

ALASKA LEGISLATURE COMMITTEES 1905-1900 0072

4277 SRES SB 349 - SB 353

157



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Alaska State Legislature

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POUCH V
JUNEAU, ALASKA. 99811
(907) 465-4907

Senate Committee on Resources

M E M O R A N D U M

January 30, 1986

TO: All Members
Senate Resources Committee

FROM: Staff ^A Senate Resources Committee

RE: SB 349 "An Act relating to reorganization of private debt at the Delta Project"

SB 349 is directed at reducing the debt burden of the Delta farmers by allowing a credit on the return of agricultural land to the state. The bill requires that the Commissioner of Natural Resources renegotiate a loan upon request of a farmer who has purchased state land in the area. The renegotiation shall include a relinquishment of the land purchased, a fair market appraisal, a credit against the state debt, fee simple title to a five-acre parcel, a lease back arrangement, and a preference right to repurchase the land.

The Department of Natural Resources has provided a sectional analysis (attached) that shows, depending on the value of the land, a potential \$10 million credit against the outstanding state agricultural debt.

Enclosure:

Letter from Dept. of Natural Resources
with fiscal note

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

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

January 29, 1986

The Honorable Arliss Sturgulewski
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Senator Sturgulewski:

As you have requested, the Department of Natural Resources has reviewed SB 349, which would provide debt relief for Delta agricultural project farmers. In general, we support the concept of debt relief embodied in this bill.

As you may know, the department has been considering administrative measures to relieve the debt load of Delta farmers and has developed a method to restructure Delta land debts. Under our proposal, Delta farmers could relinquish portions or all of their land to the State in return for forgiveness of the land purchase and clearing loan debt associated with the relinquished land. In addition, farmers would be allowed to lease the relinquished land for farming purposes and to repurchase it when financially able.

Most of the measures to assist Delta farmers proposed in SB 349, with the exception of Section 1.(4), are similar to our relinquishment plan. The following comments are specific to each section of the bill.

Section 1.(1). The Commissioner is currently able to do this under her general authority. A definition of the "Delta Project" is needed. It is not clear whether the Tanana Loop agricultural sale is included as part of the "Delta Project." Approximately 25 of the 37 parcels included in the Delta I and Delta II projects would be eligible for relinquishment under this bill. The remaining parcels have either been assigned to another individual or were purchased by a corporation and do not meet the requirement of being purchased from the State.

Section 1.(2). Appraisal of 25 parcels would cost approximately \$7,500. It should be noted that land appraisals would be for agricultural interest only.

Section 1.(3). Current fair market value of farm land in the Delta area is approximately \$200 per acre. This section should define whether the land contract debt, the clearing loan debt or the ARLF debt is to receive the credit. The land debt for Delta II farmers averages \$180 per acre. In addition, Delta II farmers have clearing loans of approximately \$180 an acre, and Agricultural Revolving Loan Fund loans for farm operations, development and chattel of up to \$500,000. Delta I farmers purchased land for approximately \$51 per acre, but the "homestead credit" program available at that time effectively reduced the price of Delta I land to a few dollars per acre. Delta I farmers have clearing loans averaging approximately \$165 per acre and are also eligible for ARLF loans totaling \$1,000,000.

If the appraised value of cleared Delta land is \$200 per acre, and 25 parcels averaging 2,000 acres each are relinquished to the State, a credit of \$10,000,000 would be granted. Some would view this as a loss of revenue to the State. For Delta II farmers this would essentially be a paper loss because the value of the land cleared is approximately equal to the amount the farmers agreed to pay for the uncleared land. The State would regain the land and be able to charge a nominal fee for its lease. In addition, at some future time the State could resell the land.

Since Delta I farmers paid only a few dollars for the land, the \$200 per acre land credit would need to be applied to some other debt owed to the State. Since the State would receive no collateral in return for a credit against clearing loans or ARLF loans, the credit for Delta I farmers would result in a loss of revenue to the State. If Tanana Loop farmers are included in the definition of "Delta Project" additional revenue losses would result.

Section 1.(4). In our analysis of Delta debt problems we have not viewed the sale of fee simple title to a five acre farmstead as contributing to the removal of the farmer's heavy burden of debt. Currently, AS 38.05.321 restricts the sale, lease or other disposal of State agricultural land to agricultural interest only. The intent of this statute is to protect the use of agricultural land for agricultural purposes. If Delta farmers are allowed to separate a five acre farmstead from the farm, the farmstead could be sold independently, leaving a large tract of farm land where no buildings or new farmstead could be constructed.

Currently, no loans are made for the purchase of State land, therefore a loan to purchase fee simple title could not be renegotiated. A simpler method would be to amend the existing land contract. The value of fee simple land in Delta is approximately \$1,000 per acre and the purchaser would be required to pay the difference between the original purchase price and the fee simple price. The five-acre

parcel would need to be surveyed at a cost of approximately \$1,800 per farm.

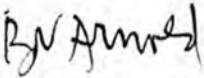
Section 1.(5). The fair market value for leasing should be related to the value of agricultural interest only land. An appraisal may be required before the value of the lease is determined. However, the appraisal required by Section 1.(2) should suffice.

Section 1.(6). The lessee should be able to exercise the preference right to purchase the relinquished land at any time during the 20-year term of the lease.

Section 2. If this act is to be repealed in 1988, the preference right provision would also be repealed. The date of repeal should apply only to the first section of the bill.

Please let me know if you need additional information related to this bill or the department's plans to assist Delta farmers.

Sincerely,


for Esther C. Wunnicke
Commissioner

cc: Senate Resources Committee
Senator Kerttula

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : SB 349
 Title : Reorganization of Delta Debt

Sponsor : Sen. Coghill, Sen. Kerttula
 Requestor : Senate Resources Committee
 Date of Request : January 24, 1986

FISCAL DETAIL

Agency Affected : Natural Resources
 BRU : Land and Water Management

Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	\$52.5					
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	\$52.5	-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE	**					
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FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

** See attached explanation

Prepared by : Carol Wilson
 Division : Commissioner's Office

RMM

Phone : 465-2400
 Date : Jan. 28, 1986

Approved by Commissioner : Mrs. D. Arnold Deputy
 Agency : Natural Resources

Date : 1/29/86

Distribution (Agency preparing fiscal note):

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

Analysis for Fiscal Note, Senate Bill 349
Reorganization of Delta Agricultural Project Debt

Contractual Funds

Appraisal of eligible parcels

25 parcels x \$300 per parcel = \$ 7,500

Survey of 5 acre fee simple homesites

25 parcels x \$1800 per parcel = \$45,000

Total \$52,500

Revenue

A paper loss of as much as \$10,000,000 could be realized if 25 parcels of 2000 acres each are relinquished to the State.

25 parcels x 2,000 acres per parcel x \$200 per acre =
\$10,000,000.

However, since the clearing loans and land contract payments may not be collectable under current Delta financial conditions, and because the State would receive cleared land in lieu of land and loan payments under this bill, it could also be argued that no revenue loss would occur.

STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date : 2-4-86

REQUEST

Bill/Resolution No. : CSSB 349
Title : Reorganization of Delta Debt

Sponsor : Sen. Cognill, Sen. Kerttula
Requestor : Senate Resources Committee
Date of Request : February 4, 1986

FISCAL DETAIL

Agency Affected : Natural Resources
BRU: Land and Water Management
Agricultural Management

Components : Public Use
ARLF

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE	**					
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FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

**See attached explanation.

Prepared by : Carol Wilson
Division : Commissioner's Office

Phone : 465-2400
Date : 2-4-86

Approved by Commissioner : Thomas D. Amundson, Deputy
Agency : Natural Resources

Date : 2/4/86

Distribution (by Agency preparing fiscal note):

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

Analysis for Fiscal Note, Senate Bill 349
Reorganization of Delta Agricultural Project Debt

Revenue

A paper loss of as much as \$14,800,000 could be realized if 37 parcels of 2000 acres each are relinquished to the State.

37 parcels x 2,000 acres per parcel x \$200 per acre =
\$14,800,000.

However, since the clearing loans and land contract payments may not be collectable under current Delta financial conditions, and because the State would receive cleared land in lieu of land and loan payments under this bill, it could also be argued that no revenue loss would occur.

In addition, renegotiating ARLF chattel and farm improvement loans could result in reductions in loan principal and interest due the State. However, since foreclosure and resale of farm chattel and improvements could generate less income than could be realized from loan renegotiations, it could be argued that no revenue loss would occur.

Alaska State Legislature

SENATOR BETTYE FAHRENKAMP
CHAIRMAN, HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE
1117 LAKEVIEW TERRACE
FAIRBANKS, ALASKA 99701
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Senate

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February 4, 1986

Maxine J. Miller
P.O. Box 74716
Fairbanks, AK 99707

Dear Maxine:

Thanks so much for your letter on SB 349. Your remarks flatter me. I do remember the tour and having a conversation with you.

Last week the Senate Resources Committee heard SB 349 relating to the reorganization of private debt at the Delta Barley Project. A committee substitute was considered, but not adopted. There were major objections to the provision on fee simple title for five acres. The committee directed the bill drafters to remove this section in the next version. Senator Coghill intends to introduce separate legislation on this issue.

I thought about your comment that this bill would give unfair advantages to farmers in the Delta area. Members of the committee feels this is a case when "special" help should be considered.

The thinking behind the bill goes something like this. The state actively encouraged barley production in Delta. Those farmers would have never taken bank loans otherwise. They counted on a foreign market the state predicted would materialize, but never did. There is a small but growing in-state market for grains that should be preserved. The state would still like the project to succeed rather than let farmers be forced into bankruptcy and receive no further payments on state loans.

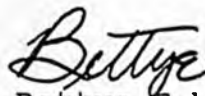
SB 349 will be heard again tomorrow. I have given a copy of your letter and my reply to the chairman, Senator Arliss Sturgulewski, for distribution to committee members. I have enclosed a copy of the latest draft, which has the support of

Maxine J. Miller
page two

the Department of Natural Resources.

I appreciate hearing from you, Maxine, and urge you to
keep participating.

Sincerely,

A handwritten signature in cursive script that reads "Bettye".

Bettye Fahrenkamp
Alaska State Senate

MAXINE J. MILLER
P.O. Box 74716
Fairbanks, AK 99707

January 2, 1986

Senator Bettye Fahrenkamp
Pouch V
Juneau, AK 99811

Dear Bettye:

I don't think you would remember me because I only met you once, a few years ago on a agricultural bus tour in Delta. You seemed to be a person who is easy to talk to so that's why it's easier for me to write to you than some of the other legislators.

I wondered if you have seen Senate Bill 349, where the purchasers of agricultural rights lands in Delta receive some very important advantages that the purchasers of ag rights in other areas, for instance on Chena Hot Springs Road and out by Eielson Airforce Base, do not? This seems awfully unfair to me. I wondered how the state can single out a certain group of ag rights purchasers for special favors and discriminate against all the others. I especially note paragraph 4, where these Delta ag rights purchasers are allowed to buy fee simple title to up to 5 acres on their farms. If they are allowed to do this, so should all the other purchasers of ag rights land in the state.

