

ALASKA LEGISLATURE COMMITTEE FILES 1983-1984 86/2

2913 HRLS SB 371 - SJR 29

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RULES COMMITTEE MEETING

FRIDAY, MAY 11, 1984

1. Call to order
  2. Date and Time
  3. Note members in attendance. (Hayes, Barnes, Liska, Miller, Phillips, Tischner)
  4. The only item on today's agenda is a proposed Rules CS for HCS CSSB 371(Fin) "An Act relating to mining; and providing for an effective date" which is in the committee packets. The Rules CS makes three changes in the House Finance CS:
    - a) on page 6, line 7, the Rules CS substitutues the figure \$3 for the \$6 amount found in the Finance CS; and,
    - b) on page 7, line 2, the Rules CS again changes the \$6 lease fee to \$3.
    - c) in Section 12, page 8, line 5, deletes language "for the purpose of encouraging the greatest ultimate recovery of minerals under this section and in the interest of conservation" added in the Finance CS from a new subsection allowing DNR to suspend lease payments.
- The effect of these <sup>first 2</sup> changes is make the cost of the first two years of a submerged or tidelands exploration lease equal to one year's annual rent. As no activity typically takes place on these types of leases during the first year, due to the permitting requirements on offshore leases, reducing the lease fees for the first two-year period is more equitable to the lessee.
5. Request a motion to adopt of HCS CSSB371(Rules) with individual recommendations, to bring the subject before the Committee for discussion.
  6. Any testimony on the proposed CS. Any public comment. Committee debate.
  7. Place the question - "Shall the Rules Committee adopt HCS CSSB371(Rules) with individual recommendations" - before the Committee for a vote.
  8. Adjourn



COMMITTEE REPORT

5/10

HOUSE

(7)

Ret Rules

FURTHER:

5/2/84

Date: 5-11-84

The Committee on RULES has had CSSB 371(RES)

"An Act relating to mining; and providing for an effective date."

under consideration and recommends:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with <sup>H</sup>CS for CSSB 371 (RES)  same title  
 new title
- and recommends do pass
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation  Zero Fiscal Note Attached  
(do not mention)
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING DO PASS

[Signature]

[Signature]

[Signature]

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MEMBERS HAVING OTHER RECOMMENDATIONS:

[Signature] No. 1

[Signature] NO REC

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\_\_\_\_\_

[Signature]

CHAIRMAN

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RULES COMMITTEE MEETING

MONDAY MAY 28, 1984

1. Call to order
2. Date and Time
3. Note members in attendance. (Hayes, Barnes, Liska, Miller, Phillips, Tischer)
4. There are two items on today's agenda.
5. The first item on today's agenda is a proposed Rules Committee CS for SB 186am. The Rules CS makes several technical changes in keeping with the original intent of the bill. Specific changes are:

Section 1. In the Rules CS, as 37.05.316 is broken into 3 subsections, (a) (b) and (c), and material from the original bill from page 2, lines 13 & 14 is inserted in the new subsection (b) to clarify the intent of the original language. The following subsections are re-alphabetized accordingly.

Section 2. A new section 2 is created, containing the new language from the original bill. New subsections (d) through (g) on page 2 of the Rules CS rewords (b) through (e) of the original bill primarily for technical purposes, while retaining the original intent. A comparison of these sections is included in the Committee folders. Subsection (f) of the original bill has been relocated to page 1, lines 18-19 of the Rules CS.

6. Request a motion to adopt HCS SB 186(Rules) in place of the original bill, to bring the subject before the Committee for discussion.
7. Mike Scott of Senator Ferguson's office can provide information on the proposed CS.                      Public comment?                      Committee debate?
8. Place the question -- "Shall the Rules Committee adopt HCS SB 186(Rules) with individual recommendations" - before the Committee for a vote.

SEE NEXT PAGE FOR SECOND ITEM ON THE AGENDA

9. The second item on the agenda is a proposed Rules Committee CS for HCS SB 376am. The Rules CS is identical to the 3rd. Finance CS, with two exceptions:

1. The Rules CS deletes material from the 3rd. Fin version, page 2, lines 18-27, dealing with adjustments to the power rate limitations; and

2. Amends Section 4, page 11, the effective date clause. The Rules CS amends section 4 to provide for a October 1, 1984 effective date, rather than an immediate effective date as in the 3rd. Fin version.

10. Request a motion to adopt HCS SB 376(Rules) in place of the original bill in order to bring the CS before the Committee for discussion.

11. Mike Scott from Senator Ferguson's office is available to answer questions on the proposed Rules CS. Any public testimony? Committee debate?

12. Place the question - Shall HCS SB 376(Rules) be adopted with individual recommendations - before the Committee for a vote.

13. Adjourn.

AMENDED TITLE: SB 186AM

AN ACT RELATING TO NAME RECIPIENT GRANTS; AND PROVIDING FOR AN EFFECTIVE DATE

PRIME SPONSOR: SACKETT.  
CO-SPONSORS: FERGUSON.  
CURRENT STATUS: 5/23/84 IN (H) RULES

DATE	SEQ	PAGE	LEGISLATIVE ACTION
03/18/83	01	0434	FIRST READING -- COMMITTEE REPORTS
03/30/83	02	0538	C&RA -- DP02, NR01
05/03/84	03	2901	FIN -- DP05, NR01
05/15/84	04	3094	RLS -- OTHER04
TAKEN UP IMMEDIATELY			
05/15/84	05	3094	SECOND READING
05/15/84	06	3074	ADVANCED TO 3RD READING BY UNAN CONSENT
05/16/84	10	3115	AM01 ADOPTED BY UNAN CONSENT
05/16/84	11	3118	AM02 ADOPTED BY UNAN CONSENT
05/16/84	12	0000	ADVANCED TO 3RD READING BY UNAN CONSENT
05/15/84	07	3095	THIRD READING
05/15/84	08	3095	POSTPONED UNTIL 05/16/84 BY UNAN CONSENT
05/16/84	09	3115	RETURNED TO 2ND READING BY UNAN CONSENT
05/16/84	13	3118	PASSED BY DIV 14-06-00
05/16/84	14	3119	EFFECTIVE DATE VOTE SAME AS PASSAGE
****	**	**	*** ** *

DATE	SEQ	PAGE	LEGISLATIVE ACTION
05/17/84	15	3889	FIRST READING -- COMMITTEE REPORTS
05/23/84	16	3981	S.A. -- DP04, OTHER01
RULES			
****	**	**	*** ** *

AMENDED TITLE: SB 376AM

AN ACT RELATING TO POWER COST ASSISTANCE; AND PROVIDING FOR AN EFFECTIVE DATE

PRIME SPONSOR: SACKETT. GENERAL DOLLARS: \$0 (F. NOTE)  
OTHER DOLLARS: \$0

CO-SPONSORS: FERGUSON.  
CURRENT STATUS: 5/25/84 IN (H) RULES

DATE	SEQ	PAGE	LEGISLATIVE ACTION
01/25/84	01	1847	FIRST READING -- COMMITTEE REPORTS
02/08/84	02	1981	C&RA -- DP(AM)04
02/23/84	03	2154	FIN -- DP(AM)06, NR01
03/01/84	04	2223	RLS -- OTHER04
TAKEN UP IMMEDIATELY			
03/30/84	13	2537	FIN F/NOTE SEN SUPPL #37
03/01/84	05	2228	SECOND READING
03/01/84	06	2228	AM01 ADOPTED BY UNAN CONSENT
03/01/84	07	2228	ADVANCED TO 3RD READING BY UNAN CONSENT
03/01/84	08	2228	THIRD READING
03/01/84	09	2229	PASSED BY DIV 19-00-01
03/01/84	10	2229	EFFECTIVE DATE VOTE SAME AS PASSAGE
****	**	**	*** ** *

DATE	SEQ	PAGE	LEGISLATIVE ACTION
03/02/84	11	2789	FIRST READING -- COMMITTEE REPORTS
03/09/84	12	2870	L&C -- DP04
05/08/84	14	3776	FIN -- CS11
05/08/84	15	3776	FIN F/NOTE HSE SUPPL #141
05/10/84	16	3789	RECOMMITTED TO FIN BY UNAN CONSENT
05/24/84	17	4005	FIN -- 2ND CS02, NR06
05/24/84	18	4005	FIN F/NOTE EQUALS ZERO
05/25/84	19	4041	RECOMMITTED TO FIN BY UNAN CONSENT
05/25/84	20	4042	FIN -- 3RD CS07, NR01
05/25/84	21	4042	FIN F/NOTE EQUALS ZERO
RULES			
****	**	**	*** ** *







Official Business

# Alaska State Legislature

## House of Representatives

### Committee on Rules

Pouch V  
Juneau, Alaska 99811

Phone:  
(907) 465-3764  
465-3765

HCSSB 376(3rd Finance) "An Act relating to power cost assistance; and providing for an effective date."

#### I N D E X

- I. House CS for Senate Bill 376(Rules) - Proposed Rules Committee Substitute
- II. House CS for Senate Bill 376(3rd Finance - House Finance version.

Offered: 5/25/84  
Referred: Rules

Original sponsors: Sackett and Ferguson

1 IN THE SENATE BY THE FINANCE COMMITTEE  
2 HOUSE CS FOR SENATE BILL NO. 376 (3d Finance)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 THIRTEENTH LEGISLATURE - SECOND SESSION  
5 A BILL  
6 For an Act entitled: "An Act relating to power cost assistance; and pro-  
7 viding for an effective date."  
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:  
9 \* Section 1. AS 44.83.162 is repealed and reenacted to read:  
10 Sec. 44.83.162. POWER COST EQUALIZATION. (a) The power cost  
11 equalization fund is established as a separate fund for the purpose of  
12 equalizing power cost per kilowatt-hour statewide at a cost close or  
13 equal to the mean of the cost per kilowatt-hour in Anchorage,  
14 Fairbanks, and Juneau by paying money from the fund to eligible elec-  
15 tric utilities in the state. The fund shall be administered by the  
16 authority as a fund distinct from the other funds of the authority.  
17 The fund is composed of money appropriated for the purpose of provid-  
18 ing power cost equalization to eligible electric utilities.  
19 (b) The costs used to calculate the amount of power cost equal-  
20 ization for all electric utilities eligible under this section include  
21 all allowable costs, except return on equity, used by the commission  
22 to determine the revenue requirement for electric utilities subject to  
23 rate regulation under AS 42.05.010 - 42.05.721. The costs used in  
24 determining the power cost equalization per kilowatt-hour shall ex-  
25 clude any other type of assistance that reduces the customer's costs  
26 of power on a kilowatt-hour basis and that is provided to the electric  
27 utility within 60 days before the commission determines the power cost  
28 equalization per kilowatt-hour of the electric utility.  
29 (c) An eligible electric utility is entitled to receive power

1 cost equalization

2 (1) for sales of power to local community facilities,  
3 calculated in the aggregate for each community served by the electric  
4 utility, for actual consumption of not more than 70 kilowatt-hours per  
5 month for each resident of the community; and

6 (2) for actual consumption of not more than 750 kilowatt-  
7 hours per month sold to each customer in all classes served by the  
8 electric utility except to customers of the utility under (1) of this  
9 subsection.

