

ALASKA LEGISLATURE COMMITTEE FILES 1991-1992 8672
7583 SENATE LABOR & COMMERCE

B) Rationale for having an IAB with voting representation on the Aerospace Development Corporation:

- (1) The major purpose for forming the Aerospace Development Corporation is to promote, facilitate and regulate commercial space activities in Alaska in general and to accommodate, coordinate, and regulate commercial use of Poker Flat in particular.
- (2) Industry board members has it in their best interests to:
 - Keep the Board focused on industry requirements.
 - To make sure that the policies and procedures enacted by the Board are commercially reasonable.
 - To make sure the unique needs of a company operating out of Poker Flat are met (as compared to other ranges).

Alaska State Legislature

Senator Drue Pearce, Chair
Senator Virginia Collins, Vice Chair
Senator Dick Eliason
Senator Rick Halford
Senator Jay Kerttula



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SENATE LABOR AND COMMERCE COMMITTEE

SENATE LABOR & COMMERCE COMMITTEE

LETTER OF INTENT

SCS FOR CSHB 46 (L&C)

IT IS THE INTENT OF THE LEGISLATURE THAT THE ALASKA AEROSPACE DEVELOPMENT CORPORATION FORM AN INDUSTRY ADVISORY BOARD. MEMBERSHIP OF THE BOARD SHALL BE COMPRISED OF ONE MEMBER FROM ANY CORPORATION WHICH ARE GOVERNED OR REGULATED BY THE ALASKA AEROSPACE DEVELOPMENT CORPORATION. THE IAB MAY BE ASKED BY THE CORPORATION TO RESEARCH POLICY ISSUES AND MAKE RECOMMENDATIONS TO THE CORPORATION.

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DRAFT

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CORPORATION, WHICH ARE GOVERNED OR REGULATED BY THE ALASKA

*INTERESTED
AEROSPACE
DEVELOPMENT*
*COMPANY ACTIVELY INVOLVED IN AEROSPACE ACTIVITIES IN
ALASKA*
~~AEROSPACE DEVELOPMENT CORPORATION.~~ THE IAB MAY BE ASKED BY THE
CORPORATION TO RESEARCH POLICY ISSUES AND MAKE RECOMMENDATIONS TO
THE CORPORATION.

SENATE CS FOR CS FOR HOUSE BILL NO. 46 (L&C)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES MOYER, Koponen, M.A.Miller

A BILL

FOR AN ACT ENTITLED

1 "An Act creating the Alaska Aerospace Development Corporation; providing for the lease
2 of state land to the corporation; providing an exemption from municipal sales and use
3 taxes for space-related activities; and providing for an effective date."

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

5 * Section 1. SHORT TITLE. This Act may be known as the Alaska Aerospace Development
6 Corporation Act.

7 * Sec. 2. AS 14.40 is amended by adding new sections to read:

8 ARTICLE 7. ALASKA AEROSPACE DEVELOPMENT CORPORATION.

9 Sec. 14.40.821. CREATION AND TERMINATION OF CORPORATION. (a) The
10 Alaska Aerospace Development Corporation is created as a public corporation of the state. The
11 corporation is a body corporate and politic located for administrative purposes within the
12 Department of Commerce and Economic Development and affiliated with the University of
13 Alaska but with a separate and independent legal existence.

14 (b) The corporation may not be terminated as long as it has bonds, notes, or other

1 obligations outstanding. If the corporation is terminated, it shall be terminated in a manner that
2 permits the University of Alaska and Poker Flat Research Range to continue their research and
3 educational missions uninterrupted.

4 Sec. 14.40.826. BOARD OF DIRECTORS. (a) The board of directors of the corporation
5 consists of nine members appointed by the governor as follows:

- 6 (1) one member of the Board of Regents of the University of Alaska;
- 7 (2) the president or the designee of the president of the University of Alaska;
- 8 (3) the director of the Geophysical Institute of the University of Alaska;
- 9 (4) the executive director of the Alaska Science and Technology Foundation;
- 10 (5) the commissioner of commerce and economic development or the
11 commissioner's designee;
- 12 (6) two experts with experience and understanding of the aerospace or commercial
13 space industry, one of whom shall have a special emphasis in federal regulatory procedures and
14 policy involving space;
- 15 (7) one faculty member of the University of Alaska with research interests
16 involving rockets or satellites;
- 17 (8) a public member.

18 (b) The members of the board of directors of the corporation described in (a)(6) of this
19 section may be nonresidents of the state. The term of the members described in (a)(1), (6), and
20 (8) of this section is four years and those terms shall be staggered.

21 (c) Members of the board of directors of the corporation described in (a)(6) and (8) of
22 this section receive \$100 compensation for each day spent on official business of the corporation.

23 (d) Members of the board of directors of the corporation are entitled to per diem and
24 travel expenses authorized under AS 39.20.180.

25 Sec. 14.40.831. CHAIR AND VICE-CHAIR. The president of the University of Alaska
26 or the designee of the president shall be the chair of the board of directors of the corporation.
27 The commissioner of commerce and economic development or the designee of the commissioner
28 shall be vice-chair of the board of directors of the corporation. The vice-chair presides over all
29 meetings in the absence of the chair and has other duties the board of directors of the corporation
30 may direct.

31 Sec. 14.40.836. MEETINGS: STAFF. (a) A majority of the members of the corporation

1 constitutes a quorum for the transaction of business or the exercise of a power or function at a
2 meeting of the corporation. The corporation shall meet at least every three months. The
3 corporation may meet and transact business by electronic media if (1) public notice of the time
4 and locations where the meeting will be held by electronic media has been given in the same
5 manner as if the meeting were held in a single location; (2) participants and members of the
6 public in attendance can hear and have the same right to participate in the meeting as if the
7 meeting were conducted in person; and (3) copies of pertinent reference materials, statutes,
8 regulations, and audio-visual materials are reasonably available to participants and the public.
9 A meeting by electronic media as provided in this subsection has the same legal effect as a
10 meeting in person.

11 (b) The corporation may employ persons as staff it considers advisable, including an
12 executive director, and may employ professional advisors, technical experts, agents, and other
13 employees it considers advisable. The executive director and employees of the corporation are
14 in the exempt service under AS 39.25.

15 (c) The corporation may hire legal counsel to represent the corporation.

16 (d) The corporation shall keep minutes of each meeting and send a certified copy of the
17 minutes to the governor and to the Legislative Budget and Audit Committee.

18 Sec. 14.40.841. ALASKA AEROSPACE DEVELOPMENT CORPORATION
19 REVOLVING FUND. The Alaska Aerospace Development Corporation revolving fund is
20 established in the corporation. The revolving fund consists of appropriations made to the
21 revolving fund by the legislature, and rents, fees, or other money or assets transferred to the
22 revolving fund by the corporation. Amounts deposited in the revolving fund may be pledged to
23 the payment of bonds of the corporation or expended for the purposes of the corporation under
24 this chapter.

25 Sec. 14.40.846. INSURANCE COVERAGE; SAFETY PROGRAM. (a) The corporation
26 may engage actuarial experts and shall develop probability models to indicate the degree of
27 potential harm to the public and private enterprise from the corporation's activities.

28 (b) The corporation shall, to the extent available and consistent with federal requirements,
29 secure insurance coverage within reasonable limits for liability that may arise as a consequence
30 of its activities and the activities of its officers and employees and to insure its buildings,
31 structures, and other facilities against loss.

- 1 (c) The corporation shall establish a safety program that includes
- 2 (1) the development and implementation of a loss prevention program consisting
- 3 of a comprehensive corporation wide safety program, including a statement by the board, of
- 4 safety policy and responsibility and regulations implementing it;
- 5 (2) provision for regular and periodic facility and equipment inspections;
- 6 (3) investigation of job-related accidents and other accidents occurring on the
- 7 premises of the corporation or within areas of its jurisdiction;
- 8 (4) the establishment of a program to promote increased safety awareness among
- 9 employees, agents, and subcontractors of the corporation;
- 10 (5) the study of safety operations at other space-related facilities in the United
- 11 States;
- 12 (6) all federal and state safety and emergency facility requirements for commercial
- 13 space facilities.

14 Sec. 14.40.851. SPACE ACTIVITIES LOCATION. To the extent that the University of

15 Alaska agrees to lease the Poker Flat Research Range to the corporation, the Poker Flat Research

16 Range constitutes the location and launch site for the corporation. The corporation may not

17 pledge or encumber the Poker Flat Research Range, nor is it an asset of the corporation. Other

18 sites may be developed and utilized if determined by the board to be necessary.

19 Sec. 14.40.856. LICENSES AND PERMITS. The corporation shall obtain all federal and

20 state licenses and permits necessary to fulfill the purposes, to perform the duties, and exercise

21 the powers of the corporation.

22 Sec. 14.40.861. PURPOSE OF THE CORPORATION. The purpose of the corporation

23 is to allow the state to take a lead role in the exploration and development of space, to enhance

24 human and economic development, and to provide a unified direction

25 (1) for space-related economic growth thereby ensuring a stable and dynamic

26 research and business climate by attracting space-related businesses to locate within and utilize

27 the opportunities provided in the state;

28 (2) for space-related educational and research development by encouraging and

29 assisting the University of Alaska in developing space-related programs, research, and courses

30 of instruction and to assist the University of Alaska as a member of the Space Grant State

31 Consortia under 42 U.S.C. 2486 (National Space Grant College and Fellowship Program);

1 (3) to promote the continued utilization of the Poker Flat Research Range as a
2 launch site for launch vehicles and for scientific research both from ground based and rocket or
3 balloon based instrumentation;

4 (4) to recognize the importance and benefits of and to promote and encourage the
5 continued utilization of Poker Flat Research Range for the University of Alaska's polar research
6 efforts;

7 (5) for promotion of space-related tourism activities at Poker Flat Research Range
8 and other space-related facilities or centers that may be utilized or established by the corporation;
9 and

10 (6) for development of a state strategy for and to implement the acceleration of
11 space-related economic growth and educational and research development in the state by the use
12 of innovative development methods designed to stimulate space-related business and educational
13 and research development and improve the entrepreneurial atmosphere in the state.

