

ALASKA LEGISLATURE COMMITTEE FILES 1983-1984 8672

2766 HRES • HJR 57 - HJR 58 • 2700



160 Don Grimes (Add) - 3% differential  
\$176 million more over 25 yrs  
2% - 119 million

209 Liska - What is hold-up on power sales agreement  
with Wrangell/P. Burg -  $\Delta$  Wrangell: economy  
P. Burg: Vote of people hope to get agreement  
on Thurs - Diesel less than originally  
projected.

235 Don Grimes - Further costs associated w/ not repeal  
of blackmail clause - If notes are tendered  
7-days notice - back-up rates - 90 million @ 60% of Prime  
115 million @ 75% Prime  
remaining 65 at 100%

294 Furnace  $\rightarrow$  Grimes - rollover fees  $\Delta$  av. 50% prime  
on Bankers trust, 65% Morgan - "should"  
be able to achieve close to same if rolled over  
- But close to 80% of prime if tendered

340 Furnace - how long could be extended if rolled  
over  $\Delta$  With Cash approp in Escrow - could  
go for whatever length of time you need.

379 Furnace - Why cash in Escrow instead of full  
faith & credit of state - Wd. require GO Bond  
election.

388 Uehling - how much approp. \$ - 225 million  
m/l - assuming 9% interest rate.

400 Goll - What were orig. cash flows - intended to  
take out debt by power sales agrmts

(4)

735

425 Coll - what effect on state's credit if notes are tendered?

442 Coll - How manage 3 bills -  $\Delta$  Recommend original bills, not make contingent upon repeal of S.B.C. Susitua large project, requires lot of bonds, need good credit.

480 Liska - Type - ?  $\Delta$  lots of changes in project combined to make hydro more expensive than hydro.

540 Uehling - Can be no rollover w/o cash?  $\Delta$  Yes  
in my opinion Grimes

570 Uehling - Cash out -  $\Delta$  Grimes - loan against future approp. pay on date certain / long-term debt.

600 Rings - If cash approp. how communities pay debt -  $\Delta$  Terms & conditions subject to negotiation - depends on legis.

Tape  
Change  
000

Ron Wendte -

Tried to point out problems w/ changes in L&C - hopes point clearly made

- 1 - importance of power sales agreement
- 2 - cost of delaying repeal of SusBCI
- 3 - cost to state of refinancing notes, etc

recommends original HB 989.

125 Coll - Bandaid?

$\Delta$  Wendte - moral obligation of state to repay

(5)

- 160 Goll - Bills work to set up 4-dam pool and stabilize energy program for AK?  
Yes - until L&C - Would kill Bradley Lake.
- 182 Liska - How previous legislature play in this?  
A Orig. legislation - changed in SB 9 1981 w/ Surtura clause & pooling project.
- 200 Crowley - Commitment made in to leadership that amendments ok - A Not w/ Wendte, maybe Crawford.
- 222 Furnace - Sufficient votes in House or Senate to pass bills w/o amendments - A Would hope that if issues are dealt with w/o jeopardizing short and long term.
- 245 Furnace → Crowf. Why not \$200 million pay-off.  
A Crowf - no interest in \$200 million in direction to find solution - Communities making economic, business decision, not political.
- 280 Furnace - any attempt to identify funds under admin. control to pay-off - A If legis. & Admin agree.
- 300 Bussell - What happens if legis appropriates 85 million for first 2 dates, & APA sells 115 million fund part to communities.  
Discussion ensued.

Recess at 505 til 700

705 Goll, Lawson, Uaska, Cowd, Cehle  
Called back to order  
Rings  
Busselle  
Vaska

419 Rep Wendte - resp to Busselle's concerns

530  
tape  
change  
Cowdery - wd use funds going to PF  
to pay off 4 dam pool - Δ Wendte -  
this is a second perm. fund. - people  
pm strongly - would not use PF money

540 Uehling - Q re: power sales agreement and  
approp. 35 & 50 million. A Wendte - would  
go a long way to getting agreements signed.

595 Uehling - Comment - got to solve APH problem  
now and not jeopardize future railbelt needs.

620 Goll → Uehling - summarize & make points  
a Pay off may be oct \$35 million

645 Gordon  
Narrison - OMB - Overview of revenue situation

680 Ringstad - Discussed figures -  
Exclude: co.porate, prop petroleum income tax  
oil & gas property tax

720 Vaska - would like accurate picture of revenue  
to be expected under CS Δ could go back  
and do it for CS

745 Vaska - asked for projection at 30% Δ Discrepancy  
over longrun between 30%, 50% is substantial -  
30% quite a bit lower

825 Wendte - when drop to 5% - 1990 -  
after 1990, double figures

854 Ernie Haugen - Petersburg -  
\$85 million grant started \$40 million/10 megawatt  
\$125-130 million Locally would not  
have supported that big - Now 20 megawatts  
firm, can expand to 30 megawatts

978 Bussell - discuss of surplus kW - what reaction  
^

Tape  
Change

026 Don Grimes - currently not take or pay, but  
take and pay variation

055 Vaska - if state defaults on bonds, what effect  
on other bonds & Grimes - would be  
disasterous, impairing state's ability to  
sell bonds for any purpose.

Grimes  
075 Vaska - how will financial world view state  
and its abilities to pay debts - would not  
be acceptable.

089 Vaska - would affect bonding capabilities  
of municipalities & probably would carry over

100 Vaska - how about on international market?  
all over the world; no question about it.

107 Vaska - Any connection w/ N.S.B. - downgrade  
of credit ratings & still able to sell bonds  
but had to pay penalty

125 Goll - GO bonded indebtedness highest in country?  
yes

(7)

- 130 Goll - Management of GO debt  
Grimes - percent, tied in w/ Prudhoe  
production curve
- 150 Goll - Should payoff, would cast doubt  
on State & no, only says state concerned  
enough to keep good credit.
- 160 Uehling - Would paying 35 1/2 SD keep  
problem down until Nov. & Depends on  
whether utilities will sign w/o repeal of  
SBC. Will have rate penalty associated  
with SBC stigma - 2% if drop 1 letter  
in rating (A - BAA)
- 238 At ease 5 min 755
- 240 800
- 242 Rep Malone - Who is testifying for Gov's  
etc? & Gov's etc. declined to testify <sup>Ringstead</sup>
- 295 Vaska
- 272 Uehling moved, asked v/c. adopt CS  
Vaska obj.
- 277 Vaska removed obj., adopted CS
- 284 Uehling moved to pass BJR 57, Vaska obj.  
Vaska said he had an amend.
- 292 Uehling withdraws motion
- 298 Pq 1 line 17, change 17 to 16 to Genl Fund  
Moved amend., Burt obj.
- 310 Vaska explained his amendment to  
make management parallel to that  
of the genl fund, rather than savings  
account philosophy of pension fund.

350 Asked Gordon Harrison to respond -  
Harrison felt he could not speak to it

360 Malone gave his view.

- 1 - easier to manage
  - 2 - more liquidity
  - 3 - more likely to avoid bad investment
- better investments

390 Larsson -> Malone - would bring into play  
the spending limit & doesn't think so  
as CS is written.

425 Larsson - Appropriation from GF to MPT not  
subject to spending limit? G&A: legislatively  
approved would not be, but approps  
out of world be.

446 1 Got-Vaska Year - Others Army

461 Vaska - 2nd Amendment - New Sec 6.

as [insert] moved, objection. Lisa  
Discussion of amendment and  
power cost assistance program

572 Ringstad - agrees w/ Bush problem - power cost  
assistance tries to address it.  
Further discussion

670 Larsson if PCA program not effective, why  
not reduce to 9%, give remainder to weatherization  
& weather negotiations not opposed

700 Gussler - MPT, not subsidies

Goll  
Tape  
change

730 - supports amend. #2 - doesn't like lengthy const. amends. - would be cost effective.

764 Larson - supports amend., but wd reduce 10% to 5%.

776 Cowdery - called for Goll Vaska Larson yea - all others nay

780 Uehling moved w/indiv. rec. Vaska Oby Vaska, Goll opposed Larson, Cowd, Uehl. Bust, Rings, Yea.

795 Uehling moved adopt 35 34/no obj

800 Uehling asked for explanation of change in sec. 3. Rings expl., no to disbursed until all com. municipalities sign off

835 Goll asked For Larry Crawford's view - If all don't sign, 35 million wd not be adequate.

875 Cowdery - thought 35 wd be adequate - only if all 5 sign

885 Wendte - shouldn't give each community veto power

892 [Andi] needs technical correction - 2 parties are co-ops, 3 are municipalities

Greebaum - "Power Purchasers"

910 Vaska - who ma ~~hangup~~ - Cmte or admin.  
△ Cmte. Ann

925 Busl - Crawford should give us names  
of 5 specific indiv.

930 Crawford - "power purchasers" should do

940 Vaska - how specific should we be -  
Vehling asked for names  
Cities of Ken, Wroq, Plover,  
Kodiak Electric Assn. Copper Valley Electric Assn

970 - Larson - Bond Council says "Power Purchasers"  
Lisa - might need new section defining

980 Greenbaum - if purposes is clarity would  
advise it.

992 Russell read proposed amendment & moved,  
asked ok - no obj.

030 Goll and Vaska made point regarding  
3rd party purchasers.

045 Vehling moved, asked v/c CS as amended  
Indiv. rec Vaska Obj.  
Busl, Lisa, Cowd, Vehl, Ring. ~~Larson~~ Yea Vaska No  
Larson, Goll did not vote

064 Vehling moved ~~obj.~~ CS adopt. vaska obj.  
Busl, Lisa, Cowd, Vehl, Ring. Yea Vaska No  
Larson, Goll did not vote

080 Vaska moved amend #1 [INSERT]  
obj. Cowd.

Vaska - supported amendment - Sustina  
should stand on its own

140 Goll Vaska yea -  
Burst, Listka, Cowd, Lars, Uehl, Rings-Nay

150 Uehling moved up. indiv. rec 589  
Vaska obj

157 - Burst, Cowd, Listka Uehling Rings Yea  
Vaska - No - Larson, Goll did not vote

163 adjourn 9pm

Mar 5 305

all members  
Furnace & Wendt

1

0008 EPA Resoe

0014 Don Kubley - Statement in favor of SJR 42

0065 Dehling moved a ske U/C pass SJR 42.

0074 Bussell - Legislature should be making much stronger statement regarding federal classification of streams, etc.

090 HB 589, 684, HJR 57 -  
CS HB 589 - Ringstad Sectional

205 Cowd - Question re. appropriation from fund  
▷ Same as any other - simple majority -  
veto override 3/4 - Not veto proof -

Rings continued w overview

372 Larry Crawford - APA -

639 Bill - Update diesel cost on Graph?  
▷ Generalization - some disagreement by  
some communities on price of diesel - we think  
reasonable & realistic

Crawford contd.

700 - Problems w/CS - repeal of Susitna Equity  
Bill st.