10 (d) The amount of power cost equalization provided per kilowatt-  
11 hour under (c) of this section may not exceed 95 percent of the power  
12 costs, or the average rate per eligible kilowatt-hour sold, whichever  
13 is less, as determined by the commission. However,

14 (1) during the fiscal year that begins July 1, 1984 the  
15 power costs for which power cost equalization may be paid to an elec-  
16 tric utility are limited to minimum power costs of more than 8.5 cents  
17 per kilowatt-hour and less than 22.5 cents per kilowatt-hour;

18 (2) during each following fiscal year, the power costs for  
19 which power cost equalization may be paid to an electric utility are  
20 limited to

21 (A) power costs of less than 52.5 cents per kilowatt-  
22 hour specified in (1) of this subsection plus one cent per kilowatt-  
23 hour for the fiscal year ending June 30, 1986, plus one cent per  
24 kilowatt-hour for each fiscal year thereafter; and

25 (B) power costs that are greater than the minimum  
26 power cost of 8.5 cents per kilowatt-hour specified in (1) of this  
27 subsection; and

28 (3) during each following state fiscal year, the power  
29 costs for which power cost equalization may be paid to an electric

1 utility shall be adjusted by the commission, considering the rate of  
2 change in fuel cost and power demand; and

3 (4) the power cost equalization per kilowatt-hour may be  
4 determined for a utility without historical kilowatt-hour sales data  
5 by using kilowatt hours generated.

6 (e) An electric utility whose customers receive power cost  
7 equalization under this section shall set out in its tariff the rates  
8 without the power cost equalization and the amount of power cost  
9 equalization per kilowatt-hour sold. The rate charged to the customer  
10 shall be the difference between the two amounts. Power cost equaliza-  
11 tion paid under this section shall be used to reduce the cost of all  
12 power sold to local community facilities, in the aggregate, to the  
13 extent of 70 kilowatt-hours per month per resident of the community,  
14 and to reduce the cost of the first 750 kilowatt-hours per customer  
15 per month for all other classes served by the electric utility.

16 (f) The power cost equalization program shall be administered by  
17 the authority based on a determination by the commission under (b) and  
18 (d) of this section of power cost equalization per kilowatt-hour for  
19 each eligible electric utility.

20 (g) An eligible electric utility may not be denied power cost  
21 equalization because complete cost information is not available. An  
22 eligible electric utility that is exempt from rate regulation under  
23 AS 42.05.010 - 42.05.721 shall be assisted by the commission to pro-  
24 vide the cost information the commission considers necessary to comply  
25 with the requirements of this section. Only power costs that are  
26 supportable may be considered in calculating power cost equalization.  
27 Each electric utility is responsible for keeping records that provide  
28 the information necessary to comply with the requirements of this  
29 section including, but not limited to, records of monthly kilowatt-

1 hour sales or generation, monthly fuel balances, fuel purchases, and  
2 monthly utility fuel consumption

3 (h) For each eligible electric utility, the determination of the  
4 cost of fuel by the commission shall be in accordance with the proce-  
5 dure for approving fuel cost rate adjustments of electric utilities  
6 subject to rate regulation under AS 42.05.010 - 42.05.721.

7 (i) Each electric utility receiving power cost equalization ap-  
8 proved by the commission shall

9 (1) report monthly to the authority within the time and in  
10 the form the authority requires; and

11 (2) use operational equipment designed to meter individual  
12 utility customer power consumption and to determine and record the  
13 utility's overall fuel consumption.

14 (j) The authority shall review the report required under (i)(1)  
15 of this section and may submit the report to the commission for addi-  
16 tional review before payment. After review and approval of the report  
17 by the authority, the authority shall, subject to appropriation, pay  
18 to each eligible electric utility an amount equal to the power cost  
19 equalization per kilowatt-hour determined by the commission under (b)  
20 and (d) of this section, multiplied by the number of kilowatt-hours  
21 eligible for power cost equalization that were sold during the preced-  
22 ing month to all customers of the utility in accordance with (c) of  
23 this section. Payment shall be made by the authority within 30 days  
24 after receipt from the utility of the report required under (i) of  
25 this section. However, if there is a dispute between the authority  
26 and the utility relating to the payment, the authority shall submit  
27 the report to the commission for review within 30 days after its  
28 receipt by the authority. When a report is submitted to the commis-  
29 sion for review under this section, payment shall be made by the

1 authority within 30 days after submission, based on a commissio  
2 determination. If appropriations are insufficient for payment in  
3 full, the amount paid to each electric utility is reduced on a pro  
4 rata basis.

5 (k) If an electric utility receives power cost equalization  
6 under this section, the utility shall either

7 (1) give the following notice to its electric service  
8 customers eligible under this program for each period for which the  
9 payment is received:

10 NOTICE TO CUSTOMER

11 For the current billing period the utility will be paid under the  
12 State of Alaska's power cost equalization program (AS 44.83.162) to  
13 assist the utility and its customers in reducing the high cost of  
14 generation of electric energy.

15	Your total electrical service cost	\$ . . . . .
16	Less state equalization	\$ . . . . .
17	Your charge	\$ . . . . .; or

18 (2) give to its electric service customers a notice ap-  
19 proved by the authority, which notice provides electric service cus-  
20 tomers the same information provided by the notice in (1) of this  
21 subsection.

22 (1) In order to qualify for power cost equalization, each elec-  
23 tric utility must make every reasonable effort to minimize administra-  
24 tive, operating, and overhead costs, including using the best avail-  
25 able technology consistent with sound utility management practices.  
26 In reviewing applications for power cost equalization, the commission  
27 has the authority to require the elimination of duplicative or other-  
28 wise unnecessary operating expenses. Each eligible electric utility  
29 shall cooperate with appropriate state agencies to implement cost-

1 effective energy conservation measures, and to plan for and implement  
2 feasible alternatives to diesel generation.

3 (m) For purposes of (c) of this section, the number of residents  
4 of the community equals the number of residents of the community  
5 determined by the Department of Community and Regional Affairs in  
6 accordance with AS 29.88.015.

7 (n) In this section

8 (1) "commission" means the Alaska Public Utilities Commis-  
9 sion;

10 (2) "community facility" means a water and sewer facility,  
11 public outdoor lighting, charitable educational facility, or community  
12 building whose operations are not paid for by the state, the federal  
13 government, or private commercial interests;

14 (3) "eligible electric utility" or "electric utility" means

15 (A) each corporation (whether public, cooperative, or  
16 otherwise), company, individual, or association of individuals,  
17 their lessees, trustees, or receivers appointed by a court, that  
18 owns, operates, manages, or controls a plant or system for the  
19 furnishing, by generation, transmission or distribution, of  
20 electric service to the public for compensation; and

21 (B) during calendar year 1983 had a residential con-  
22 sumption level of power eligible for power cost equalization  
23 under this chapter of less than 7,500 megawatt hours or had a  
24 residential consumption level of power eligible for power cost  
25 equalization under this chapter of less than 15,000 megawatt  
26 hours if the utility served two or more municipalities or unin-  
27 corporated communities; and

28 (C) uses diesel-fired generators to produce more than  
29 75 percent of the electrical consumption of the utility; or

1 (D) nothing in this section precludes a new or exist-  
2 ting utility from applying for assistance if they meet the re-  
3 quirements in (n)(1)(A)-(C).

4 (4) "energy conservation measures" include weatherization  
5 and other insulating methods, utilization of waste heat, appropriate  
6 sizing of new generating equipment, and other programs of the state or  
7 federal government intended and available for the purpose of energy  
8 conservation;

9 (5) "feasible energy projects" include projects that are  
10 selected after a field reconnaissance study under AS 44.83.177 and  
11 after completion of a feasibility study according to the criteria in  
12 AS 44.83.181 to determine cost benefit in comparison to existing power  
13 generating methods and other alternatives considered in reconnaissance  
14 studies;

15 (6) "fund" means the power cost equalization fund estab-  
16 lished under (a) of this section;

17 (7) "power costs" means costs used in determining power  
18 cost equalization in accordance with (b) and (d) of this section.

19 (o) If the authority receives a petition requesting power cost  
20 equalization, signed by at least 25 percent of the customers of an  
21 electric utility that is subject to rate regulation under AS 42.05 and  
22 that has not applied for power cost equalization under this section,  
23 the authority shall require the utility to submit a power cost equali-  
24 zation application. Upon a determination of eligibility for power  
25 cost equalization, the utility, as a part of its service, shall re-  
26 ceive power cost equalization and pass power cost equalization bene-  
27 fits to its customers in accordance with this section.

28 \* Sec. . AS 44.83.163 is amended to read:

29 Sec. 44.83.163. ADJUSTMENTS TO POWER COST EQUALIZATION

1 [ASSISTANCE]. (a) The power cost equalization [ASSISTANCE] per  
2 kilowatt-hour determined under AS 44.83.162 payable to an electric  
3 utility that is subject to rate regulation under AS 42.05 may be  
4 adjusted by the commission if

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

8 (2) a permanent or interim rate increase or decrease has  
9 been approved by the commission, thereby establishing a higher or  
10 lower power cost;

11 (3) an adjustment is required after the authority has  
12 discovered discrepancies in its review of monthly data submitted by  
13 the electric utility; or

14 (4) the authority determines that appropriations are insuf-  
15 ficient to finance full payments to eligible electric utilities.

16 (b) An electric utility that is eligible to receive power cost  
17 equalization [ASSISTANCE] under this section and that receives power  
18 cost equalization [ASSISTANCE] per kilowatt-hour approved by the  
19 commission shall report monthly to the authority within the time and  
20 in the form the authority requires. An electric utility shall report

21 (1) the power cost equalization [ASSISTANCE] per kilowatt-  
22 hour approved by the commission;

23 (2) the total kilowatt-hours sold to each class of customer  
24 during the preceding month;

25 (3) the total kilowatt-hours eligible for power cost equal-  
26 ization [ASSISTANCE] under this section sold to each class of customer  
27 during the preceding month;

28 (4) the total kilowatt-hours generated during the preceding  
29 month, if available;

1 (5) any commission-approved amendments to the schedule of  
2 rates in effect during the preceding month; and

3 (6) an increase or decrease in the current unit price of  
4 fuel from the base price used by the commission in the determination  
5 of power costs which may be expected to result in a subsequent power  
6 cost equalization [ASSISTANCE] adjustment.

7 (c) The provisions of AS 44.83.162 relating to the determination  
8 of the amount of power cost equalization [ASSISTANCE] and payment of  
9 the equalization assistance apply to equalization assistance under  
10 this section.

11 \* Sec. 3. AS 44.83.164 is amended to read:

12 Sec. 44.83.164. EQUALIZATION ASSISTANCE TO UTILITIES NOT REGU-  
13 LATED BY PUBLIC UTILITIES COMMISSION. (a) An electric utility that  
14 is not subject to rate regulation by the commission may receive power  
15 cost equalization [ASSISTANCE] if the utility is otherwise eligible  
16 for equalization assistance under AS 44.83.162 and if the utility

17 (1) files with the commission financial data necessary to  
18 determine the power cost equalization [ASSISTANCE] per kilowatt-hour  
19 as prescribed by the commission and that [WHICH] is in compliance with  
20 AS 44.83.162;

21 (2) reports monthly to the authority, within the time and  
22 in the form the authority requires, the information required in (b) of  
23 this section;

24 (3) sets rates

25 (A) that consider the power cost equalization [ASSIST-  
26 ANCE] provided under AS 44.83.162 by subtracting from its revenue  
27 requirements for electric services the power cost equalization  
28 [ASSISTANCE] per kilowatt-hour that it is eligible to receive;  
29 and

1 (B) under which the power cost equalization [ASSIST-  
2 ANCE] provided in AS 44.83.162 is applied as a credit only  
3 against the cost of kilowatt-hours eligible for equalization  
4 assistance under AS 44.83.162 that are consumed by each customer  
5 in any month;

6 (4) allows audits that the commission determines are neces-  
7 sary to ensure [INSURE] compliance with this section; and

8 (5) furnishes its electric service customers eligible under  
9 this program a notice as specified in AS 44.83.162(k).