14 Sec. 14.40.866. POWERS AND DUTIES OF THE CORPORATION. (a) In furtherance
15 of its corporate purposes, in addition to its other powers the corporation may

16 (1) sue and be sued;

17 (2) adopt a seal;

18 (3) have perpetual succession;

19 (4) adopt, amend, and repeal bylaws and regulations;

20 (5) make and execute contracts and other instruments;

21 (6) in its own name acquire property, lease, rent, convey, or acquire real and
22 personal property, except that a project site or part of a project site may not be acquired by
23 eminent domain;

24 (7) issue bonds and otherwise incur indebtedness, in accordance with
25 AS 14.40.891, in order to pay the cost of a project or projects to construct or improve launch
26 facilities or other space and aerospace projects or in order to provide money for the corporation's
27 purposes under this chapter; the corporation may also secure payment of the bonds or other
28 indebtedness as provided in this chapter;

29 (8) accept gifts, grants, or loans from, and enter into contracts or other
30 transactions regarding them with, a federal agency or an agency or instrumentality of the state,
31 a municipality, private organization, or other source;

1 (9) enter into contracts or agreements with a federal agency, agency or
2 instrumentality of the state, municipality, or public or private individual or entity, with respect
3 to the exercise of its powers, and do all things necessary or convenient to carry out its corporate
4 purposes and exercise the powers granted in this chapter;

5 (10) own, acquire, construct, develop, create, reconstruct, equip, operate, maintain,
6 extend, and improve launch sites, launch pads, landing areas, ranges, payload facilities,
7 laboratories, space business incubators, facilities for the construction of rockets and other launch
8 vehicles, and other space facilities and space-related systems, including educational, cultural,
9 tourism, and parking facilities, and space-related initiatives;

10 (11) undertake a program of advertising to the public and space-related businesses
11 promoting the space-related projects of the corporation and space-related businesses;

12 (12) construct, improve, and operate by itself or in cooperation with the
13 University of Alaska or the Department of Transportation and Public Facilities transportation
14 facilities appropriate to meet the transportation requirements of a facility operated by the
15 corporation;

16 (13) construct, improve, and operate water, sewage, and utility service to a facility
17 operated by the corporation;

18 (14) construct, provide, or improve public safety facilities for a facility operated
19 by the corporation;

20 (15) charge fees, rents, or other charges for the use of a facility, structure, or
21 service developed, operated, or provided by the corporation including fees, rents, and other
22 charges in excess of the actual operating cost of the use of the facility, structure, or service;

23 (16) pledge rents, fees, charges, or other revenue from the use of its services or
24 facilities as security for bonds of the corporation;

25 (17) undertake to finance or develop a space-related project with any agency or
26 authority of the state, its political subdivisions, agencies or authorities of other states, the federal
27 government, foreign governments, or private entities;

28 (18) apply to the federal government for a grant allowing the designation of
29 corporation territory as a foreign trade zone under AS 45.77.010;

30 (19) negotiate agreements for the overflight or recovery of a space vehicle, rocket,
31 missile, payload, booster, scientific experiments or other space-related material, debris, or parts

1 with any person or entity, including but not limited to adjacent landowners;

2 (20) lease the Poker Flat Research Range or portions of it from the University of
3 Alaska and to lease to the University space-related facilities that the corporation may construct
4 or acquire;

5 (21) apply for and hold in the name of the corporation patents, copyrights, and
6 other intellectual property.

7 (b) The corporation shall

8 (1) prepare an annual report of its operations to include a balance sheet, an
9 income statement, a statement of changes in financial position, a reconciliation of changes in
10 equity accounts, a summary of significant accounting principles, an auditor's report, comments
11 regarding the year's business, and prospects from the next year; the report shall be provided by
12 the third day of each regular session of the legislature to the governor, the presiding officers of
13 each house of the legislature, the University of Alaska, and the Legislative Budget and Audit
14 Committee;

15 (2) submit its annual budget to the legislature through the governor as provided
16 for state agencies by AS 37.07;

17 (3) establish a personnel management system for hiring employees and setting
18 employee-benefit packages;

19 (4) establish procedures, rules, and rates governing per diem and travel expenses
20 of the employees of the corporation in substantial conformity to statutes, procedures, rules, and
21 rates governing state employees;

22 (5) fulfill its purposes, perform its duties, and exercise its power in a manner that
23 does not interfere or restrict the educational and research functions of Poker Flat Research Range
24 and the University of Alaska.

25 Sec. 14.40.871. REGULATIONS. (a) The corporation shall adopt regulations to carry
26 out the purposes of this chapter.

27 (b) Except for AS 44.62.310 and 44.62.312 regarding public meetings, the provisions of
28 AS 44.62 (Administrative Procedure Act) regarding the adoption of regulations do not apply to
29 the corporation. The corporation shall make available to members of the public copies of the
30 regulations adopted under this section. Within 45 days after adoption of a regulation under this
31 section, the chair of the corporation shall submit the regulation adopted to the chair of the

1 Administrative Regulation Review Committee under AS 24.20.400 - 24.20.460.

2 (c) The corporation may adopt regulations by motion or by resolution or in another
3 manner permitted by its bylaws.

4 (d) Except as provided in (e) of this section, at least 15 days before the adoption of a
5 regulation, the corporation shall give public notice of the proposed action by publishing the notice
6 in at least three newspapers of general circulation in the state and by mailing a copy of the notice
7 to every person who has filed a request for notice of proposed regulations with the corporation.
8 The public notice must include a statement of the time, place, and nature of the proceedings for
9 the adoption of the regulation and must include an informative summary of the subject of the
10 proposed action. On the date and at the time and place designated in the notice, the corporation
11 shall give each interested person or an authorized representative of the person, or both, the
12 opportunity to present statements, arguments, or contentions orally or in writing and shall give
13 members of the public an opportunity to present oral statements, arguments, or contentions for
14 a total period of at least one hour. The corporation shall consider all relevant matter presented
15 to it before taking the proposed action on the regulation. At a hearing under this subsection, the
16 corporation may continue or postpone the hearing to a time and place determined by the
17 corporation and announced at the hearing before taking the action to continue or postpone the
18 hearing. A regulation adopted by the corporation may vary from the informative summary
19 specified in this subsection if the subject matter of the action taken on the regulation remains the
20 same and if the original notice of the proposed action was written so as to assure that members
21 of the public are reasonably notified of the subject matter of the proposed action in order for
22 them to determine whether their interests could be affected by the corporation's proposed action
23 on that subject.

24 (e) The adoption of a regulation may be made as an emergency regulation if, in the order
25 of adoption, the corporation states the facts constituting the emergency and makes a finding that
26 the adoption of the regulation is necessary for the immediate preservation of the orderly operation
27 of the corporation's programs. The requirements of (d) of this section do not apply to the initial
28 adoption of an emergency regulation; however, upon adoption of an emergency regulation under
29 this subsection, the corporation shall, within 10 days after that adoption, publish notice of the
30 adoption in accordance with the notice procedures specified in (d) of this section. An emergency
31 regulation adopted under this subsection may not remain in effect for more than 120 days unless,

1 before the expiration of that period, the corporation adopts that regulation as a permanent
2 regulation in accordance with the procedures specified in (d) of this section.

3 (f) A regulation adopted under this section takes effect immediately upon its adoption
4 by the corporation or at another time specified by the corporation in its order of adoption.

5 Sec. 14.40.875. EXERCISE BY CORPORATION OF POWERS WITHIN
6 MUNICIPALITIES. The corporation may exercise any of its powers in all portions of a space-
7 related facility or territory lying within the boundaries of a municipality to the same extent and
8 in the same manner as in areas of the space-related facility or territory not within the boundaries
9 of a municipality.

10 Sec. 14.40.881. TRADE SECRETS CONFIDENTIAL. The corporation shall maintain
11 the confidentiality of a trade secret, or other proprietary technical information, supplied for
12 purposes related to this chapter unless the owner of the trade secret authorizes its release or a
13 court orders its release. Information covered by this section is not a public record for purposes
14 of AS 09.25.110 - 09.25.140. The corporation shall adopt regulations implementing this section.

15 Sec. 14.40.886. APPROVAL OF PROJECTS BY LEGISLATURE. Notwithstanding any
16 other provision of this chapter, a proposed construction project of \$1,000,000 or more shall be
17 submitted by the corporation to the legislature for approval at a regular session of the legislature.

18 Sec. 14.40.891. ISSUANCE OF BONDS, NOTES, AND REFUNDING BONDS. (a)
19 Except as provided in (b) of this section, the corporation may issue bonds in its discretion for
20 any of its corporate purposes and may issue refunding bonds for the purpose of paying or retiring
21 bonds previously issued by it.

22 (b) The corporation may not, without prior legislative approval, issue bonds, other than
23 refunding bonds,

24 (1) in a total amount in excess of \$1,000,000 each calendar year; or

25 (2) if the annual debt service on all outstanding bonds issued and proposed to be
26 issued exceeds \$1,000,000 in a fiscal year.

27 Sec. 14.40.896. SECURITY FOR BONDS. The corporation may issue bonds including
28 but not limited to bonds on which the principal and interest are payable (1) exclusively from the
29 income and revenue of the space-related project financed with the proceeds of the bonds, (2)
30 exclusively from the income and revenue of designated space-related projects whether or not they
31 are financed in whole or in part with the proceeds of the bonds, (3) from its revenue or other

1 assets generally, or (4) exclusively from rents, fees, charges, or other revenue collected or
2 received by the corporation. Bonds may be additionally secured by a pledge of a grant or
3 contribution from the federal government or from another source, or by a pledge of income or
4 revenue of the corporation, or by a mortgage of a space-related project or other property of the
5 corporation.

6 Sec. 14.40.899. LIMITATION OF LIABILITY ON BONDS. The members of the
7 corporation and a person executing the bonds are not liable personally on the bonds by reason
8 of their issuance. The bonds of the corporation are not a debt of the state or a political or
9 municipa? corporation or other subdivision of the state, including the University of Alaska, and
10 each bond must so state on its face. Neither the state nor a political or municipal corporation
11 or other subdivision of the state, including the University of Alaska, other than the corporation
12 is liable on the bonds, nor are the bonds payable out of funds or properties other than those of
13 the corporation. The corporation may not pledge the faith of the people of the state for a loan
14 or obligation. Bonds of the corporation are not a debt, indebtedness, or the borrowing of money
15 within the meaning of a limitation or restriction on the issuance of bonds contained in the
16 constitution or laws of the state.

17 Sec. 14.40.902. ISSUANCE AND SALE OF BONDS AND NOTES. Bonds and notes
18 of the corporation are authorized by adoption of a resolution prescribing the date of issuance and
19 maturity, interest rate, denomination, form, conversion privilege, rank or priority, execution, terms
20 of redemption, medium, and place of payment. Bonds and notes may be sold in the manner, on
21 the terms, and at the price the corporation determines. Each bond and note is negotiable. The
22 signature of a member or an officer upon a bond or note or coupon is not invalidated by that
23 person's ceasing to hold office before the delivery of the bond or note. The recitation of a bond
24 or note that it has been issued in the financing of a space-related project or purpose under this
25 chapter is conclusive as to the issuance of the bond or note and the character of the project in
26 a challenge of the validity of the bond or note or the security for it.