748 HR 4170 - Cap on Industrial Devel. Bonds

765 Rings - Power from 4 dam pools -  $\Delta$  Solomon Gulch at O&M - no debt service ? Less?  
 $\Delta$  Yes, compared to what paying later -

780 Goll - how will money be used?  $\Delta$  Interest

003 Furnace - No. of subscribers - how much annual revenue

015 Discussion ensued -  
No debt outstanding on Solomon Gulch

057 Furnace - how determine rate until sales agreement in hand -  $\Delta$  no mechanism

065 Cawdery - what better plan to protect railbelt if Susitna Equity Clause repealed?  $\Delta$  APA's objective to solve 4-dam pool problem -  
CSAIR 97 delays problem to Nov. - Hindas more than helps Susitna

100 Uehling - how much higher if <sup>HR</sup> 4170 passes -  
 $\Delta$  10.5 now 13% later -  $\Delta$  20 million more

120 Rings - how does APA approach until Nov -  
 $\Delta$  Wait n see what legal. actually does - will cost State more  $\Delta$

140 Goll - State's obligation - delay -  
 $\Delta$  Essentially correct - extending payment on notes - Morgan Guaranty 35, Banker's Trust 165



# Alaska State Legislature

HOUSE OF REPRESENTATIVES  
COMMITTEE ON RESOURCES

JOHN RINGSTAD, CO-CHAIRMAN  
RICHARD SHULTZ, CO-CHAIRMAN  
POUCH V  
JUNEAU, ALASKA 99811  
(907) 465-3715

TO: House Resource Committee Members

FROM: Committee Staff

DATE: March 5, 1984

RE: Sectional Analysis of HJR 57, establishing a major projects fund

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## SECTION 1.

Subsection (a) is language which creates within Article IX of the Constitution a major projects fund (MPF).

- A cost threshold of \$100 million is set for projects qualifying. This minimum allows reasonable flexibility for covering major capital projects, without opening the fund to capital projects that may be effectively addressed through the normal capital budget process.
- This section also allows the money in the MPF to be invested in a manner similar to the Permanent Fund, except that it may be managed by the Dept. of Revenue as part of the State Treasury.
- Subsection (a)(1) establishes an annual deposit of 10% of state revenue into the fund from the following sources:
  - (A) severance tax;
  - (B) mineral lease rentals;
  - (C) royalties;
  - (D) royalty sale proceeds; and
  - (E) federal mineral revenue-sharing payments and bonuses.
- Subsection (a)(2) on line 28 and 29 requires the interest earned by the money in the fund to be reinvested into the fund, rather than going into the general fund.
- Subsection (a)(3), along with subsection (c) (lines 15 - 18) is the mechanism which provides for repayment back into the MPF, from projects financed by the MPF.

Subsection (b) establishes minimum requirements to be met before appropriations are made from the fund.

These are:

1. legislature must approve the appropriation.
2. all costs of the project must be committed;
3. the project has to earn revenue, and
4. the project must be owned by the State.

Subsection (c) as mentioned above is the mechanism for repayment of the MPF by a project funded by the MPF. Expenditures from the fund must be recovered and returned to the fund over the operational life of the

project. The intent is to recover the principal of the fund from revenue generated by the project.

Subsection (d) allows the fund, by a two-thirds vote of the legislature, to be used to meet a declared state of disaster.

Subsection (e) requires that the first appropriation from the MPF be for construction of the Watana Dam portion of the Susitna River Hydroelectric project.

Subsection (f) requires that up to 10% of the annual revenue paid into the fund be reserved for power cost assistance.

#### SECTION 2.

Section 2 amends Article IX, section 7 of the Constitution which refers to the dedication of funds. In order to establish a stream of dedicated oil revenue into the MPF, it must be exempted from the dedication of funds section of the Constitution. This has been done in the past when the Permanent fund was created. (Art. IX, sec. 15)

#### SECTION 3.

This section amends Art. IX, sec 16, the Appropriation Limit, by exempting the MPF. Neither deposits to the fund, nor appropriations from the fund would then be subject to the appropriation limit.

#### SECTION 4.

This section of the resolution requires approval of the voters on the November 1984 election ballot.



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JUNEAU, ALASKA 99811  
(907) 465-3715

TO: House Resource Committee Members  
FROM: Committee Staff  
DATE: March 5, 1984  
RE: CS HB 589, APA CLEAN-UP BILL, SECTIONAL ANALYSIS

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## SECTION 1.

Eliminates restrictions on industrial power rates.

Also provides for the combination of the Lake Tyee, Swan Lake, Solomon Gulch, and Terror Lake hydroelectric projects into one power project for purposes of the wholesale power rate calculation.

## SECTION 2.

Describes the method for determining the wholesale power rate for the projects of the authority. As the four dams are combined into project, they would share the debt service for the entire "initial project", and there is a single cents-per-kilowatt-hour rate for debt service. The rate to cover costs of maintenance, operation, equipment replacement, safety inspections and investigations is determined separately for each facility.

In the original bill, Section 2 repealed the "Susitna Blackmail Clause." This has been reversed in the CS, and the blackmail clause is addressed in section 8.

## SECTION 3.

Adds a sentence to AS 44.83.398(e) to allow the power authority to contractually limit the amount of debt service payable by power purchasers as a consequence of the later of new projects to the energy program for Alaska.

## SECTION 4 and SECTION 5.

Refer to the "Susitna Blackmail Clause" and would be repealed by Sec. 8.

SECTION 6.

Repeals AS 44.83.398(d) upon immediate effective date. Section refers to wholesale power rates amended in Section 1 of the bill.

SECTION 7.

Provides immediate effective date for Sections 1-3 and 6.

SECTION 8.

Provides that sections 4 and 5 take effect upon approval of a constitutional amendment creating the major projects fund, which would require the financing of Watana portion of the Susitna Project.

Introduced: 2/13/84  
Referred: Labor & Commerce,  
Resources and Finance

Funding Information

General Fund	\$35,000,000
Other Funds	\$ -0-
	<u>\$35,000,000</u>

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 684

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Alaska  
7 Power Authority; and providing for an effective  
8 date."

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

10 \* Section 1. The sum of \$35,000,000 is appropriated from the general  
11 fund to the Alaska Power Authority for the purpose of rate stabilization in  
12 accordance with the terms of power sales agreements and bond covenants for  
13 the issuance of revenue bonds for the Lake Tye, Swan Lake, Terror Lake,  
14 and Solomon Gulch hydroelectric facilities.

15 \* Sec. 2. The appropriation made in sec. 1 of this Act is not a one-  
16 year appropriation and does not lapse under AS 37.25.010.

17 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.-  
18 10.070(c).

19  
20  PLEASE NOTE:

21  
22 Resources CS will provide a new effective date contingent  
23 upon signing of power sales agreements by the affected  
24 communities.  
25  
26  
27  
28  
29

Original sponsor: Rules/Governor

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE JOINT RESOLUTION NO. 57 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 Proposing an amendment to the Constitu-  
6 tion of the State of Alaska creating a  
7 fund to finance the construction of cap-  
8 ital projects.

9 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. Article IX, Constitution of the State of Alaska, is amend-  
11 ed by adding a new section to read:

12 SECTION 17. MAJOR PROJECTS FUND. (a) There is created in the  
13 State treasury a major projects fund. The purpose of the major proj-  
14 ects fund is to finance capital projects which exceed \$100,000,000 in  
15 cost. Money in the fund may be invested in the manner specified in  
16 section <sup>16</sup>[15] of this article for the <sup>General Fund</sup>Alaska Permanent Fund<sup>(rather language)</sup>. The major  
17 projects fund consists of <sup>investment in anything</sup> <sup>\* competitive</sup>

18 (1) an annual deposit of ten percent of state revenue  
19 earned after June 30, 1985, from the following sources:

- 20 (A) severance tax;  
21 (B) mineral lease rentals;  
22 (C) royalties;  
23 (D) royalty sale proceeds; and  
24 (E) federal mineral revenue-sharing payments and

25 bonuses;

26 (2) interest earned each fiscal year from investment of  
27 money in the major projects fund;

28 (3) revenue dedicated to the major projects fund in accor-  
29 dance with (c) of this section; and

1 (4) appropriations made by the legislature.

2 (b) Money may not be expended from the major projects fund un-  
3 less

4 (1) the expenditure is authorized in an appropriation bill  
5 passed by the legislature;

6 (2) the appropriation, together with any other money com-  
7 mitted to finance the capital project, is sufficient to provide for  
8 all costs of constructing the capital project;

9 (3) the capital project is projected to earn enough revenue  
10 during its useful life to repay the money appropriated from the major  
11 projects fund and other borrowed money used to finance the project;  
12 and

13 (4) the capital project being funded is owned by the state.

14 (c) The legislature shall dedicate by law sufficient revenue  
15 earned by a capital project financed by the major projects fund to  
16 ensure that the amount appropriated from the fund for the project is  
17 repaid during the useful life of the project.

18 (d) Notwithstanding the dedication of revenue required by this  
19 section, the legislature, by an affirmative vote of two-thirds of the  
20 membership of each house, may appropriate revenue dedicated under this  
21 section to meet a state of disaster declared by the governor as pre-  
22 scribed by law.

23 (e) The first appropriation from the major projects fund shall  
24 be for the Watana Dam portion of the Susitna River hydroelectric  
25 project, unless the legislature, by a vote of two-thirds of the member-  
26 ship of each house, disapproves the project. Notwithstanding art. II,  
27 sec. 15 of the Constitution of the State of Alaska, the appropriation  
28 made under this subsection may not be vetoed by the governor.

29 \* Sec. 2. Article IX, sec. 7, Constitution of the State of Alaska is

1 amended to read:

2 SECTION 7. DEDICATED FUNDS. The proceeds of any state tax or  
3 license shall not be dedicated to any special purpose, except as pro-  
4 vided in sections [SECTION] 15 and 17 of this article or when required  
5 by the federal government for state participation in federal programs.  
6 This provision shall not prohibit the continuance of any dedication  
7 for special purposes existing upon the date of ratification of this  
8 section by the people of Alaska.

9 \* Sec. 3. Article IX, sec. 16, Constitution of the State of Alaska is  
10 amended to read:

11 SECTION 16. APPROPRIATION LIMIT. Except for appropriations for  
12 Alaska permanent fund dividends, appropriations from the major proj-  
13 ects fund established by section 17 of this article, appropriations of  
14 revenue bond proceeds, appropriations required to pay the principal  
15 and interest on general obligation bonds, and appropriations of money  
16 received from an non-State source in trust for a specific purpose, in-  
17 cluding revenues of a public enterprise or public corporation of the  
18 State that issues revenue bonds, appropriations from the treasury made  
19 for a fiscal year shall not exceed \$2,500,000,000 by more than the  
20 cumulative change, derived from federal indices as prescribed by law,  
21 in population and inflation since July 1, 1981. Within this limit, at  
22 least one-third shall be reserved for capital projects and loan appro-  
23 priations. The legislature may exceed this limit in bills for appro-  
24 priations to the Alaska permanent fund and in bills for appropriations  
25 for capital projects, whether of bond proceeds or otherwise, if each  
26 bill is approved by the governor, or passed by affirmative vote of  
27 three-fourths of the membership of the legislature over a veto or item  
28 veto, or becomes law without signature, and is also approved by the  
29 voters as prescribed by law. Each bill for appropriations for capital

1 projects in excess of the limit shall be confined to capital projects  
2 of the same type, and the voters shall, as provided by law, be in-  
3 formed of the cost of operations and maintenance of the capital proj-  
4 ects. No other appropriation in excess of this limit may be made ex-  
5 cept to meet a state of disaster declared by the governor as pre-  
6 scribed by law. The governor shall cause any unexpended and unappro-  
7 priated balance to be invested so as to yield competitive market rates  
8 to the treasury.