10 (b) An electric utility that is eligible to receive power cost  
11 equalization [ASSISTANCE] under this section shall report in accor-  
12 dance with (a)(2) of this section

13 (1) the power cost equalization [ASSISTANCE] per kilowatt-  
14 hour approved by the commission;

15 (2) the total kilowatt-hours sold to each class of customer  
16 during the preceding month;

17 (3) the total kilowatt-hours eligible for power cost equal-  
18 ization [ASSISTANCE] under this section sold to each class of customer  
19 during the preceding month;

20 (4) the total kilowatt-hours generated during the preceding  
21 month, if available;

22 (5) any amendments to the schedule of rates in effect  
23 during the preceding month; and

24 (6) an increase or decrease in the current unit price of  
25 fuel from the base price used by the commission in the determination  
26 of power costs that [WHICH] may be expected to result in a subsequent  
27 equalization assistance level adjustment.

28 (c) An electric utility that is eligible to receive power cost  
29 equalization [ASSISTANCE] under this section may have its power cost

1       equalization [ASSISTANCE] per kilowatt-hour determination changed by  
2       the commission if

3               (1) an increase or decrease in the electric utility's cost  
4       of fuel has been verified by the commission;

5               (2) an increase in rates has occurred based on an increase  
6       in costs and has been verified by the commission;

7               (3) an adjustment is required after the authority has  
8       discovered discrepancies in its review of monthly data submitted by  
9       the electric utility; or

10              (4) the authority determines that appropriations are insuf-  
11       ficient to finance full payments to eligible electric utilities.

12              (d) The provisions of AS 44.83.162 relating to the determination  
13       of the amount of power cost equalization [ASSISTANCE] and payment of  
14       the equalization assistance apply to equalization assistance under  
15       this section.

16              (e) An application for power cost equalization [ASSISTANCE] by  
17       an electric utility that is eligible to receive power cost equaliza-  
18       tion [ASSISTANCE] under this section does not extend the jurisdiction  
19       of the commission beyond that established by AS 42.05.010 - 42.05.721.

20       \* Sec. 4. This Act takes effect immediately in accordance with AS 01.-  
21       10.070(c).

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SENATE  
JOURNAL SUPPLEMENT

4/25/84

No. 76

HB  
717 am

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

<b>REQUEST</b> Bill/Resolution No.: <u>HB717am</u> Title: <u>Longevity Bonus Program</u> Sponsor: _____ Requestor: _____ Date of Request: _____	<b>FISCAL DETAIL</b> Agency Affected: <u>Administration</u> Program Category Affected: <u>Social Serv</u> BRU, Program or Subprogram(s) Affected: _____
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EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
<b>OPERATING</b>						
100 PERSONAL SERVICES	11.8	120.0				
200 TRAVEL		113.9				
300 CONTRACTUAL	10.2	110.9				
400 SUPPLIES	1.0	3.0				
500 EQUIPMENT	3.0					
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS	2750.5	15,350.0				
800 MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>2,776.5</b>	<b>15,697.8</b>				

<b>CAPITAL</b>						
----------------	--	--	--	--	--	--

<b>REVENUE</b>						
----------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	2,776.5	15,697.8				
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>						

POSITIONS:

FULL-TIME		3.0				
PART-TIME	3	1.0				
TEMPORARY		0				

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Senator Sackett, CoChairman  
 Division: Senate Finance Committee

Phone: \_\_\_\_\_  
 Date: April 25, 1984

RULES COMMITTEE MEETING

MONDAY APRIL 30, 1984

1. Call to order
2. Date and Time
3. Note members in attendance. (Hayes, Barnes, Liska, Miller, Phillips, Tischer)
4. The only item on today's agenda is Senate Bill CSSB 490(Fin), which is in the committee packets. The House Rules CS adds a new Section 3, which is a supplemental appropriation of ~~\$1,776,000~~ <sup>2,776,500</sup> for the Department of Administration to fund the Longevity Bonus program to the end of this fiscal year - June 30, 1984. This amount represents that portion of the fiscal note on HB 717 that will be required for added recipients during the remainder of this fiscal year.
5. Request a motion to pass HCS CSSB 490(Rules) with individual recommendations, to bring the subject before the Committee for discussion.
7. Any public comment. Committee debate.
8. Place the question - "Shall the Rules Committee adopt HCS CSSB 490(Rules) - before the Committee for a vote.
9. Adjourn

\*  
2,776.5

SENATE  
JOURNAL SUPPLEMENT

1/25/84

No. 76

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

HB  
717 am

<b>REQUEST</b> Bill/Resolution No.: <u>HR717am</u> Title: <u>Longevity Bonus Program</u> Sponsor: _____ Requestor: _____ Date of Request: _____	<b>FISCAL DETAIL</b> Agency Affected: <u>Administration</u> Program Category Affected: <u>Social Serv</u> 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	11.6	120.0				
200 TRAVEL		113.9				
300 CONTRACTUAL	10.2	110.9				
400 SUPPLIES	1.0	3.0				
500 EQUIPMENT	3.0					
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS	2750.5	15,350.0				
800 MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>2,776.5</b>	<b>15,697.8</b>				

<b>CAPITAL</b>						
----------------	--	--	--	--	--	--

<b>REVENUE</b>						
----------------	--	--	--	--	--	--

**FUNDING: (Thousands of Dollars)**

GENERAL FUND	2,776.5	15,697.8				
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>						

**POSITIONS:**

FULL-TIME		3.0				
PART-TIME	3	1.0				
TEMPORARY		0				

**SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:**

**ANALYSIS:** Attach a separate page for analysis

Prepared By: Senator Sackett, CoChairman  
 Division: Senate Finance Committee

Phone: \_\_\_\_\_  
 Date: April 25, 1984

S B

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RULES COMMITTEE MEETING

TUESDAY MAY 29, 1984

1. Call to order
2. Date and Time
3. Note members in attendance. (Hayes, Barnes, Liska, Miller, Phillips, Tischer)
4. The only item on today's agenda is a proposed Rules Committee CS for CSSB 496(Fin) - "An Act relating to loans for commercial fishing and agriculture; and providing for an effective date." The Rules CS makes several technical changes to ensure that provisions relating to Yukon-Kuskokwim fisheries fall under the existing funding and loan guarantee provisions found in other statutes. The Rules CS is identical to the House Fin CS except that:
  - Subparagraph (D) of the House Finance version, page 2, lines 14-28, is deleted, and the provisions contained in (D) are incorporated into existing Subparagraphs (A)-(C) in the House Rules CS. This language is incorporated in the Rules CS on page 1, lines 16, 20, and 23-28, and on page 2, lines 5-8, 11-12 and 22-24.
5. Request a motion to adopt HCS CSSB 496(Rules) in place of the original bill, to bring the subject before the Committee for discussion.
6. Anyone from Sen Mulcahy's or Rep. Herrmann's office?  
Public comment?                      Committee debate?
7. Place the question - "Shall the Rules Committee adopt HCS CSSB 496(Rules) with individual recommendations" - before the Committee for a vote.
8. Adjourn



Official Business

Alaska State Legislature

# House of Representatives

## Committee on Rules

Juneau, Alaska 99811

Phone:  
(907) 465-3764  
465-3765

### RULES COMMITTEE MEETING

MAY 29, 1984

-AGENDA-

HCS CSSB 196(Finance)

"An Act relating to loans for commercial fishing and agriculture; and providing for an effective date."



Official Business

# Alaska State Legislature

## House of Representatives

### Committee on Rules

Pouch V  
Juneau, Alaska 99811

Phone:  
(907) 465-3764  
465-3765

#### RULES COMMITTEE MEETING

MAY 29, 1984

#### -AGENDA-

HCS CSSB 496(Finance)

"An Act relating to loans for commercial fishing and agriculture; and providing for an effective date."



Hein  
5/28/84 ✓

Original sponsor: Rules/Governor

*Fuller*

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IN THE SENATE

BY THE RULES COMMITTEE

HOUSE CS FOR CS FOR SENATE BILL NO. 496 (Rules)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to loans for commercial fishing and agriculture; and providing for an effective date."

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

\* Section 1. AS 16.10.310(a) is amended to read:

(a) The department may

(1) make loans to

(A) individual commercial fishermen who have been

state residents for a continuous period of two years immediately preceding the date of application for a loan under AS 16.10.300 -

16.10.370 and have had a crewmember or commercial fishing license under AS 16.05.480 or a permit under AS 16.43 for the year immediately preceding the date of application and any other two of

the past five years, and who actively participated (i) in commercial fishing in the fishery during those periods or (ii) in

subsistence fishing in a fishery in the drainage system of the

Yukon and Kuskokwim Rivers during those periods, for the purchase of entry permits;

(B) an individual who has been a state resident for a continuous period of two years immediately preceding the date of

application for a loan under AS 16.10.300 - 16.10.370, who (i) because of lack of training or lack of employment opportunities

in the area of residence does not have occupational opportunities available other than commercial fishing; or (ii) is economically

dependent on subsistence fishing in the drainage system of the

*A-C*  
*D Deleted in H Fin version*

1 Yukon and Kuskokwim Rivers or on commercial fishing for a liveli-  
2 hood and for whom subsistence fishing in the drainage system of  
3 the Yukon and Kuskokwim Rivers or commercial fishing has been a  
4 traditional way of life for the individual in Alaska; [,] for the  
5 repair, restoration or upgrading of existing vessels and gear,  
6 for the purchase of entry permits and gear, for the purchase of  
7 shore fisheries leases, and for the construction and purchase of  
8 vessels;

9 (C) corporations, partnerships, or joint ventures, 100  
10 percent of which are owned by individual commercial fishermen who  
11 have been state residents for a continuous period of two years  
12 immediately preceding the date of application for a loan under  
13 AS 16.10.310(a)(1)(B) and have had a crewmember or commercial  
14 fishing license under AS 16.05.480 or a permit under AS 16.43 for  
15 the year immediately preceding the date of application and any  
16 other two of the past five years, and who actively participated  
17 (i) in commercial fishing in the fishery during that period or  
18 (ii) in subsistence fishing in a fishery in the drainage system  
19 of the Yukon and Kuskokwim Rivers during that period, for the  
20 repair, restoration or upgrading of existing vessels and gear,  
21 for the purchase of gear, and for the construction and purchase  
22 of vessels;

23 (2) designate agents and delegate its powers to them as  
24 necessary;

25 (3) adopt regulations necessary to carry out its functions;

26 (4) establish amortization plans for repayment of loans,  
27 which may include extensions for poor fishing seasons or for adverse  
28 market conditions for Alaskan products;

29 (5) enter into agreements with private lending

1 institutions, other state agencies, or agencies of the federal govern-  
2 ment, to carry out the purposes of AS 16.10.300 - 16.10.370;

3 (6) enter into agreements with other agencies or organiza-  
4 tions to create an outreach program to make loans under AS 16.10.300 -  
5 16.10.370 in rural areas of the state;

6 (7) allow an assumption of a loan if the applicant has been  
7 a state resident for a continuous period of two years immediately  
8 preceding the date of the request for an assumption.

9 \* Sec. 2. AS 16.10.320(a) is amended to read:

10 (a) A loan under AS 16.10.310 - 16.10.370

11 (1) may not exceed a term of 15 years, except for exten-  
12 sions granted under AS 16.10.310(a)(4);

13 (2) may not bear interest exceeding 10-1/2 percent;

14 (3) shall be secured by a first priority lien and appropri-  
15 ate security agreement; and

16 (4) may not exceed 90 percent of the appraised value of the  
17 collateral used to secure the loan, except that a loan granted under  
18 AS 16.10.333 for the purchase of an Alaska limited entry permit may  
19 not exceed an amount determined in accordance with (f) or (h) of this  
20 section.