27 Sec. 14.40.906. BONDS EXEMPT FROM TAXES. Bonds and other obligations of the
28 corporation are issued for an essential public and governmental purpose and are public
29 instrumentalities and, together with interest on them and income from them, are exempt from
30 taxes.

31 Sec. 14.40.908. INDEPENDENT FINANCIAL ADVISOR. In negotiating the private

1 sale of bonds or bond anticipation notes to an underwriter, the corporation shall retain a financial
2 advisor who is independent from the underwriter. The financial advisor may not bid on the
3 bonds or notes if offered at public sale or negotiate for their purchase if sold at private sale.

4 Sec. 14.40.912. ADDITIONAL POWERS TO SECURE BONDS OR OBLIGATIONS
5 UNDER LEASES. In connection with the issuance of bonds or the incurring of obligations
6 under leases and in order to secure the payment of bonds or lease obligations, the corporation,
7 in addition to its other powers, may

8 (1) pledge all or a part of its gross or net rents, fees, or revenues to which its
9 right exists or may exist;

10 (2) mortgage or encumber all or a part of its real or personal property, owned or
11 later acquired;

12 (3) covenant against pledging all or a part of its rents, fees, and revenue, or
13 against mortgaging all or a part of its real or personal property, to which its right or title exists
14 or may come into existence or against permitting or suffering any lien on the revenues or
15 property;

16 (4) covenant with respect to limitations on its right to sell, lease, or otherwise
17 dispose of a space-related project or a part of a space-related project;

18 (5) covenant as to what other, or additional debts or obligations may be incurred
19 by it;

20 (6) covenant as to the bonds to be issued and as to the issuance of the bonds in
21 escrow or otherwise, and as to the use and disposition of the proceeds of bonds;

22 (7) provide for the replacement of lost, destroyed, or mutilated bonds;

23 (8) covenant against extending the time for the payment of its bonds or interest
24 on the bonds;

25 (9) redeem the bonds, and covenant for their redemption and to provide the terms
26 and conditions of redemption;

27 (10) covenant as to the rents and fees to be charged in the operation of a space-
28 related project, the amount to be raised each year or other period of time by rents, fees, and other
29 revenue, and as to the use and disposition of this revenue;

30 (11) create or authorize the creation of special funds for money held for
31 construction or operating costs, debt service, reserves, or other purposes, and covenant as to the

1 use and disposition of this money;

2 (12) prescribe the procedure by which the terms of a contract with bondholders
3 may be amended or abrogated, the amount of bonds the holders of which must consent thereto
4 and the manner in which the consent may be given;

5 (13) covenant as to the rights, liabilities, powers, and duties arising upon the
6 breach by it of a covenant, condition, or obligation, and covenant and prescribe as to events of
7 default and terms and conditions upon which any or all of its bonds or obligations shall become
8 or may be declared due before maturity, and covenant as to the terms and conditions upon which
9 this declaration and its consequences may be waived;

10 (14) vest in a trustee or trustees or the holders of bonds or a specified proportion
11 of them, the right to enforce the payment of the bonds or covenants securing or relating to the
12 bonds;

13 (15) vest in one or more trustees the right, in the event of a default by the
14 corporation, to take possession of a space-related project or a part of the project, and so long as
15 the corporation continues in default to retain possession and to use, operate, and manage the
16 project, and to collect the rent and revenue from the project, and to dispose of the money
17 according to the agreement between the corporation and the trustees;

18 (16) provide for the powers and duties of the trustees, and limit the liability of
19 the trustees; and

20 (17) provide the terms and conditions upon which the trustee or trustees or the
21 holders of bonds, or portions of bonds, may enforce a covenant or right securing or relating to
22 the bonds.

23 Sec. 14.40.916. RIGHT OF OBLIGEE OF CORPORATION TO BRING INJUNCTION.

24 An obligee of the corporation may, in addition to all other rights that may be conferred and
25 subject only to contractual restriction binding upon the obligee, seek an injunction or an action
26 in nature of an action for mandamus against the members, the corporation, its officers, agents,
27 or employees.

28 Sec. 14.40.921. POWER OF CORPORATION TO CONFER UPON OBLIGEE RIGHT
29 TO BRING ACTION OR PROCEEDING. The corporation may by resolution, trust indenture,
30 mortgage, lease, or other contract confer upon an obligee holding or representing a specified
31 amount in bonds, or holding a lease, the right upon a default as defined in the resolution or

1 instrument by suit, action or proceeding

2 (1) to have possession of a space-related project or part of one surrendered to the
3 obligee, with possession retained by the obligee as long as the corporation continues in default;

4 (2) to obtain the appointment of a receiver of a space-related project or part of
5 one and its rents and profits, who may enter, take possession, and for the duration of the default
6 operate and maintain it, collect and receive all fees, rents, revenues, or other charges thereafter
7 arising, and keep the money in a separate account or accounts to be applied in accordance with
8 the obligations of the corporation as the court directs;

9 (3) to require the corporation and its members to account as if they were the
10 trustees of an express trust.

11 Sec. 14.40.926. EXEMPTION OF REAL PROPERTY OF CORPORATION FROM
12 EXECUTION OR OTHER PROCESS. All real property of the corporation is exempt from levy
13 and sale by execution, and an execution or other judicial process may not issue against it. A
14 judgment against the corporation may not be a charge or lien upon its real property. However,
15 this section does not limit the right of an obligee to foreclose or otherwise enforce a mortgage
16 of the corporation or to pursue any remedy for the enforcement of a pledge or lien given by the
17 corporation on its rents, fees, or revenues.

18 Sec. 14.40.931. POWER OF CORPORATION TO OBTAIN FEDERAL AID AND
19 COOPERATION. The corporation may borrow, accept contributions, grants, or other financial
20 assistance from the federal government in aid of a space-related project and for this purpose may
21 comply with conditions and enter into the mortgages, trust indentures, leases, or agreements that
22 are necessary, convenient, or desirable in order to obtain financial aid or cooperation from the
23 federal government in the undertaking, construction, maintenance, or operation of a space-related
24 project.

25 Sec. 14.40.936. EXEMPTION FROM TAXES AND ASSESSMENTS. The property of
26 the corporation is public property used for essential public and governmental purposes and this
27 property and the corporation are exempt from all taxes and special assessments of a municipality,
28 the state, or a political subdivision of the state. However, instead of taxes, the corporation may
29 make payments to the municipality or political subdivision for improvements, services, and
30 facilities furnished by it for the benefit of a space-related project.

31 Sec. 14.40.941. DISPOSAL OF SURPLUS PROPERTY. (a) The corporation may

1 convey real or personal property that it determines is in excess of its needs. Except as provided
2 in (b) of this section, the sale shall be by public auction or by sealed bids. Public notice shall
3 be given by publishing notice of the sale at least once a week for two consecutive weeks in a
4 newspaper of general circulation within the area in which the property to be sold is located and
5 by posting notice of sale in at least two public places in the area. In no event may the auction
6 be held less than 30 days after the last day of publication. If an acceptable bid is not received,
7 the corporation may sell the property at negotiated sale within six months after the date of the
8 auction. A negotiated sale may not be made on an appraisal made more than nine months before
9 the date of sale. The price at a negotiated sale may not be less than the appraised value.

10 (b) Real or personal property of the corporation may be conveyed to a state or federal
11 agency or political subdivision or the University of Alaska for less than the appraised value
12 without competitive bidding, upon a determination by the board that the terms are fair and proper
13 and in the best interests of the state. The board shall consider both the nature of the agency's
14 or political subdivision's public services or functions and the terms under which the property was
15 acquired by the corporation.

16 Sec. 14.40.946. PUBLIC LOANS OR DONATIONS TO OR COOPERATION WITH
17 CORPORATION. (a) A public body or agency of the state may

- 18 (1) lend or donate money or property to the corporation;
19 (2) cooperate with it in the planning, construction, or operation of a project;
20 (3) transfer to it an interest in property, grant an easement, undertake otherwise
21 authorized construction of facilities adjacent to a project;
22 (4) furnish or improve otherwise authorized roads, streets, alleys, and sidewalks;
23 (5) purchase bonds of the corporation;
24 (6) incur the entire expense of improvements made under this chapter,
25 (7) agree with the corporation that a certain sum or that no sum shall be paid by
26 the corporation to it instead of taxes;
27 (8) enter into agreements respecting exercise of the powers granted in this chapter
28 that shall be approved and executed by the public body or municipality in or adjacent to the
29 project before the project may be constructed; and
30 (9) in general do all things necessary or convenient to cooperate in the planning,
31 construction, or operation of a project.

1 (b) Except as required under AS 44.62.310 and 44.62.312, a sale, conveyance, lease, or
2 agreement under this section may be made without appraisal, public notice or advertisement, or
3 bidding. A public body may exercise the powers granted in this section by resolution or
4 ordinance by a majority of the members of the governing body present at the meeting at which
5 it is introduced, and the resolution or ordinance takes effect immediately without publishing or
6 posting.

7 Sec. 14.40.951. RESERVE FUND. (a) The corporation shall establish and maintain a
8 special fund called the Alaska Aerospace Development Corporation reserve fund in which there
9 shall be deposited or transferred

10 (1) all money appropriated by the legislature for the purpose of the fund in
11 accordance with the provisions of (g) of this section;

12 (2) all proceeds of bonds required to be deposited in the fund by terms of a
13 contract between the corporation and its bondholders or a resolution of the corporation with
14 respect to the proceeds of bonds;

15 (3) all other money appropriated by the legislature to the reserve fund; and

16 (4) any other money or funds of the corporation that it decides to deposit in the
17 fund.

18 (b) Subject to the provisions of (h) of this section, money in the reserve fund shall be
19 held and applied solely to the payment of the interest on and principal of bonds of the
20 corporation as the interest and principal become due and payable and for the retirement of bonds;
21 and the money may not be withdrawn if a withdrawal would reduce the amount in the reserve
22 fund to an amount less than the required debt service reserve except for payment of interest then
23 due and payable on bonds and the principal of bonds then maturing and payable and for the
24 retirement of bonds in accordance with the terms of a contract between the corporation and its
25 bondholders and for which payments of other money of the corporation is not then available. In
26 this subsection, "required debt service reserve" means, as of the date of computation, the amount
27 required to be on deposit in the reserve fund as provided by resolution of the corporation.

28 (c) Money in the reserve fund in excess of the required debt service reserve as defined
29 in (b) of this section, whether by reason of investment or otherwise, may be withdrawn at any
30 time by the corporation and transferred to another fund or account of the corporation subject to
31 the provision of (h) of this section.

