LOGGERS ASSOCIATION
25TH ANNIVERSARY"*

BOOKLET

HOUSE JUDICIARY COMMITTEE

February 12, 1982

1:15 p.m.

PRESENT:

Chairman Barnes brought the meeting to order at 1:30. This was not a formal meeting because there was not a quorum. Present was Representative Barnes and Representative Buchholdt who arrived later.

HB428: Jim Baldwin - Department of Law. In opposition to the bill.

1. We think that the bill establishes certain formal requirements that would restrict or make certain litigation incapable of being pursued in courts. Questions and answers on specific lines in suits. Baldwin feels that this makes things too formal so it will be harder to bring suits against entities.

Metcalf doesn't think it is necessarily harder, but you just have to be careful to cover the damages you may do against someone.

Baldwin went over some more changes and stated that they just plain don't like the bill.

Metcalf: Am I to assume that the Governor will veto this bill so I better come up with 2/3rd's vote?

Baldwin: I don't know, but when I get up there, I am going to recommend that he veto it.

Metcalf: The legislative legal staff understands my objective on this bill and insists that I draft it just this way but I am open to any kind of amendments.

Rep. Buchholdt arrived at 1:35.

Mr. John D. Hollinwell, Mayor of Haines: I am in favor of the type of legislation being submitted.

Chairman Barnes: I am going to ask staff counsel to work with Mr. Baldwin to come up with something that would meet the needs of the committee and the people.

HB74: Mr. Baldwin, Department of Law here as a member of the Code Revision Commission.

Mr. Kurtz - Member of the Code Revision Commission. Attorney from Anchorage, Private practice.

Talked about debtors and creditors and better ways of doing things.

Buchholdt: I would like to have a section by section analysis of this bill.

Adjourn 2:25 (Tape Log 779)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST HB 423
 Bill/Resolution No. HB 423
 Title Relating to litigation involving State actions
 Requested by House Judiciary Date February 9, 1982

II. FISCAL DETAIL
 Agency Affected Administration
 Program Category Affected _____
 BRU, Program, Or Subprogram(s) Affected _____
 (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 82	FY 83	FY 84	FY 85	FY 86	FY 87
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)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)
 HB 423 will have no fiscal impact on the Department of Administration

IV. DATE February 9, 1982 PREPARED BY Robert L. Rehfeld
 AGENCY Administration
 Original: Legislative Finance PHONE 465-2200
 cc: Budget and Management
 Prime Sponsor (First legislator named) Rep. Metcalfe
 33-001 (Rev. 01/28/81) of the Governor: Keith Specking

Alaska Loggers Association, Inc.

1982 25th Anniversary



111 STEDMAN, SUITE 200
KETCHIKAN, ALASKA 99901
Phone 907-225-6114

February 12, 1982

Honorable Ray Metcalf
Alaska State House of Representatives
Pouch V State Capitol Building
Juneau, Alaska 99811

Dear Representative Metcalf:

Thank you for the telegram regarding House Bill 428. I have contacted our representatives urging their support of the proposed legislation. I also mailed a copy of the bill to each director of ALA suggesting they contact their representatives for its support.

Sincerely,

Donald A. Bell
General Manager
ALASKA LOGGERS ASSOCIATION

DAB/mjh

FEB 19 1982



Louisiana-Pacific Corporation

Ketchikan Division

Post Office Box 6600
Ketchikan, Alaska 99901 U.S.A.
Telephone: 907-225-2151
Telex: 099-55-251
Answer back: KAYPULCO KET

428 Backup

February 19, 1982

Honorable Ray H. Metcalfe
Alaska State Legislature
Pouch V (MS 3100)
Juneau, Alaska 99811

Dear Representative Metcalfe:

We continue to support House Bill 428. Enclosed please find a copy of correspondence posted last year urging the passage of this Bill.

Sincerely,

Lloyd Jones
Manager, Legislative &
Governmental Affairs

LJ/at

enclosure

cc: Rep. Terry Gardiner
Rep. Ernie Haugen
Senator Bob Ziegler

RECEIVED 24 1982

Senator Robert Ziegler

-2-

April 16, 1981

We request your support in obtaining legislation that would stop these abuses of our court system.

Sincerely,

D. L. Finney, Manager
Forestry & Government Affairs

hr

cc. Representative Ray Metcalf
Mr. John Schnabel

bc: M. Mosar, L. Jones w/cc of HR 428 & letter

Same letter to Representatives Freeman & Gardiner

HB - 428 =

What Reschedule

See when it Thursday,

Chgo & Mitsui

Name & address.

Look up 428 Banking

On yellow = rescheduled
& got Raya call

HB-428

10:40 A.M. John Sillinghast
talked to me and said he
had some new language
to propose and he could
get over to present it to
the Committee at 1:00, but
he would prefer to get
with Asper and you and
get your thoughts. (Asper returned)

We will be at the hearing
at 1:15 in Judiciary, with
the proposed language after
he has gotten with Asper and
you.

Rec'd Draft - Call to Floor
for 1 P.M.

Hearing will probably be
rescheduled to 3/18/82. Will
be notified either today or
tomorrow.

REC'D MAR 10 1982

311-182

1. Need copy right down.
Metcalf wants a copy.

2. Make sure if you ask for
anything to be sure I
get the same thing.

If he asks for wording
or =
What do you want =

① then after you get it =
make copies for file

②. Find out how many
Members =
7 members = take 10 copies
over to her.

Label it ^{Booklet for} H.B. 428 w/ 10 copies
to her.

To copy one = Declines = not done
of ...

(74)
HB-428. Re/Hit/St Actions/AM/Rules 6 & 65C1 Judiciary
3718 Bill Cook

Compromise in language
being sought between
A.D.'s office (Ramona's Aide) and
Alternate language.

Talk to Bill Perrier and
get atty who drafted
bill who knew a lot about
the subj. matter. Any
comp language should be
be between atty and Jud.
Once done, should come
up for hearing.

Call

HB-428 - Judiciary - Hearing
Litigation / State Actions

Tillingham

Tillingham - 11 o'clock