21 \* Sec. 3. AS 16.10.320(d) is amended to read:

22 (d) The total of balances outstanding on loans [LOANS] made to a  
23 borrower under AS 16.10.310(a)(1)(A) may not exceed [A TOTAL OF]  
24 \$300,000. Loans made to a borrower under AS 16.10.310(a)(1)(B) or (C)  
25 may not exceed a total of \$100,000. A loan to an associate of the  
26 borrower is considered to be a loan to the borrower. For the purposes  
27 of this section, "associate of the borrower" means

28 (1) a corporation or other organization of which the bor-  
29 rower is an officer, director or partner, or is, directly or in-

1 directly, the beneficial owner of 10 percent or more of any class of  
2 equity securities;

3 (2) a person who is, directly or indirectly, the beneficial  
4 owner of 10 percent or more of any class of equity securities of the  
5 borrower;

6 (3) a trust or other estate in which the borrower has a  
7 substantial beneficial interest or as to which the borrower serves as  
8 trustee or in a similar fiduciary capacity.

9 \* Sec. 4. AS 16.10.320(e) is amended to read:

10 (e) Two or more individual commercial fishermen who each satisfy  
11 the requirements specified in AS 16.10.310(a)(1)(B) may jointly obtain  
12 a commercial fishing loan for the construction of a fishing vessel or  
13 the purchase of an existing fishing vessel. Loans granted under this  
14 subsection

15 (1) may not exceed the amount specified in (d) of this  
16 section multiplied by the number of qualified commercial fishermen  
17 applying for the loan;

18 (2) may not exceed a term of 15 years, except for exten-  
19 sions granted under AS 16.10.310(a)(4);

20 (3) shall be secured by a first priority lien and appropri-  
21 ate security agreement;

22 (4) may not bear interest exceeding 10-1/2 percent; and

23 (5) may not exceed 90 percent of the appraised value of the  
24 collateral used to secure the loan.

25 \* Sec. 5. AS 16.10.335 is amended to read:

26 Sec. 16.10.335. DEFAULT AND FORECLOSURE. (a) If the debtor  
27 defaults upon a note for which a limited entry permit has been pledged  
28 as security under AS 16.10.333 or [UNDER AS] 16.10.338, the commis-  
29 sioner shall provide the debtor, by both [REGISTERED OR] certified and

1 first class mail sent to the debtor's last known address on file with  
2 the commissioner, with a notice of default that [WHICH] includes

3 (1) a description of the security given for the note in-  
4 cluding the number assigned to the pledged permit by the commission;

5 (2) the date upon which the default occurred;

6 (3) the amount of arrearages as of the date of the notice,  
7 the total amount remaining on the note less unearned interest, and the  
8 amount of daily interest;

9 (4) a statement that the debtor may, within 15 days after  
10 [OF] the postmark date of the notice, request a hearing to submit  
11 evidence showing the debtor has not defaulted;

12 (5) a statement that the note may be reinstated if brought  
13 current within 60 days after [FROM] the postmark date of the notice;

14 (6) a statement that the note may be paid in full less  
15 unearned interest within 120 days after [FROM] the postmark date of  
16 the notice;

17 (7) the place where reinstatement or payment in full may be  
18 made; and

19 (8) a notice in at least 10-point bold type stating:  
20 "IMPORTANT: YOUR FAILURE TO REINSTATE OR PAY THIS NOTE IN FULL BY THE  
21 DATE SPECIFIED WILL RESULT IN A FORFEITURE OF ALL RIGHTS TO THE PERMIT  
22 AND THE POSSIBILITY OF LEGAL ACTION BEING INSTITUTED AGAINST YOU."

23 (b) In each case of a limited entry permit being pledged as  
24 security under AS 16.10.333 or 16.10.338, the debtor shall maintain on  
25 file with the department an address where notice of default is to be  
26 sent, if necessary, and where that notice will be timely received by  
27 the debtor.

28 (c) Upon presentation of evidence of mailing in accordance with  
29 (a) of this section, the receipt of the notice of default by the

1 debtor will be presumed for all purposes. This presumption is re-  
2 buttable by presentation of evidence sufficient to demonstrate lack of  
3 receipt of notice through no fault of the debtor. Upon presentation  
4 of evidence sufficient to prove lack of receipt of notice through no  
5 fault of the debtor, the notice is a nullity.

6 (d) Upon good cause shown, the commissioner may waive any of the  
7 time limits in (a) of this section, if the department receives from  
8 the debtor or the debtor's representative a request for the waiver  
9 before the expiration of the time limit for which the waiver is  
10 sought.

11 (e) Except as otherwise provided in (c) and (d) of this section,  
12 upon [UPON] the debtor's failure to satisfy the note within the time  
13 specified in (a)(6) of this section, the debtor's interest in the  
14 permit is terminated by operation of law without further notice. Any  
15 entry permit cards issued to the debtor under the permit shall be  
16 cancelled immediately upon receipt by the commission of a certificate  
17 of termination containing a copy of the notice required by (a) of this  
18 section issued by the commissioner.

19 \* Sec. 6. AS 16.10 is amended by adding a new section to read:

20 Sec. 16.10.336. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR  
21 FORECLOSURE. The department shall dispose of property acquired  
22 through default or foreclosure of a loan made under AS 16.10.300 -  
23 16.10.370. Disposal shall be made in a manner that serves the best  
24 interests of the state and may include the amortization of payments  
25 over a period of years, but may not be by lease.

26 \* Sec. 7. AS 44.81.210(a) is amended by adding a new paragraph to read:

27 (23) make a loan to a person, regardless of residency, if  
28 the board of directors of the bank determines that the loan is neces-  
29 sary to preserve the value of property held by the bank as security

1 for a loan that was made under (a)(1) of this section and that is in  
2 default.

3 \* Sec. 8. This Act takes effect immediately in accordance with AS 01.-  
4 10.070(c).  
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500

COMMITTEE REPORT  
HOUSE

5/22  
Rules

(9)

FURTHER:

5/21/84

Date: 5-22-84

The Committee on RULES has had CSSB 500(SA) am

"An Act relating to the reduction of litter and the recovery of materials and energy from litter; and providing for an effective date."

under consideration and recommends:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with <sup>MC</sup>S for CSSB 500(Rules)  same title
- new title
- and recommends Ind. Rec.
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation  Zero Fiscal Note Attached
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

[Signature]  
ROD E. PELL Do Pass  
[Signature]  
[Signature]  
[Signature]  
[Signature]

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

[Signature] NO REC  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

[Signature]  
 CHAIRMAN

Jack

RULES COMMITTEE MEETING

TUESDAY MAY 21, 1984

1. Call to order
2. Date and Time
3. Note members in attendance. (Hayes, Barnes, Liska, Miller, Phillips, Tischer)
4. There are 2 items on today's agenda: SCR 48 and HB 500.
5. The first item on the agenda is the proposed Rules Committee substitute for SCR 48 - "Suspending Uniform Rule 41(b) of the Alaska State Legislature concerning House Bill No. 575." The proposed Rules Committee CS adds language on page 1, lines 11-13 of the Resolution to reflect the Senate's exact title change to HB 575.
6. Request a motion to adopt HCS SCR 48(Rules) with individual recommendations, to bring the subject before the Committee for discussion. (Jack - No action needs to be taken until after Committee debate.)
7. Any testimony on the proposed CS. Any public comment. Committee debate.
8. Place the question - "Shall the Rules Committee adopt HCS SCR 48(Rules) with individual recommendations" - before the Committee for a vote.
9. The 2nd item on the agenda is the proposed Rules Committee CS for HCS CSSB 500(Res) - "An Act relating to the reduction of litter and the recovery of materials and energy from litter; and providing for an effective date."  
  
The Rules CS amends page 4, lines 21-22 of the bill to include the phrase "or other extraction processes" in the definition of those primary industrial activities that are exempted from the definition of "litter." Although this language is in current law, the original version of SB 500 deleted this phrase. Restoring this language will make clear that oil and gas extraction are included in this exemption.
10. Request a motion to adopt HCS CSSB 500(Rules) with individual recommendations for the purpose of discussion. (Jack - No action taken until debate is over.)
11. Any public testimony? Committee debate?
12. Place the Question - "Shall the Rules Committee adopt HCS CSSB 500(Rules) with individual recommendations" - before the Committee for a vote.
13. Adjourn

COMMITTEE REPORT  
HOUSE

5/22  
Rules

(9)

FURTHER:

5/21/84

Date: 5-22-84

The Committee on RULES has had CSSB 500(SA)am

"An Act relating to the reduction of litter and the recovery of materials and energy from litter; and providing for an effective date."

under consideration and recommends:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with <sup>MCS</sup> for CSSB 500(Rules)  same title
- and recommends Ind. Rec.  new title
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation  Zero Fiscal Note Attached
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

[Signature]  
ROSS E. [Signature] Do Pass  
[Signature]  
[Signature]  
[Signature]

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

[Signature] NO REC  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

[Signature]  
 CHAIRMAN

SCR

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COMMITTEE REPORT

JOINT SENATE & HOUSE RULES COMMITTEE

Date 3/9/83

Mr. President:  
Mr. Speaker:

The Joint Senate and House Rules Committee has had SPECIAL SENATE CONCURRENT RESOLUTION NO. 1 (Disapproving Executive Order No. 53 - Office of Management and Budget) under consideration and: ~~recommends~~ Reports it back with individual recommendations, with Finance amendments.

SENATE MEMBERS  
RECOMMENDATIONS:

Sen Faiks NO REC  
Senator Faiks, Chairman

Sen Ferguson DO PASS  
Senator Ferguson

Sen Bennett DO PASS  
Senator Bennett

Kelly - Do Not Pass At This Time  
Senator Kelly

Sen Ray NO REC  
Senator Ray

HOUSE MEMBERS  
RECOMMENDATIONS:

Rep. Fuller DO PASS  
Rep. Fuller, Chairman

Rep. Phillips DO PASS  
Rep. Phillips

Rep. Hayes DO PASS  
Rep. Hayes

Rep. Barnes DO PASS  
Rep. Barnes

Rep. Tischer DO PASS  
Rep. Tischer

Rep. M. Miller DO PASS  
Rep. M. Miller

Rep. Larson NO REC.  
Rep. Larson

Rep. M. M. Miller NO REC.  
Rep. M. M. Miller

Rep. Koponen

SCR

33







Official Business

# Alaska State Legislature

## House of Representatives

### Committee on Rules

Pouch V  
Juneau, Alaska 99811

Phone:  
(907) 465-3764  
465-3765

#### F I L E I N D E X

##### SCR 33am

- I. Memo from Rep. Adams with opinion from Legal Services attached.
- II. Proposed House CS for SCR 33 (Ru s)
- III. Senate Passed Version - SCR 33 am
- IV. Original Bill - SCR 33

# Alaska State Legislature

## House of Representatives

Al Adams

Chairman

Committee on Finance

WHILE IN SESSION  
Pouch V  
State Capitol  
Juneau, Alaska 99811  
(907) 465-3706

OUT OF SESSION  
P.O. Box 333  
Kotzebue, Alaska 99752  
(907) 442-3320

1024 W. 6th  
Anchorage, Alaska 99501  
(907) 274-0615



Official Business

February 28, 1984

### MEMORANDUM

TO: Senator Kertulla  
Senator Faiks  
Senator Bennett  
Senator Sackett  
Representative Hayes  
Representative Barnes

FROM: Representative Adams, Chair  
House Finance Committee

SUBJ: SCR 33 am

Enclosed you will find a memorandum from Billy Berrier, Director, Division of Legal Services, regarding the amendment made in SCR 33 am to the uniform rule on the power of a budget conference committee.