1 (d) Money in the reserve fund may be invested in the same manner and on the same
2 conditions as permitted for investment of funds belonging to the state or held in the treasury
3 under AS 37.10.070; however, the corporation may agree with the bondholders to further limit
4 these investments.

5 (e) For purposes of valuation, investments in the reserve fund shall be valued at par or
6 if purchased at less than par, at cost unless otherwise provided by resolution of the corporation.
7 Valuation on a particular date shall include the amount of interest then earned or accrued to that
8 date on the money or investments in the reserve fund.

9 (f) Notwithstanding any other provision of this chapter, bonds may not be issued by the
10 corporation unless there is in the reserve fund the required debt service reserve for all bonds then
11 issued and outstanding and for the bonds to be issued; however, the corporation may satisfy this
12 requirement by depositing as much of the proceeds of the bonds to be issued, upon their issuance,
13 as is needed to meet the required debt service reserve. The corporation may at any time issue
14 its bonds or notes for the purpose of increasing the amount in the reserve fund to the required
15 debt service reserve, or to meet whatever higher or additional reserve that may be fixed by the
16 corporation with respect to the fund.

17 (g) In order to assure the maintenance of the required debt service reserve in the reserve
18 fund, the legislature may appropriate annually to the corporation for deposit in the fund the sum,
19 certified by the chair of the corporation to the governor and to the legislature, that is necessary
20 to restore the fund to an amount equal to the required debt service reserve. The chair annually,
21 before January 30, shall make and deliver to the governor and to the legislature a certificate
22 stating the sum required to restore the fund to that amount, and the certified sum may be
23 appropriated and paid to the corporation during the then current state fiscal year. Nothing in this
24 subsection creates a debt or liability of the state.

25 (h) All amounts received on account of money appropriated to the reserve fund referred
26 to in (a)(3) of this section shall be held and applied in accordance with (b) of this section;
27 however, at the end of each fiscal year, if the amount in the reserve fund is in excess of the
28 required debt service reserve, any amount representing earnings or income received on account
29 of money appropriated to the reserve fund that exceeds the operating expenses of the corporation
30 for that fiscal year shall be transferred to the general fund of the state.

31 (i) All references to the reserve fund in this section include special accounts within the

1 reserve fund that may be created by the corporation to secure the payment of particular bonds.
2 The commissioner of revenue may lend surplus money in the general fund to the corporation for
3 deposit to any account in the reserve fund in an amount equal to the required debt service
4 reserve. The loans shall be made on the terms and conditions that may be agreed upon by the
5 commissioner of revenue and the corporation, including, without limitation, terms and conditions
6 providing that the loans need not be repaid until the obligations of the corporation secured and
7 to be secured by the account in the reserve fund are no longer outstanding.

8 Sec. 14.40.956. COOPERATION WITH OTHER AUTHORITIES. In issuing a bond,
9 the corporation may request the assistance of and work with the Alaska Industrial Development
10 and Export Authority and the Alaska Municipal Bond Bank Authority. The Alaska Industrial
11 Development and Export Authority may invest in and issue bonds for space-related projects of
12 the Alaska Aerospace Development Corporation. The Alaska Industrial Development and Export
13 Authority and the Alaska Municipal Bond Bank Authority may purchase and market bonds of
14 the Alaska Aerospace Development Corporation.

15 Sec. 14.40.961. INVESTMENT OF REVENUE. The revenue and receipts of the
16 corporation, to the extent they are not needed to pay bonds or other obligations of the corporation
17 shall be invested by the commissioner of revenue in cooperation with the corporation.

18 Sec. 14.40.966. LEGALITY OF CORPORATION BONDS AS INVESTMENTS. Bonds
19 of the corporation are legal and proper investments and security for public and private banking,
20 insurance, and trust funds.

21 Sec. 14.40.990. DEFINITIONS. In AS 14.40.821 - 14.40.990,

22 (1) "board" means the board of directors of the Alaska Aerospace Development
23 Corporation;

24 (2) "corporation" means the Alaska Aerospace Development Corporation;

25 (3) "landing site" means a site or facility designed, intended, or used for the
26 landing or recovery of space vehicles, aircraft, or balloons;

27 (4) "launch site" means a site or facility designed, intended, or used for the
28 launching of space vehicles, sounding rockets, aircraft, or balloons;

29 (5) "payload" means property or cargo, including people or animals, to be
30 transported aboard a vehicle launched by the corporation;

31 (6) "recovery" means the retrieval and recovery of space vehicles, payloads, and

1 parts that have been launched from the corporation's facilities;

2 (7) "space vehicle" means a rocket, missile, booster, or other vehicle designed,
3 intended, or used to reach high altitude.

4 * Sec. 3. AS 24.20.201(a) is amended to read:

5 (a) The Legislative Budget and Audit Committee has the power to:

6 (1) organize, adopt rules for the conduct of its business, and prescribe procedures
7 for the comprehensive fiscal analysis, budget review, and post-audit functions;

8 (2) hold public hearings, administer oaths, issue subpoenas, compel the attendance
9 of witnesses and production of papers, books, accounts, documents, and testimony, and have the
10 deposition of witnesses taken in a manner prescribed by court rule or law for taking depositions
11 in civil actions;

12 (3) require all state officials and agencies of state government to give full
13 cooperation to the committee or its staff in assembling and furnishing requested information;

14 (4) review revenue projections, state agency appropriation requests, the
15 expenditure of state funds, including the relationship between state agency program
16 accomplishments and legislative intent, and the fiscal policies and procedures of state
17 government;

18 (5) review and approve proposed changes to agency authorized budgets as
19 provided in the Executive Budget Act (AS 37.07);

20 (6) make recommendations concerning appropriations, their expenditure and the
21 fiscal policies and procedures of state government to the governor when appropriate, and to the
22 legislature;

23 (7) prepare and distribute reports, memoranda, or other necessary materials;

24 (8) sue in the name of the legislature during the interim between sessions if
25 authorized by majority vote of the full membership of the committee;

26 (9) hold public hearings on the confirmation of the members of the Board of
27 Trustees of the Alaska Permanent Fund Corporation;

28 (10) make recommendations to the legislature and to agencies of the state that
29 [WHICH] perform lending or investment functions concerning the structure and operating
30 practices of the agencies;

31 (11) enter into and enforce all contracts necessary or desirable for the functions

1 of the committee;

2 (12) provide for annual post audits of the Alaska Housing Finance Corporation,
3 the Alaska Aerospace Development Corporation, and the Alaska Industrial Development and
4 Export Authority.

5 * Sec. 4. AS 29.45.650(a) is amended to read:

6 (a) Except as provided in AS 04.21.010(c) and in (f) and (h) of this section, a borough
7 may levy and collect a sales tax on sales, rents, and on services provided in the borough. The
8 sales tax may apply to any or all of these sources. Exemptions may be granted by ordinance.

9 * Sec. 5. AS 29.45.650 is amended by adding a new subsection to read:

10 (h) A borough may not levy or collect a sales tax on sales, rents, and services, or a use
11 tax on the storage, use, or consumption of personal property on the following activities:

12 (1) the sale, lease, rental, storage, consumption, or distribution in this state of or
13 the provision of services relating to an orbital space facility, space propulsion system, or space
14 vehicle, satellite, or station of any kind possessing space flight capacity, including the
15 components of them;

16 (2) the sale, lease, rental, storage, consumption, or use of tangible personal
17 property placed on or used aboard an orbital space facility, space propulsion system, or space
18 vehicle, satellite, or station of any kind, regardless of whether the tangible personal property is
19 returned to this state for subsequent use, storage, or consumption; an exemption under this
20 paragraph is not affected by the failure of a launch to occur, or the destruction of a launch
21 vehicle or a component of a launch vehicle.

22 * Sec. 6. AS 36.30.015(e) is amended to read:

23 (e) The board of directors of the Alaska Railroad Corporation and the board of
24 directors of the Alaska Aerospace Development Corporation shall adopt procedures to govern
25 the procurement of supplies, services, professional services, and construction. The procedures
26 must be substantially equivalent to the procedures prescribed in this chapter and in regulations
27 adopted under this chapter.

28 * Sec. 7. AS 36.30.990(1) is amended to read:

29 (1) "agency"

30 (A) means a department, institution, board, commission, division, authority,
31 public corporation, the Alaska Pioneers' Home, or other administrative unit of the

1 executive branch of state government;

2 (B) does not include

3 (i) the University of Alaska;

4 (ii) the Alaska State Housing Authority;

5 (iii) the Alaska Railroad Corporation;

6 (iv) the Alaska Housing Finance Corporation;

7 (v) a regional Native housing authority created under
8 AS 18.55.996, or a regional electrical authority created under AS 18.57.020;

9 (vi) the Alaska Aerospace Development Corporation;

10 * Sec. 8. AS 37.05.146 is amended to read:

11 Sec. 37.05.146. DEFINITION OF PROGRAM RECEIPTS. In AS 37.05.142 - 37.05.146
12 and AS 37.07.080 "program receipts" means fees, charges, income earned on assets, and other
13 state money received by a state agency in connection with the performance of its functions; all
14 program receipts except the following are general fund program receipts:

15 (1) federal receipts;

16 (2) University of Alaska receipts (AS 14.40.491);

17 (3) individual, foundation, or corporation gifts, grants, or bequests that by their
18 terms are restricted to a specific purpose;

19 (4) receipts of the following funds:

20 (A) highway working capital fund (AS 44.68.210);

21 (B) correctional industries fund (AS 33.32.020);

22 (C) loan funds;

23 (D) international airport revenue fund (AS 37.15.430);

24 (E) funds managed by the Alaska State Housing Authority (AS 18.55.020),
25 the Alaska Housing Finance Corporation (AS 18.56.020), the Medical Indemnity
26 Corporation of Alaska (AS 21.88.020), the Alaska Railroad Corporation (AS 42.40.010),
27 the Municipal Bond Bank Authority (AS 44.85.020), the Alaska Aerospace Development
28 Corporation (AS 14.40.821), or the Alaska Industrial Development and Export Authority
29 (AS 44.88.020);

30 (F) fish and game fund (AS 16.05.100);

31 (G) school fund (AS 43.50.140);

- 1 (H) training and building fund (AS 23.20.130);
 2 (I) retirement funds (AS 14.25, AS 22.25, AS 26.05.222, AS 39.35, and
 3 former AS 39.37);
 4 (J) permanent fund (art. IX, sec. 15, Alaska Constitution);
 5 (K) public school fund (AS 37.14.110);
 6 (L) second injury fund (AS 23.30.040);
 7 (M) fishermen's fund (AS 23.35.060);
 8 (N) FICA administration fund (AS 39.30.050).