This fee simple title to 5 acres is so important. It would mean that you could get a loan from a bank to build a house and barn, where now you cannot, because no bank will lend you money on your ag rights land. Do you think it is possible that this bill could be altered to have this portion extend to all ag rights lands in Alaska?

I would sure appreciate hearing what you think about this. Thanks for taking the time to listen.

Sincerely yours,

Maxine J. Miller

Maxine J. Miller

*Can re-negotiate
paid until July 1, 87. Allow land to
be refinanced - at credit
against debt. Leave up opportunity
to re-purchase of applying
by July 1, 87. (re-time only)*

Offered: 3/4/86
Referred: Rules

Original sponsors: Coghill and
Kerttula

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

CS FOR SENATE BILL NO. 349 (Finance)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the reorganization of private
7 debt at a Delta Project."

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

9 * Section 1. LEGISLATIVE FINDINGS. The legislature finds that the
10 large grain farms that were developed on state agricultural land in the
11 Delta Projects are subject to a personal debt load that is unmanageable
12 because of a coincidence of unique and unforeseen circumstances:

13 (1) the unforeseen difficulties with the limited growing seasons
14 including the extremely short period in which the crops may be planted;

15 (2) conflicts with the herds of bison located in the area;

16 (3) the inadequate agricultural infrastructure in the area of
17 the Delta Projects and in the state;

18 (4) the depressed grain prices nationwide;

19 (5) the unexpected problems with economic farm size.

20 * Sec. 2. (a) The commissioner of natural resources shall, at the re-
21 quest of an individual who holds agricultural rights to land purchased from
22 the state in a Delta Project,

23 (1) accept the relinquishment of agricultural land purchased
24 from the state in a Delta Project and credit the percentage of the debt
25 owed to the state on land purchased and land clearing loans that equals the
26 percentage of land relinquished under this section, either by acreage or by
27 value, as determined by the commissioner;

28 (2) enter into an agreement with the individual for the lease
29 for agricultural purposes only of a portion of or all of the land

1 relinquished for a term of 20 years at the full fair market value of the
2 land; a survey under this paragraph, if required, shall be at the expense
3 of the individual.

4 (b) If an individual who has relinquished land under this section
5 applies before July 1, 1987 for a lease on all or part of the land relin-
6 quished, the lease shall provide the lessee an option to purchase the land
7 leased under sec. 2(a)(2) of this Act at full fair market value at the time
8 of purchase without reduction to reflect the remaining lease term.

9 (c) The commissioner of natural resources in consultation with the
10 Agricultural Revolving Loan Board may renegotiate with the individual loans
11 for chattels or farm improvements located on the agricultural land in a
12 Delta Project if the commissioner determines that renegotiation is neces-
13 sary to minimize financial losses to the state and that it is in the best
14 interest of the state.

15 * Sec. 3. The provisions of this Act are not available to an individual
16 participating in a federal farm program that provides monetary or other
17 incentives for keeping agricultural land in a Delta Project out of produc-
18 tion.

19 * Sec. 4. This Act is repealed July 1, 1988.

Good

Testimony of Natural Resources Commissioner
Esther C. Wunnicke
Senate Resources Committee, January 31, 1986

Senate Bill 349
Reorganization of debt for the Delta agricultural project.

I appreciate the opportunity to testify before you today on SB349, a bill that would help relieve the debt load of Delta farmers.

As you may remember, when I testified before this committee last year on agricultural bills I described the financial difficulties that farmers in Alaska as well as in the Lower 48 were experiencing. The financial outlook for farmers has not improved since last year and the farmers in Delta, especially those with land in the Delta II project, are in a more critical situation than any in Alaska.

At least 22 states, including Alaska, are attempting to provide financial and other assistance to farmers in distress. The Department of Natural Resources has identified several programs that will help Alaskan farmers, including the production credit program heard by this committee last year. Many farmers in Alaska will be able to continue farming if they can bring their farms into full production and sell what they produce. The production credit program, if enacted, will improve farm cash flows and provide an opportunity for farmers to continue farming and pay off their debts.

The Delta farmers, however, need additional assistance. Production credits alone will not solve their problems. Most Delta farmers are delinquent on loan payments for agricultural operations, farm development and farm equipment. They are not delinquent on land payments or clearing loans only because of two legislatively granted moratoriums which will expire within the next few years.

Without additional assistance, many Delta farmers will soon be forced to declare bankruptcy. While bankruptcy would result in the State regaining possession of the land and other collateral, proceedings would take many years and the land could not be resold or leased in the interim. While bankruptcy may be the only solution for some Delta farmers, others can survive and continue to farm if some additional help is provided.

While special measures are needed to help solve the overwhelming debt problems of Delta farmers, whatever assistance is provided should clearly be in the best interests of the State. The Department is developing a land relinquishment program similar to the one described in this bill and we believe that in combination with the production credits program it will assist some Delta farmers to continue farming.

The Department supports the concepts of debt relief outlined in the original bill and in the committee substitute, but we have several specific concerns that need to be addressed.

In our consideration of Delta debt problems we have not viewed the sale of fee simple title to a five acre farmstead as a debt relief measure. Under AS 38.05.321 the Department may sell or lease only the agricultural interests in land classified for agriculture. This policy should continue if agricultural land is to be protected. We are aware of the home financing problems faced by Delta farmers, but believe the question should not be addressed as part of debt relief. Instead, if the Legislature so desires, the policy should be the subject of a separate piece of legislation.

While we do not object to the concept of renegotiating farm chattel and development loans, we believe that renegotiation should occur only when the farmer is near bankruptcy and the resulting loan terms will be beneficial to the State as well as the farmer. The loan board should be provided with the flexibility to renegotiate a loan when it is in the state's best interest. If rewriting the loan will provide the loan board with a greater return than foreclosure and resale, and the farmer will be able to continue farming under the new loan terms, it seems to me it would be in the State's interest to renegotiate the loan.

With me today is Frank Mielke, who can provide you with more detailed section by section comments on the committee substitute for SB 349 and answer your specific questions about agricultural land and loans.

SENATE BILL 349

ATTACHED YOU WILL FIND A SET OF FIGURES THAT SHOW WHAT A TYPICAL FARMERS DEBT LOAD CONSISTS OF. THESE FIGURES ARE REPRESENTATIVE OF DELTA I AND DELTA II FARMS. I AM ALSO INCLUDING A RECOMENDATION FOR CSSB349.

SENATE BILL 349 WILL GIVE THE STATE AN OPPORTUNITY TO START DIVESTING ITSELF FROM THE DELTA PROJECT. ONE THING THAT ALL PARTIES WILL AGREE WITH IS THAT THE PROJECT SHOULD STAND OR FALL ON ITS OWN MERITS. THERE ARE TWO ALTERNATIVES TO A SOLUTION FOR THE WOES OF THE DELTA PROJECT; ONE IS TO RESTRUCTURE THE DEBT LOAD IN REALISTIC TERMS OF WHAT CAN BE PRODUCED CONSIDERING THE PRESENT IN STATE MARKETS; THE OTHER IS TO DIVISE A PLAN TO DISMANTLE THE PROJECT. THE YEARS OF TOIL THAT THE FARMERS HAVE PUT INTO THE PROJECT CANNOT BE DISGARDED BY OUR LACK OF ACTION.

WHEN WE TALK ABOUT DISMANTLING THE DELTA PROJECT THE AMOUNT OF INVESTMENT THAT HAS BEEN MADE IN INFRASTRUCTURES (ABOUT 26 MILLION DOLLARS) WOULD BE LOST. THE LOSS WOULD BE MAGNIFIED BECAUSE WE ARE NOT LIKELY TO EVER SEE THE TIME AGAIN WHEN THE STATE CAN MAKE THOSE KINDS OF INVESTMENTS. REGROWTH WILL MEAN THAT THE TIME AND MONEY PUT INTO CLEARING VAST AMOUNTS OF LAND WILL ALL GO TO WASTE. THIS BILL WILL PUT INTO MOTION A PLAN TO SALVAGE INVESTMENT AND MINIMIZE LOSS.

RATHER THAN ARGUING ABOUT WHO IS RESPONSIBLE FOR THE PROBLEMS OF THE PAST, THIS IS A WAY FOR THE STATE TO RECOVER INVESTMENTS MADE INTO THE AGRICULTURE INDUSTRY. THIS BILL DOESN'T FORGIVE DEBT BUT IT DOES RESTRUCTURE THE DEBT TO REFLECT A MANAGABLE DEBT LOAD THAT A "GOOD" FARMER COULD SERVICE.

DEALING WITH THIS DILEMA IN REALISTIC TERMS WILL MEAN THAT AS THE MARKET INCREASES THE FARMERS WILL BE ABLE TO EXPAND ON THEIR OWN. THE STATE MARKET PRESENTLY IS BETWEEN 13,000 AND 17,000 TONS PER YEAR. AS THIS GROWS GRAIN PRODUCTION CAN EXPAND SPURRED ON BY THE LAW OF SUPPLY AND DEMAND IN THE PRIVATE SECTOR NOT BY STATE INVOLVEMENT OR DIRECTION. THE WHOLE PICTURE OF THE DELTA PROJECT CAN BE BROUGHT INTO PERSPECTIVE IN AN ANALOGY WITH ANY OTHER BUSINESS. YOU DON'T START OUT BIG AND HOPE TO CREATE A MARKET WITH A MINIMAL CASH FLOW. YOU START OUT SMALL AND EXPAND AS YOU ARE ABLE TO.

THE CONCEPT OF HOW THE REORGANIZATIONAL BILL WILL WORK IS THAT A FARMER WHO HAS AN UNMANAGEABLE DEBT LOAD WILL RELINQUISH A PERCENTAGE OF HIS LAND BACK TO THE STATE AND THE STATE WOULD THEN CREDIT THE LAND AND CLEARING LOANS THE SAME PERCENTAGE. USING AN EXAMPLE OF A TYPICAL FARMER CAN EXPECT TO GROSS BETWEEN \$125,000 AND \$150,000 PER YEAR, AFTER PAYING BACK OPERATING LOANS AT \$110,000 DOLLARS THE FARMER HAS \$15,000 TO \$40,000 TO SERVICE DEBT WITH. AT THE PRESENT TIME A FARMER WOULD NEED ROUGHLY \$96,000. BY TURNING BACK 50% OF HIS LAND AND RE-NEGOTIATING THE CHATTLE AND FARM DEVELOPMENT LOANS THE FARMER WOULD NEED \$49,000. THIS IS CLOSE TO WHAT HE COULD EXPECT TO SERVICE. THE FIGURES THAT I JUST MENTIONED DON'T REFLECT THAT THE FARMER AND HIS FAMILY STILL HAVE TO EAT. WITH A PER ACRE PRODUCTION INCREASE AND PRODUCTION CREDITS THE FARMER COULD MAKE IT.