My concern is that under the proposed bill, we will not be able to zero out an item that should be so reduced. For example, in the Department of Health and Social Services budget, the Hepatitis B program is funded in several different places when only one appropriation is really necessary.

Mr. Berrier, at my request, has suggested language to alleviate my concern. I would be interested to know your opinion of the suggested language. Please contact me at your convenience.

Enclosure

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y STATE CAPITOL  
JUNEAU, ALASKA 99811  
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 28, 1984

SUBJECT: Conference Committee power under  
Uniform Rules (SCR 33 am)

TO: Representative Al Adams

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

You have asked whether the language added to Rule 42(a) of the Uniform Rules in SCR 33 am is broad enough to allow deletion of an item contained in each version of a bill before a conference committee.

In my opinion it is not.

The relevant language reads:

If the committee reaches agreement on previously adopted amendments to a bill adopted by either house, or on an appropriation measure reaches agreement on an amount equal to the amount previously adopted by a house or between the amounts previously adopted by either house, the committee then submits an identical report to each house.

The language is quite specific and deletion of an item found in both versions is neither the amount previously adopted by a house nor is it between the amounts since the effect is to make a zero appropriation for that item.

You have also asked for suggested language if, in our opinion the existing language will not allow deletion. I would suggest an adaptation of the provision relating to Free Conference Committees and Conference Committees with limited powers of free conference. The new language would read:

or on an appropriation measure reaches agreement on an amount appropriated by an item that does not exceed the

Representative Al Adams  
Page 2  
February 28, 1984

higher amount appropriated by that item in a version of  
the bill adopted in third reading by a house,

as a substitute for the new language added by the resolution.

BCB:ojb  
J4/012  
Attachment



Official Business

# Alaska State Legislature

## House of Representatives

### Committee on Rules

Pouch V  
Juneau, Alaska 99811

Phone:  
(907) 465-3764  
465-3765

#### F I L E I N D E X

##### SCR 33am

- I. Memo from Rep. Adams with opinion from Legal Services attached.
- II. Proposed House CS for SCR 33 (Rules)
- III. Senate Passed Version - SCR 33 am
- IV. Original Bill - SCR 33



Official Business

# Alaska State Legislature

## House of Representatives

### Committee on Rules

Pouch V  
Juneau, Alaska 99811

Phone:  
(907) 465-3764  
465-3765

#### HOUSE RULES COMMITTEE MEETING

TUESDAY, MARCH 20, 1984

#### AGENDA

HB 519 - "Re: Art works in Public Buildings and Facilities."

SCR 33 - "AM Rule 42/Uniform Rules/Conference Committees."

Jack. 17

RULES COMMITTEE MEETING

TUESDAY, MARCH 20, 1984

1. Call to order, date and time.
2. Note attendance
3. AGENDA:
  - SCR 33 - relating to the powers of Conference Committees.
  - ✓ HB 519 - relating to art work in public buildings and facilities.
4. The first item on the agenda is SCR 33. The proposed Rules CS inserts the following language, which is shown on Page 1, Lines 21-24 of the Rules CS;  
"or on an appropriation measure reaches an agreement on an amount appropriated by an item that does not exceed the higher amount appropriated by that item in a version of the bill adopted in third reading by a house,"
5. Elmer Lindstrom of Rep. Adams' office MAY be present to testify. Any other people present wishing to testify?
6. Accept motion to adopt HCS SCR 33 (Rules) in place of SCR 33am.
7. The second item on the agenda is HB 519. Relating to art works by Alaskan artists in public buildings and facilities. LouAnn Cutler, representing Rep. Adams' office, will explain the proposed rules CS.
8. The Committee packets include:
  1. The sectional analysis prepared by Rep. Adams.
  2. The proposed rules CS.
  3. a copy of CSHB 519(Fin)
  4. a copy of HB 519 as introduced
  5. a copy of Title 27, the existing art in public places statute.
9. Call on LouAnn at this point?

( Jack - LouAnn's sectional analysis explains the bill, but does not compare the Finance and Rules versions. A comparison of the Finance and Rules bills is shown on ~~the~~ following page, in case there are questions specifically on how they are different. In general, the Rules CS inserts language authorizing the 'Governing body' or 'school district' in a community to make the decision on having art work in a facility rather than the project owner, and amends the definitions section to reflect this change in authority.)

2

10. Open the meeting to public testimony, if applicable?

11. Open the meeting to debate.

12. After debate subsides, take a motion on moving the Rules CS, with individual recommendations? (Rep. Miller will be strongly opposed to the bill.)

SCR

48

AMENDED TITLE:

SUSPENDING UNIFORM RULE 41(B) OF THE ALASKA STATE LEGISLATURE  
CONCERNING HOUSE BILL NO. 575

PRIME SPONSOR: SENATE JUDICIARY COMMITTEE.

CO-SPONSORS:

CURRENT STATUS: 5/21/84 IN (H) RULES

SCR 48 SENATE ACTION

13:49 5/22/84 PAGE 2 OF 3

DATE	SEQ	PAGE	LEGISLATIVE ACTION
05/19/84	01	3168	FIRST READING -- COMMITTEE REPORTS
05/19/84	02	3168	SECOND READING
05/19/84	03	3168	PASSED BY DIV 15-00-05
****	**	**	*** ** *

SCR 48 HOUSE ACTION

13:50 5/22/84 PAGE 3 OF 3

DATE	SEQ	PAGE	LEGISLATIVE ACTION
05/21/84	04	3943	FIRST READING -- COMMITTEE REPORTS RULES
****	**	**	*** ** *

SB 500 TITLE & SPONSOR SUMMARY

13:50 5/22/84 PAGE 1 OF 3

AMENDED TITLE: CSSB 500(S.A.)AM

AN ACT RELATING TO THE REDUCTION OF LITTER AND THE RECOVERY  
OF MATERIALS AND ENERGY FROM LITTER;  
AND PROVIDING FOR AN EFFECTIVE DATE

PRIME SPONSOR: SENATE RULES COMMITTEE

CO-SPONSORS:

CURRENT STATUS: 5/05/84 IN (H) RULES

SB 500 SENATE ACTION

13:50 5/22/84 PAGE 2 OF 3

DATE	SEQ	PAGE	LEGISLATIVE ACTION
02/14/84	01	2084	FIRST READING -- COMMITTEE REPORTS
02/14/84	02	2084	F/NOTE EQUALS ZERO
02/14/84	03	2084	GOV TRANSMITTAL LETTER
03/12/84	04	2326	S.A. -- CS04
03/26/84	05	2462	RLS -- S.A. CS04, OTHER04 TAKEN UP IMMEDIATELY
03/26/84	06	2463	SECOND READING
03/26/84	07	2464	S.A. CS ADOPTED BY UNAN CONSENT
03/26/84	08	2464	POSTPONED UNTIL 03/27/84 BY DIV 00-00-00
03/27/84	09	2479	AM01 ADOPTED BY UNAN CONSENT
03/27/84	10	2479	ADVANCED TO 3RD READING BY UNAN CONSENT
03/27/84	11	2479	THIRD READING
03/27/84	12	2479	PASSED BY DIV 18-00-02
03/27/84	13	2480	EFFECTIVE DATE VOTE SAME AS PASSAGE
****	**	**	*** ** *

SB 500 HOUSE ACTION

13:50 5/22/84 PAGE 3 OF 3

DATE	SEQ	PAGE	LEGISLATIVE ACTION
03/28/84	14	3082	FIRST READING -- COMMITTEE REPORTS
05/05/84	15	3671	RES -- CS04, NR05 RULES
****	**	**	*** ** *

COMMITTEE REPORT  
HOUSE

5/22  
rule

(9)

FURTHER:

5/21/84

Date: 5-22-84

The Committee on RULES has had SCR 48

Suspending Uniform Rule 41(b) of the Alaska State Legislature concerning House Bill No. 575.

under consideration and recommends:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with <sup>HCS</sup> for SCR 48 (Rules)  same title  
 new title
- and recommends Ind. Rec.
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation  Zero Fiscal Note Attached
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

[Signature] Do Not Pass  
Bill Stripping of Hitting

[Signature] No Rec

[Signature]

[Signature]

[Signature]

[Signature]  
CHAIRMAN

Glen

RULES COMMITTEE MEETING

TUESDAY MAY 21, 1984

1. Call to order
2. Date and Time
3. Note members in attendance. (Hayes, Barnes, Liska, Miller, Phillips, Tischer)
4. There are 2 items on today's agenda: SCR 48 and HB 500.
5. The first item on the agenda is the proposed Rules Committee substitute for SCR 48 - "Suspending Uniform Rule 41(b) of the Alaska State Legislature concerning House Bill No. 575." The proposed Rules Committee CS adds language on page 1, lines 11-13 of the Resolution to reflect the Senate's exact title change to HB 575.
6. Request a motion to adopt HCS SCR 48(Rules) with individual recommendations, to bring the subject before the Committee for discussion. (Jack - No action needs to be taken until after Committee debate.)
7. Any testimony on the proposed CS. Any public comment. Committee debate.
8. Place the question - "Shall the Rules Committee adopt HCS HCS SCR 48(Rules) with individual recommendations" - before the Committee for a vote.
9. The 2nd item on the agenda is the proposed Rules Committee CS for HCS CSSB 500(Res) - "An Act relating to the reduction of litter and the recovery of materials and energy from litter; and providing for an effective date."  
  
The Rules CS amends page 4, lines 21-22 of the bill to include the phrase "or other extraction processes" in the definition of those primary industrial activities that are exempted from the definition of "litter." Although this language is in current law, the original version of SB 500 deleted this phrase. Restoring this language will make clear that oil and gas extraction are included in this exemption.
10. Request a motion to adopt HCS CSSB 500(Rules) with individual recommendations for the purpose of discussion. (Jack - No action taken until debate is over.)
11. Any public testimony? Committee debate?
12. Place the Question - "Shall the Rules Committee adopt HCS CSSB 500(Rules) with individual recommendations" - before the Committee for a vote.
13. Adjourn



Official Business

# Alaska State Legislature

## House of Representatives

### Committee on Rules

Pouch V  
Juneau, Alaska 99811

Phone:  
(907) 465-3764  
465-3765

May 22, 1984

RULES

Capitol 118  
465-3789

8:30 a.m.  
Tuesday

Tuesday, May 22

HCSCSSB 500 (Res)

"An Act relating to the reduction of litter and the recovery of materials and energy from litter; and providing for an effective date."

SCR 48

"Suspending Uniform Rule 41(b) of the Alaska State Legislature concerning House Bill No. 575."



Asper  
5/21/84 ✓

Original sponsor: Judiciary Committee

1 IN THE SENATE

BY THE RULES COMMITTEE

2 HOUSE CS FOR SENATE CONCURRENT RESOLUTION NO. 48 (Rules)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 Suspending Uniform Rule 41(b) of the  
6 Alaska State Legislature concerning  
7 House Bill No. 575.

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

9 That under Rule 54 of the Uniform Rules of the Alaska State Legisla-  
10 ture the provisions of Rule 41(b) of the Uniform Rules are suspended in the  
11 consideration of House Bill No. 575 to allow the title of that bill to be  
12 changed to: "An Act relating to satisfaction of orders of restitution from  
13 permanent fund dividends; and providing for an effective date."  
14  
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16  
17  
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19  
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21  
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23  
24

S J R

Z 9



Official Business

# Alaska State Legislature

## House of Representatives

### Committee on Rules

Pouch V  
Juneau, Alaska 99811

Phone:  
(907) 465-3764  
465-3765

#### HOUSE RULES COMMITTEE

January 30, 1984 8:30 a.m.