9 \* Sec. 4. The amendments proposed by this resolution shall be placed  
10 before the voters of the state at the next general election in conformity  
11 with art. XIII, sec. 1, Constitution of the State of Alaska, and the elec-  
12 tion laws of the state.  
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## EXHIBIT H

## RATE STABILIZATION FUND SCHEDULE\*\*

<u>Fiscal Year</u>	<u>Copper Valley</u>	<u>Ketchikan</u>	<u>Kodiak</u>	<u>Petersburg</u>	<u>Wrangell</u>	<u>Total</u>
1985	\$3,167,486	\$3,114,153	\$4,701,936	\$1,115,967	\$1,160,650	\$13,260,192
1986	2,795,816	2,900,562	5,113,937	1,047,279	922,701	12,840,295
1987	2,464,771	2,607,345	4,474,900	471,433	1,134,154	11,152,603
1988	2,203,183	2,321,229	3,749,084	473,619	922,711	9,669,826
1989	1,560,540	1,920,336	2,776,647	354,398	826,998	7,438,919
1990	1,267,577	1,444,022	1,708,624	270,913	682,829	5,373,965
1991	975,502	890,397	546,722	---	511,810	2,924,431
1992	657,130	205,299	---	---	259,105	1,121,534
1993	298,906	---	---	---	54,142	353,048
1994	---	---	---	---	---	---
1995	---	---	---	---	---	---
	<u>\$15,390,911</u>	<u>\$15,403,343</u>	<u>\$23,131,850</u>	<u>\$3,733,609</u>	<u>\$6,475,100</u>	<u>\$64,134,813</u>

Subject to change to reflect actual par value of bonds and interest rates.

Larson

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE JOINT RESOLUTION NO. 57 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 Proposing an amendment to the Constitu-  
6 tion of the State of Alaska creating a  
7 fund to finance the construction of cap-  
8 ital projects.

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13 State treasury a major projects fund. The purpose of the major proj-  
14 ects fund is to finance capital projects which exceed \$100,000,000 in  
15 cost. Money in the fund may be invested in the manner specified in  
16 section 15 of this article for the Alaska Permanent Fund. The major  
17 projects fund consists of

18 (1) an annual deposit of ten percent of state revenue  
19 earned after June 30, 1985, from the following sources:

- 20 (A) corporate income tax on oil and gas producers;
- 21 (B) severance tax;
- 22 (C) oil and gas production property tax;
- 23 (D) mineral lease rentals;
- 24 (E) royalties;
- 25 (F) royalty sale proceeds; and
- 26 (G) federal mineral revenue-sharing payments and  
27 bonuses;

28 (2) interest earned each fiscal year from investment of  
29 money in the major projects fund;

1 (3) revenue dedicated to the major projects fund in accor-  
2 dance with (c) of this section; and

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7 passed by the legislature;

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9 mitted to finance the capital project, is sufficient to provide for  
10 all costs of constructing the capital project;

11 (3) the capital project is projected to earn enough revenue  
12 during its useful life to repay the money appropriated from the major  
13 projects fund to finance the project; and

14 (4) the capital project being funded is owned by the state.

15 (c) The legislature shall dedicate by law sufficient revenue  
16 earned by a capital project financed by the major projects fund to  
17 ensure that the amount appropriated from the fund for the project is  
18 repaid during the useful life of the project.

19 (d) Notwithstanding the dedication of revenue required by this  
20 section, the legislature, by an affirmative vote of two-thirds of the  
21 membership of each house, may appropriate revenue dedicated under this  
22 section to meet a state of disaster declared by the governor as pre-  
23 scribed by law.

24 (e) The first appropriation from the major projects fund shall  
25 be for the Watana Dam <sup>portion of the SUSITNA RIVER HYDROELECTRIC DEVELOPMENT</sup> project, unless the legislature, by a vote of  
26 two-thirds of the membership of each house, disapproves the project.

27 \* Sec. 2. Article IX, sec. 7, Constitution of the State of Alaska is  
28 amended to read:

29 SECTION 7. DEDICATED FUNDS. The proceeds of any state tax

1 license shall not be dedicated to any special purpose, except as pro-  
2 vided in sections [SECTION] 15 and 17 of this article or when required  
3 by the federal government for state participation in federal programs.  
4 This provision shall not prohibit the continuance of any dedication  
5 for special purposes existing upon the date of ratification of this  
6 section by the people of Alaska.

7 \* Sec. 3. Article IX, sec. 16, Constitution of the State of Alaska is  
8 amended to read:

9 SECTION 16. APPROPRIATION LIMIT. Except for appropriations for  
10 Alaska permanent fund dividends, appropriations from the major proj-  
11 ects fund established by section 17 of this article, appropriations of  
12 revenue bond proceeds, appropriations required to pay the principal  
13 and interest on general obligation bonds, and appropriations of money  
14 received from a non-State source in trust for a specific purpose, in-  
15 cluding revenues of a public enterprise or public corporation of the  
16 State that issues revenue bonds, appropriations from the treasury made  
17 for a fiscal year shall not exceed \$2,500,000,000 by more than the  
18 cumulative change, derived from federal indices as prescribed by law,  
19 in population and inflation since July 1, 1981. Within this limit, at  
20 least one-third shall be reserved for capital projects and loan appro-  
21 priations. The legislature may exceed this limit in bills for appro-  
22 priations to the Alaska permanent fund and in bills for appropriations  
23 for capital projects, whether of bond proceeds or otherwise, if each  
24 bill is approved by the governor, or passed by affirmative vote of  
25 three-fourths of the membership of the legislature over a veto or item  
26 veto, or becomes law without signature, and is also approved by the  
27 voters as prescribed by law. Each bill for appropriations for capital  
28 projects in excess of the limit shall be confined to capital projects  
29 of the same type, and the voters shall, as provided by law, be

1 informed of the cost of operations and maintenance of the capital  
2 projects. No other appropriation in excess of this limit may be made  
3 except to meet a state of disaster declared by the governor as pre-  
4 scribed by law. The governor shall cause any unexpended and unappro-  
5 priated balance to be invested so as to yield competitive market rates  
6 to the treasury.

7 \* Sec. 4. The amendments proposed by this resolution shall be placed  
8 before the voters of the state at the next general election in conformity  
9 with art. XIII, sec. 1, Constitution of the State of Alaska, and the elec-  
10 tion laws of the state.  
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# Alaska MUNICIPAL League

TELEPHONES  
(907) 586-1325  
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105 MUNICIPAL WAY, SUITE 301  
JUNEAU, ALASKA 99801

## AML RESOLUTION SUPPORTING MAJOR PROJECTS FUND

WHEREAS Governor Sheffield has proposed a major projects fund to accumulate revenues for large capital projects in Alaska; and

WHEREAS Alaskan municipalities and their residents may benefit from the construction of major projects in their areas; and

WHEREAS it is difficult through conventional capital budgeting procedures to secure large direct appropriations for major projects; and

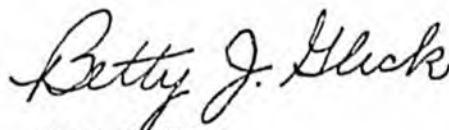
WHEREAS the Governor has indicated that sufficient revenues can be dedicated to this fund without reducing the amount available for other important current state programs; and

WHEREAS such a fund will help prepare the state for the day when annual cash surpluses above operating budget requirements decline substantially;

NOW THEREFORE BE IT RESOLVED by the Board of Directors of the Alaska Municipal League that the Board extend its conceptual support to a major projects fund, as long as the fund does not negatively impact other state programs which support Alaskan municipalities.

Adopted by the AML Board of Directors, January 31, 1984 in Juneau, Alaska.

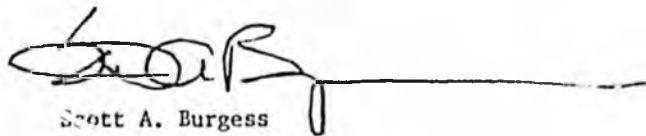
ALASKA MUNICIPAL LEAGUE



Betty J. Glick

President

ATTEST:



Scott A. Burgess

Executive Director

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_

REQUEST

Bill/Resolution No.: HJR 57  
 Title: proposing amendment to  
Constitution re capital projects  
 Sponsor: Rules  
 Requestor: Governor  
 Date of Request: March 5, 1984

FISCAL DETAIL

Agency Affected: Elections  
 Program Category Affected: \_\_\_\_\_  
 BRU, Program or Subprogram(s) Affected: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
<b>OPERATING</b>						
100 PERSONAL SERVICES		-0-				
200 TRAVEL		-0-				
300 CONTRACTUAL		1.0				
400 SUPPLIES		-0-				
500 EQUIPMENT		-0-				
600 LAND & STRUCTURES		-0-				
700 GRANTS, CLAIMS		-0-				
800 MISCELLANEOUS		-0-				
<b>TOTAL OPERATING</b>		1.0				
<b>CAPITAL</b>						
<b>REVENUE</b>						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

the cost of one page in the Election Pamphlet is 1.0

ANALYSIS: Attach a separate page for analysis

Prepared By: T.P.Thoma, Information Officer Phone: 4611  
 Division: Elections Date: \_\_\_\_\_

Approved by Commissioner: Sally K. Hamer Date: 3/5/84  
 Agency: St. Petersburg Stephen McAllister

Distribution (by Agency preparing fiscal note):

Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

12/1/83

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105 MUNICIPAL WAY, SUITE 301  
JUNEAU, ALASKA 99801

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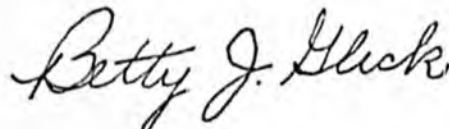
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Adopted by the AML Board of Directors, January 31, 1984 in Juneau, Alaska.

ALASKA MUNICIPAL LEAGUE



Betty J. Glick

President

ATTEST:



Scott A. Burgess

Executive Director

AMENDMENT 2

In Section 1, amending proposed Section 17(a) after "exceed \$100,000,000 in cost" add "and provide money for the weatherization fund".  
Add a new Section 17(b) which reads <sup>Notwithstanding (b) and (c) of this section,</sup> "10 per cent of the annual revenue paid into the major projects fund shall be paid into a fund reserved for weatherization" <sup>under A.S. 44.47.050 (18) and Residential Energy Conservation Fund under A.S. 45.89.</sup>  
Add a new Section 17(g) which reads "Notwithstanding (c) of this section money may expended from the major projects fund for weatherization."

This amendment is designed to make up for deficiencies in the present approach of subsidization of energy costs which reduces the incentive to conserve energy and save money in that manner. By paying instead for the weatherization of homes across the state significant savings would be realized to consumers.