THE COMMITTEE SUBSTITUTE TO SB 349 IS INTENDED TO SPELL OUT HOW THIS RESTRUCTURING PROCESS WILL WORK. A ZERO FISCAL NOTE WOULD ACCOMPANY THIS BILL SINCE THERE ARE NO SURVEY COSTS AND NO APPRAISALS OF LAND TO BE MADE.

TODAY SOME FARMERS AT DELTA ONE AND DELTA TWO HAVE AN ANNUAL DEBT LOAD OF OVER \$200,000 PER YEAR. THEIR INCOME IN A GOOD YEAR ONLY APPROACHES \$100,000 PER YEAR.

THE BILL BEFORE THE COMMITTEE TODAY WILL ADDRESS THIS DRASTIC SITUATION. SB 349. IT IS BROKE AND I THINK IT'S OUR JOB TO FIX IT.

SR 349 GIVES THE DEPARTMENT OF NATURAL RESOURCES THE FLEXIBILITY TO HELP RESTRUCTURE THE DEBT LOAD IN DELTA.

FIRST OF ALL, LAND THAT WAS PURCHASED IN DELTA ONE AND DELTA TWO CAN BE RETURNED TO THE STATE. AS AN EXAMPLE, FOR EVERY 10 PERCENT OF LAND PURCHASED AND RETURNED TO THE STATE, 10 PERCENT OF THE CLEARING AND LAND LOANS WOULD BE EXTINGUISHED.

CHattel AND FARM DEVELOPMENT LOANS WOULD BE REWRITTEN TO REFLECT CURRENT WORTH.

AND WITH PRODUCTION CREDITS IN PLACE, THESE MEASURES WOULD BRING THE DEBT LOAD TO A MANAGEABLE LEVEL.

WHY SHOULD WE DO THIS? BECAUSE THE FARMERS IN DELTA ASSUMED THIS DEBT LOAD ON THE PREMISE THAT THE STATE WOULD BE SUPPORTING AN EXPORT MARKET INFRASTRUCTURE. THIS DID NOT OCCUR, BUT THEIR DEBT REMAINED. THE IN-STATE GRAIN MARKET WILL TAKE TIME TO DEVELOP. AND BEFORE ITS DEVELOPED THESE FARMERS WILL GO UNDER.

THIS BILL ENABLES THOSE WHO WANT TO FARM TO BE ABLE TO DO SO WITH A MANAGEABLE PAYMENT STRUCTURE. I HAVE ALSO INCLUDED IN SB349 A PROVISION

TO SELL A 5-ACRE HOMESITE TO EACH FARMER IN THE PROJECTS. I BELIEVE THAT THIS WILL PROVIDE NOT ONLY AN INCENTIVE TO CONTINUE, BUT A MEANS OF EVENTUALLY USING LOCAL BANKS FOR LOANS AND NOT THE STATE TROUGH.

BANKRUPTCY IS NOT THE ANSWER TO THESE FARMERS SITUATION. BANKRUPTCY PROCEEDINGS WILL TAKE YEARS AND MANY OF THE FARMERS WILL JUST WALK AWAY FROM THE LAND. THE LAND WILL THEN RETURN TO ITS WILD AND WEEDED STATE. WE CAN NOT LOSE ALL THE EFFORT THAT'S BEEN PUT INTO THIS LAND.

I BELIEVE IN THIS SOLUTION AND HOPE THAT WE AS A COMMITTEE WILL UNDER TAKE THIS TASK TO FIX A THROUGHLY DESPARATE SITUATION.

THANK YOU.

Senator John B. (Jack) Coghill
Alaska State Legislature

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Juneau, Alaska 99811
(907) 465-4921

Box 55028
North Pole, Alaska 99705
(907) 488-7332



January 29, 1986

MEMORANDUM

TO: SENATOR STURGULEWSKI

RE: BACKGROUND INFORMATION SB 349

ATTACHED YOU WILL FIND A SET OF FIGURES THAT SHOW WHAT A TYPICAL FARMERS DEBT LOAD CONSISTS OF. THESE FIGURES ARE REPRESENTATIVE OF DELTA I AND DELTA II FARMS. I AM ALSO INCLUDING A RECOMENDATION FOR CSSB349.

SENATE BILL 349 WILL GIVE THE STATE AN OPPORTUNITY TO START DIVESTING ITSELF FROM THE DELTA PROJECT. ONE THING THAT ALL PARTIES WILL AGREE WITH IS THAT THE PROJECT SHOULD STAND OR FALL ON ITS OWN MERITS. THERE ARE TWO ALTERNATIVES TO A SOLUTION FOR THE WOES OF THE DELTA PROJECT: ONE IS TO RESTRUCTURE THE DEBT LOAD IN REALISTIC TERMS OF WHAT CAN BE PRODUCED CONSIDERING THE PRESENT IN STATE MARKETS; THE OTHER IS TO DIVISE A PLAN TO DISMANTLE THE PROJECT. THE YEARS OF TOIL THAT THE FARMERS HAVE PUT INTO THE PROJECT CANNOT BE DISGARDED BY OUR LACK OF ACTION.

WHEN WE TALK ABOUT DISMANTLING THE DELTA PROJECT THE AMOUNT OF INVESTMENT THAT HAS BEEN MADE IN INFRASTRUCTURES (ABOUT 26 MILLION DOLLARS) WOULD BE LOST. THE LOSS WOULD BE MAGNIFIED BECAUSE WE ARE NOT LIKELY TO EVER SEE THE TIME AGAIN WHEN THE STATE CAN MAKE THOSE KINDS OF INVESTMENTS. REGROWTH WILL MEAN THAT THE TIME AND MONEY PUT INTO CLEARING VAST AMOUNTS OF LAND WILL ALL GO TO WASTE. THIS BILL WILL PUT INTO MOTION A PLAN TO SALVAGE INVESTMENT AND MINIMIZE LOSS.

RATHER THAN ARGUING ABOUT WHO IS RESPONSIBLE FOR THE PROBLEMS OF THE PAST, THIS IS A WAY FOR THE STATE TO RECOVER INVESTMENTS MADE INTO THE AGRICULTURE INDUSTRY. THIS BILL DOESN'T FORGIVE DEBT BUT IT DOES RESTRUCTURE THE DEBT TO REFLECT A MANAGABLE DEBT LOAD THAT A "GOOD" FARMER COULD SERVICE.

DEALING WITH THIS DILEMA IN REALISTIC TERMS WILL MEAN THAT AS THE MARKET INCREASES THE FARMERS WILL BE ABLE TO EXPAND ON THEIR OWN. THE STATE MARKET PRESENTLY IS BETWEEN 13,000 and 17,000 TONS PER YEAR. AS THIS GROWS GRAIN PRODUCTION CAN EXPAND SPURRED ON BY THE LAW OF SUPPLY AND DEMAND IN THE PRIVATE SECTOR NOT BY STATE INVOLVEMENT OR DIRECTION. THE WHOLE PICTURE OF THE DELTA PROJECT CAN BE BROUGHT INTO PERSPECTIVE IN AN ANALOGY WITH ANY OTHER BUSINESS. YOU DON'T START OUT BIG AND HOPE TO CREATE A MARKET WITH A MINIMAL CASH FLOW. YOU START OUT SMALL AND EXPAND AS YOU ARE ABLE TO.

THE CONCEPT OF HOW THE REORGANIZATIONAL BILL WILL WORK IS THAT A FARMER WHO HAS AN UNMANAGEABLE DEBT LOAD WILL RELINQUISH A PERCENTAGE OF HIS LAND BACK TO THE STATE AND THE STATE WOULD THEN CREDIT THE LAND AND CLEARING LOANS THE SAME PERCENTAGE. USING AN EXAMPLE OF A TYPICAL FARMER CAN EXPECT TO GROSS BETWEEN \$125,000 AND \$150,000 PER YEAR. AFTER PAYING BACK OPERATING LOANS AT \$110,000 DOLLARS THE FARMER HAS \$15,000 TO \$40,000 TO SERVICE DEBT WITH. AT THE PRESENT TIME A FARMER WOULD NEED ROUGHLY \$96,000. BY TURNING BACK 50% OF HIS LAND AND RE-NEGOTIATING THE CHATTLE AND FARM DEVELOPMENT LOANS THE FARMER WOULD NEED \$49,000. THIS IS CLOSE TO WHAT HE COULD EXPECT TO SERVICE. THE FIGURES THAT I JUST MENTIONED DON'T REFLECT THAT THE FARMER AND HIS FAMILY STILL HAVE TO EAT. WITH A PER ACRE PRODUCTION INCREASE AND PRODUCTION CREDITS THE FARMER COULD MAKE IT.

THE COMMITTEE SUBSTITUTE TO SB 349 IS INTENDED TO SPELL OUT HOW THIS RESTRUCTURING PROCESS WILL WORK. A ZERO FISCAL NOTE WOULD ACCOMPANY THIS BILL SINCE THERE ARE NO SURVEY COSTS AND NO APPRAISALS OF LAND TO BE MADE.

ACTUAL DELTA I FARMER

<u>Loan Type</u>	<u>Total Loan</u>	<u>Annual Loan Payment</u>	<u>Principal Payment</u>	<u>Interest Payment</u>
Land Purchase	\$ 0	\$ 0	\$ 0	\$ 0
Land Clearing	370,600	24,590	3,018	21,572
Chattel	300,000	57,621	45,741	11,879
Farm Development	154,000	15,685	4,578	11,106
Operating	<u>101,000</u>	<u>109,080</u>	<u>101,000</u>	<u>8,080</u>
TOTAL	\$925,600	\$206,976	\$154,337	\$52,637

ACTUAL DELTA II FARMER

Land Purchase	\$324,000	\$ 43,376	\$ 4,496	\$38,880
Land Clearing	307,000	25,745	1,612	24,132
Chattel	181,000	34,765	27,597	7,167
Farm Development	95,000	9,675	2,824	6,851
Operating	<u>117,000</u>	<u>126,360</u>	<u>117,000</u>	<u>9,360</u>
TOTAL	\$1,024,000	\$239,921	\$153,529	\$86,390

2/4
LATEST CS

Original sponsors: Coghill and
Kerttula

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 349 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the reorganization of private
7 debt at a Delta Project."

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

9 * Section 1. (a) The commissioner of natural resources shall, at the
10 request of an individual who holds agricultural rights to land purchased
11 from the state in a Delta Project,

12 (1) accept the relinquishment of agricultural land purchased
13 from the state in a Delta Project and credit the percentage of the debt
14 owed to the state on land purchased and land clearing loans that equals the
15 percentage of land relinquished under this section, either by acreage or by
16 value, as determined by the commissioner;

17 (2) enter into an agreement with the individual for the lease
18 for agricultural purposes only of a portion of or all of the land relin-
19 quished for a term of 20 years at the full fair market value of the land; a
20 survey under this paragraph, if required, shall be at the expense of the
21 individual.