9 * Sec. 9. AS 38.05.810 is amended by adding a new subsection to read:

10 (h) The commissioner may issue permits to the Alaska Aerospace Development
 11 Corporation for purposes of down range space vehicle or payload overflight, booster retrieval,
 12 and recovery. The commissioner may, if it is in the best interests of the state, lease land to the
 13 Alaska Aerospace Development Corporation for other space-related purposes for, or at less than
 14 the appraised market value.

15 * Sec. 10. AS 39.25.110(11) is amended to read:

16 (11) the officers and employees of the following boards, commissions, and
 17 authorities:

- 18 (A) Alaska Gas Pipeline Financing Authority;
 19 (B) Alaska Permanent Fund Corporation;
 20 (C) [REPEALED,
 21 (D)] Alaska Industrial Development and Export Authority;
 22 (D) [(E)] Alaska Commercial Fisheries Entry Commission;
 23 (E) [(F)] Alaska Commission on Postsecondary Education;
 24 (F) Alaska Aerospace Development Corporation;

25 * Sec. 11. AS 39.50.200(b) is amended by adding a new paragraph to read:

26 (52) the board of directors and the executive director of the Alaska Aerospace
 27 Development Corporation (AS 14.40.821).

28 * Sec. 12. AS 44.99.200(b) is amended to read:

29 (b) The determination under (a) of this section shall be made by the

30 (1) commissioner of administration for a state agency in the executive branch,
 31 except as provided in (4) - (6) of this subsection;

1 (2) administrative director of the judicial branch for an agency in the judicial
2 branch;

3 (3) Alaska Legislative Council for an agency in the legislative branch;

4 (4) Board of Regents or president of the University of Alaska for the university;

5 (5) board of directors of the Alaska State Housing Authority for the authority;

6 [AND]

7 (6) board of directors of the Alaska Railroad Corporation for the corporation; and

8 (7) board of directors of the Alaska Aerospace Development Corporation for

9 the corporation.

10 * Sec. 13. AS 44.99.400 is amended to read:

11 Sec. 44.99.400. COPYRIGHTS. A state agency may hold the copyright for software
12 created by the agency or developed by a private contractor for an agency, and may enforce its
13 rights to protect the copyright. In this section, "state agency" means a department, institution,
14 board, commission, division, authority, public corporation, committee, or other administrative unit
15 of the executive, judicial, or legislative branch of state government, including the University of
16 Alaska, the Alaska State Housing Authority, the Alaska Aerospace Development Corporation,
17 and the Alaska Railroad Corporation.

18 * Sec. 14. INITIAL APPOINTMENTS. The initial appointments of the members of the board under
19 AS 14.40.826(a)(1), (6), and (8) shall be staggered under AS 39.05.055(2).

20 * Sec. 15. This Act takes effect July 1, 1991.

REPRESENTATIVE TOM MOYER

DISTRICT 19 • 119 N. CUSHMAN ST., SUITE 203 • FAIRBANKS, AK 99701 • (907) 456-8161

International Trade & Tourism, Chair • State Affairs, Vice Chair • Resources, Member

MEMORANDUM

To: Senator Drue Pearce
Chair, Senate Labor and Commerce Committee

April 30, 1991

From: Representative Tom Moyer *TJM*

Re: HB46, Creating the Alaska Aerospace Development Corp.

5/1/91 unanimous!

I anticipate the full House will approve HB46 within the next few days and would expect that it next would be referred to your committee. Due to the short time left in the session this year, could you please schedule the bill for a hearing as soon as possible?

The bill would create an Alaska Aerospace Development Corporation whose purpose is to attract commercial space companies to Alaska. This is a budding new industry which has produced thousands of jobs and millions of dollars in revenue in those states which have active commercial launch operations.

Under the legislation, the corporation would be affiliated with the University of Alaska which manages the Poker Flat research rocket range north of Fairbanks. The bill would preserve the educational and research functions of the Poker Flat range while taking advantage of Poker Flat's unique qualities for commercial operations. Those qualities include geography, lack of a burdensome bureaucracy and a relatively undeveloped facility.

This legislation also has the strong support of the Hickel administration. Several private companies already have approached state officials about launching from Poker Flat.

I am happy to supply additional information as is necessary and will make myself and others available to testify at your convenience.

*ITT
L&C
FIN*

I'll send you another memo for the committee files. I'm asking Dick to give it only 2 referrals: L&C and FIN. Thanks.

ALASKA STATE LEGISLATURE • P.O. Box V • JUNEAU, AK 99811 • (907) 465-4930

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SENATE COMMITTEE REPORT

DATE: 3/20/91

FURTHER: ~~Two Faint~~

DATE TURNED INTO OFFICE: 4-25-91

L&C Committee considered HOUSE BILL NO. 48

"An Act relating to king salmon classics."

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and recommended:

- replace with _____ CS _____
 - or adopt _____ CS _____
 - attached amendment(s)
 - _____ letter of intent adopted
- same title
 - new title
 - technical title change (HB only)

- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to _____

passed 10 Feb

ATTACHES NEW FISCAL NOTE(S): Dept/Date:

fiscal note(s) _____

zero fiscal note(s) _____

appropriation-no fiscal note

APPROVES PREVIOUS:

fiscal note(s) Dept/Date: _____

zero fiscal note(s) COMM 12-1-91
House

Governor's bill w/fiscal note

SIGNING DO PASS:

[Signature]

OTHER RECOMMENDATIONS:

[Signature] No Rec
[Signature] No Rec

[Signature]
Chair: Signature and Recommendation

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

SENATE COMMITTEE REPORT

DATE: 3/20/91

FURTHER: ~~Two Facts~~

DATE TURNED INTO OFFICE: 4-25-91

L&C Committee considered HOUSE BILL NO. 48

"An Act relating to king salmon classics."

a maj of + Cmte rpts it to w/ no rec

and recommended:

replace with _____ CS
 or adopt _____ CS

same title
 new title
 technical title change (HB only)

attached amendment(s)

_____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

passed 10 Feb

ATTACHES NEW FISCAL NOTE(S):

Dept/Date:

fiscal note(s) _____

zero fiscal note(s) _____

appropriation-no fiscal note

APPROVES PREVIOUS:

Dept/Date:

fiscal note(s) _____

zero fiscal note(s) COMM 12-1-91
Hansen

Governor's bill w/fiscal note

SIGNING DO/PASS:

[Signature]

OTHER RECOMMENDATIONS:

Special Op's No Rec

Bill Hald No REC

[Signature]
Chair: Signature and Recommendation

SENATE COMMITTEE REPORT

DATE: 3/20/91

FURTHER:

DATE TURNED INTO OFFICE: _____

L&C Committee considered HOUSE BILL NO. 48

"An Act relating to king salmon classics."

and recommended:

- replace with _____ CS _____ same title
- or adopt _____ CS _____ new title
- attached amendment(s) technical title change (HB only)
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):

APPROVES PREVIOUS:

fiscal note(s) Dept/Date: _____

fiscal note(s) Dept/Date: _____

zero fiscal note(s) _____

zero fiscal note(s) COMM 2-1-91

appropriation-no fiscal note

Governor's bill w/fiscal note

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

Cassidy Collins No Rec
Wade Halford No REC

Tru Pearce - No Rec
Chair. Signature and Recommendation

from
Ketchikan Daily News
Wed April 17

A-4

Editorial

A classic idea

The Greater Juneau Chamber of Commerce is capitalizing on an old idea, but with scales.

Fairbanks has the "Nenana Ice Classic," a contest with prizes to predict when the ice will break up on the Nenana River.

Juneau has proposed a "king salmon classic," to be sponsored by the chamber as a contest to predict, with prizes, when the first king salmon of the year reaches a designated spot at the Douglas Island Pink and Chum Hatchery at Salmon Creek. The hatchery also raises and releases some king and coho salmon yearly.

House Bill 48, that proposes to amend a section of Alaska law to include the fish classic, has already passed the Alaska House. It is in the Senate Labor and Commerce Committee and comes to a hearing on April 24. We expect the bill to pass without objection as it seems a sensible way to raise funds.

The Juneau Chamber expects to use the money for civic projects.

We're thinking that the Greater Ketchikan Chamber of Commerce could sponsor something like this to help raise funds for the Ketchikan area hatcheries. Deer Mountain Hatchery already has started the Adopt-a-Salmon program to raise some funds. For a small amount, new salmon parents get information about the 3R's of salmon: raising, release and return.

Rep. Fran Ulmer, D-Juneau, introduced the bill with co-sponsor Rep. Bill Hudson, R-Juneau. The bill authorizes the Juneau program, but doesn't give blanket authority statewide for fish classics. The reason given by several sources is for the state to have better control for regulating contests and to prevent contest scams.

If the hatchery is interested, supporters could pursue a king salmon classic for Ketchikan similar to that of Juneau.

Not only would it raise funds, but it would point out the importance of fishing to Alaska and would bring more attention to Ketchikan as a fishing spot.

It couldn't hurt and it could work.

Alaska State Legislature

HOUSE OF REPRESENTATIVES



REPRESENTATIVE FRAN ULMER

MEMORANDUM

March 25, 1991

TO: Senator Drue Pearce, Chair
Labor and Commerce Committee

FROM: Rep. Fran Ulmer

RE: HB 48; "An Act relating to king salmon classics."

I am requesting a hearing on HB 48 at your earliest convenience.

HB 48 would add king salmon classics to the list of games of chance now allowed under statute, with a specific provision for conducting the classic by Douglas Island Pink and Chum (DIPAC) of Juneau.

The DIPAC King Salmon Classic would be operated quite similar to the Nenana Ice Classic, in that participants would guess the exact time that the first king salmon of the season returns to the DIPAC hatchery in Juneau. It will be conducted under the guidance of the Juneau Chamber of Commerce with the cooperation of the DIPAC hatchery, with an independent audit to ensure proper management. The classic fits right in with other fishing related activities in the Juneau area, such as our annual Salmon Derby. But the DIPAC King Salmon Classic promises to be more than a popular event and good time for those involved.

In addition to the fun and excitement of the contest, the Classic would bring economic and social benefits to the area. The Classic would raise funds for community services provided by the Juneau Chamber of Commerce. It would also enhance fishing, tourism and other "spin-off" opportunities by focusing media attention on the hatchery operations here. The passage of HB 48 will provide Juneau with a means of expanding our economic base to the benefit of local citizens and local enterprise.

I urge you to support passage of this measure on behalf of the people of Juneau.

District 4B — Juneau

P.O. Box 5 • Juneau, Alaska 99801-3100 • (907) 465-4947

Alaska State Legislature

HOUSE OF REPRESENTATIVES



REPRESENTATIVE FRAN ULMER

MEMORANDUM

February 6, 1991

TO: Rep. Fran Ulmer

FROM: Barnaby Dow

RE: Sectional Analysis of HB 48; "An Act relating to king salmon classics."