AGENDA: CSSJR 29(Res)

#### COMMITTEE FILE INDEX:

- I. Proposed Rules CS
- II. Senate version of bill
- III. Explanation of SJR 29 by Senate Resources staff
- IV. Governor Sheffield's testimony before the EPA - November 7, 1983
- V. Testimony of Richard Neve', Commissioner - Dept. of Env. Cons.
- VI. U.S. Forest Service presentation to House Resources Committee
- VII. Statement of W. E. Fischer, Ward Cove Operations
- VIII. Reprint of article from Washington Viewpoint

Supporting variance requests by pulp mills in  
Southeast Alaska

This resolution urges the Environmental Protection Agency to grant effluent discharge variances to Southeast Alaska pulp mills.

The Alaska Lumber and Pulp Company in Sitka and Louisiana-Pacific/Ketchikan have requested the waiver from the national water pollution standards of the Clean Water Act. In 1974 both mills received waivers allowing them to discharge greater amounts of effluent than pulp mills nationwide.

When the permits expired in 1979, the mills requested a continued variance to allow discharge at the levels allowed in 1974. EPA regulations provide that upon finding factors relating to a particular discharge that are "fundamentally different" from the factors considered by EPA in establishing the national standards, alternative limitations may be established. The mills based their arguments on four factors which are outlined in the material in your files.

In August, 1983 the EPA made a tentative decision to deny the Fundamentally Different Factors variance request. A public comment period on the decision ended last December and a final decision by EPA is pending.

The Rules Committee Substitute for this resolution makes no policy changes whatsoever; it merely adds technical and clarifying language to the second resolved clause on page 2. The language changes are highlighted on the draft in your folders.



**CSSJR 29(Res)** Supporting variance requests by pulp mills in  
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When the permits expired in 1979, the mills requested a continued variance to allow discharge at the levels allowed in 1974. EPA regulations provide that upon finding factors relating to a particular discharge that are "fundamentally different" from the factors considered by EPA in establishing the national standards, alternative limitations may be established. The mills based their arguments on four factors which are outlined in the material in your files.

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# Alaska State Legislature

BETTYE FAHRENKAMP, Chairman  
ROBERT H. ZIEGLER, SR., Vice Chairman  
DICK ELIASON  
PAUL FISCHER  
VIC FISCHER  
BOB MULCAHY  
ARLISS STURGULEWSKI



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

## Senate

### Committee on Resources

TO: Senate Resources Committee

FROM: Senate Resources Committee Staff

RE: Hearing on SJR 29, Supporting variance requests by pulp mills in Southeast Alaska.

DATE: January 13, 1984

---

On Monday, January 16, 1984 at 2:30 pm in the Beltz Room, the Senate Resources Committee will hear SJR 29, Supporting variance requests by pulp mills in Southeast Alaska.

The Alaska Lumber and Pulp Company (ALP), near Sitka, and Louisiana-Pacific/Ketchikan (LP/K), near Ketchikan, both engaged in the production of dissolving sulfite pulp, have requested a waiver from the national water pollution standards. These standards are to be met by all point source dischargers pursuant to the Clean Water Act.

In 1972, standards were established to limit the effluent discharge from pulp mills nationwide. Because of the "peculiar land, energy, and logistic constraints" which the Environmental Protection Agency (EPA) associated with ALP and LP/K, in 1974 they applied for and were granted permits allowing greater effluent discharge than pulp mills nationwide. [75 lbs./ton daily average, as compared to 60 lbs./ton nationwide.] In 1977, national standards were changed to limit discharge to 46.8 lbs./ton.

When the ALP and LP/K permits expired in 1979, the pulp mills requested a continued variance from EPA to allow discharge at the level determined in 1974 (75 lbs./ton). EPA regulations provide that upon finding factors relating to a particular discharge that are "fundamentally different" from the factors considered by EPA in establishing the national standards, alternative effluent limitations may be established for that discharge. The basis of ALP and LP/K's variance request centered around four factors:

- 1) Lack of land for disposal of wastewater solids.
- 2) Non-water quality environmental impacts, particularly the unavailability of external power sources.
- 3) The cost of compliance with the standards.
- 4) The lack of effect compliance would have on water quality.

In August, 1983, EPA made a tentative decision to deny the Fundamentally Different Factors variance request, based on the following findings:

- 1) The wastewater solids can be incinerated rather than landfilled.
- 2) ALP and LP/K have the capability of generating sufficient electricity.
- 3) Costs of compliance would not be disproportionate to the costs used in the guidelines.
- 4) According to EPA regulation, water quality is not a factor on which a variance can be granted.

Public comment was accepted on the tentative decision through December; a final decision by EPA is pending.

SJR 29 urges EPA to grant the variances requested by the mills, citing the economic impact of compliance with the national standard, the air pollution problem that would be created if the wastewater solids were burned, and the finding by the Alaska Department of Environmental Conservation that continued discharge will not violate state water quality standards.

GOOD AFTERNOON. MY NAME IS BILL SHEFF'ELD, AND I AM THE GOVERNOR OF THE STATE OF ALASKA. I AM HERE TO DISCUSS THE STATE'S POSITION IN REGARD TO THE ENVIRONMENTAL PROTECTION AGENCY'S PROPOSED DENIAL OF WAIVERS TO CERTAIN WATER POLLUTION CONTROL REQUIREMENTS REQUESTED BY TWO PULP AND PAPER MILLS IN SOUTHEAST ALASKA.

I HAVE RECEIVED MANY, MANY LETTERS OF CONCERN LATELY FROM CITIZENS OF MY STATE ABOUT EPA'S TENTATIVE DECISION. THEREFORE I AM PRESENTING IN MY TESTIMONY THE STATE'S SENTIMENTS -- WHICH ARE SHARED BY MY CONSTITUENTS -- ABOUT THE SOLID REASONS WHICH WE BELIEVE SHOULD BE CAUSE FOR EPA TO REVIEW AND HOPEFULLY GRANT THE REQUEST FOR WAIVERS.

I SHOULD ADD THAT DUE TO THE IMPORTANCE OF THIS ISSUE TO THE STATE, I HAVE REQUESTED COMMISSIONER NEVE' OF THE STATE DEPARTMENT OF ENVIRONMENTAL CONSERVATION AND COMMISSIONER LYON OF THE STATE DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT TO WORK WITH EPA AND OTHER RELEVANT PARTIES TO ACHIEVE A RESOLUTION OF THIS ISSUE THAT WILL BE REASONABLE, FAIR AND JUST.

THEY WILL BE TESTIFYING SEPARATELY ABOUT THE DETAILS OF THE MILLS' SITUATION, SO I WILL CONFINE MY REMARKS TO THE BROADER POLICY ISSUES. MY HOPE TODAY IS TO MAKE A CONVINCING CASE FOR EPA TO ACCEPT OUR OFFER OF TAKING ANOTHER LOOK AT THE PULP MILLS' REQUEST, AND TO WORK WITH THE STATE TO DEVELOP A EQUITABLE DECISION FOR THE MILLS.

THE CRUX OF OUR CONCERNS IS THAT EPA'S PROPOSED ACTION WILL HAVE SIGNIFICANT NEGATIVE ECONOMIC EFFECTS ON THE MILLS. EPA'S ACTION WILL BE TAKEN MERELY TO ACHIEVE WASTE DISCHARGE REDUCTIONS WHICH ARE NOT NECESSARY IN TERMS OF ENVIRONMENTAL PROTECTION.

I RECOGNIZE THAT THE ENVIRONMENTAL PROTECTION AGENCY AND THE TWO PULP MILLS HAVE BEEN IN DISCUSSIONS OVER THIS ISSUE FOR A LONG TIME. I ALSO UNDERSTAND THAT THE THRUST OF EPA'S CASE SUPPORTING ITS PROPOSED ACTION DOES NOT FUNDAMENTALLY HAVE TO DO WITH THE EFFECT OF THE MILLS' DISCHARGE ON LOCAL WATER QUALITY. RATHER, IT CENTERS AROUND THE CONCLUSION THAT THE COSTS OF INSTALLING ADDITIONAL POLLUTION CONTROL EQUIPMENT ARE NOT EXCESSIVE, ACCORDING TO EPA'S CURRENT INTERPRETATION OF LAW.

OUR DEPARTMENT OF ENVIRONMENTAL CONSERVATION HAS MONITORED THE TWO SITES IN QUESTION EXTENSIVELY FOR A NUMBER OF YEARS. WE CONCLUDE, CATEGORICALLY, THAT THERE IS NO APPRECIABLE ADVERSE EFFECT ON WATER QUALITY BY THE MILLS AT THE CURRENT LEVEL OF DISCHARGE. THEREFORE THE EPA DECISION, IF SUSTAINED, MAY WELL BE A CLASSIC EXAMPLE OF IMPOSING ADDITIONAL POLLUTION CONTROL REQUIREMENTS FOR THEIR OWN SAKE, AND NOT FOR ANY IDENTIFIABLE AND NEEDED ENVIRONMENTAL PROTECTION.

I AM SURE EPA IS SUBJECT TO LEGAL AND POLICY CONSTRAINTS WHICH HAVE CONTRIBUTED TO THE TENTATIVE DECISION. BUT I MUST BELIEVE THERE IS FLEXIBILITY TO ENABLE THE AGENCY TO REACH A DIFFERENT CONCLUSION BASED ON ALASKA ENVIRONMENTAL CONDITIONS OR ON THE RESULTANT COSTS TO THE MILLS.

AS GOVERNOR, I CANNOT STAND BY WHILE UNNECESSARY COSTS AND SEVERE ECONOMIC HARDSHIP TO MANY OF OUR CITIZENS IN SOUTHEAST ALASKA ARE LOOMING AS A RESULT OF WHAT APPEARS TO BE EPA'S DETERMINATION TO PREVAIL IN THIS MATTER, DESPITE THE MERITS.

WE ARE ASKING EPA TO AVOID A NEEDLESS THREAT TO THE VIABILITY OF THE TWO PULP MILLS AND TO THOUSANDS OF PRIMARY AND ASSOCIATED JOBS IN OUR STATE. WE ARE NOT ASKING EPA TO

18 matter, despite the merits.

19 We are asking EPA to avoid a needless threat to  
20 the viability of the two pulp mills and to thousands of  
21 primary and associated jobs in our State. We are not  
22 asking EPA to avoid this threat at the risk of degrading  
23 the environment or abandoning their official responsi-  
24 bilities.

25 In EPA's effort to develop our nation's water  
1 quality program, it has an obligation to consider the  
2 effects of its controls on specific geographical areas  
3 and in light of other environmental impacts. In the case  
4 of Alaska's two pulp mills, EPA must consider this.

5 The two mills, in Sitka and Ketchikan, are  
6 still reeling from the effects of a nation-wide depres-  
7 sion, as is the nation's entire timber and pulp industry.  
8 The mills are being told to spend millions of dollars for  
9 an environmental improvement that cannot be measured in  
10 terms of appreciable or significantly improved water  
11 quality, and which may result in discernible air quality  
12 degradation.