22 (b) If an individual who has relinquished land under this section
23 applies before July 1, 1987 for a lease on all or part of the land relin-
24 quished, the lease shall provide the lessee an option to purchase the land
25 leased under sec. 1(a)(2) of this Act at full fair market value at the time
26 of purchase without reduction to reflect the remaining lease term.

27 (c) The commissioner of natural resources in consultation with the
28 Agricultural Revolving Loan Board may renegotiate with the individual loans
29 for chattels or farm improvements located on the agricultural land in a

1 Delta Project if the commissioner determines that renegotiation is neces-
2 sary to minimize financial losses to the state and that it is in the best
3 interest of the state.

4 * Sec. 2. This Act is repealed July 1, 1988.
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Frank Muller
Ed

Bradley
01/30/86

Original sponsors: Coghill and
Kerttula

1 IN THE SENATE BY THE RESOURCES COMMITTEE
 2 CS FOR SENATE BILL NO. 349 (Resources)
 3 IN THE LEGISLATURE OF THE STATE OF ALASKA
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7 debt at the Delta Project."

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

Securities

9 * Section 1. The commissioner of natural resources shall, at the re-
10 quest of an individual who holds agricultural rights to land purchased from
11 the state in the Delta Project, *Delta 142?*

12 (1) accept the relinquishment of agricultural land purchased
13 from the state in the Delta Project and credit the percentage of the debt
14 owed to the state on land ^{*value*} purchased and land clearing loans that equals the
15 percentage of land relinquished under this section; *20% of land = 20% of debt*

16 (2) renegotiate a loan ^{*contract*} with the individual for the purchase of
17 fee simple title ^{*at fair market value*} to not more than five ^{*1 parcel including up to*} acres of the land on which residen-
18 tial and farm improvements exist; a survey required under this paragraph
19 shall be at the expense of the individual;

20 (3) enter into an agreement with the individual for the lease
21 for agricultural purposes only of a portion of or all of the land relin-
22 quished at the fair market value of the land; a survey required under this
23 paragraph shall be at the expense of the individual;

24 (4) grant the individual a 20-year lease with a preference right
25 to repurchase the land ^{*rights*} relinquished under this Act at any time during the
26 term of the lease; *up to July 1, 1988*

27 (5) renegotiate with the purchaser loans ^{*LOADS OTHER THAN LAND*} for chattels or farm
28 improvements located on the agricultural land in the Delta Project at the
29 fair market value of the chattels or farm improvements on the effective

*of Commission
can be done*

*what is not
there*

*only when
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*loan board
probably when in
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1 date of this Act.

2 * Sec. 2. This Act is repealed July 1, 1988.

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SITUATION AFTER LAND RELINQUISHMENT,
RENEGOTIATION OF CHATTEL AND FARM DEVELOPMENT
LOANS, AND 20% PRODUCTION CREDIT

INCOME PARAMETERS

1200 acres planted to barley
20% production credit

DEBT SERVICE

<u>LOAN TYPE</u>	<u>LOAN AMT</u>	<u>ANNUAL PAYMENT</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
LAND PURCHASE (all land returned)	0	0	0	0
LAND CLEARING	0	0	0	0
CHATTEL (renegotiated at 50%)	90,500	17,382	13,799	3,584
FARM DEVELOPMENT (renegotiated at 67%)	63,327	6,445	1,881	4,383
OPERATING	117,000	126,360	117,000	9,360
HOMESITE (5 acres fee simple)	9,500	1,600	800	800
totals	280,327	151,787	133,480	18,127

ANNUAL COST:

LOAN PAYMENT	151,987
LEASE PAYMENT	9,500 **
PRODUCTION CREDIT (reduction)	<u>-18,127</u>
	143,360

ANNUAL INCOME:

Barley @ 125 per ton 150,000

NET 6,640

**Land relinquished is leased at \$5/acre.

**Land relinquished to the state is leased back @ \$5.00 per acre.

Original sponsors: Coghill and
Kerttula

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

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3 IN THE LEGISLATURE OF THE STATE OF ALASKA

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14 owed to the state on land purchased and land clearing loans that equals the
15 percentage of land relinquished under this section, either by acreage or by
16 value, as determined by the commissioner; [appropriate]

17 (2) enter into an agreement with the individual for the lease
18 for agricultural purposes only of a portion of or all of the land relin-
19 quished for a term of 20 years at the full fair market value of the land; a
20 survey under this paragraph, if required, shall be at the expense of the
21 individual.

22 (b) If an individual who has relinquished land under this section
23 applies before July 1, 1987, for a lease on all or part of the land relin-
24 quished, the lease shall provide the lessee an option to purchase the land
25 leased under sec. 1(a)(2) of this Act at full fair market value at the time
26 of purchase without reduction to reflect the remaining lease term.

27 (c) The commissioner of natural resources in consultation with the
28 Agricultural Revolving Loan Board may renegotiate with the individual loans
29 for chattels or farm improvements located on the agricultural land in a

1 Delta Project if the commissioner determines that renegotiation is neces-
2 sary to minimize financial losses to the state ^{and} ~~or~~ that it is in the best
3 interest of the state.

4 * Sec. 2. This Act is repealed July 1, 1988.
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Original sponsors: Coghill and
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22 (3) If an individual^{who} has relinquished land under this
23 section applies[^] for a lease on all or part of the land
24 relinquished/prior to July 1, 1987 such lease shall provide the
25 ~~lesser~~^{of} an option to purchase the leased land at full fair market
26 value at the time of purchase (without reduction to reflect the
27 remaining lease term;)

28 (4) the Commissioner in consultation with the
29 Agricultural Revolving Loan Board may renegotiate with the
30 purchaser loans for chattel or farm improvements located on the
31 agricultural land in the Delta Projects if this action is essential
32 to minimize dollar losses to the state or is in the best
33 interest of the state;

34 * Section 2. This Act is repealed July 1, 1988.

CS ADOPTED

Bradley
01/30/86

Original sponsors: Coghill and
Kerttula

(See Carol
for minutes)

1 IN THE SENATE

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15 percentage of land relinquished under this section;

16 (2) renegotiate a loan with the individual for the purchase of
17 fee simple title ^{(M) AT FAIR MARKET VALUE} to not more than five acres of the land on which residen-
18 tial and farm improvements exist; a survey required under this paragraph
19 shall be at the expense of the individual;

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21 for agricultural purposes only of a portion of or all of the land relin-
22 quished at the fair market value of the land; a survey required under this
23 paragraph shall be at the expense of the individual;

24 (4) grant the individual a 20-year lease with a preference right
25 to repurchase the land relinquished under this Act at any time during the
26 term of the lease;

27 (5) renegotiate with the purchaser loans for chattels or farm
28 improvements located on the agricultural land in the Delta Project at the
29 fair market value of the chattels or farm improvements on the effective

(S RIGHTS TO
AG LAND)

(H)
(LAND VALUES)

(W) AG PURPOSES ONLY?

(H) AT FULL FAIR MARKET VALUE

1 date of this Act.

2 * Sec. 2. This Act is repealed July 1, 1988.
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Original sponsors: Coghill and
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STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 2-4-86

REQUEST

Bill/Resolution No.: CSSB 349
Title: Reorganization of Delta Debt

Sponsor: Sen. Cognill, Sen. Kerttula
Requestor: Senate Resources Committee
Date of Request: February 4, 1986

FISCAL DETAIL

Agency Affected: Natural Resources
BRU: Land and Water Management
Agricultural Management

Components: Public Use
ARLF

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE	**					
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FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

** See attached explanation.

Prepared by: Carol Wilson
Division: Commissioner's Office

Phone: 465-2400
Date: 2-4-86

Approved by Commissioner: Thomas D. Spindler, Deputy
Agency: Natural Resources

Date: 2/4/86

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Interested Agencies

Analysis for Fiscal Note, Senate Bill 349
Reorganization of Delta Agricultural Project Debt

Revenue

A paper loss of as much as \$14,800,000 could be realized if 37 parcels of 2000 acres each are relinquished to the State.

37 parcels x 2,000 acres per parcel x \$200 per acre =
\$14,800,000.

However, since the clearing loans and land contract payments may not be collectable under current Delta financial conditions, and because the State would receive cleared land in lieu of land and loan payments under this bill, it could also be argued that no revenue loss would occur.

In addition, renegotiating ARLF chattel and farm improvement loans could result in reductions in loan principal and interest due the State. However, since foreclosure and resale of farm chattel and improvements could generate less income than could be realized from loan renegotiations, it could be argued that no revenue loss would occur.

Original sponsors: Coghill and
Kerttula

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 349 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

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STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date: 2-4-86

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Agricultural Management
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PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE	**					
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FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

**See attached explanation.

Prepared by: Carol Wilson *[Signature]*
 Division: Commissioner's Office

Phone: 465-2400
 Date: 2-4-86

Approved by Commissioner: Thomas D. Spindel, Deputy
 Agency: Natural Resources

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RECORDS CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith
Signature of Camera Operator

11/24/89
Date

S B

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Introduced: 1/20/86
Referred: Resources

- ① Do nothing
- ② accept bill
- ③ smel modification

1 IN THE SENATE

BY ZHAROFF AND PAUL FISCHER

2

SENATE BILL NO. 353

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the waterfowl conservation stamp
7 program; and providing for an effective date."

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

9 * Section 1. AS 16.05.826(b) is amended to read:

10 (b) The department shall provide by appropriate means for the
11 selection of the design of the annual waterfowl conservation stamp and
12 for the production and sale of the stamps. Only designs by residents
13 may be selected.

14 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
15 10.070(c).

Anderson
Judging
Alaska Preference

give ~~5%~~ 0/10%

Henneman -
upholding duck stamps across
country. Does not support

Alaska State Legislature

ARLISS STURGULEWSKI, Chairman
BETTYE FAHRENKAMP, Vice Chairman
JACK COGHILL
DICK ELIASON
VIC FISCHER
RICK HALFORD
FRED ZHAROFF



POUCH V
JUNEAU, ALASKA. 99811
(907) 485-4907

Senate Committee on Resources

M E M O R A N D U M

March 13, 1986

TO: All Members
Senate Resources Committee

FROM: Staff ¹ Senate Resources Committee

RE: SB 353 "An Act relating to the waterfowl
conservation stamp program; and
providing for an effective date"

SB 353 would amend the Waterfowl Conservation Stamp Program to allow only designs by resident Alaskans.

Enclosures:

Memo from Attorney General
Letters regarding bidding procedures
March 12th Fish and Game newsletter
announcing 1986 winners
Newspaper articles
Duck stamp history
Eligibility by state
RFP for 1986 design

STATE OF ALASKA
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

January 17, 1986

SUBJECT: Waterfowl conservation stamp program
(Work Order No. 14-1581)

TO: Senator Fred Zharoff

FROM: Edward H. Hein *EHA*
Legislative Counsel

Enclosed is the draft bill you requested limiting participation in the waterfowl conservation stamp design competition to Alaska residents. Because the program solicits designs through requests for proposals leading to a contract for services, the program appears to be subject to the same constitutional requirements with regard to state residency as apply to other state procurement contracts. While the issue has not been conclusively decided by the courts, the restriction in this bill to state residents may violate constitutional provisions regarding equal protection and privileges and immunities.