SECTION 1; under AS 05.15.060, which directs the Department of Commerce and Economic Development to adopt regulations necessary to carry out games of chance, new wording adds employees of DIPAC and the Department of Fish and Game to the list of persons prohibited from participating in the king salmon classic.

SECTION 2; allows the commissioner to issue a permit for a king salmon classic to a municipality or qualified organization.

SECTION 3; adds salmon classic permittees to the list of activities prohibited from contracting with more than one operator at a time to conduct the same type of activity.

SECTION 4; exempts king salmon classics from prohibition against licensing for activities that did not exist before statehood.

SECTION 5; defines "king salmon classic" as a game of chance where prize money is awarded for the closest guess of time. Specifically designates DIPAC and the Juneau Chamber of Commerce as the entities involved.

District 4B — Juneau

P.O. Box V • Juneau, Alaska 99811-3100 • (907) 465-4947



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FACT SHEET ON HB 48. KING SALMON CLASSICS.

- Conducted by the Juneau Chamber of Commerce with assistance the Douglas Island Pink and Chum hatchery in Juneau.
- Juneau Chamber and DIPAC are the only authorized entities allowed to conduct the classic.
- Regulated by the Department of Commerce and Economic Development under the same authority (games of chance) that regulates other activities such as the Nenana Ice Classic.
- Regular audits required.
- Proceeds must be for charitable purposes.
- Compliments local fishing, tourism and related economies.
- Proceeds go to support local social programs.

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. HB 48

Revision Date: _____ Department Affected: Commerce & Economic Dev.
 Title: An Act relating to king BRU: Occupational Licensing
salmon classics Component: Administration
 Sponsor: Reps. Ulmer and Hudson
 Requestor: House Labor & Commerce COMPONENT SERIAL NO.

0	3	5	6
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
----------------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.)

HB 48 recognizes king salmon classics as another category under the Games of Chance and Skill program. No fiscal impact is anticipated.

Prepared By: Jennifer Strickler, Administrative Officer Phone: 465-2144
 Division: Occupational Licensing Date: February 1, 1991
 Approved by Commissioner: Glenn A. Olds
 Agency: Department of Commerce & Economic Development Date: February 1, 1991

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. HB 48

Revision Date: 1/22/91 Department Affected: Fish and Game
 Title: King Salmon Classics BRU: Sport Fish
 Component: Sport Fisheries
 Sponsor: Rep. Ulmer
 Requestor: _____ COMPONENT SERIAL NO.

	4	6	4
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

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

POSITIONS:

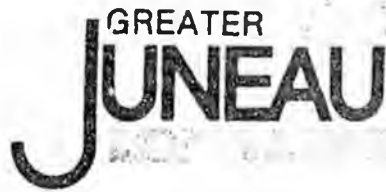
FULL-TIME						
PART-TIME						
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: zero impact for fiscal year 91

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Rolland Holmes Phone: 465-4180
 Division: Sport Fish Date: 3/12/91
 Approved by ^{DEPUTY} Commissioner: Row Somerville by [Signature]
 Agency: ADF & G Date: 3/18/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).



Chamber of Commerce

124 West 5th Juneau, Alaska 99801

Phone: (907) 586-6420 FAX: (907) 463-5670

November 20, 1990

Honorable Fran Ulmer
1700 Angus Way
Juneau, AK 99801

Dear Representative Ulmer:

The Greater Juneau Chamber of Commerce respectfully requests your assistance in sponsoring legislative authorization of a so called "DIPAC SALMON CLASSIC". This DIPAC SALMON CLASSIC would be a game of chance, somewhat similar to the Nenana Ice Classic, in that participants could bet on exact time of return of the first DIPAC Hatchery King salmon to the new DIPAC fish hatchery at Salmon Creek in Juneau. The Alaska Department of Commerce and Economic Development Division of Occupational Licensing has advised us there is no provision under state law to allow conduct of such a program and that specific legislation authorizing same is required. Hence this request.

Purpose of this proposal would be two fold: one is to raise money to help support civic and community service activities of the Chamber of Commerce, and two would be to help promote awareness of fishing opportunities in the Juneau area. Regarding the latter, in 1991 alone for example, the DIPAC Hatchery plans release of 30 million Pink, 100 million Chum, one million Coho, and one hundred fifty thousand King salmon fry to Juneau area waters. Returns of these fish will create a multi-million dollar economic impact on the Juneau area economy through commercial and sport fisheries, fishery support services and increased tourism potential, all of which contribute to and broaden our area economic base.

Specific methodology would be to sell game of chance tickets on the exact time of return of the first DIPAC Hatchery King salmon to a designated point in the DIPAC fish ladder at the Salmon Creek hatchery. Specific point of return would be monitored on a secured, extended play video camera, upon which date, hour, minute, and second would be superimposed, to register specific time of fish passage. This particular point of observation would be immediately past the tourist fish observation window and just preceding the holding tank where all returning fish are temporarily held prior to being physically removed for processing.

The apparent first return DIPAC hatchery king salmon, if not actually observed at time of passage past this particular window slot, will be verified in the holding pen by DIPAC employees. Fish verification will require a healed, clipped adipose fin, plus final Alaska Department of Fish & Game verification of the magnetically coded DIPAC wire tag embedded in the nose cartilage prior to smolt release. Only a clipped adipose and proper code wire tagged king will qualify as the first returning king; no other fish will count.

With the finding of such a king salmon in the holding tank, a DIPAC Hatchery employee will rewind the observation camera tape to the point of seeing that king salmon

20 Nov 1990

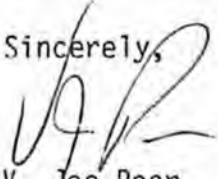
pass thru the selected point of entry, at which time exact winning date, hour, minute, and second would be determined, with same subsequently ascertained by Chamber of Commerce Board of Directors. A multiple return of "qualified" return kings found in the holding tank will be counted by time of the first video taped fish passage return.

Camera would be provided by the Chamber of Commerce, installed and secured by DIPAC, so as to be locked and tamperproof. Camera set-up and installation would be well prior to the anticipated time "window" of first return. DIPAC employees and immediate families would not be eligible to participate in the contest. Specifics of this concept have been coordinated with and agreed to by DIPAC management.

It is anticipated ticket sales would be through Chamber members or selected retail outlets, with specific ticket price and prize level(s) still to be determined. All accounting would be subject to independent audit and would be managed through the Chamber Executive Director. All times would be computerized, with winning entries sharing prize monies equally; i.e., a single contestant picking the exact time would win the entire prize money and multiple such exact time winners would split that prize money equally. Computerized selection of nearest time would be used if exact time were not chosen.

To assist in coordinating this request for Legislation, this request is also being made of Representative Bill Hudson, and Senator Jim Duncan. We would be pleased to answer any questions you may have and/or to lend assistance in any way. Please call with questions.

Sincerely,



V. Joe Poor
Executive Director

Copy DIPAC, Attn: Sandy Williams



Chamber of Commerce

124 West 5th St., Juneau, Alaska 99801
Phone: (907) 586-6420 FAX: (907) 463-5670

February 7, 1991

Representative Fran Ulmer
Seventeenth Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

Dear Representative Ulmer:

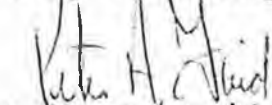
I am writing you on behalf of House Bill 48 "King Salmon Classics." I am in support of the bill as I believe it will be an excellent fundraising opportunity to support the many activities of the Greater Juneau Chamber of Commerce.

As you may know, the Chamber has been working with DIPAC to develop a game in which individuals can guess the exact date and time tagged DIPAC king salmon returns to the Hatchery here in Juneau. Tickets would be sold and the net proceeds would be used for several projects the Chamber plans to undertake in the future.

Specifically, we plan to develop several special business and educational projects for which the proceeds from the classic would be used. We believe these projects will be of immeasurable value to the business community on the whole and the entire community of Juneau as well. Further, the conduct of the classics will further promote the revitalization of the fishing industry in Juneau and recognize the excellent work done by DIPAC.

If there is anything I can do on behalf of this bill, I hope you will not hesitate to call upon me.

Very sincerely,



Peter A. Frid
President

Advertising Specialties
9108 Mendenhall Mall Road
Juneau, Alaska 99801



(AK) 1-800-478-0993
(907) 789-0993 or 789-2454
Fax (907) 789-9535

January 29, 1991

Honorable Fran Ulmer
House of Representatives
P.O. Box V
Juneau, Ak. 99811

Fran
Dear Representative Ulmer:

This letter is written in support of the SALMON CLASSIC bill your office is considering supporting for the Greater Juneau Chamber of Commerce.

As a local business we feel this SALMON CLASSIC would be great for the City of Juneau . It would be good for the merchants, the people and the tourists visiting our great city.

We appreciate your support and if we can help you in some way please let us know.

Sincerely,

Shorty & Evelyn Oliver
Shorty & Evelyn Oliver

Copy to:
GJCC



National Bank of Alaska

Juneau Office P.O. Box 1189 • Juneau, Alaska 99802-1189 • (907) 586-3324

1-30-91

Honorable Fran Ulmer
House of Representatives
Box V
Juneau, Alaska 99811-3100

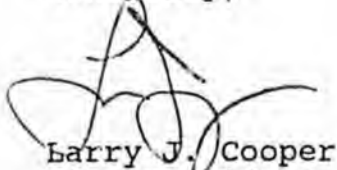
Dear Fran:

I would like to take this opportunity to formally thank you for your efforts in obtaining initial funding for engineering and planning work for the proposed Douglas Island fish processing/Seafood Industrial Park site. I believe this is a viable project with a positive risk to reward ratio, and should be pursued.

The primary purpose of this correspondence is to express my support for the Juneau (DIPAC) Salmon Classic. There is precedent for these activities in other areas of the state, and I see nothing but benefit locally from the Classic's establishment. The more we heighten awareness among tourists as well as locals regarding the value of our sport and commercial fisheries, the better off we will be in the future. Hopefully, the more attention people pay to our fisheries, the more educated they will make themselves regarding the issues involved, and be better equipped to deal with future decisions regarding harvesting, conservation, and regulation.

Thank you for your efforts in the past, and I look forward to your attentiveness to the needs of businessmen in this present session.

Sincerely,



Larry J. Cooper
Vice President
Manager

cc: Greater Juneau Chamber of Commerce
1107 West 8th, #1
Juneau, Alaska 99801

HB

49

Alaska State Legislature

HOUSE OF REPRESENTATIVES



REPRESENTATIVE FRAN ULMER

MEMORANDUM

April 5, 1991

TO: Senator Drue Pearce, Chair
Labor and Commerce Committee

FROM: Rep. Fran Ulmer

RE: HB 49 "An act amending the definition of slow-leaching TBT-based marine anti fouling paint."