1. Easier on the managers.  
General fund has a  
different investment list  
from permanent fund

2. Consistent with  
strategy — gen. fund.  
is managed for liquidity,  
which projects fund  
needs.

3. "Competitive market rates"  
is more secure language  
than article 15 has.

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_

REQUEST

Bill/Resolution No.: HJR 57

Title: proposing amendment to Constitution re capital projects

Sponsor: Rules

Requestor: Governor

Date of Request: March 5, 1984

FISCAL DETAIL

Agency Affected: Elections

Program Category Affected: \_\_\_\_\_

BRU, Program or Subprogram(s) Affected: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES		-0-				
200 TRAVEL		-0-				
300 CONTRACTUAL		1.0				
400 SUPPLIES		-0-				
500 EQUIPMENT		-0-				
600 LAND & STRUCTURES		-0-				
700 GRANTS, CLAIMS		-0-				
800 MISCELLANEOUS		-0-				
TOTAL OPERATING		1.0				
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

the cost of one page in the Election Pamphlet is 1.0

ANALYSIS: Attach a separate page for analysis

Prepared By: T.P.Thoma, Information Officer Phone: 4611

Division: Elections Date: \_\_\_\_\_

Approved by Commissioner: Sally K. Hamrick Date: 3/5/84

Agency: St. Michael's Hospital

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

# MEMORANDUM

# State of Alaska

TO: Honorable Bill Sheffield  
Governor

DATE: January 5, 1984

THROUGH: Gordon Harrison, Associate Director  
Division of Strategic Planning

FILE NO: 83I-172

TELEPHONE NO: 465-3568

FROM: Richard Emerman, Manager RE  
Office of Management and Budget  
Division of Strategic Planning

SUBJECT: Major Project Fund

Although the State treasury will continue to receive substantial petroleum revenues for many years to come, best estimates indicate that large annual cash surpluses above operating budget requirements will cease to be available by the early 1990's. There is still time to use these surpluses for one or more major capital projects that can serve as foundations for Alaska's future economy, but that opportunity will probably be gone within the next six or seven years. Primary examples of such projects are Susitna hydro and the Knik Arm crossing, while other examples with lower price tags include Bradley Lake hydro, Eklutna water supply, road and port infrastructure for the Red Dog mine and other nearby mining prospects, and renovation and/or extension of the Alaska Railroad.

Currently, it appears that several hundred million dollars per year would have to be set aside for the rest of this decade in order for Susitna to be financially viable. Each year of delay substantially reduces the probability that enough funds will be available to build it. Even if Susitna is not built, it is unlikely that a major share of the funding necessary to build other large and important projects will be set aside unless it is begun in the very near future.

There are at least two reasons why a "business as usual" approach is likely to produce less than is needed for these projects. The first is that, for many of these large projects and especially for Susitna, there still is not enough clear information to warrant unequivocal commitment. Actual construction might not begin for a number of years due to the time necessary for required engineering, environmental study, permitting, and demonstration of economic feasibility. It is difficult under "business as usual" to secure large, advance appropriations for projects that will not enter the construction phase for a year or more, and to which the State is not yet willing to specifically commit. Yet, if setting aside the necessary funds is delayed until construction is about to begin, the chances are that the financial window of opportunity will be too far closed. The proper response is not to rush into massive financial commitments before oil production goes into decline,

but to systematically set aside the funds needed to accomplish major projects, and draw down on the funds only when satisfied that a full scale commitment is in order.

The second reason that a continuation of conventional capital budgeting practices is not likely to meet the needs for large project funding is that the funds available for annual capital expenditure tend to be split into many small pieces for purposes of geographic and political equity. If all such funds are made subject to a political allocation system similar to that in recent years, accumulation of sufficient funds over several years for any major project would seem to be an unlikely outcome.

The most plausible solution to these problems is the establishment of a major project fund in which dollars can be stored for large projects that are not yet specified. Among the questions raised by this proposal are the following:

1. Should the fund be established by statute or by constitutional amendment?
2. What rules should be established for making disbursements from the fund?
3. Will it be necessary for the pattern of fund disbursements to exhibit geographic equity, or is there another way to assure that such equity concerns will be effectively addressed?
4. How much money should be deposited in the fund, from what source, and for how long?

Statute or Constitutional Amendment?

A dedicated fund created by constitutional amendment would enjoy the highest level of protection against future uses that are not in keeping with the fund's original intent. In addition, automatic deposits to the fund could be mandated, as well as automatic retention of the fund's interest earnings. However, it is necessary to persuade two-thirds of each house in the Legislature to propose such an amendment in order to get it on the ballot at a general election. The next general election opportunities will occur in November, 1984 and November, 1986. As explained below, there is reason to think that an amendment passed in November, 1986 would come too late in the expected life of surplus oil revenues to accomplish the intended purposes of the fund. In order to be fully effective, a constitutional amendment to establish the fund should appear on the November, 1984 ballot. This means that two-thirds of each house in the Legislature would have to approve the proposal during 1984. Before pursuing this approach to the exclusion of others, it

will be important to assess the likelihood of passage in the current Legislature.

A statutory fund is easier to create. It is also easier to amend or repeal. A statutory fund can be effective only as long as support for its original purpose resides in the Legislature and the Governor's office. Each deposit to a statutory fund would require enactment of an appropriation bill. On the positive side, the relative ease with which statutes can be changed might turn out to be a welcome feature should the state be faced with abrupt and unanticipated declines in petroleum revenue.

#### Rules for Fund Disbursements

It would be simplest to require only that an appropriation bill be passed by the Legislature and signed by the Governor. But there are other possibilities that warrant some discussion. Should the statute or constitutional amendment creating the fund require that it be spent only for projects that cost more than some threshold amount? Should it require that disbursements be made only after the full amount needed to complete a project, or perhaps to complete a "stand-alone" phase of a project, has already been accumulated or obtained? Should any sort of advisory group be established to recommend uses of the fund based on estimates of relative need, merit, and feasibility?

#### Geographic Equity

It will be difficult to deal with questions of geographic equity until the projects to be financed by the fund are specifically identified, and they are not likely to be identified until after the fund is created.

Perhaps the Legislature and the Governor can provide for disproportionate spending in other areas of the state at the time that fund disbursements are made. This could be encouraged by providing that disbursements from the fund require more than a simple majority vote in the Legislature.

#### Size of the Fund

Under current financing projections, construction of Susitna hydro will require accumulation of at least \$3 billion (in nominal dollars) by the end of this decade. In establishing the deposit rates for an investment fund, it will be necessary to determine whether the State is willing to forego alternative expenditures of this magnitude, or settle instead for a smaller accumulation that, while still very significant, would not be adequate for Susitna.

The analysis below is intended to illustrate the Administration's evolving view of the fiscal situation we face. It is

1980  
DOLLARS

based on the Department of Revenue December 1983 forecast of petroleum royalties and severance taxes, supplemented by the OMB long-range forecast of other revenue sources. It assumes no reimposition of personal income taxes nor repeal of the permanent fund dividend program. Annual inflation of 6 percent is assumed. The many features and assumptions of the analysis are important subjects for debate; the intention of presenting this information is to communicate the broad contours of the Administration's current view. Spending assumptions are made for purposes of illustration only.

Table 1 displays estimates of total, unrestricted general fund revenue based on 30th and 50th percentile petroleum revenue forecasts, and general fund operating budget expenditures at 6 percent annual growth and 8.5 percent annual growth (the latter reflecting adjustment for both inflation and expected population increase).

Table 1

UNRESTRICTED GENERAL FUND REVENUES AND OPERATING EXPENDITURES

FY	<u>Revenues</u>		<u>Expenditures</u>	
	30th Percentile Forecast	50th Percentile Forecast	Oper. Budget Growth @ 6%	Oper. Budget Growth @ 8.5%
1985	\$ 3238	\$ 3436	\$2023	\$2023
1986	3359	3622	2144	2195
1987	3633	3961	2273	2382
1988	3625	3999	2409	2584
1989	3941	4436	2554	2804
1990	3786	4546	2707	3042
1991	3509	4179	2870	3300
1992	3431	4085	3042	3581
1993	3279	4050	3224	3885
1994	3169	3973	3418	4216
1995	3074	3784	3623	4574
1996	2902	3533	3840	4963
1997	2954	3625	4071	5385
1998	3007	3695	4315	5842

In tables 2 and 3, operating expenditures are subtracted from expected revenues. In this case, the lower spending figures are subtracted from the more conservative, 30th percentile revenues; and the higher spending figures from the 50th percentile revenues. In addition, currently known G.O. debt service obligations are deducted in each case:

Table 2

REVENUE AND EXPENDITURE ANALYSIS: 30th PERCENTILE REVENUES

FY	30th Percentile Total Revenue	Operating Budget @ 6% Growth	G.O. Debt Service	Residual Funds
1985	\$ 3238	\$2023	\$ 170	\$1045
1986	3359	2144	163	1052
1987	3633	2273	155	1205
1988	3625	2409	148	1068
1989	3941	2554	136	1251
1990	3786	2707	120	959
1991	3509	2870	95	544
1992	3431	3042	68	321
1993	3278	3224	60	neg.
1994	3169	3418	34	neg.
1995	3074	3623	23	neg.
1996	2902	3840	21	neg.
1997	2954	4071	17	neg.
1998	3007	4315	14	neg.

Table 3

REVENUE AND EXPENDITURE ANALYSIS: 50th PERCENTILE REVENUES

FY	50th Percentile Total Revenue	Operating Budget @ 8.5% Growth	G.O. Debt Service	Residual Funds
1985	\$ 3436	\$2023	\$170	\$1243
1986	3622	2195	163	1264
1987	3961	2382	155	1424
1988	3999	2584	148	1267
1989	4436	2804	136	1496
1990	4546	3042	120	1384
1991	4179	3300	95	784
1992	4085	3581	68	436
1993	4050	3885	60	105
1994	3973	4216	34	neg.
1995	3784	4574	23	neg.
1996	3533	4963	21	neg.
1997	3625	5385	17	neg.
1998	3695	5842	14	neg.

For these cases, the forecasts show eight to nine years of surpluses in excess of operating needs. To these surpluses must be added the FY 85 expected carryover of available general funds. From the surpluses must be subtracted all the loan

appropriations, supplementals and planned special deposits to the Permanent Fund to calculate net funds available for capital purposes. Here again some assumptions are necessary:

1. Loan appropriations of \$260 million per year from FY 1985 through FY 1992.
2. Special Permanent Fund deposits of \$100 million per year for eight years. *(limits amount available)*
3. Supplementals of \$50 million per year.

Tables 4 and 5 show the calculation of funds available for capital in view of these various adjustments:

Table 4

MONEY AVAILABLE FOR CAPITAL AT 30th PERCENTILE REVENUES

FY	Residual Funds	Loan Appropriations	Special PF Deposits	Supplementals	Available For Total Capital
1985	\$1445*	\$ 260	\$ 100	\$ 50	\$ 1035
1986	1052	260	100	50	642
1987	1205	260	100	50	795
1988	1068	260	100	50	658
1989	1251	260	100	50	841
1990	959	260	100	50	549
1991	544	260	100	50	134
1992	321	260	100	50	--

\* Includes \$400 million in estimated GF carry forward.