EHH:mkr
M2:039

Enclosure

January 21, 1986

Peggy Sepulveda
C/O Senator Zharoff
Box V
Juneau, Ak 99811

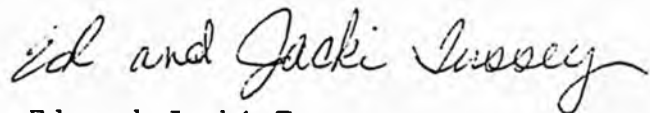
Re: Duck Stamp Program

Dear Ms. Sepulveda,

Enclosed you will find a copy of the letter sent to Mr. Collinsworth from our publisher Mr. Dale Anerson of Juneau. We are sending this to Mr. Zharoff's office because we strongly feel the waterfowl conservation stamp program needs to be reevaluated.

Please contact us if we can be of any assistance in the future regarding this matter.

Sincerely,

A handwritten signature in cursive script that reads "Ed and Jacki Tussey". The signature is written in dark ink and is positioned above the typed name.

Ed and Jacki Tussey

P.O. Box 2668
Kodiak, AK 99615
(907)487-2572

COPY

NORTHLIGHT

P U B L I S H I N G

P.O. BOX 2239 • JUNEAU, ALASKA 99801 • TEL. 907-789-2310

January 8, 1986

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Don W. Collinsworth, Commissioner
STATE OF ALASKA
DEPARTMENT OF ADMINISTRATION
Pouch C
Juneau, Alaska 99811

Dear Commissioner Collinsworth:

I am writing to you to appeal the decision of the selection committee, stated in the Notice of Award dated January 6, 1986 regarding the bid to produce the 1986 waterfowl conservation stamp and art print, naming the apparent successful contractor as Voyageur Art of Minneapolis, Minnesota.

Upon review of the evaluation summary, I have found that after the final tally of scores assessed by the selection committee, the points that separated our firm from the apparent winner was a mere 32 weighted points.

The major areas that created the gap fell under six categories. I would like to address each of those categories separately. I have serious misgivings of the accuracy, appropriateness and/or fairness of the selection committee's evaluation and I do contest their findings.

1. The first major difference is in the category of "print/image." My understanding of this area deals with how the image of the artwork will hold clarity, contrast and substance when reduced to a stamp size image. Concern was raised on our entry as to whether for certain you would be able to maintain a distinctive reproduction of the waterfowl portrayed. Without a test or advice sought from us, a decision was made that changed the course of destiny. A difference of 35 points was given for this one area. I would like an opportunity to prove to the selection committee that the image will indeed stand. The proof can be done very simply, quickly, and for very little cost.
2. Local promotion was the main push in our proposal. Our feeling is that we are Alaskans producing an Alaskan product. It goes without saying that our state and local outlets will be better promoted and served. We are creating local jobs in our state, we are keeping revenue in our state and utilizing Alaskan expertise and experience to best represent the Alaska Waterfowl Program. We are local. A differential of 15 points was given for this category.

Mr. Don W. Collinsworth

January 8, 1986

Page Two

3. Our sales distribution network is without a doubt an excellent group of outlets. It is the same group of outlets that handled Alaska's First of State stamp and print which broke all previous sales records. How can we be losing points for a proven winning team? Since our submission of the proposal, another major national distributor has indicated strong interest in distributing our product. A differential of 15 points was again given.
4. In your Request For Proposal, you outlined a schedule that you said was acceptable. If we state verbatim that we can meet that schedule, we should be awarded the maximum number of points allowed for that category. There should be no disqualifying points assessed for meeting your requirements. A 5 point differential was allowed us for complying with your department's request.
5. Under "staff qualifications" we were again seriously cut down for reasons I cannot understand. The resumes, roles, and programs outlined for each of the primary personnel involved in this endeavor are very clear and concise to point out superior abilities and past performance.

We naturally have to be considered the "underdog" coming into this bid process because of the fine job performed by Voyageur Press last year. But in a bid process, in order to maintain the integrity of the evaluation, past performance records for your department must be set aside. You must look and believe that what the respondent is claiming must be true and attainable. To merely say this company did a good job last year and we don't want to take a chance that the new bidder cannot perform, is an erroneous assumption.

If you review the reputations of Northlight Publishing, Anderson Gallery, Bean Public Relations and Award Design, you will find a strong, satisfied clientele and first class operations, fully capable of performing any tasks required by the 1986 Request For Proposal distributed by your department. Again, the differential was a stunning 15 points.

6. The most outstanding difference between any category deals with the most important aspect of this program. The "bottom line," the end results, the whole reason for sponsoring the waterfowl program - - revenue to the State.

The very reason we wanted to get involved in this program is because we believe in the results produced through these funds. The very fact that there was a 35 point differential in our favor points out our dedication to the program. In our proposal, we stated that we are not only in this for the financial gains, but we desire to assist the department in their conservation efforts. We believe in the conservation of waterfowl and habitat.

Mr. Don W. Collinsworth
January 8, 1986
Page Three

What good does it do the department to have a great piece of art, great sales force, effective promotion and not end up with the dollars on the bottom line to fund the program? The program should be designed to benefit the department's waterfowl budget to the greatest degree. The fact that we are willing to produce more revenue for the State in such a greater measure than any other respondent, should clearly indicate our sincere dedication to the program.

Through the judge's evaluation process in the 5 areas that I cannot justify the point differential, there is a negative total of 85 points. In the most important aspect under "Revenue to the State" we are given a positive total of 35 points differential. It is not evident to me the fairness or accuracy of the selection committee's findings.

One additional question that is not addressed in the Request for Proposal is whether or not this bid request conforms to any other bid I have been involved with to the State of Alaska. In every other bid, whether written in or assumed, there has been a 5% bid preference for Alaska respondents. I question whether that has entered into any evaluation process in this program. I believe strongly that it should.

I am writing this letter to you on January 8, 1986, one day after receiving notification of the apparent successful bidder. I await your response.

Sincerely,

Dale G. Anderson

DGA/bp

cc: Mrs. Jaki Beeson-Sanders
Mr. Tom Rothe
Award Design
Bean Public Relations
Anderson Gallery
Mr. Ed Tussey

Don W. Collinsworth, Commissioner

Public Communications
Box 3 - 2000
Juneau, Alaska 99802
(907) 465-4113



Alaska Department

GM BACK
HLSO

Game NEWS

FOR IMMEDIATE RELEASE

March 12, 1986

1986 DUCK STAMP PRINT SELECTED

JUNEAU--A pair of Steller's eiders in flight has been selected for the 1986 Alaska duck stamp. The print is the work of wildlife artist James Meger. The Steller's eider was chosen as the subject of this year's competition to keep the Alaska print series a unique collection of northern waterfowl. Like the emperor goose, the subject of 1985's first-of-state print, the Steller's eider is found in no other state.

Meger, a resident of Edina, Minnesota, emphasizes the uniquely northern elements of the Alaska waterfowl stamp in the attention he gives to the Alaska Peninsula habitat in his winning painting. Although the print does not represent a specific place, Meger's representation of the duck's environment is so good that some Alaskans believe they can pinpoint the location of the pictured birds. "I spent fifteen days of research on the Steller's eider and the Aleutians before I began to paint," said the artist. "While I have photographs of Izembek Lagoon (where Steller's eiders

(more)

3-3-3-3

March 12, 1986

Sheffield's proposed budget directs those funds to waterfowl habitat improvement and protection.

The Alaska Department of Fish and Game has selected the Spectacled eider as the subject of the 1987 Alaska duck stamp contest. Interested artists who would like to be placed on the mailing list for further information are encouraged to contact Phil Koehl, Division of Game, Alaska Department of Fish and Game, P. O. Box 3-2000, Juneau, AK 99802, cr (907) 465-4190.

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March 12, 1986

congregate in July), I did not take the background from those photos. I tried to immerse myself in the habitat: what the weather would be like, the terrain, the quality of light under the heavy clouds."

The selection of the winner of the Alaska duck stamp competition is based not only on the representation of the birds, but also on other elements of the painting, and on the marketing proposal submitted by the publisher. The art work is judged on technical accuracy in the birds, artistic composition, accuracy in habitat, lighting, and how well the work will reproduce in the one and three-eighths by two inch stamp scale, and half-size print scale.

Sales of the 1986 duck stamp print are expected to drop off sharply from the more than \$900,000 generated to the state from sales of the first-of-state print in 1985. Last year's print broke all previous national records for sales of state waterfowl stamp prints. The decrease in sales is likely as subsequent year's prints will go primarily to Alaskans and serious collectors outside.

Revenue generated from the sale of the \$5.00 stamp goes directly into a dedicated fund and is spent by the Department of Fish and Game to benefit the state's waterfowl. Money generated from the sale of limited edition prints must be appropriated by the Legislature, but Governor

(more)

3-3-3-3

March 12, 1986

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STATE OF ALASKA
DEPARTMENT OF FISH AND GAME
PUBLIC COMMUNICATIONS SECTION
P.O. BOX 3-2000
JUNEAU, ALASKA 99802-2000

Duck stamp argument heats up

By ED BENNETT
Of The Star Staff

The controversy over the selection of a painting by a Minnesota artist for Alaska's 1986 duck stamp grew more heated this week. A letter to Gov. Sheffield signed by 201 Peters Creek residents demanding that the program be limited to Alaskans only was put in the mail — but two people who live in Chugiak, Eagle River and were not chosen defended the way the program was handled.

The matter began after customers at the Peters Creek Trading Post learned that one of their neighbors, Carl Branson, had not been selected as the winner in the competition. Branson's painting had been on display at the store and had drawn rave reviews, according to manager Ruth Callan.

Callan, after viewing all 29 paintings submitted in the duck-stamp contest, concluded there were plenty of Alaskan artists qualified to win. "It should be an Alaskan artist — that's the issue," she said. She and a friend wrote a letter to the governor saying so, and soon many of her customers began asking if they, too, could sign it.

Last week, Branson said he was "bitter" about the results of the contest. But this week, another local artist who submitted a painting, George Rodgers of Peters Creek, said he would abide by the results. "I find no fault with the judging," he said. "Am I bitter? Hell, no. I've been in a lot of competitions. If you don't win, you don't win. You just try again next year."

The state duck stamp program is actually two contests: one that selects a painting, and one that selects a publisher to make prints of the painting and market them nationwide to collectors. Under a complicated rating system, the combination of a publisher and an artist signed up with that publisher which gets the most points, wins.

Ben Guild, who owns Eagle River-based Alaska Nature Press, entered the contest as a publisher and lost. "I think I had a good program, a good proposal," Guild said. "It just wasn't good enough. So I'll try again next year."