I am requesting a hearing for this bill at your earliest convenience. HB 49 simply changes a testing standard for TBT based paint in order to conform with new federal regulations. In hearings before the House, no one has written or testified against the bill.

TBT is an ingredient widely used in marine paints to prevent the growth of barnacles and algae on boat hulls. It is also a highly toxic pesticide. In 1987 the legislature passed a bill and joined other west coast states in sharply reducing the amount of TBT in paint that can be sold in Alaska.

Unfortunately, the testing standard for TBT which "trips" the ban on its sale is just one microgram per centimeter per day lower than the tough standard that has since been established by the EPA and other western states. As a result, many marine paints which meet the federal requirement are not allowed to be sold in Alaska. The new bill would solve the problem by changing the level to be the same as federal standards.

Several organizations that lobbied strenuously for the lower standards in 1987, including the Pacific Fisheries Legislative Task Force, support matching the state's standards with the new federal level. Marine paint distributors and sellers say the bill will remove a significant hindrance to commerce. California, Oregon and Washington have all crafted their laws to meet the new EPA standards. The Task Force says the new standard still effectively curbs the threat to marine life, while allowing commerce to continue without undo restraint.

Thank you for your consideration.

District 4B — Juneau
P.O. Box V • Juneau, Alaska 99811-3100 • (907) 465-4947



Alaska State Legislature

HOUSE OF REPRESENTATIVES



REPRESENTATIVE FRAN ULMER

MEMORANDUM

March 22, 1991

TO: All Members
House of Representatives

FROM: Rep. Fran Ulmer

RE: HB 49 "An act amending the definition of slow-leaching TBT-based marine anti fouling paint."

I am requesting your support for this bill which simply changes a testing standard for TBT based paint in order to conform with new federal regulations. No one has written or testified against the bill.

TBT is an ingredient widely used in marine paints to prevent the growth of barnacles and algae on boat hulls. It is also a highly toxic pesticide. In 1987 the legislature passed a bill and joined other west coast states in sharply reducing the amount of TBT in paint that can be sold in Alaska.

Unfortunately, the testing standard for TBT which "trips" the ban on its sale is just one microgram per centimeter per day lower than the tough standard that has since been established by the EPA and other western states. As a result, many marine paints which meet the federal requirement are not allowed to be sold in Alaska. The new bill would solve the problem by changing the level to be the same as federal standards.

Several organizations that lobbied strenuously for the lower standards in 1987, including the Pacific Fisheries Legislative Task Force, support matching the state's standards with the new federal level. Marine paint distributors and sellers say the bill will remove a significant hindrance to commerce. California, Oregon and Washington have all crafted their laws to meet the new EPA standards. The Task Force says the new standard still effectively curbs the threat to marine life, while allowing commerce to continue without undo restraint.

Thank you for your consideration.

District 4B — Juneau

P.O. Box V • Juneau, Alaska 99811-3100 • (907) 465-4947



Recycled Paper

FISCAL NOTE

No. 1

STATE OF ALASKA
1991 LEGISLATIVE SESSION

Bill Version: HB 49

(H) Publish Date: 3/6/91

Revision Date: _____ Department Affected: Environmental Conservation

Title: Amending the definition of slow- BRU: Environmental Health

leaching TBT-based marine antifouling Component: Palmer Laboratory

Sponsor: Ulmer, Koponen paint

Requestor: _____ COMPONENT SERIAL NO.

	6	5	1
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: -0-

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Douglas C. Donegan, Director *DCD* Phone: 465-2696

Division: Division of Environmental Health Date: Jan. 28, 1991

Approved by Commissioner: *Wendell, A. Scher Sande*

Agency: Department of Environmental Conservation Date: _____

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).



U.S. ENVIRONMENTAL PROTECTION AGENCY
REGION 10

ALASKA OPERATIONS OFFICE
3200 HOSPITAL DRIVE, SUITE 101
JUNEAU, ALASKA 99801

March 1, 1991

REPLY TO
ATTN OF:

AOO

The Honorable Fran Ulmer
House of Representatives
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

Dear Representative Ulmer:

We have reviewed HB 49, the legislation you have introduced for amending the definition of slow-leaching TBT-based marine antifouling paint. We are pleased that you have introduced this legislation and find it compatible with Environmental Protection Agency's (EPA) tributyltin (TBT) leach out standard/release rate of 4.0 micrograms per square centimeter per day at steady state conditions, cited in the federal call-in notice of July 29, 1986.

We understand the need and endorse this legislation. When enacted, it will correct the current discrepancy of two differing yet allowable TBT release rates in Alaska, and achieve a uniform standard that fully meets federal stringency requirements. Such legislation fosters flexibility and greater consistency with regard to cooperative state and federal regulatory control of commercially available and viable marine pesticide products.

Thank you for the opportunity to provide comment on this important piece of legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven A. Torok".

Steven A. Torok, Chief
State Operations Section

ULMLTR.GCB

Petersburg Shipwrights, Inc.

Drydocking • Construction • Repair

1000 Nordic Drive • Box 378

Petersburg, Alaska 99833

(907) 772-3596

February 28, 1991

To all Legislators:

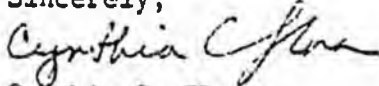
As a service industry concerned with the maintenance of marine vessels, we are strongly in favor of passage of HB49. Our customers with aluminum vessels have had no form of antifouling protection for their boats since Alaska passed their bill restricting the use of TBT. The growth that results from lack of annual maintenance can cause serious damage in the form of "pitting".

Following a steady stream of customer complaints about the lack of alternatives, I contacted several of the major marine coating manufacturers about a year ago and inquired as to whether or not they were going to ever come up with a product that would meet the State of Alaska's TBT leachate rate. They all answered NO, that the lowest they would go would be the leachate rate required by Federal law.

The difference between State and Federal laws is very small yet the negative impact on owners of aluminum vessels is quite large. Many owners out of desperation bought paint in Washington where it was sold legally until just recently when it fell under restricted pesticide control.

Let's have conformity of law! Please pass HB49.

Sincerely,



Cynthia C. Flora

Business Manager

Petersburg Shipwrights, Inc.

submissions are currently deficient. Many submissions did not include raw data (instrument readings), adequate information on instrument calibration, or sufficient data on blanks and controls. The descriptions of leaching and analytical methodologies were incomplete. Information needed to demonstrate that proper environmental controls (pH, temperature, and salinity) were maintained were not included in most submissions. In some cases, samples were stored beyond the period specified by the ASTM/EPA method; however, storage stability data were not submitted.

At this time no release rate studies have been validated. Registrants were informed in an Agency letter dated August 12, 1988, that additional data/information were required to be submitted before any decisions regarding specific release rates can be made.

In addition to the above deficiencies, many of the submitted studies did not adhere to the ASTM/EPA method specification that the TBT concentration in the measuring tank not exceed 50 ppb. This restriction was imposed to eliminate the possibility of autoinhibition of TBT release from the paint film. EPA and the ASTM committee suspect that the 50 ppb restriction may be too conservative. Testing is being initiated at EPA's Environmental Chemistry Laboratory (ECL) in Bay St. Louis, Mississippi, to determine the true autoinhibitory threshold.

After the ECL test results are available and the registrants respond to the above Notice, the Agency will reevaluate each study. If it is determined that the measuring tank concentration did not exceed the true autoinhibitory threshold and if the Agency finds that the registrant has supplied the additional data/information necessary to validate his submission, the Agency will use the study for regulatory purposes.

B. Release Rate Restriction

The proposed restrictions in the Preliminary Determination specified that no TBT antifouling paint could be sold or distributed which exceeds the short-term cumulative release (cumulative release over the first 14 days of the ASTM/EPA test) of 168 μg TBT (includes tributyltin and triphenyltin)/ cm^2 or an average daily release rate (average over weeks 3 through 5) of 4.0 μg TBT/ cm^2 /day. The proposed short-term cumulative release restriction was indexed to the average release rate restriction (3 \times the average release rate over 14 days).

The short-term cumulative release was intended to reflect the initial surge of TBT release when a freshly painted vessel is first placed in the water. It was calculated by summing the time weighted release for each sampling over the first 14 days of the test. The time weighted release was calculated by multiplying the rate of TBT release for a given sampling time by the preceding length of time between sampling times. The average release rate reflects the long-term TBT release pattern that is established after the initial surge. It is defined as a simple average of the release rates measured over a certain number of weeks.

In the Preliminary Determination, release rate values were normalized to adjust for variation between testing facilities and the average daily release rate was defined as the mean of individual release rates over weeks 3 through 5. The Agency received numerous comments from TBT registrants and the FIFRA Scientific Advisory Panel regarding this analysis of the release rate data. Most commenters felt that the proposed release rate restrictions should be adjusted to account for the variability of the test method but that normalization was not an appropriate means of accounting for variability.

The standard test paint data were the only data common to all registrants and as such were used to evaluate the variability of the ASTM/EPA release rate method. Additional standard test paint data and information on testing procedures from individual testing facilities submitted after the Preliminary Determination was issued, were included in the Agency's analysis of the method's variability. It was not possible to establish that variation among testing facilities was attributable to systematic error, as was previously assumed. Variation associated with testing facilities is now assumed to represent a component of method variance. Normalization is not appropriate under these circumstances, and the Agency agrees that release rate data should not be normalized. The available data could not be analyzed by standard statistical procedures because sampling was unbalanced (a wide variation in the number of samples per laboratory). The Agency could only perform a qualitative analysis of the method's variability. It was determined that most of the variability was associated with testing among different laboratories and sampling over time within a given test. Variation between replicate cylinders and between replicate runs was low by comparison.

The Agency has determined that, due to the incomplete nature of the release rate data submissions and the uncertainty over autoinhibition, it would be inappropriate at this time to try to quantify the variability associated with the EPA/ASTM method. The Agency is unable to determine whether the high variance of the results is attributable solely to the inherent variability of the method or to possible improper conduct of the release rate studies. It would also be inappropriate to determine a release rate restriction which attempts to account for this variability based solely on the current data base.

For the present the Agency is keeping the Special Review open on the issue of release rates and is deferring to the interim release rate restriction (4 $\mu\text{g}/\text{cm}^2$ /day) and certification program established by OAPCA. Products will be certified on the basis of the average daily release rate calculated from validated release rate studies conducted according to the current draft ASTM/EPA method. Any new release rate data submission or resubmission (such as those required by the Agency's August 12, 1988 letter) will be reviewed and a determination regarding certification reached within 90 days of the Agency's receipt of such data.