Table 5

MONEY AVAILABLE FOR CAPITAL AT 50th PERCENTILE REVENUES

FY	Residual Funds	Loan Appropriations	Special PF Deposits	Supplementals	Available For Total Capital
1985	\$ 1643 *	\$ 260	\$ 100	\$ 50	\$ 1233
1986	1264	260	100	50	854
1987	1424	260	100	50	1014
1988	1267	260	100	50	857
1989	1496	260	100	50	1086
1990	1384	260	100	50	974
1991	784	260	100	50	374
1992	436	260	100	50	26

\* Includes \$400 million of estimated GF carry forward.

Table 6 displays the amounts that could be available for deposit in a major project fund assuming "regular" capital budgets of \$500 million per year and \$700 million per year (unadjusted for inflation) through 1990:

Table 6

MONEY AVAILABLE FOR DEPOSIT  
IN A MAJOR PROJECT  
FUND

(in millions)

FY	<u>30th Percentile Revenues</u>		<u>50th Percentile Revenues</u>	
	@ \$500 Other Capital	@ \$700 Other Capital	@ \$500 Other Capital	@ \$700 Other Capital
1985	535	335	733	533
1986	142	---	354	154
1987	295	95	514	314
1988	158	---	357	157
1989	341	141	586	386
1990	<u>49</u>	<u>---</u>	<u>474</u>	<u>274</u>
Total	1520	571	3018	1818

These funds would earn interest prior to being expended, and might thereby increase the total depending on whether the earnings are retained in the major project fund or deposited in the general fund. The amount of interest accumulated would also depend on the schedule of disbursements from the fund.

The analysis suggests that deposits to the fund should be scheduled to end in FY 1990, since the projection of funds available for all capital spending indicates serious decline by FY 1991. The State should have a maximum level of fiscal flexibility once the expected contraction in revenues begins in earnest.

Finally, Table 7 displays the percentage of various revenue streams that would have to be dedicated to generate the target fund levels shown in Table 6:

Table 7

ANNUAL CONTRIBUTIONS REQUIRED TO REACH  
TARGETED FUND LEVELS

Contribution	<u>30th Percentile</u>		<u>50th Percentile</u>	
	(\$1520)	(\$571)	(\$3018)	(\$1818)
% of non-tax petroleum revenue*	17%	6%	28%	17%
% of total petroleum revenue*	7%	3%	13%	3%
% of total unrestricted G.F. revenue	7%	3%	13%	8%

Thus, for example, 8 percent of total petroleum revenue\*\* (before Permanent Fund deposits) would have to be dedicated to build a fund of approximately \$1.8 billion assuming that the 50th percentile forecast were realized, and without consideration of reinvested interest earnings.

\* Before any Permanent Fund deposits

\*\* Total petroleum revenue includes primarily royalties, severance taxes, corporate income tax on oil and gas producers, and property tax on oil and gas production property.

Draft of Alternatives

Draft language for the following alternatives has been prepared by the Department of Law and is attached to this memo:

- A. a joint resolution to place on the ballot a constitutional amendment creating a Major Project Fund (MPF)
- B. a bill to create a statutory MPF
- C. a bill to appropriate \$300 million to the Power Development Fund for construction of unspecified energy projects other than those already under construction.

Characteristics of these options are discussed topically below:

Time Frame for Deposits

The proposed constitutional amendment would mandate that deposits to the MPF begin in FY85 and continue through FY90, in keeping with current expectations for future revenue availability. There would be no mention of future deposits at all in the proposed statutory alternatives, since statutory language regarding such deposits could not be binding on future Legislatures.

Amount of Deposits

The proposed constitutional amendment would require that annual deposits to the MPF amount to 10 percent of total petroleum revenue, for the following reasons:

- 1. This appears to be enough to consider the possibility of financing Susitna sometime in the future. Excluding interest, deposits of this magnitude should create a fund of approximately \$2.2 billion by FY91 (assuming 6 percent inflation, 50th percentile petroleum revenue forecasts from December, 1983). Assuming that 9 percent interest is earned and redeposited in the MPF, and that no disbursements are made until FY91, the fund could amount to approximately \$3.0 billion at that time.
- 2. Ten percent of total petroleum revenue is a concept that is easily grasped, approximates the proportion that is currently dedicated to the Permanent Fund, and the amount should not seem overwhelming. For FY85, this would require a deposit of approximately \$300 million, which still allows an operating budget of \$2.1 billion, a regular capital budget of \$700

million, loan appropriations of \$260 million, and sufficient remaining funds for debt service and other likely obligations.

#### Use of MPF Interest

The proposed constitutional amendment requires that interest earned on deposits automatically accrues to the MPF. The same intent is written into the proposed bill creating a statutory fund. However, interest on an FY85 deposit to the Power Development Fund would accrue to the general fund in the absence of a separate appropriation of such interest back into the Power Development Fund.

#### Threshold Size of Eligible Projects

A minimum cost of \$100 million per project is proposed in both the constitutional and statutory versions. This is set to allow a reasonable amount of flexibility for covering such projects as Bradley Lake, the Knik Arm crossing, or extension of the Alaska Railroad, without opening the fund to capital projects that can be effectively addressed in the regular capital budget process.

#### Complete Financing Must Be In Place

Both the constitutional and statutory versions provide that disbursements for a project cannot be made from the MPF until financing for the complete project (or for a stand-alone phase of a project) is in place. "Financing" includes both debt and equity sources of funds.

#### Two-Thirds Majority Required

The constitutional version provides that appropriation bills to spend from the MPF must have two-thirds majority vote in order to pass the Legislature. The intention is to assure that geographic equity concerns are properly addressed at the time that disbursements are made. This provision is not mentioned in the statutory fund language since it would be pointless to do so (a simple majority could repeal the provision).

#### Self-Liquidating Feature

Both the constitutional and statutory versions provide that appropriations from the Fund be recovered and returned to the State during the operational life of the project. The intent is to recover principal, without interest, from user fees.

#### Relation to Constitutional Appropriation Limit

For the constitutional MPF, deposits would not require appropriations and would therefore not be subject to the

appropriation limit. Disbursements would require appropriations, but would be exempted from the limit by language proposed in the constitutional amendment.

Appropriations to the Power Development Fund would be subject to the limit. However, expenditures from the Fund require simply that the Legislature approve the project, not that another appropriation bill be passed. Therefore, expenditures from the Power Development Fund are not subject to the limit.

Draft language to create a statutory MPF is analogous to the Power Development Fund in this regard. Appropriations that are subject to the limit would be required to make deposits to the MPF. However, expenditures would simply require passage of legislation approving a particular project, and would not require an additional appropriation bill that would be subject to the limit.

11

Attachments

cc: w/attachments

Norman Gorsuch, Attorney General, Department of Law  
Peter McDowell, Director, Office of Management and Budget  
Emil Notti, Commissioner, Department of Community and  
Regional Affairs  
John Shively, Chief of Staff, Office of the Governor

DRAFT #4  
LAW 577-101-84R  
LPS1 1/4/84

1 IN THE \_\_\_\_\_

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR.

2 \_\_\_\_\_ JOINT RESOLUTION NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 Proposing an amendment to the Constitu  
6 tion of the State of Alaska creating  
7 fund to finance the construction of cap  
8 ital projects.

9 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. Article IX, Constitution of the State of Alaska is amended  
11 by adding a new section to read:

12 SECTION 17. MAJOR PROJECT FUND. (a) There is created in the  
13 state treasury a major project fund. The purpose of the major project  
14 fund is to finance the construction of capital projects which exceed  
15 \$100,000,000 in cost. The major project fund consists of

16 (1) an annual deposit of ten percent of state revenue  
17 earned during the period beginning July 1, 1984, and ending June 30,  
18 1990, from the following sources:

- 19 (A) corporate income tax on oil and gas producers;
- 20 (B) severance tax;
- 21 (C) oil and gas production property tax;
- 22 (D) mineral lease rentals;
- 23 (E) royalties;
- 24 (F) royalty sale proceeds; and
- 25 (G) federal mineral revenue sharing payments and  
26 bonuses;

27 (2) interest earned each fiscal year from investment of  
28 money in the major project fund; and

29 (3) revenue dedicated to the major project fund in accor-

1 dance with this section.

2 (b) No money shall be expended from the major project fund un  
3 less:

4 (1) the expenditure is in accordance with an appropriatio  
5 enacted by the affirmative vote of two-thirds of the membership o  
6 each house of the legislature;

7 (2) the appropriation, together with any other money com  
8 mitted to finance the capital project, will provide for all costs o  
9 constructing the capital project; and

10 (3) the capital project will earn enough revenue during the  
11 life of the project to repay the money expended to finance the proj  
12 ect.

13 (c) The legislature shall dedicate by law sufficient revenue  
14 earned by a capital project financed by the major project fund so that  
15 the amount expended from the fund to finance the project is repai  
16 during the life of the project. Notwithstanding the dedication of  
17 revenue required by this section, the legislature may appropriate  
18 revenue dedicated under this section to meet a state of disaster  
19 declared by the governor as prescribed by law.

20 \* Sec. 2. Article IX, sec. 7, Constitution of the State of Alaska is  
21 amended to read:

22 SECTION 7. DEDICATED FUNDS. The proceeds of any state tax or  
23 license shall not be dedicated to any special purpose, except as pro-  
24 vided in sections [SECTION] 15 and 17 of this article or when required  
25 by the federal government for state participation in federal programs.  
26 This provision shall not prohibit the continuance of any dedication  
27 for special purposes existing upon the date of ratification of this  
28 section by the people of Alaska.

29 \* Sec. 3. Article IX, sec. 16, Constitution of the State of Alaska is

*not original /  
unauthorized*

1 amended to read:

2 SECTION 16. APPROPRIATION LIMIT. Except for appropriations for  
3 Alaska permanent fund dividends, appropriations from the major project  
4 fund established by section 17 of this article, appropriations of revenue  
5 bond proceeds, appropriations required to pay the principal and  
6 interest on general obligation bonds, and appropriations of money received  
7 from a non-State source in trust for a specific purpose, including revenues  
8 of a public enterprise or public corporation of the State that issues revenue  
9 bonds, appropriations from the treasury made for a fiscal year shall not exceed  
10 \$2,500,000,000 by more than the cumulative change, derived from Federal indices  
11 as prescribed by law in population and inflation since July 1, 1981. Within  
12 this limit, at least one-third shall be reserved for capital projects and loan  
13 appropriations. The legislature may exceed this limit in bills for appropriations  
14 to the Alaska permanent fund and in bills for appropriations for capital  
15 projects, whether of bond proceeds or otherwise, if each bill is approved by  
16 the governor, or passed by affirmative vote of three-fourths of the  
17 membership of the legislature over a veto or item veto, or becomes law  
18 without signature, and is also approved by the voters as prescribed by law.  
19 Each bill for appropriations for capital projects in excess of the limit shall  
20 be confined to capital projects of the same type, and the voters shall, as  
21 provided by law, be informed of the cost of operations and maintenance of the  
22 capital projects. No other appropriation in excess of this limit may be made  
23 except to meet a state of disaster declared by the governor as prescribed  
24 by law. The governor shall cause any unexpended and unappropriated balance  
25 to be invested so as to yield competitive market rates to the treasury.