Guild pointed out that two of the three publishers who entered the contest, and 20 of the 29 artists, were Alaskans. "That's bad odds," he said. He said that since the whole purpose of the duck stamp program was to raise money for state waterfowl habitat programs, it made sense for the state to select Voyageur Art of Minnesota, which had raised nearly \$1 million for the state the previous year, over a pair of "untried" publishing houses.

Rodgers said the same argument applied to the winning artist. "If only Alaskan artists were involved, the Outside publishers wouldn't enter," he said. "And if they pick an unknown Alaskan, nobody would buy the prints Outside."

"I don't think you can equate art with Alaska Hire," Rodgers added. "As a professional artist in a competition, I want to be judged by my ability, not my residency. I want to go against the best there is."

Both Guild and Sue Matthews, an Eagle River resident who defended the duck stamp program this week in a letter to the editor which appears in this edition, said Branson's painting showed the wrong kind of background for the Steller's Eider ducks. Branson showed his birds standing along what appears to be fresh water, with a tree-covered ridgeline in the background.

Guild and Matthews said that Steller's Eiders live in the Aleutian Islands, and would never been seen in the place Branson painted.

This week, Branson strongly disagreed. He quoted from several reference books which said the ducks have been found inland from the coast, along waterways and freshwater ponds. He said a friend supplied him with a photo of the ducks taken in the Talkeetna area, which abounds with tree-covered ridgelines.

So this week Branson defended his work; his supporters sent their letter to the governor; and support for the original decision was voiced by a number of people who were involved in the process.

Perhaps Matthews put it best in her letter: "It is obvious that none of the paintings was perfect and that, to some degree, judging art is a matter of taste."

Letter defends choice of Outside artist for duck stamp

Selected duck art accurate rendering

To The Editor:

I am writing in regard to the story in your January 23 issue concerning the Alaska State Waterfowl Stamp program. Because I have a strong interest in waterfowl and conservation education, I was somewhat dismayed to learn that not only could Carl Branson not recognize the fatal flaw in his painting but neither could the 48 people who signed his letter to Governor Sheffield.

I too inspected the 29 pieces of art that were submitted for consideration in this year's duck stamp program while they were on display at the Anchorage Fine Arts Museum. Although I thought Mr. Branson's painting showed great skill because of his talent for capturing the detail of the birds' feathering patterns and the background landscape, I recognized immediately that he had portrayed the birds in an inappropriate habitat for Steller's Eiders. The closest this species of open ocean duck would come to the kind of environment Mr. Branson has placed them in (which looks a great deal like Peters Creek) would be the deep water bays of the Kodiak Archipelago.

Steller's Eiders are powerful swimmers; diving to depths of over 50 feet to feed. They can do this with relative ease because their legs are set far back on their bodies and propel them through the water as they dive almost like an outboard motor. It would be very unusual for these birds to perch on a log as Mr. Branson has portrayed them. Indeed, the posture and leg position of Mr. Branson's birds more closely resembles a dabbling duck such as a mallard.

On the other hand, the selected piece of art accurately portrays the Steller's Eider in flight over Izembek Lagoon near Cold Bay. Steller's Eiders are fairly com-

CHUGIAK -
EAGLE RIVER
STAR. 11/30/86

mon near Izembek, especially during fall migration.

It is obvious that none of the paintings was perfect and that, to some degree, judging art is a matter of taste. But the purpose of the duck stamp is to raise money for Alaska's waterfowl by selling this image all over the United States. I would like the most accurate and attractive painting to represent our birds and conservation programs to other Americans.

It would be dishonest to choose Mr. Branson's painting in order to appease a small group of citizens who simply want an Alaskan artist to win, and I suspect that a good many other Alaskans, like myself, would recognize that immediately. Restricting competition would also be a disservice to Alaskan artists because it would deny them the opportunity to compete with nationally known artists, and deny them the prestige that comes with winning or placing in a national competition. The painting which most accurately portrays the striking beauty of the Steller's Eider and its environment should be (and was) selected, regardless of who the artist is or where he comes from.

Let's hope that this year's program will be as successful as last, not only in generating funds for waterfowl conservation but in promoting an understanding of this unique waterfowl species.

Sue Matthews

DEPARTMENT OF FISH AND GAME

DUCK STAMP HISTORY

The "duck stamp" was born March 16, 1934 when Congress enacted the Migratory Bird Hunting Stamp Act. This law required all waterfowl hunters age 16 or older to purchase a duck stamp, with the annual income from stamp sales to be used for the purchase and protection of important waterfowl habitats. The first federal duck stamp, displayed in this exhibit, was designed by J. N. "Ding" Darling, a well-known political cartoonist, dedicated conservationist and, later, head of the U. S. Biological Survey (now, the U. S. Fish and Wildlife Service). Today, the annual nationwide competition for the federal stamp design draws over 2,000 entries from the country's most accomplished wildlife artists and brightest newcomers. The only official award is a sheet of the following year's stamps autographed by the Secretary of the Interior, but the prestige of winning has launched the careers of numerous waterfowl artists.

Spanning 52 years, federal duck stamps and art prints are the longest running, most valued series of collectible art. Since its inception, the federal duck stamp program has generated nearly \$300 million used to preserve and protect 3.5 million acres of wetlands and other essential waterfowl habitat. Duck stamps have wholly or partly paid for 186 of the nation's 400 national wildlife refuges and waterfowl production areas in the lower 48 states.

In 1972, California issued the first state duck stamp, purchased by hunters along with the federal stamp, to fund habitat preservation for that state's waterfowl resources. Today, there are 36 states with programs that raise waterfowl funds from the sale of duck stamps. In 1981, Texas, Arkansas and South Carolina began a trend in retaining all rights to their stamp designs and receiving royalties on the sale of limited edition prints, in addition to income from stamps. In its first year, the Texas program sold 16,500 art prints and generated over \$1.2 million.

Patterned after these successful programs, the first Alaska Water Conservation Stamp was issued in 1985. The design, featuring three emperor geese by Minnesota artist Daniel Smith, has proven to be one of the most popular pieces of stamp art in recent years. The

strong image and the unique Alaskan emperor geese spurred sales of 17,350 art prints, the largest edition in the history of state duck stamps. Print royalties and stamp sales should total nearly \$900,000 for the benefit of Alaska's waterfowl and their wetland habitats.

Revenues for 1986 and subsequent years will be substantially less than in 1985, but should provide a continuing source of funds for needed waterfowl conservation projects. The Alaska Department of Fish and Game is now developing long-term plans for the use of duck stamp funds for habitat improvement, expansion and establishment of goose populations, research, public information and other conservation projects. Your comments and suggestions are welcomed. For more information on the Alaska and federal duck stamp programs contact:

Alaska Department of Fish and Game
Waterfowl Coordinator
333 Raspberry Road
Anchorage, AK 99518-1599

U. S. Fish and Wildlife Service
Duck Stamp Office
Department of the Interior
Washington, D. C. 20240

Alaska Waterfowl Conservation Stamps are sold by hunting and fishing license vendors throughout Alaska, or by mail from Alaska Department of Revenue, Fish and Game Licensing Section, 1111 West 8th Street, Room 108, Juneau, AK 99801. Duck stamp art prints are sold by many Alaska art galleries and by mail from magazine and catalogue retailers. Federal duck stamps are available (seasonally) from all U. S. Post Offices.

Fact Sheet

Alaska Waterfowl Conservation Stamp May 1985

- 1984 legislation established a waterfowl conservation stamp and fee of \$5.00 effective with the 1985-85 hunting season. With the exception of persons under the age of 16 or over 60, disabled veterans and persons who qualify for a 25 cent license fee, waterfowl hunters must have an Alaskan Waterfowl Conservation Stamp in addition to the Federal Duck Stamp.
- The First-of-State 1985 Waterfowl Conservation stamps will be available for sale from July 1, 1985 through June 30, 1987. They may be ordered directly from the Department of Revenue or purchased through the usual license outlets.
- Approximately 130,000 stamps are to be issued with 25,000 set aside to go with the limited edition prints of the artwork. The number of limited edition prints will be set by the number of prints ordered by dealers through established distributors by October 31, 1985. Approximately 4000 art quality posters will also be printed for sale.
The Limited Edition prints will be available at most art dealers. Prints will be issued to distributors no later than January 10, 1985 and perhaps earlier.
- Regular Edition prints, numbered, signed by the artist and accompanied by the stamp will retail for \$140.00. A Medallion Edition print, numbered and signed by the artist and with a gold plated medallion, plus stamp will retail for \$305.00. Executive Edition prints, numbered and signed by the artist, with stamp and artist ~~remark~~ will retail for \$775.00. Posters will retail for \$16.00. Collectors may purchase plate blocks (4 stamps with a plate block number) for \$20.00 and full sheets of 30 stamps for \$150.00. The contractor will supply some art posters for promotion and posters designed specifically for licensed vendors along with other promotional materials. Records of all print numbers and buyers will be maintained so that matching numbers may be provided in future years.
- Alaska joins New York in becoming the 30th and 31st states with waterfowl stamp programs. There is a growing demand for wildlife art and enthusiasts place great value on first of state stamps, sets in mint condition and limited edition prints. Prints and stamp series from other states have doubled in value and collections of federal stamps are extremely valuable.

It is expected that 83 percent of the revenue generated by the program will come from out of state art collectors. It is estimated that the expanding national market for duck stamp art could bring in between \$200,000 to \$1 million to benefit the conservation of the ten million ducks and one million geese that leave Alaska each fall bound for all four North American flyways.

The artwork selected for the stamp, depicting three Emperor geese by waters edge, was done by Minnesota artist Daniel Smith. Smith's work has appeared on the 1983 Minnesota Pheasant Stamp and in National Geographic Society's "Field Guide to North American Birds." The art was selected as part of an artist-publisher partnership package. Ten proposals from six publishing companies were submitted in a competitive bid process and included a total of 35 waterfowl paintings. Smith is represented by Voyageur Art, the second largest wholesale publisher and distributor of wildlife stamp prints in the nation. Selection criteria included the need for the proposal to provide a good opportunity for fund-raising while establishing the Alaska Waterfowl Stamp series as a fine, collection-quality art.

The purpose of the Waterfowl Conservation Stamp is to provide a way for non-hunters and hunters in Alaska and from outside to support conservation projects that will conserve and enhance waterfowl, acquire wetland habitat and other related projects that will aid North America waterfowl populations.

Don W. Collinsworth, Commissioner

Public Communications
Box 3 - 2000
Juneau, Alaska 99802
(907) 465-4113



Alaska Department of Fish & Game

NEWS

FOR IMMEDIATE RELEASE

For more information contact:

November 27, 1985

Tom Rothe, 267-2206

ALASKA WATERFOWL STAMP PRINT SETS RECORD

JUNEAU--Sales of Alaska's first duck stamp art print have generated the largest edition size and most profitable royalty payments of any state stamp program in history. The 17,350 prints that were ordered exceed the previous mark of 16,500 set by Texas by 1981.