13 In the past, when we faced the question of how  
14 to achieve the mutually-shared goal of cost effective  
15 environmental protection, the Federal EPA and the State  
16 Department of Environmental Conservation have always  
17 worked closely together to obtain a satisfactory resolu-  
18 tion. Usually, everyone has engaged in some give-and-  
19 take and then concluded an agreement. In order to con-  
20 tinue this history of cooperation, I hope these hearings  
21 do not serve to start a confrontation. They must be the  
22 beginning of a new attempt at dialogue. A fresh effort  
23 focused on reaching an agreement acceptable to the State  
24 and to EPA is of crucial importance to me. I commit  
25 myself and my Administration to this goal and ask that

1 EPA do the same.

2 At my request, Commissioner Nevé has developed  
3 options available to the State to deal with EPA's tenta-  
4 tive decision, including a review of the State's respon-  
5 sibilities and obligations under Section 401 of the Clean  
6 Water Act, and the Coastal Zone Management Act. They  
7 have been provided to me and we are assessing these op-  
8 tions carefully. To allow time to work together with EPA  
9 and to explore collectively these options, I would like  
10 to request that EPA extend the public comment period on  
11 the proposed water discharge permits.

AND THE COASTAL ZONE MANAGEMENT ACT. THEY HAVE BEEN PROVIDED TO ME, AND WE ARE ASSESSING THESE OPTIONS CAREFULLY. TO ALLOW TIME TO WORK TOGETHER WITH EPA AND TO EXPLORE COLLECTIVELY THESE OPTIONS, I WOULD LIKE TO REQUEST THAT EPA EXTEND THE PUBLIC COMMENT PERIOD ON THE PROPOSED WATER DISCHARGE PERMITS.

TO BE SURE THAT THE PUBLIC DOCKET IS COMPLETE, I WOULD ALSO LIKE TO SUBMIT AS WRITTEN TESTIMONY THE LETTER I SENT LAST MONTH WITH ATTACHMENTS TO EPA ADMINISTRATOR RUCKELSHAUS. THE ATTACHMENTS INCLUDE THE ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION'S TESTIMONY AT THE PREVIOUS HEARING ON THE ISSUES BEING DISCUSSED TONIGHT AND VARIOUS LETTERS FROM ALASKA RESIDENTS WHICH DISCUSS THESE ISSUES.

IN CONCLUSION, I WOULD SIMPLY LIKE TO REITERATE THAT DENIAL OF THESE WAIVERS, IF IT WERE TO OCCUR, WILL HAVE A SIGNIFICANT ADVERSE IMPACT ON MY STATE -- BOTH ECONOMICALLY AND ENVIRONMENTALLY. THUS, I URGE EPA TO RE-EXAMINE ITS POSITION AND ASK WHETHER THESE IMPACTS ARE REALLY NECESSARY -- ON GROUNDS OF ENVIRONMENTAL BENEFITS, ECONOMIC CONSEQUENCES, OR AS A MATTER OF SOUND PUBLIC POLICY. THE STATE OF ALASKA REMAINS HOPEFUL THAT EPA WILL CONCLUDE THAT A DIFFERENT COURSE OF ACTION SHOULD BE TAKEN.

THANK YOU.

TESTIMONY OF  
THE ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION  
BEFORE  
THE U. S. ENVIRONMENTAL PROTECTION AGENCY  
CONCERNING EPA'S PROPOSED DECISIONS  
REGARDING  
THE TWO ALASKA PULP MILLS

MY NAME IS DOCTOR RICHARD A. NEVE', COMMISSIONER OF THE ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION. I AM HERE TODAY TO TESTIFY ON THE ENVIRONMENTAL PROTECTION AGENCY'S PROPOSED DENIAL OF THE FUNDAMENTALLY DIFFERENT FACTORS VARIANCE REQUEST FROM THE ALASKA LUMBER AND PULP COMPANY, INCORPORATED, FOR THEIR SITKA MILL, AND THE LOUISIANA PACIFIC CORPORATION, KETCHIKAN DIVISION, FOR THEIR KETCHIKAN MILL.

THE EPA'S TENTATIVE DECISION TO DENY THE MILLS' REQUEST FOR A VARIANCE IS THE RESULT OF YEARS OF COMPLEX STUDY AND TECHNICAL WORK BY BOTH THE MILLS AND THE EPA. THE EPA'S FINAL DECISION WILL SUBSTANTIALLY CHANGE OUR VIEW OF BOTH MILLS' DRAFT NPDES PERMITS AND THE STATE OF ALASKA'S CLEAN WATER ACT SECTION 401 CERTIFICATION. BOTH THE PUBLIC AND THE STATE OF ALASKA NEED ADEQUATE TIME TO EVALUATE THE RELEVANT VERBAL AND WRITTEN COMMENTS PRESENTED AT THESE HEARINGS BEFORE PROVIDING MEANINGFUL INPUT ON THE EPA DRAFT NPDES PERMIT FOR THE MILLS. THEREFORE, I PETITION THE EPA TO EXTEND THE PUBLIC HEARING COMMENT PERIOD ON THE DRAFT NPDES PERMIT UNTIL IT HAS REACHED A FINAL DECISION ON THE VARIANCE REQUEST AND THE PROPOSAL FOR A SEPARATE SUB-CATEGORY FOR ALASKA.

OUR COMMENTS ON THE ESTABLISHMENT OF A SEPARATE ALASKA SUBCATEGORY OF THE PULP, PAPER, AND PAPERBOARD INDUSTRY WILL BE SENT TO ROBERT W. DELLINGER AS REQUESTED IN THE EPA'S PUBLIC NOTICE OF SEPTEMBER 23, 1983. I WILL MAIL YOU A COPY OF THAT LETTER FOR INCLUSION AS PART OF MY TESTIMONY HERE TODAY.

MY TESTIMONY, WITH THE ATTACHED WRITTEN DOCUMENTS, IS INTENDED TO HELP THE EPA AND THE ALASKAN MILLS SATISFACTORILY RESOLVE QUESTIONS SURROUNDING THE VARIANCE REQUEST. THESE WRITTEN DOCUMENTS IDENTIFY THE ITEMS WHICH MY DEPARTMENT BELIEVES NEED ADDITIONAL ATTENTION BEFORE THE EPA REACHES ITS FINAL DETERMINATION. THEY INCLUDE THE DEPARTMENT'S ANALYSIS OF THE EPA'S DECISION ON RESTORATION OF EXISTING COSTS THAT CONTRIBUTE TO ACHIEVING BEST PRACTICABLE TECHNOLOGY EFFLUENT LIMITATIONS AND A DISCUSSION OF COST ESTIMATES OF EXPANDED TREATMENT SYSTEMS THAT MAY BE NEEDED TO ACHIEVE BPT EFFLUENT LIMITATIONS.

THE EPA'S DECISION DOCUMENT DATED AUGUST 24, 1983, INDICATED THE NEED FOR BETTER QUANTIFICATION OF ADVERSE IMPACTS ON AIR QUALITY THAT WOULD RESULT FROM THE BURNING OF ADDITIONAL WASTEWATER SLUDGE. THE DOCUMENT ALSO POINTED OUT A LACK OF SUFFICIENT DATA TO IDENTIFY THE NON-WATER QUALITY ENVIRONMENTAL IMPACTS WHICH MAY RESULT IF THE VARIANCE REQUEST IS DENIED. MY STAFF HAS REVIEWED THE DECISION DOCUMENT WHICH SET THE STAGE FOR THE EPA'S PRELIMINARY DECISION TO DENY THE VARIANCE. OUR REVIEW OF THE EPA'S ANALYSIS REVEALED SOME AREAS THAT NEED FURTHER EXAMINATION BEFORE A FINAL DECISION IS MADE.

A PORTION OF THE COSTS INCURRED BY THE INITIAL EXPANSION OF THE WASTEWATER TREATMENT SYSTEMS IN THE LATE SEVENTIES HAS BEEN ESTIMATED BY THE INSTALLATION OF AN OIL BOILER. WHILE THIS MAY BE VALID TO ACCOUNT FOR THE POWER REQUIRED TO OPERATE THE WASTEWATER TREATMENT SYSTEM, THERE IS NO CREDIT ALLOWED FOR AN INCINERATOR TO BURN THE SLUDGE, THE POWER LOST IN EVAPORATING THE SLUDGE, AND, MOST IMPORTANTLY, THE COST OF CONTROLLING THE AIR POLLUTION FOR THE EMISSIONS FROM SLUDGE BURNING.

INCINERATION OF THE SLUDGE GENERATED BY OPERATION OF EXISTING SECONDARY WASTEWATER TREATMENT CONTROLS HAS DELAYED BOTH MILLS' PROGRESS TOWARD COMPLIANCE WITH AIR QUALITY REGULATIONS. EXTENSIVE STUDIES AND THE INSTALLATION OF ADDITIONAL PROCESS CONTROLS HAVE BEEN NEEDED TO MINIMIZE THE SIGNIFICANT INCREASE IN AIR POLLUTANT EMISSIONS. ADDITIONAL CONTROLS ARE STILL NEEDED AT BOTH MILLS TO COMPLETELY CONTROL THE INCREASED AIR POLLUTION CREATED SINCE THE WASTEWATER TREATMENT PLANT SYSTEMS WERE INSTALLED IN THE LATE SEVENTIES.

THE COSTS OF THESE CONTROLS MUST BE CONSIDERED IN THE ANALYSIS OF WHETHER THE MILLS ARE BEING ASKED TO SPEND CONSIDERABLY MORE DOLLARS THAN EPA'S MODEL MILL.

A SECOND AREA THAT IS UNCLEAR IS THE ELIMINATION OF A LARGE PORTION OF CREDIT FOR THE REVISED SOLIDS HANDLING FACILITIES AT BOTH MILLS. THE REVISIONS PERFORMED AFTER THE INSTALLATION OF THE SECONDARY TREATMENT FACILITY ARE A RESULT OF THE WATER DISCHARGE REQUIREMENTS, AND SHOULD BE ALLOWED.

FINALLY, IN THE EVALUATION FOR THE COSTS OF WHAT WILL BE NEEDED TO BE INSTALLED TO MEET THE GUIDELINES TREATMENT, IT IS NOT CLEAR HOW THE ADDITIONAL SLUDGE GENERATED WILL BE HANDLED AND BURNED. IT IS POSSIBLE, HOWEVER, THAT THE ONLY VIABLE OPTION IS THE REPLACEMENT OF A POWER BOILER. IF THIS PROVES TO BE THE CASE, THEN THE COSTS TO MEET GUIDELINE LIMITS WILL NEED TO REFLECT THIS POSSIBILITY.

ALSO, THE COSTS OF ANY NEW PERMITS REQUIRED BY THE INSTALLATION OF A NEW BOILER OR SLUDGE INCINERATOR OR BY THE MODIFICATION OF AN EXISTING WOODWASTE BOILER MUST BE INCLUDED. ADDITIONAL SLUDGE BURNING WILL PROBABLY FALL INTO THE REQUIREMENTS OF A PREVENTION OF SIGNIFICANT DETERIORATION AIR QUALITY

PERMIT. THESE PERMITS CAN REQUIRE UP TO ONE YEAR OF BACKGROUND METEOROLOGICAL AND AIR QUALITY MONITORING DATA AND EXTENSIVE COMPUTER MODELING TO SHOW VIOLATIONS OF AIR QUALITY REGULATIONS WILL NOT OCCUR ON THE NEARBY HILLSIDES. THIS ANALYSIS CAN BE VERY EXPENSIVE.

OTHER PORTIONS OF THE DECISION DOCUMENT ARE UNCLEAR BUT IT IS MORE APPROPRIATELY DISCUSSED BY THE PULP MILLS. I REQUEST THE PULP MILL REPRESENTATIVES PROVIDE SPECIFIC INFORMATION REGARDING THE ADDITIONAL COSTS IN THESE AREAS ALONG WITH PROOF OF NON-WATER QUALITY ENVIRONMENTAL IMPACTS AS REQUESTED BY THE EPA.