26  
27  
28  
29 \* Sec. 4. The amendments proposed by this resolution shall be placed

DRAFT  
Law

1 before the voters of the state at the next general election in conformit  
2 with art. XIII, sec. 1, Constitution of the State of Alaska, and the elec  
3 tion laws of the state.  
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DRAFT #4  
Law 377-101-84  
LPS 1. 1/4/84

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BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

IN THE \_\_\_\_\_

\_\_\_\_\_ BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA  
THIRTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act creating a fund to finance the construction  
of capital projects; and providing for an effective  
date."

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

\* Section 1. AS 37.\_\_\_\_ is amended by adding a new section to read:

AS 37.\_\_\_\_. MAJOR PROJECT FUND. There is created in the gen-  
eral fund a major project fund. The purpose of the major project fund  
is to finance the construction of capital projects which exceed  
\$100,000,000 in cost. The major project fund consists of appropria-  
tions made by the legislature and interest earned each fiscal year  
from investment of money in the project fund. The commissioner of  
revenue shall administer the fund. No money shall be expended from  
the project fund unless:

*Capital  
Bond Projects*

(1) the expenditure is authorized by law;  
(2) the money expended from the major project fund, togeth-  
er with any other money committed to finance the capital project, will  
provide for all costs of constructing the capital project; and

(3) the capital project will earn enough revenue during the  
life of the project to repay the money expended to finance the proj-  
ect. The legislature may appropriate revenue earned by a project fi-  
nanced by the major project fund to that fund.

\* Sec. 2. This Act takes effect July 1, 1984.

DRAFT  
Law #2 H.S. 1 1/2

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IN THE \_\_\_\_\_

BY THE RULES COMMITTEE  
REQUEST OF THE GOVERNOR

\_\_\_\_\_ BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA  
THIRTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act making a special appropriation to the power development fund for the construction of power projects; and providing for an effective date."

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

\* Section 1. The sum of \$300,000,000 is appropriated from the general fund to the power development fund (AS 44.83.382) for the purpose of financing the construction of any power project under the jurisdiction of the Alaska Power Authority which is not under construction on the effective date of this Act.

\* Sec. 2. The appropriation made by this Act is for a capital project and is subject to the provisions of AS 37.25.020.

\* Sec. 3. This Act takes effect July 1, 1984.



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

January 23, 1984

The Honorable Jalmar Kerttula  
President of the Senate  
Pouch V  
Juneau, AK 99811

Dear Senator Kerttula:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a joint resolution which proposes an amendment to the Alaska Constitution creating a major projects fund.

As you know, the state treasury will continue to receive substantial petroleum revenues for many years to come. However, our best current estimates indicate that large annual cash surpluses above operating budget requirements will cease to be available by the early 1990's. There is still time to set aside enough for one or more major capital projects that can serve as foundations for Alaska's future economy, but the opportunity to do so will probably be gone within the next six or seven years. Examples of major projects are the Susitna hydroelectric project; road and port infrastructure projects in rural Alaska for support of mining, fishing, and other economic development activities; the Knik Arm Crossing; the Bradley Lake hydroelectric project; Eklutna water supply; and renovation and extension of the Alaska Railroad.

The major projects fund is needed to accumulate the revenue for these large projects. There are two reasons for this. First, for many of these large projects and especially for Susitna, there still is not enough clear information to warrant unequivocal commitment. Actual construction might not begin for a number of years because of the length of time necessary for engineering, environmental study, obtaining permits, and demonstration of economic feasibility.

It is difficult through our conventional capital budgeting procedures to secure large, direct appropriations for projects that will not enter the construction phase for a year or more, and to which the state is not yet willing to specifically commit itself. However, if setting aside the necessary money is delayed until construction is about to begin, the chances are that the revenue surpluses will have diminished by then. The proper response is not to rush into massive financial commitments before oil production goes into decline, but to systematically set aside the money needed to accomplish major projects, and draw down on the principal only when satisfied that a commitment is prudent.

The second reason that a continuation of conventional capital budgeting practices is not likely to meet the needs for major project funding is that the revenues available for annual capital expenditure tend to be split into many small pieces. If all of these revenues are made subject to an allocation system similar to that in recent years, accumulation of enough money for any major project over several years is unlikely.

The most plausible solution to these problems is the establishment of a major projects fund in which money can be stored for major projects that are not yet specified.

I believe that the major projects fund should be created through an amendment to the Alaska Constitution. A constitutionally dedicated fund will be protected from future uses that are not in keeping with the fund's original intent. Automatic deposits to the fund are mandated, as is automatic retention of the fund's interest earnings.

The key feature of this amendment is the dedication of 10 percent of the State's total petroleum revenue to the major projects fund. The stream of revenue to the fund through this dedication should be sufficient to finance the largest of the projects we foresee at the present time, Susitna River hydroelectric development.

Excluding interest, deposits of this magnitude should create a fund of approximately \$2.2 billion by fiscal year 1991. Assuming that nine percent interest is earned and redeposited in the fund, and that no disbursements are made until fiscal year 1991, the fund could have a principal sum of as much as \$3 billion by then.

Ten percent of total petroleum revenue approximates the proportion that is currently dedicated to the permanent fund. For fiscal year 1985, this would require a deposit to the major projects fund of approximately \$300 million, which allows an operating budget of \$2.1 billion, a regular capital budget of \$700 million, loan appropriations of \$260 million, and enough remaining money for debt service and other likely obligations.

There are several other significant features of the amendment.

(1) Deposits to the fund begin in fiscal year 1985 and continue through fiscal year 1990, in keeping with current expectations of future revenue availability.

(2) Disbursements from the fund for a project cannot be made until all sources of the money necessary to complete the project (or a stand-alone phase of a larger project) has been identified and the money committed.

(3) A cost threshold of \$100 million is set for projects to qualify for financing from the fund. This minimum allows reasonable flexibility for covering such projects as the Susitna and Bradley Lake dams, the Knik Crossing, and extension of the Alaska Railroad, without opening the fund to capital projects that can be effectively addressed in the regular capital budget process.

(4) Appropriation bills to spend from the fund must have a two-thirds majority vote in order to pass the legislature. The purpose of this requirement is to assure that projects have state-wide support at the time disbursements are made.

(5) Expenditures from the fund must be recovered and returned to the fund over the operational life of the project. The intent is to recover the principal of the fund from fees generated by the project.

(6) Neither deposits to the fund nor appropriations from the fund would be subject to the appropriation limit.

Among the alternatives available, I believe that a constitutional amendment is the most effective and direct method of achieving the objectives of the major projects fund. As you know, amendments to the Alaska Constitution must be ratified by the voters at a general election. The next general election will occur in November, 1984. I believe that if ratification of the amendment is delayed until November, 1986, it would come too late to capture enough money to accomplish the intended purposes of the fund.

I look forward to working with you and members of the legislature on this important piece of legislation.

Sincerely,

  
Bill Sheffield  
Governor

H U R

58

Feb 29 3:05

Shultz, Lars, Lisa, Cowd, Rings  
Vaska - Coll - Gehling

- 015 Szymanski -
- 085 Cowdery - how effect HB 546 -  $\Delta$  not regulated game harvesting - ? 3 mile limit?  
 $\Delta$  Admin. indic on Sen. side they would maintain 3 mile jurisd. ? Other aquariums on permit?  $\Delta$  Sea World only - one of largest 1st knocking on door -
- 0125 Ringstad - intro to teleconf net
- 0130 Cowd - life expectancy? Considerably reduced - deferred to expert witnesses
- 154 Rep Vaska - jurisdictional or biological question?  
 $\Delta$  more appropriately
- 190 Lanny Cornell - Sea World -  
- not opposed to Szym. reso, except where derogatory use of Sea World's name -
- 255 Ruggs - any problem sharing data  $\Delta$  no
- 260 Gill - what benefits accrue to Resource & new info - tour boats - baseline hearing studies blood studies - predator at top of food chain -
- 288 Lisa - Washington state lawsuit  $\Delta$  40-60 animals in 1960s removed from WN/BC waters - extenuating circumstances, economic decision
- 335 Cowdery - what techniques? Injury?  $\Delta$  Basically scine technique - No injuries - Szym - never convicted - bodies of areas floating to shore

- 380 Cowdery - Studies on how whales react return to capture sites - pods bigger
- 400 Uehling - how much revenue to Sea World
  - Δ this year approx 120 million - ? how much to research? Δ approx 5%
- 415 Cowdery - what value to captive orca -
  - Δ depends on cost of capture and transport
- 430 Coll - no longer use of underwater explosives
  - Δ used to keep animals out of net ends better techniques and controversy
  - ? Use of research to justify zoo collection?
  - Δ Understand - only collection - research from platform of capture activities -
- 495 Uehling - why NMFS rule against import killer whales from Iceland Δ Census - SeaWorld agrees w/NMFS
- 520 ADF 96 - Kelso & Lou Pamplin same dir. AS 16.05.930 - does not prohibit ↙ ↘ minimum est
  - look at biological questions - 93 SE 30 PWS 66 Shelakot Strait
  - No biological problem to maintaining population
  - Feds have mgmt authority - but state controls activities w/in 3 miles
- 690 Paul Spang - Orca Lab. - SeaWorld out of step with times
- 900 Richard Osborne. Mischips - ten year documentation of composition of all killer whales in Puget Sound
  - Captures do not need to be given before photo id is done - should be catalogued within 2 yrs

(3)

1050 Steven Leatherwood - Hubs SeaWorld Research Institute  
Disparities between claims and reality  
2 parts, 1- observational  
2- benign, hands on, release back to pod

1270 Austin Hammond - President ANB Camp No 5  
Haines - Resolution from Convention -  
Related Tlingit legend of Killer Whale -  
If we hurt them, they gonna get after us.

1450 - Dr John Hall - population biology research since 1976  
Anchorage

Tape  
Change

0053

Ron Brinkley - Anch. Questions US Navy's  
research on Marine mammals - that

081 Carolyn Fall - representing 14 people at  
Wilde 3 to L10 - all against Sea World  
taking K/W from Alaskan waters

090 Cecilia Hunter - FBX - other aquariums  
will move in if Sea World is okayed

108 Joe Dobrina - Ktu - Objects to taking  
killer whales

122 George Lewis - Haines - Austin Hammond's nephews  
killer whales provided help 766-2164  
Research material over last 20,000 yrs.