Alaska's record print sales and stamp revenues are expected to produce an endowment of over \$900,000 from the first year program. Income is expected to drop off sharply to around \$200,000 in subsequent years as a result of more limited sales of prints, mostly to Alaskans and series collectors outside.

The nationwide popularity of Alaska's print, featuring three emperor geese, can be primarily attributed to the exceptionally strong design by artist Daniel Smith and the broad appeal of Alaskan wildlife im-

(More)

November 27, 1985

3-3-3

ages, according to Lowell Thompson of Voyageur Art, the publisher contracted to produce and market the program. Thompson also said that the success of the Alaska stamp program is especially significant in light of the competitive market that developed this year.

New York, Kentucky, Wyoming, and recently Georgia all issued first-of-state duck stamps in 1985, and Canada launched its first Wildlife Habitat Conservation Stamp program. Daniel Smith's painting of wood ducks was selected for Georgia's stamp, making him the first artist to win two first-of-state competitions in one year.

Because of the growing demand for duck stamp prints by art collectors, waterfowl enthusiasts and investors, most of Alaska's prints were sold to purchasers in the lower 48 states. Besides obtaining an uncommon print of emperor geese, these out-of-state buyers contributed a substantial amount of revenue for waterfowl conservation in Alaska.

In purchasing close to 5,000 prints, Alaskans demonstrated unusually strong support for a first-of-the-state program. Residents are in the best position to increase the investment value of their prints by receiving the lowest-numbered prints in the edition and collecting the Alaska duck stamp series. Although print values are usually higher in small editions, the 1981 Texas print in the former largest state edition is now worth nearly \$700. The value of a state series have increased rapidly because subsequent year editions usually get smaller, reducing the number of complete sets.

(More)

3-3-3-3

November 27, 1985

The Department of Fish and Game hopes to continue the success of the duck stamp program by offering a fine collectible series of prints depicting unique Alaskan and northern waterfowl species. The 1986 design, to be selected in December, will feature the Steller's Eider.

The most highly regarded paintings entered in the competition will be exhibited at the Anchorage Historical and Fine Arts Museum, January 5-19 and at the Alaska State Museum in Juneau, January 25-February 9.

The Department of Fish and Game is developing concepts for waterfowl conservation work to be funded from the stamp program, and has plans to transplant Canada geese to Kodiak in July of 1986 as an initial project. The department is actively soliciting ideas for stamp-funded projects. Interested groups and members of the public should send suggestions to Tom Rothe, Waterfowl Coordinator, at the department's Anchorage office.

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STATE STAMP PRINT HISTORY 1971-1982

YEAR	STATE	ARTIST	EDITION SIZE	ELIGIBILITY
1979	Alabama*	Barbara Keel	1,750 s/n + 250 rem	commission by Alabama
1980	Alabama	Wayne Spradley	1,000 s/n	commission by Alabama
1981	Alabama	Jack Deloney	950 s/n	residents/first contest year
1982	Alabama	Joe Michelet	850 s/n	residents
1981	Arkansas*	Lee LaBlanc	7,200 s/n + 600 rem + 500 ex	comm artist & publisher by AR F & G
1982	Arkansas	Haynard Reece	7,440 s/n + 600 rem + 500 ex	comm artist & publisher by AR F & G
1971	California*	Paul B. Johnson	500 s/n	commission by CA/staff artist
1972	California	Paul B. Johnson	40 s/n stamps destroyed prematurely	commission by CA/staff artist
1973	California	Paul B. Johnson	500 s/n	commission by CA/staff artist
1974	California	Paul B. Johnson	500 s/n	commission by CA/staff artist
1975	California	Paul B. Johnson	500 s/n	commission by CA/staff artist
1976	California	Paul B. Johnson	500 s/n	commission by CA/staff artist
1977	California	Paul B. Johnson	500 s/n	commission by CA/staff artist
1978	California	Ken Michaelson	500 s/n	residents
1979	California	Walter Wolfe	500 s/n	residents
1980	California	Walter Wolfe	700 s/n	residents
1981	California	Robert Steiner	1,150 s/n	residents
1982	California	Robert Richert	950 s/n	residents
1980	Delaware*	Ned Hayne	1,980 s/n	residents + residents of states w open comp.
1981	Delaware	Charles Rowe	1,981 s/n	residents + residents of states w/open comp.
1982	Delaware	Lois Dutler	1,982 s/n	residents + residents of states w/open comp.
1979	Florida*	Bob Binks	1,000 s/n	commission by Florida Game commission
1980	Florida	Ernest Simmons	1,000 s/n	open
1981	Florida	Clark Sullivan	1,000 s/n	open
1982	Florida	Lee Cable	1,250 s/n	open
1975	Illinois*	Robert Eschenfeldt	500 s/n	commissioned by IL
1976	Illinois	Robert G. Larson	500 s/n	residents
1977	Illinois	Richard Lynch	500 s/n	residents
1978	Illinois	Everett Staffeldt	500 s/n	residents
1979	Illinois	John Eggert	500 s/n	residents
1980	Illinois	Dart Kassabaum	500 s/n	residents
1981	Illinois	Jim Trandel	500 s/n	residents
1982	Illinois	Art Sinden	600 s/n	residents

STATE STAMP PRINT HISTORY 1971-1982

YEAR	STATE	ARTIST	EDITION SIZE	ELIGIBILITY
1976	Indiana*	Sonny Bashore	500 s/n	commission by IH/staff artist
1977	Indiana	Sonny Bashore	18 s/n	commission by IH/staff artist
1978	Indiana	Carl "Spike" Knuth	18 s/n	open
1979	Indian	Diane Pierce	20 s/n	open
1980	Indiana	Dean Rocky Barrick	24 s/n	open
1981	Indiana	Rodney Crossman	30 s/n	open
1982	Indiana	George Hetz	50 s/n	open
1972	Iowa*	Maynard Reece	500 s/n	Commissioned by IA
1973	Iowa	Thomas Murphy	500 s/n	residents
1974	Iowa	James F. Landenberger	500 s/n	residents
1976	Iowa	Nick Klepinger	500 s/n	residents
1977	Iowa	Maynard Reece	900 s/n	residents
1978	Iowa	Nick Klepinger	600 s/n	residents
1979	Iowa	Andrew Peters	750 probably not s/n	residents
1980	Iowa	Paul Bridgford	850 s/n	residents
1981	Iowa	Brad Reece	900 s/n	residents
1982	Iowa	Tom Walker	650 s/n	residents
1974	Maryland*	John W. Taylor	500 s/n	commissioned by Maryland Dept. of Nat. Resources
1975	Maryland	Stanley Stearns	650 s/n	residents
1976	Maryland	Louis Frisino	500 s/n	residents
1977	Maryland	Jack Schroeder	850 s/n	residents
1978	Maryland	Stanley Stearns	1,200 s/n	residents
1979	Maryland	John W. Taylor	951 s/n	residents
1980	Maryland	Jack Schroeder	1,175 s/n	residents
1981	Maryland	Arthur R. Eakin	1,250 s/n	residents
1982	Maryland	Roger Bucklin	1,575 s/n	residents
1974	Massachusetts*	Hilton C. Weiler	600 edition by heirs	comm. by MA Div. of Fisheries of Wildlife
1975	Massachusetts	Tom Hennessey	500 s/n	open/must be decoy of MA carver
1976	Massachusetts	William P. Tyner	500 s/n	open/must be decoy of MA carver
1977	Massachusetts	William P. Tyner	137 s/n	open/must be decoy of MA carver
1978	Massachusetts	William P. Tyner	175 s/n	open/must be decoy of MA carver
1979	Massachusetts	Randy Julius	175 s/n	open/must be decoy of MA carver
1980	Massachusetts	John Eggert	600 s/n	open/must be decoy of MA carver
1981	Massachusetts	Randy Julius	250 s/n	open/must be decoy of MA carver
1982	Massachusetts	John Eggert	400 s/n	open

STATE STAMP PRINT HISTORY 1971-1982

YEAR	STATE	ARTIST	EDITION SIZE	ELIGIBILITY
1976	Michigan*	Oscar Warbach	500 s/n	commission by MI/staff artist
1977	Michigan	Larry Hayden	650 s/n	residents
1978	Michigan	Richard Timm	700 s/n	residents
1979	Michigan	Andrew Kurzman	700 s/n	residents
1980	Michigan	Larry Hayden	900 s/n	residents
1981	Michigan	Dietmar Krumrey	1,200 s/n	residents
1982	Michigan	Gijsbert van Frankenhuyzen	1,200 s/n	residents (until 1985)
1977	Minnesota*	David Maass	3,300 estimated not numbered	commission by state
1978	Minnesota	Les C. Kouba	3,500 estimated not numbered	residents
1979	Minnesota	David Maass	3,800 s/n	residents
1980	Minnesota	James Megar	3,500 s/n	residents
1981	Minnesota	Terry Redlin	7,800 s/n	residents
1982	Minnesota	Phil Scholer	6,500 s/n	residents
1976	Mississippi*	Carroll J. & Gwen K. Perkins'	500 s/n	commission by MS game and fish
1977	Mississippi	Allen Hughes	500 s/n	commission by MS Game and Fish
1978	Mississippi	John Reimers	500 s/n	first issue by contest, residents
1979	Mississippi	Carole Pigott Hardy	500 s/n	residents
1980	Mississippi	Bob Tompkins	500 s/n	residents
1981	Mississippi	John Reimers	500 s/n	residents
1982	Mississippi	Jerry Johnson	500 s/n	residents
1979	Missouri	Charles W. Schwartz	1,000 s/n	commission by MO/staff artist
1980	Missouri	David Plank	1,250 s/n	residents
1981	Missouri	Tom Crain	1,000 s/n	residents
1982	Missouri	Gary Lucy	1,800 s/n	residents
1978	Montana*	Marlowe Urdahl	1,300 s/n	residents
1979	Montana	John Michael Marion	600 s/n	residents
1980	Montana	Ron Jenkins	300 s/n	residents
1982	North Dakota*	Richard Plasschaert	9,939 s/n	commission by state
1979	Nevada*	Larry Hayden	1,990 s/n + 500 rem	open
1980	Nevada	Dick McRill	1,990 s/n	open
1981	Nevada	Phil Scholer	2,025 s/n	open
1982	Nevada	Richard Timm	2,200 s/n	open