SINCE THE EXPANSION OF THE SLUDGE HANDLING AND DISPOSAL SYSTEM IS A DIRECT RESULT OF THE EPA'S PROPOSED DENIAL OF THE VARIANCE, PROOF THAT THE PROPOSED SOLUTION TO SLUDGE DISPOSAL WILL NOT IMPACT AIR QUALITY IS NEEDED BEFORE THE VARIANCE REQUEST IS RESCINDED. WE DO NOT WANT TO BE IN THE POSITION WE WERE IN, IN 1980, OF COPING WITH AN AIR POLLUTION PROBLEM CAUSED BY WATER DISCHARGE CONTROLS. IN FACT, THAT PROBLEM STILL EXISTS TODAY.

MY DEPARTMENT IS COMMITTED TO REQUIRING THAT BOTH ALASKA LUMBER & PULP AND LOUISIANA-PACIFIC, KETCHIKAN DIVISION, MEET THE AIR QUALITY REGULATIONS FOR THEIR PULP MILLS. WERE THERE NO WASTEWATER SLUDGE TO INCINERATE IT IS PROBABLE THE MILLS WOULD ALREADY BE MEETING AIR QUALITY REQUIREMENTS. MY DEPARTMENT IS ALSO ON RECORD AS STATING THAT WATER QUALITY NEAR THE PULP MILLS, SIGNIFICANTLY IMPROVED OVER EARLIER YEARS, WOULD NOT BE MEASURABLY BETTER AS A RESULT OF EPA'S REQUIREMENTS. THE ADDITIONAL END-OF-PIPE TREATMENT TO REMOVE BIOLOGICAL OXYGEN DEMAND BY 28 POUNDS PER TON OF PULP PRODUCED WOULD NOT RESULT IN A MARKED IMPROVEMENT OF THE WATERS NEAR THE PULP MILLS.

THE PROPOSED VARIANCE WOULD ALLOW THE PULP MILLS TO MAINTAIN A WASTEWATER DISCHARGE WITH A BOD<sub>5</sub> LEVEL OF 75 POUNDS PER TON OF PULP PRODUCED. BASED ON OUR WATER QUALITY SURVEY IN 1980, IT IS OUR OPINION THAT THE EXISTING LEVEL OF BOD<sub>5</sub> CONTROL IS NOT CAUSING AN ADVERSE IMPACT ON THE RECEIVING WATERS.

EVEN THE AMOUNT OF CONTROL REALIZED BY THE DENIAL OF THE VARIANCE IS MISLEADING. UNDER THE PROPOSED GUIDELINES FOR BOD<sub>5</sub> CONTROL THE MILLS WOULD LOWER THEIR BOD<sub>5</sub> DISCHARGE BY ABOUT 28 POUNDS PER TON OF PULP PRODUCED. THE GUIDELINES, HOWEVER, WOULD ALSO ALLOW THE MILLS TO RAISE THEIR WASTEWATER EMISSIONS OF TOTAL SUSPENDED SOLIDS IN THE WASTEWATER DISCHARGE BY ABOUT 12 POUNDS PER TON OF PULP PRODUCED. THIS OCCURS BECAUSE THE VERY ACT OF TREATMENT TO REMOVE BOD<sub>5</sub> FROM THE WASTEWATER STREAM CREATES SLUDGE AND SUSPENDED SOLIDS.

PREVIOUS COMMISSIONERS OF THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION HAVE VOICED THIS SAME CONCERN, THAT THE REDUCTION OF BOD FROM THE EFFLUENT RESULTS IN SLUDGE TO BE BURNED AND ADDITIONAL SUSPENDED SOLIDS TO BE DISCHARGED. OUR OBJECTIONS TO PERMITS PROPOSED IN 1973 AND 1980 WERE BASED ON THAT VERY SAME POINT.

WE AS REGULATORS IN AN EFFORT TO PROTECT THE ENVIRONMENT HAVE AN EQUAL RESPONSIBILITY TO REALIZE AND CONSIDER THE EFFECTS THESE REGULATIONS WILL HAVE IN OTHER PARTS OF THE ENVIRONMENT AND ON THE PEOPLE FOR WHOM THE ENVIRONMENT WAS CREATED. IN THIS CASE, IT APPEARS TO BE A MATTER OF MINIMAL GAIN IN ONE AREA FOR AGGRAVATED LOSSES IN OTHERS. IF THE PULP MILLS WERE PROVEN TO BE DESTROYING THE WATER QUALITY NEAR THE MILLS AND IF THE SECONDARY TREATMENT HAD NOT AND WILL NOT IMPACT THE AIR QUALITY OF THE AREA, YOUR DECISION WOULD MORE THAN LIKELY BE EASIER.

IN CONCLUSION, I WOULD LIKE TO STATE THAT THE DEPARTMENT DOES NOT PRESENTLY SUPPORT THE EPA'S TENTATIVE DECISION TO DENY THE PULP MILLS' REQUEST FOR A VARIANCE. IT APPEARS TO US THAT RECENT, UPDATED INFORMATION ON THE ECONOMIC FACTORS AFFECTING THE MILLS' VARIANCE REQUESTS IS VITAL TO THE FINAL DECISION AND MUST BE GIVEN SERIOUS ATTENTION. I URGE THE EPA TO CAREFULLY CONSIDER THE TESTIMONY BEING PRESENTED HERE, AND I LOOK FORWARD TO CONTINUING OUR COOPERATIVE EFFORT TO ACHIEVE A REALISTIC RESOLUTION OF THE ISSUE OF WASTEWATER CONTROL FOR THE PULP MILLS.

THANK YOU FOR THIS OPPORTUNITY TO PRESENT MY DEPARTMENT'S VIEWS.

Forest Service Presentation to the House Resources Committee,  
Alaska Legislature, Regarding  
HJR 54 -- "Supporting Variance Requests  
by Pulp Mills in Southeast Alaska"

3:00 p.m., January 23, 1984, Room 118, Alaska Capitol Building  
Konrad B. Reinke, Director, Office of Information

The Forest Service is pleased to provide testimony on House Joint Resolution 54 relating to EPA's decision to deny the Fundamentally Different Factor Variance for secondary treatment of effluent from Alaskan pulp mills. James S. Watson, former Ketchikan Area Forest Supervisor, presented testimony on this matter to the EPA at a hearing in Ketchikan on May 11, 1976, concerning secondary treatment for the Ketchikan Pulp Company. Forest Service Supervisors Gee and Green also provided testimony to EPA on the subject at two hearings in November, 1983.

The significance of the timber industry to the economy of Alaska is fully recognized by the Forest Service. At the same time, the Forest Service is in full agreement with objectives of the Clean Water Act. We believe that a healthy timber-based economy can exist within the framework of this Act.

The value of the pulp industry to the economy of Southeast Alaska has been recognized since near the turn of the century. The efforts of many Alaskans during the first half of the century were instrumental in the development of the pulp industry in Alaska during the early 1950's. Some of the original and still valid objectives are: (1) encouraging the development of Alaska, (2) the establishment of new industry with a commercially sound and permanently economical basis while providing due regard for the protection of the natural resources of Alaska, and (3) specifically for the establishment of the pulp mill industry for the efficient utilization of forest products.

The nature and composition of the commercial forests of Southeast Alaska along with Pacific Rim markets dictate the type of industry needed to efficiently utilize the timber. Most of the timber stands are mature and overmature western hemlock with considerable defect. The optimal market for these stands is pulpwood. Without the pulp market, less than one-half of these stands would be marketable. There is no feasible economical opportunity to harvest saw logs only with such operations being silviculturally or environmentally acceptable. Integrated and balanced markets for both pulpwood and saw logs are key to sustaining the timber base economy of Southeast Alaska.

The Sitka and Ketchikan pulp mills provide the only economic outlet for pulpwood in Southeast Alaska. The plants have a total capacity of 392,000 short tons of pulp annually. Approximately 334 MMBF of logs are required each year for this production level. The material comes from National Forest, State of Alaska, and Alaska Native Corporation lands.

Closure of one or both mills will have a significant impact on Southeast Alaska and reverse decades of effort on the part of many to strengthen and diversify the economy. Well over 2,500 jobs could be lost to the Regional economy with the closure of these pulpmills.

We have recently evaluated the effects of closure of both pulp mills upon the economy of Alaska. A conservative estimate of the direct and indirect reduction in income as a result of the closure of both mills is \$147.6 million annually. This estimate assumes no alternative market for pulp logs and hemlock cant production can continue independent of pulp production.

This was derived by using the Alaska Interactive Policy Analysis Simulation System developed by the Forest Service (Pacific Northwest Forest and Range Experiment Station) in cooperation with the University of Minnesota.

Indirectly, the pulp industry has also provided benefits to Alaska and the country as a whole that exceeded the original objectives. These benefits relate to the continuing development of a critically needed ground transportation network in Southeast Alaska and the balance of payments through heavy export of timber products from Alaska.

An example of the benefits to the transportation network is the approximately 70 miles of State highway system on Prince of Wales Island which links several island communities to the Alaska Marine Highway system. These State highways were developed by improving existing roads that were originally constructed for the harvest of timber. Currently there are about 300 miles of State highways in Alaska that were developed in this fashion, and more are planned.

Since most of Alaska's wood products are exported, indirect benefits may be more significant than the direct contribution to the Nation's economy. Alaska has historically exported many of its resource-based products in raw or semi-processed form. Logs, lumber, dissolving pulp, minerals, fish, and natural gas are the primary exports. Alaska major trading area is the Pacific Rim, accounting for nearly two-thirds of Alaska's domestic and foreign trade. Japan is Alaska's principal trading partner, representing more than 90 percent of Alaska's foreign import/export trade. The value of forest products exported has increased roughly 65 percent since 1976, with the greatest growth in round log and pulp exports. Forest exports represent approximately one-quarter of the total value of exports from Alaska, or about \$190 million dollars in 1983.

However, Alaska is supplying less than 1 percent of the total volume of wood being used in Japan, South Korea, the Peoples Republic of China, and Taiwan. Competition from Canada and other exporting countries is keen. Purchasers of National Forest timber in Alaska must meet much higher utilization, environmental practices, and primary manufacturing requirements than those required by these competing countries. These requirements add to the cost of production, and with the current poor market situation both the long-term pulp

timber sales are at or near "base rates" with little room to absorb additional production costs. Under present markets, these two pulpmills may not be able to operate if these requirements are to be imposed at this time.

Although we foresee some improvement in markets for the next rate redeterminations on the long-term sales, there is little chance that markets will improve to the point of absorbing the construction and operating costs of the additional secondary treatment requirements being considered. To date the mills have spent approximately \$49 million for environmental protection measures.

In our statement we have avoided making judgments on the impacts of effluent discharge on water quality. We recognize that the law simply does not provide for consideration of effects on receiving waters as the criterion for granting a variance. However, requiring sizeable expenditures if there is no improvement in water quality would seem inconsistent with the objective of environmental protection as well as the efforts to improve the competitive position of the United States in world markets.

STATEMENT  
OF  
W. E. FISHER  
MANAGER  
WARD COVE OPERATIONS  
ON BEHALF OF  
KPC EMPLOYEES  
ESOT STUDY  
COMMITTEE  
AND  
LOUISIANA-PACIFIC CORPORATION  
IN SUPPORT OF  
HOUSE JOINT RESOLUTION NO. 54

JANUARY 23, 1984  
Before the Alaska  
State Legislature  
House of Representatives  
Resources Committee