165 Ken Jones - Anch  
Charter Operator in PWS - close contact  
with several pods - would like not to see  
Sea World in PWS - will disrupt charter  
operations

192 Pam<sup>o</sup> Ketchikan → owe whales respect  
should be whales last frontier -

210

215 Gzymanski - asked for special telecont.

222

Adjuvu at 495

MSG 84-00019174 PRTY 1 02/29/84 16:01:59 ORIG: LA08 IN= 0011 OUT= 0024  
FROM: CANDY/ANCHORAGE TO: TOM  
TARGET: LJM7 SUBJ: BRCA T/C

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OMNI # 4

TO TESTIFY:

6. BONNIE STEER

MSG 84-00019195 PRTY 1 02/29/84 16:21:32 ORIG: LV00 IN= 0011 OUT= 0028  
FROM: ANNI/VALDEZ TO: JACK/JUNEAU T/C  
TARGET. LJH7 SUBJ: ORCA T/C

---

OMNI #5

TO TESTIFY:

12. KIM GOOD

13. LINDA NESLUND

TO OBSERVE

14. JOHN HILGENDORF

MSG 84-00019246 PRTY 1 02/29/84 17:27:12 ORIG: LA19 IN= 0013 OUT= 0033  
FROM: LARRY/ANCHORAGE TO: TOM/JUNEAU  
TARGET: LJH7 SUBJ: HOUSE RESOURCES-HJR-58-KILLER WHALE

---

FINAL STATS:

TO TESTIFY:

1. DR. JOHN D. HALL/SOLACE ENTERPRISES, P.O. BOX 4885, ANCH., 99570, 688-3188
2. RON BRINKLEY, P.O. BOX 4-966, ANCH., 99501
3. TIM JONES/STAN STEPHENS CHARTERS, BOX 106, ANCH., 99510, 349-5070
4. CINDY LOWRY, 9271 CAMPBELL TERR., ANCH., 243-4061
5. LARRY WILLIAMS, SRA BOX 2437A, ANCH., 99587, 345-6267
6. SALLIE HOGG, 3032 W. 42ND PL. #6, ANCH., 99503, 248-1015
7. GALE LAZARUS, AK. ZOO, SRA 1728 W., ANCH., 99507, 344-3022
8. TERRY BURRELL, P.O. BOX 8, ANCH., 99510, 333-2774
9. CHARLES K. (KELLY) WEAVERLING, 1303 W. 39TH PL., ANCH., 99503, 563-2262
10. DAVID J. DRISCOLL, 1146 KARLUK, ANCH.
11. WAYNE HALL, 2411 INGRA ST., ANCH., 99508
12. MARILYN HOUSER/SELF, P.O. BOX 6455, ANCH., (W)274-6524
13. BILL PARKER/SELF, 200 DENALI, 272-4192
14. RACHAEL MEEKS/AK. PRINCESS CHARTERS INC., 3320 SEAWIND DR., ANCH., 345-5583

MSG 84-00019123 PRY 1 02/29/84 15:33:20 ORIG: LK00 IN= 0006 OUT= 0015  
FROM: EVELYN/KETCHIKAN TO: TOM/MODERATOR  
TARGET: LJH7 SUBJ: KILLER WHALES T/C

---

OMNI #1

HERE IN KETCHIKAN TO TESTIFY:

1. ▽ JILL DOBRYBNIA, NORTH POINT HIGGENS, KETCHIKAN, AK 99901 PHONE: 247-2307
2. ▽ FAM LEASK, PO BOX 756, WARD COVE, AK 99928 PHONE: 225-4397
3. KATHERINE DREYFUS, PO BOX 8713, KETCHIKAN, AK 99901 PHONE: NONE
4. ROCHELLE ROLLENHAGEN, PO BOX 5311, KETCHIKAN, AK 99901 PHONE: NONE
5. S. D. GRIFFITH, 2509 - 4TH, KETCHIKAN, AK 99901 PHONE: 225-5069

HERE IN KETCHIKAN TO OBSERVE:

1. DAVID S. KIFFER, KTN DAILY NEWS, DOCK STREET, KETCHIKAN PHONE: 225-3157

~~MSG 84-00019131 PRY 1 02/29/84 15:32:30 ORIG: LJAB IN= 0007 OUT= 0016  
FROM: JACK TO: TOM  
TARGET: LJH7 SUBJ: YAKUTAT~~

---

~~CATHY/YAUTAT WAS TRYING TO HAIL YOU, AT THE SAME TIME YOU WENT OFF AIR  
FOR A SEC.~~

JACK

MSG 84-00019240 PRTY 1 02/29/84 17:02:36 ORIG: LA08 IN= 0017 OUT= 0031  
FROM: CANDY/ANCHORAGE TO: TOM  
TARGET: LJH7 SUBJ: FURTHER ON THE ORCA T/C

---

ALTHOUGH WE DID TAKE THE SURVEY OF "FOR'S" AND "AGAINST'S," SEVERAL PEOPLE  
AFTERWARDS, INCLUDING OUR ORIGINAL REQUESTOR, INDICATED THAT THEY WERE  
UNCOMFORTABLE WITH A SIMPLE YES OR NO. THESE PEOPLE ESPECIALLY INDICATED  
THAT THEY WERE FOR THE RESOLUTION, BUT FELT THAT IT IS TOO WEAK IN ITS PRESENT  
FORM. SO, RATHER THAN MAKE THIS MAKE THIS ANY MORE COMPLICATED THAN IT HAS  
BEEN, WE HAVE ADVISED PEOPLE TO SEND P.O.M'S OR WRITTEN TESTIMONY, AND WILL  
SIMPLY SEND YOU OUR FINAL STATS.

I APOLOGIZE FOR ANY INCONVENIENCE OR CONFUSION THIS MAY HAVE CAUSED.

MSG 84-00019211 PRTY 1 02/29/84 16:30:41 ORIG: LA08 IN= 0016 OUT= 0029  
FROM: CANDY/ANCHORAGE TO: TOM  
TARGET: LQH7 SUBJ: ANOTHER REQUEST

---

TERRY BURRELL, OUR FORMER REQUESTOR, WOULD LIKE THE MESSAGE PASSED ON THAT  
HE DOES FEEL ANOTHER PUBLIC HEARING IS NECESSARY SINCE IT DOES APPEAR  
THAT ANCHORAGE PEOPLE WILL NOT HAVE MUCH OF A CHANCE TO SPEAK.

MSG 84-00019176 PRTY 1 02/29/84 16:05:58 ORIG: LF02 IN= 0005 OUT= 0025  
FROM: PAULA/FKS TO: TOM JNU  
TARGET: LJH7 SUBJ: ORCA T/C

---

WOULD IT BE POSSIBLE FOR THE CHAIR TO ASK THE PEOPLE TO IDENTIFY THEMSELVES  
AND TELL WHAT COMMUNITY THEY ARE FROM. IT IS HARD TO TELL WHERE THE PEOPLE  
WHO ARE SPEAKING ARE FROM.

May I  
reiterate  
1) short testimony,  
2) new info, and  
3) urge spokespeople  
for a group?

---

Will you let  
people know in clos-  
ing of future bill  
hearings?

Bethel NO

#11 Rebecca Reeves

MSG 84-00019132 PRTY 1 02/29/84 15:31:43 ORIG: LA08 IN= 0009 OUT= 0014  
FROM: CANDY/ANCHORAGE TO: TOM  
TARGET: LJH7 SUBJ: TROUBLE ON LINE

---

LEARN ALASKA TELLS US IT IS YAKUTAT -- MICKI IS CALLING THEM RIGHT NOW.

LBX.

MSG 84-00019121 PRTY 1 02/29/84 15:25:09 ORIG: LF02 IN= 0003 OUT= 0012  
FROM: PAULA/FKS TO: TOM JNU  
TARGET: LJH7 SUBJ: PARTICIPANTS HSE RESOURCES HJR 58

---

OMNI # 2 - FAIRBANKS PARTICIPANTS

TO TESTIFY:

CELIA M. HUNTER

-----EOM

MSG 84-00019136 PRTY 1 02/29/84 15:34:35 ORIG: LAS3 IN= 0005 OUT= 0017  
FROM: MICKI/ANCHORAGE TO: ELAINE/SITKA  
TARGET: LJH7 SUBJ: YAKITAT CC: TOM

---

HAS GONE OFF LINE AS THEY HAD NO PARTICIPANTS, CATHY ASKED THAT I LET  
YOU KNOW SO YOU COULD INCLUDE HER IN YOUR STATS..

MSG 84-00019126 PRTY 1 02/29/84 15:29:17 ORIG: LF02 IN= 0004 OUT= 0013  
FROM: PAULA/FKS TO: TOM JNU  
TARGET: LJH7 SUBJ: PROBLEM

---

WE WERE NOT ABLE TO HEAR SOME OF THE LEGISLATORS WHO SPEAK. I'M NOT  
SURE WHO WAS TALKING. YAKATAT WAS HAILING YOU ALSO, YOU MAY HAVE HEARD  
THEM BUT WERE UNABLE TO RESPOND.

MSG 84-00019126 PRTY 1 02/29/84 15:29:17 ORIG: LF02 IN= 0004 OUT= 0013  
FROM: PAULA/FKS TO: TOM JNU  
TARGET: LJH7 SUBJ: PROBLEM

---

WE WERE NOT ABLE TO HEAR SOME OF THE LEGISLATORS WHO SPEAK. I'M NOT  
SURE WHO WAS TALKING. YAKATAT WAS HAILING YOU ALSO, YOU MAY HAVE HEARD  
THEM BUT WERE UNABLE TO RESPOND.

FROM: PAULA/FKS

TO: TOM JND

TARGET: LJH7 SUBJ: PARTICIPANT LIST- HOUSE RESOURCES HJR58

---

OMNI # 1 FAIRBANKS PARTICIPANTS

NO PARTICIPANTS AT THIS TIME, WE MAY GET ONE AT A LATER TIME BUT HAVE NOT HEARD FROM HER YET.

---

-EOM

MSG  
FROM  
TARI

OMN

TO

MSG 84-00019112 PRTY 1 02/29/84 15:14:39 ORIG: LR00 IN= 0013 OUT= 0008  
FROM: JOHN IN BARROW TO: KEN  
TARGET: LJH7 SUBJ: 2/29 ORCA T/C.

---

OMNI # 1:

TO OBSERVE:

LAURIE KIBBY A.E.W.C. BOX 570 BARROW

MSG 84-00019116 PRTY 1 02/29/84 15:19:57 ORIG: LV00 IN= 0007 OUT= 0010  
FROM: ANNI/VALDEZ  
TARGET: LJH7 SUBJ: KILLER WHALES  
TO: TOM/JACK..JUNEAU T/C

---

OMNI #1

TO TESTIFY:

- ▷ 1. CAROL N. A. FALL
2. DAVE JANKA

TO OBSERVE, AND POSSIBLY TESTIFY LATER:

3. ANNETTE JANKA
4. GEORGE PERKINS
5. GEORGE BERG

WE ARE EXPECTING SEVERAL PEOPLE AFTER 3:30 AND ANOTHER GROUP AFTER 4:00.  
WILL OMNI ANY CHANGES.