STATE STAMP PRINT HISTORY 1 71-1982

YEAR	STATE	ARTIST	EDITION SIZE	ELIGIBILITY
1980	Oklahoma*	Patrick Sawyer	1,980 s/n	residents
1981	Oklahoma	Hoyt Smith	1,980 s/n	residents
1982	Oklahoma	Jeffrey Frey	1,980 s/n	residents
1982	Ohio*	John Ruthven	9,000 s/n	commission by Ohio
1976	South Dakota*	Robert Kusserow	500 s/n	residents
1977	South Dakota	Don Steinbeck	150 1st ed s/n + 150 1nd ed s/n	residents
1978	South Dakota	John Moisan	300 s/n	residents
1979	South Dakota	John Wilson	300 s/n	residents
1980	South Dakota	John Moisan	300 s/n	residents
1981	South Dakota	John Wilson	500 s/n	residents
1982	South Dakota	Robert Kusserow	500 s/n	residents
1981	South Carolina*	Lee LaBlanc	4,500 s/n	open
1982	South Carolina	Bob Binks	4,000 s/n	open
1979	Tennessee*	Dick Elliot	1,979 s/n	residents
1980	Tennessee	Thompson Phillip Crowe, IV	1,000 s/n	residents
1981	Tennessee	Bob Gillespie	1,200 s/n	residents
1982	Tennessee	Ken Schulz	1,250 s/n	residents
1981	Texas*	Larry Hayden	16,500 s/n	publisher and artist package
1982	Texas	Ken Carlson	9,500 s/n	publisher and artist package
1978	Wisconsin*	Owen J. Gromme	5,800 s/n	commission by state
1979	Wisconsin	Rockne Knuth	1,700 s/n	residents
1980	Wisconsin	Martin Murk	1,250 s/n	residents
1981	Wisconsin	Timothy C. Shultz	1,700 s/n	residents
1982	Wisconsin	William Koelpin	2,300 s/n	residents:

*first of state

1983 DUCK STAMP PRINTS

YEAR	STATE	ARTIST	EDITION SIZE	ELIGIBILITY
1983	New Hampshire*	Richard Plasschaert	Limited to confirmed orders by September 30, 1983	publisher-artist package
1983	Pennsylvania*	Ned Smith	Limited to confirmed orders by September 15, 1983	publisher-artist package
1983	North Carolina*	Richard Plasschaert	Limited to confirmed orders by August 30, 1983	publisher-artist package

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF FISH AND GAME

P.O. BOX 3-2000
JUNEAU, ALASKA 99802
PHONE: (907) 465-4190

DIVISION OF GAME

September 3, 1985

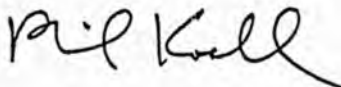
To Interested Parties:

The Request for Proposals (RFP) for Alaska's 1986 Waterfowl Conservation Stamp Program is enclosed. Although similar to last year, the RFP for the second year of the state "duck stamp" program has been extensively revised. Respondents to this RFP should be contractor/publishers who can provide original artwork, production and marketing services, and project administration. Indications are that Alaska's 1985 program will be highly successful. By improving the RFP and making an early call for proposals, we hope to maximize the prospects of the 1986 program as well.

The department will only consider artwork that is offered as part of a complete proposal. Artists and publishers should take particular note of "Artist and Design Requirements" on page 13 of the RFP. The subject of the 1986 stamp and print will be the Steller's eider (Polysticta stelleri). Artists who are interested in providing a design but cannot provide other services required by the RFP, should contact a publisher that will be submitting a proposal to the department. For your information, a list of all publishers that submitted proposals for the 1985 program is enclosed. Upon request, the department will provide a list of other publishers that express interest in the 1986 program or have produced stamp/print programs elsewhere. To be considered, artwork and proposals must be received by close of business on December 6, 1985.

If you would like additional information or have questions after examining this RFP, please let me know.

Sincerely,



Phil Koehl
Game Biologist

Enclosures

ALASKA STATE WATERFOWL CONSERVATION STAMP
and
ART PRINT PROGRAM

NAMES AND ADDRESSES OF 1985 RESPONDENTS:

Voyageur Art, Inc.
2828 Anthony Lane South
Minneapolis, Minnesota 55418
Phone: (612) 788-2253

Frontier Publishing
P. O. Box 366
Eugene, Oregon 97440
Phone: (503) 345-5032

Sport'en Art/Midwest Marketing
Rural Route 3
Sullivan, Illinois 61951
Phone: (217) 797-6354

Artique, Ltd.
314 "G" Street
Anchorage, Alaska 99501
Phone: (907) 277-1663

Clearwater Publishing
P. O. Box 3220
Tustin, California 92681
Phone: (714) 835-3545

Art Alaska
Specialized Professional Services
P. O. Box 194
Auke Bay, Alaska 99821
Phone: (907) 586-4100

MAJOR PUBLISHERS THAT MAY SUBMIT PROPOSALS:

Wild Wings
South Hwy. 61
Lake City, Minnesota 55041
ATTN: Bill Webster, Sr.

Collector's Covey
15 Highland Park Village
Dallas, Texas 75205
ATTN: Martin Wood

Russell A. Fink
9843 Gunston Road
Lorton, Virginia 22079

Petersen Prints
6725 Sunset Blvd., Suite 408
Los Angeles, California 90028

National Wildlife Galleries
2221 Flor Avenue
Fort Meyers, Florida 33907

Swan Graphics
P. O. Box 15185
Chattanooga, Tennessee 37415

Sporting Graphics
16725 Cleveland Street
Redmond, Washington 98052
ATTN: Don Leabo

REQUEST FOR PROPOSALS

For Development of

1986 Alaska State Waterfowl Conservation Stamp
and Art Print Program

ATN# 86-0262

By the Alaska Department of Fish and Game
Division of Game
P.O. Box 3-2000
Juneau, Alaska 99802

Issued: September 3, 1985

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Exhibit 5: Advertisement Schedule Form

Exhibit 6: Expenditure Sheet

I. INTRODUCTION AND INSTRUCTIONS

1. Purpose

The Alaska Department of Fish and Game (hereinafter the department) is requesting proposals for original design, production, and marketing services for the 1986 Alaska Waterfowl Conservation Tag (stamp) and art reproductions, as authorized under AS 16.05.826.

2. Issuing Office

The Issuing Office for this Request for Proposals (RFP) is:
Alaska Department of Fish and Game
Division of Game
P.O. Box 3-2000
Juneau, Alaska 99802
Tele: 907/465-4190

3. Contact Person

Questions regarding Sections I, IV, V, and VI of this RFP should be directed to Phil Koehl at the Issuing Office (see above). Questions about Sections II, III, and VII may be directed to Jaki Beeson, Division of Administration, Alaska Department of Fish and Game, P.O. Box 3-2000, Juneau, Alaska 99802 (907/465-4120).

4. Mailing Address and Due Date for Receipt of Proposals

Four copies of the Proposal, and all artwork, must be submitted to the Alaska Department of Fish and Game, 333 Raspberry Road, Anchorage, Alaska 99502. ATTENTION: Tom Rothe (907/267-2179) and RECEIVED no later than close of business December 6, 1985.

5. Duration of Contract

The contract resulting from this RFP is expected to begin January 1, 1986 and continue through March 31, 1987.

6. Location of Work

Work may be performed at the contractor's place of business. However, the contractor will be required to travel within Alaska to discuss the project with department personnel and to travel both inside and outside the state for promotional purposes.

7. Cost of Contract

All expenses relating to a contract as a result of this RFP will be the responsibility of the contractor. The department will not provide funds for any portion of the anticipated contract.

8. Solicitation

The RFP is being distributed to all publishers and artists who made inquiries of the Division of Game after August 1, 1985, to

all parties named on the Professional Services Contract Register (6980 Painter), and to everyone who requested an RFP in the previous year of the Waterfowl Conservation Stamp Program. In addition, the RFP will be sent, upon request, to all parties responding to advertisements in Juneau, Fairbanks, Anchorage, and other Alaska newspapers regarding the waterfowl stamp program.

9. Royalties and Other Payments

A contract negotiated as a result of this RFP will include a royalty payment to be paid to the State for each art reproduction and other products sold to the public. All royalty and other payments shall be paid to the department as outlined in this RFP.

II. GENERAL PROPOSAL INFORMATION

1. Required Review

Interested contractors are required to carefully review this request without delay for defects and questionable or objectionable matter. Questions, objections, or comments should be made in writing before the proposal closing deadline so that any necessary addendums may be published and distributed to all interested contractors. Protests based upon any omissions, errors, or the content of the RFP will be disallowed if not made known prior to 15 working days before the due date for receipt of proposals.

2. Incurred Costs

The State is not liable for any costs incurred by contractors prior to the issuance of a contract. All costs incurred as a result of this RFP, including travel and personnel expenses, are the sole responsibility of the contractor.

3. Disclosure of Proposal Contents

AS 09.25.110 requires public records be open to reasonable inspection by the public. All proposals and other material submitted (except the original artwork) become the property of the State and may be returned only at the State's option. Detailed costs and price information provided in proposals will be held in confidence until notice of award.

4. Right of Rejection

The State reserves the right to reject any proposals that do not address all the requirements of this RFP. In addition, the State may reject all proposals at any time if there has been improper or inadequate review or when it is not in the best interest of the State to select a proposal.

5. Authorized Signature

Proposals must be signed by an individual authorized to bind the contractor to its provisions. The proposal must remain valid for at least ninety (90) days. Any proposals submitted as a joint venture must be signed by all of the partners proposing to participate in the venture.

6. Subcontractors

All contractors must list in their proposal the names and addresses of proposed subcontractors and the type and percentage of work each will be providing. Resumes and other information may also be required.

7. Licenses

Any successful contractor will be required to hold a valid Alaska business license and the necessary applicable professional

licenses required by Alaska Statute. For more information on these licenses, contact the Department of Revenue, Business Licenses, Pouch SA, Juneau, Alaska 99811 (907/465-2392) and the Department of Commerce and Economic Development, Corporations Section, Pouch D, Juneau, Alaska 99811, Attn: Kevin Schaaf (907/465-2530).

8. Evaluation of Proposals

All proposals received from contractors will be reviewed and evaluated by a committee of qualified personnel on the basis of the evaluation criteria set forth in this RFP. The committee will recommend for selection the proposal that best meets the requirements of this RFP.

9. Oral Presentation

The evaluation committee reserves the right to require selected contractors to make an oral presentation of their proposal. Such presentations provide the contractor with an opportunity to clarify the proposal and to ensure a mutual understanding of its content. The presentations may be scheduled at the convenience of the Issuing Office.

10. Interviews

The evaluation committee reserves the right to independently interview contractors if the preliminary evaluation results in two or more contractors being equally qualified. The interviews will be scheduled at the convenience of the Issuing Office.

11. Notice of Award

After completion of the evaluation process, the department will issue a notice of award to all contractors who responded to this Request for Proposals. This notice will contain the names and addresses of all the respondents, including the intended recipient of the contract. The contract award will be contingent upon completion of successful negotiations of the terms and provisions of the contract. If the apparent successful contractor can not come to negotiated terms, the state may negotiate with the next best qualified contractor.

12. Aggrieved Respondents

A respondent may protest the award of the contract let in accordance with this Request for Proposals.

An aggrieved respondent requesting a hearing must follow the instructions below. Failure to follow these instructions may result in automatic rejection of the appeal.

The respondent must:

1. Immediately notify the issuing office of his/her intention to appeal.