Anchorage

~~00019118~~ PRTY 02/29/84 15:23:37 ORIG: LA19 IN= 0011 OUT= 0011  
CANDY/ANCHORAGE TO: TOM  
T: LJH7 SUBJ: ORCA TELECONFERENCE

---

OMNI # 3

TO TESTIFY:

2. MARILYN HOUSER
3. BILL PARKER
4. RACHAEL MEEKS
5. JIM MEEKS

MSG 84-00019091 PRTY 1 02/29/84 15:11:02 ORIG: LA19 IN= 0008 OUT= 0006  
FROM: LARRY ANCHORAGE TO: TOM/JUNEAU  
TARGET: LJH7 SUBJ: HOUSE RESOURCES-KILLER WHALES

---

OMNI 1.

TO TESTIFY:

1. DR. JOHN D. HALL, SOLACE ENTERPRISES, ANCHORAGE, 688-3188
2. RON BRINKLEY, P.O. BOX 4-966, ANCH., 99501
3. TIM JONES, STAN STEPHENS CHARTERS, ANCHORAGE, 349-5070
4. CINDY LOWRY, 9271 CAMPBELL TERRACE, ANCH., 243-4061
5. LARRY WILLIAMS, SRA BOX 2437A, ANCH., 99587, 345-6267
6. SALLIE HOGG, 3032 W. 42ND, PL.#6, ANCH., 99503, 248-1015
7. GALE LAZARUS, AK. ZOO, SRA 1728 W., ANCH., 99507, 344-3022
8. DAVID J. DRISCOLL, 1146 KARLUK, ANCH.
9. WAYNE HALL, 2411 INGRA ST., ANCH., 99508,
10. TERRY BURRELL, P.O. BOX 8, ANCH., 99510, 333-2774
11. CHARLES K. (KELLY) WEAVERLIM, 1303 W. 39TH PL., ANCH., 99503, 563-2262

+++++

MSG 84-00019139 FRTY 1 02/29/84 15:38:44 ORIG: LV00 IN= 0008 OUT= 0018  
FROM: ANNI/VALDEZ TO: JACK/TOM JUNEAU T/C  
TARGET: LJM7 SUBJ: KILLER WHALES T/C

---

OMNI #2 (FOLLOWING TELEPHONE CALL WHEN WE WERE STOPPED ON CLOCK)

TO TESTIFY:

6. JAMES LETHCOE

TO OBSERVE:

7. KAREN WACKS (MAY DECIDE TO TESTIFY)

8. SUE HOPKINS, VALDEZ VANGUARD

MSG 84-00019145 FRTY 1 02/29/84 15:39:47 ORIG: LJAB IN= 0008 OUT= 0019  
FROM: DORIS TO: TOM  
TARGET: LJM7 SUBJ: PAT'S NAMES

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JAMES LETHCO  
KAREN WACKS  
SUE HOPKINS

MSG 84-00019454 ~~PRTY 1~~ 02/29/84 15:45:16 ORIG: SOL\$ IN= 0006 OUT= 0020  
FROM: LORI, SOLDOTNA FOR BECKY TO: TOM, JNU TC  
TARGET: LJH7 SUBJ: KILLER WHALES TC

---

OMNI #1  
TO TESTIFY:

BOB SIZEMORE

EOM

MSG 84-00019153 PRTY 1 02/29/84 15:45:02 ORIG: LV00 IN= 0009 OUT= 0021  
FROM: ANNI VALDEZ TO: JACK/TOM/JUNEAU  
TARGET: LJR7 SUBJ: KILLER WHALES TC

---

OMNI #3

TO TESTIFY:

9. LINDA LEVY
10. GENE SALINAS
11. Rebecca Reeves

FYD: WE HAVE 10 PEOPLE SITTING AROUND ONE TABLE WITH ONE MICROPHONE. WHEN IT IS TIME FOR THEM TO TESTIFY WE WILL PASS THE MIKE AS RAPIDLY AS POSSIBLE BUT IT MAY TAKE A MOMENT. THANK YOU.

~~Alaska~~

Haines

left Rebecca Redwine-Monroe (time constraint)

▷ George Lewis 766-2164

Seattle

~~Pat Harris~~

Pat Herron, Greenpeace

John Manley H. Resources  
C-118

MAR 5 1984

ORCAS!!!

MSG 84-00019298 PRTY 1 03/01/84 07:57:00 ORIG: LV00 IN= 0001 OUT= 0002  
FROM: ANNI/VALDEZ TO: JACK/JUNEAU MODERATOR  
TARGET: LJHV SUBJ: HOUSE RESOURCES COMM./KILLER WHALES

\*\*\*\*\*  
LEGISLATIVE TELECONFERENCE NETWORK SIGN-IN SHEET  
\*\*\*\*\*

DATE: FEBRUARY 29, 1984  
SITE/LOCATION: VALDEZ  
SPONSOR/SUBJECT: HOUSE RESOURCES COMMITTEE/HJR-58

VALDEZ STATS:

UNABLE TO TESTIFY: \_\_\_13\_\_\_  
TESTIFY: \_\_\_1\_\_\_  
OBSERVE: \_\_\_4\_\_\_  
TOTAL: \_\_\_18\_\_\_

LOCAL MODERATOR: ANNI  
\*\*\*\*T/C STARTED: 3:15 P.M.  
\*\*\*\*T/C ENDED: 5:05 P.M.

\*\*\*\*\*

NAME/REPRESENTING	ADDRESS/PHONE	TESTIFY	OBSERVE
1. CAROL M. A. FALL	ST. RT., BOX 10, VALDEZ 835-5046	X	
2. DAVID JANKA	P.O. BOX 1022, VALDEZ	X *	
3. ANNETTE JANKA	P.O. BOX 1022, VALDEZ		X
4. GEORGE PERKINS	P.O. BOX 501, VALDEZ 835-5086	X *	
5. GEORGE BERG	P.O. BOX 1107, VALDEZ 835-4406		X
6. SUE HOPKINS VALDEZ VANGUARD	P.O. BOX 157, VALDEZ 835-2211		X
7. KAREN WACK	P.O. BOX 97, VALDEZ 835-2681	X *	
8. JAMES LETHCOE	P.O. BOX 1313, VALDEZ	X *	
9. LINDA LEVY	P.O. BOX 33, VALDEZ	X *	
10. GENE SALINAS	P.O. BOX 915, VALDEZ	X *	
11. REBECCA J. REEVES	P.O. BOX 2173, VALDEZ	X *	
12. JOHN HILGENDORF	P.O. BOX 2173, VALDEZ		X
13. KIM GOOD	P.O. BOX 2176, VALDEZ 835-2654	X *	
14. LINDA NESLUND	P.O. BOX 1815, VALDEZ 835-4407	X *	
15. CHERYL MYERS	P.O. BOX 354, VALDEZ	X *	
16. KANDI CONNOR	P.O. BOX 2500, VALDEZ	X *	
17. STEVEN STONE	P.O. BOX 2391, VALDEZ	X *	
18. PATRICK LEVY	P.O. BOX 33, VALDEZ 835-4658	X *	

\* DID NOT HAVE OPPORTUNITY TO TESTIFY. HOPEFULLY THERE WILL BE ANOTHER T/C ON THIS SUBJECT WITH MORE TIME AVAILABLE.

SORRY THIS DID NOT GO OFF LAST NIGHT. I HAD A ZORK 22.

MSG 84-00019689 PRTY 1 03/01/84 14:22:59 ORIG: LAS3 IN= 0005 OUT= 0070  
FROM: MICKI/ANCHORAGE T/C TO: KEN/JUNEAU T/C  
TARGET: LJHV SUBJ: HOUSE RESOURCES/ HJR 58 "KILLER WHALES"

FINAL STATS

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LEGISLATIVE TELECONFERENCE NETWORK SIGN-IN SHEET  
\*\*\*\*\*

DATE: WED. FEBRUARY 29, 1984  
SITE: ANCHORAGE  
SPONSOR/SUBJECT: HOUSE RES. RESCES, HJR 58 "KILLER WHALES"

3..TESTIFIED \*\*\*\*\*T/C STARTED: 3:15  
..19..OBSERVED \*\*\*\*\*T/C ENDED: 3:00PM  
..22..TOTAL

TESTIFIED

\*\*\*\*\*

1. DR. JOHN HALL, SOLACE ENTERPRISES, PO BOX 4885, 99510, 688-3188
2. RON BRINKLEY, PO BOX 4-966, 99501
3. TIM JONES, STAN STEPHENS CHARTERS, BOX 106, 99510 349-5070

OBSERVED

\*\*\*\*\*

1. CLIFF EAMES, 3725 MOUNTAIN VIEW DR., 99508
2. BILLY JOE WARREN, 3601 PETERKIN AVE. #B, 99508
3. MARK COCK, 321 LAKERIDGE DR, EAGLE RIVER, 680-3644

LJHV

UNABLE TO TESTIFY DUE TO TIME

\*\*\*\*\*

1. CINDY LOWRY, 9271 CAMPBELL TERR. 243-4061
2. LARRY WILLIAMS, SRA BOX 2437A, 99507, 345-6267
3. SALLIE HOGG, 3032 W. 42ND PLACE #6, 99503, 248-1015
4. GALE LAZARUS, ALASKA ZOO, SRA BOX 1728 W. 99507, 344-3022
5. TERRY BURRELL, PO BOX 8, 99510 333-2774
6. CHARLES K. (KELLY) WEAVERLING, 1303 W. 39TH PL. 99503, 563-2262
7. DAVID J. DRISCOLL, 1146 KARLUK, ANCHORAGE
8. WAYNE HALL, 2411 INGRA ST. , ANCHORAGE 99508
9. MARILYN HOUSER, PO BOX 6455, 274-6524
10. BILL PARKER, 200 DENALI, 272-4192
11. RACHEL MEEKS, AK. PRINCESS CHARTERS, INC. 3320 SEAWIND DR. 345-5583
12. JIM MEEKS, SELF, 3320 SEAWIND DR, ANCHORAGE 345-5583
13. BONNIE STEER, SRA BOX 24M, 344-6928
14. DAVID FINKELSTEIN, SELF, 3911 PETERKIN AVE, 99508, 272-9317
15. FRED KOUNTS, 701 C STREET, BOX 43, 271-5006
16. JANIS FOLE, 943 W. 20TH, 99503, 272-2764

MSG 84-00019247 PRTY 1 02/29/84 17:10:27 ORIG: LP02 IN=0000 OUT=0000  
FROM: PAULA/FBX TO: JNO T/C  
TARGET: LJHV SUBJ: FINAL STATS/HOUSE RESOURCES HJR 58/ 2-29

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LEGISLATIVE TELECONFERENCE NETWORK SIGN-IN SHEET  
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2-29-84 \_\_\_\_\_ : DATE  
FAIRBANKS \_\_\_\_\_ : SITE/LOCATION  
HOUSE RESOURCES/HJR 58/ KILLER WHALES: SPONSOR/SUBJECT

TESTIFIED/PARTICIPATED:

- 1. CELIA M. HUNTER, SR 20974, FKS, AK, 99701 479-2754

OBSERVED:

\_\_\_\_\_STATS\_\_\_\_\_  
1 \_\_\_\_\_TESTIFY/ED \*\*\*\*\*T/C STARTED: 3:15 P.M.  
0 \_\_\_\_\_OBSERVE/ED \*\*\*\*\*T/C ENDED: 5:00 P.M.  
1 \_\_\_\_\_TOTAL

=====EDM