The average daily release rate will now be calculated as the non-normalized mean of all release rate measurements during weeks 3 through 10. In the Preliminary Determination the average daily release rate was defined as the average of release rates measured over weeks 3 through 5. However, examination of the standard paint release rate data indicated that individual release rate measurements made during week 6 and beyond were equivalent to those made during weeks 3 through 5. Release rate measurements beyond 10 weeks may be required for paints with atypical patterns of TBT release over time. The additional measurements included in the calculation of the average release rate are expected to increase accuracy.

The Agency will consider release rate levels again when additional environmental monitoring data are available and the release rate method is improved. The Agency has already identified certain procedures within the method as potential sources of variability and has initiated experimentation to determine how the release rate method can be improved. This testing is further discussed in Unit VII. When the research is completed, the Agency may decide to replace the current OAPCA release rate restriction

7/8/88
Testing
method

(c) Notwithstanding other provisions of this section, slow-leaching TBT-based marine antifouling paint may be imported into and sold in the state. A slow-leaching TBT-based marine antifouling paint may be applied in the state only to aluminum vessel hulls and lower outboard drive units. Aluminum vessel hulls and lower outboard drive units to which a slow-leaching TBT-based marine antifouling paint has been applied may be imported into and sold, rented, leased, or used in the state.

(d) This section does not apply to

- (1) a vessel of the United States government;
- (2) a foreign vessel in state water fewer than 90 consecutive days;

or

- (3) a vessel of 4,000 gross tons or more.

(e) In this section

(1) "slow-leaching TBT-based marine antifouling paint" means a TBT-based marine antifouling paint, but not a coating or other treatment, that has a measured release rate equal to or less than 3.0 micrograms per square centimeter per day at steady state conditions determined under the U.S. Environmental Protection Agency testing procedure, as outlined in the agency's call-in notice of July 29, 1986, on tributyltin in antifouling paints under 7 U.S.C. 136 — 136y (the Federal Insecticide, Fungicide, and Rodenticide Act);

(2) "TBT-based marine antifouling paint or coating" means a paint, coating, or treatment that contains tributyltin, or a triorganotin compound used as a substitute for tributyltin, and that is intended to control fouling organisms in a fresh water or marine environment;

(3) "vessel" means watercraft used or capable of being used as a means of transportation on water, including

- (A) aircraft equipped to land on water; and
- (B) barges. (§ 2 ch 67 SLA 1987)

Cross references. — For provisions applicable to the importation of TBT-based paint after June 13, 1987, and until December 1, 1987, see § 3, ch. 67, SLA 1987 in the Temporary and Special Acts.

Sec. 46.03.720. Construction and operation of certain facilities prohibited. (a) A person may not construct, extend, install or operate a sewerage system or treatment works, or any part of a sewerage system or treatment works, until plans for it are submitted to the department for review and the department approves them in writing and issues a written permit.

(b) A person may not construct, extend, install or operate a public water supply system, or any part of a public water supply system, until plans for it are submitted to the department for review and the department approves them in writing.

(c) The department may waive the requirements of this section. (§ 3 ch 120 SLA 1971; am § 7 ch 220 SLA 1976)

*change
to
4.0*

SENATE COMMITTEE REPORT

DATE: 3/27/91

FURTHER: Resources

DATE TURNED INTO OFFICE: _____

L&C Committee considered HOUSE BILL NO. 49

"An Act amending the definition of slow-leaching TBT-based marine antifouling paint."

and recommended:

- replace with _____ s CS HB 49 (L&C)
- or adopt _____ CS _____
- attached amendment(s)
- _____ letter of intent adopted

- same title
- new title
- technical title change (HB only)

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):

Dept/Date:

fiscal note(s) _____

zero fiscal note(s) DEC/1-28-91

appropriation-no fiscal note

APPROVES PREVIOUS:

Dept/Date:

fiscal note(s) _____

zero fiscal note(s) DEC/1-28-91

Governor's bill w/fiscal note

SIGNING DO/PASS:

Rick Halford

Devin Collins

OTHER RECOMMENDATIONS:

Paul Pearce - 10 Pass

Chair: Signature and Recommendation

Alaska State Legislature

Senator Drue Pearce, Chair
Senator Virginia Collins, Vice Chair
Senator Dick Eliason
Senator Rick Halford
Senator Jay Kerttula



WHILE IN JUNEAU
P.O. BOX V
JUNEAU, ALASKA 99811
(907) 465-3844

3111 C STREET, SUITE 150
ANCHORAGE, ALASKA 99504
(907) 561-2018

SENATE LABOR AND COMMERCE COMMITTEE

TO: Tamara Cook, Director
Legal Services Division

FROM: Rod Mourant, Legislative Aide
Senate Labor & Commerce Committee *Rod*

DATE: April 24, 1991

RE: HB 49

Working from House Bill 49, draft 7-LS0432\A, please create a committee substitute with the following changes:

- 1) Ln 6 - following "or less than" delete (4.0 [3.0] micrograms per square centimeter per day at steady state conditions determined).
- 2) Ln 6 - following "or less than" insert the comparable federal standard adopted.

This cs was adopted in L&C today and we would like to read across to HESS on Friday, April 26th.

H B

7 8

Representative Kay Brown

ALASKA STATE LEGISLATURE

Legislative Information Office
3111 C Street #435
Anchorage, Alaska 99503
(907) 561-7627

During Session
State Capitol
Juneau, Alaska 99801-1182
(907) 465-4998

TO: Senator Drue Pearce
Chair, Senate Labor & Commerce Committee

FROM: Representative Kay Brown

DATE: April 30, 1992

RE: Request for scheduling - CSHB 78 (Fin) am

I respectfully request that CSHB 78 (Fin) am, the Alaska Family Leave Act, be scheduled for a hearing at the earliest convenient time. The bill passed the House by a vote of 27-13 and was referred today to the Senate Labor & Commerce Committee.

This measure would provide public employees with up to 18 weeks of *unpaid* family and medical leave for the birth or adoption of a child or to care for a child, spouse or parent with a serious illness.

Enactment of a family and medical leave policy would allow workers the flexibility to manage work and family responsibilities.

In 1980, there were no state family leave laws. Now there are 18 (including the District of Columbia). In 1991, 35 states considered some type of family leave legislation.

The bill, a sponsor statement, and a list of groups and organizations that have endorsed the bill are attached.

During your term in the 15th Legislature you co-sponsored a similar version of this measure, HB 224. I hope you will continue to support this legislation.

I would be happy to provide you with additional information about the bill. Please contact me if you have questions or concerns. Given the limited time remaining in the legislative session, I hope that you will consider scheduling this bill as soon as possible. I look forward to working with you on this legislation.

DISTRICT 12

Downtown • Fairview • City View • Bootleggers Cove • Inlet View • South Addition • Thunderbird Terrace
Easridge • Penland Park • Airport Heights • Government Hill

Representative Kay Brown

ALASKA STATE LEGISLATURE

Legislative Information Office
3111 C Street #435
Anchorage, Alaska 99503
(907) 561-7627

During Session
State Capitol
Juneau, Alaska 99801-1182
(907) 465-4998

TO: Members, Senate Labor and Commerce Committee

FROM: Representative Kay Brown

DATE: May 3, 1992

RE: CSHB 78 (Fin) am, Alaska Family Leave Act

In preparation for the Labor and Commerce hearing on this measure scheduled for Wednesday, I want to provide you with details about the bill. CSHB 78 (Fin) am has zero fiscal notes.

In 1980, there were no state family leave laws; now, 17 states (plus the District of Columbia) have enacted some type of family leave policy. In 1991, 35 states considered legislation addressing family and medical leave.

Even though 135 countries have some form of parental leave policy for working parents, the United States is the only industrial nation that doesn't have job-guaranteed leave.

CSHB 78 (Fin) am would provide public employees with *unpaid* family and medical leave.

CSHB 78 (Fin) am applies only to *public* employers:

- State: Executive/Legislative/Judicial
University of Alaska
Authorities and Corporations
Alaska Railroad Corporation
- Political Subdivisions of the State

This legislation balances demands of the workplace with the needs of families:

- allows up to 18 weeks of unpaid leave within a 12-month period for each birth or adoption in a family;

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Eastridge • Penland Park • Airport Heights • Government Hill

- allows up to 18 weeks of unpaid leave to care for the employee's own serious health condition, or serious medical condition of the employee's child, spouse, or parent during any 24-month period;
- makes family leave available to both male and female employees;
- requires that an employer reinstate the employee in the same or a substantially similar position at the end of the leave;
- protects the health of a pregnant woman and her baby by requiring that an employer transfer a pregnant employee to a less hazardous or strenuous position if an unfilled position exists in the same administrative division, and if the transfer is requested by a health care provider;
- provides for investigation and conciliation of complaints by the Department of Labor; and
- requires that labor negotiation agreements contain terms that are at least as beneficial as the legislation.

CSHB 78 (Fin) am accommodates the interests of employers by including the following provisions:

- applies only to employers with 21 or more employees; does not apply where there are fewer than 21 employees working within 50 road miles of a small employment facility;
- requires that an employee work part-time at least 17 1/2 hours per week for 12 consecutive months, or full-time at least 35 hours per week for 6 consecutive months to qualify for family leave;
- disallows simultaneous leave to care for a sick family member if both parents work for the same employer;
- defines "serious health conditions" that is the basis for entitlement to family leave;
- allows the employer to require the employee to use up any accrued, paid leave and to take maternity or adoption leave in one block of time;

- requires the employee to give reasonable prior notice of anticipated leave;
- exempts employer from reinstating the employee in the same or a similar position after returning from family leave if the employer's business circumstances have changed to make it impossible or unreasonable;
- provides that collective bargaining agreements in effect remain valid until they expire; subsequent agreements must be at least as beneficial as the provisions of the bill;
- during the unpaid family leave, the employer may require the employee to pay for continuation of health insurance coverage; and
- allows the Commissioner of Education to approve a collective bargaining agreement which does not contain these leave benefits when a regional educational attendance area or a school district can demonstrate that the variance is necessary to avoid a hardship due to the lack of qualified substitute teachers or a lack of available housing for substitute teachers.

Changes from original version to Labor & Commerce CS

- Original version applied to private and public work sectors; private sector was deleted in the CS.
- Incorporated employees of the Alaska Railroad Corporation (not included in original version).
- Technical changes (redefined "health care provider", clarification of sections applying to applications of future contracts by expressly stating that if the contract provisions pertaining to family and medical leave are not at least as beneficial as those provided by this bill, then the leave provisions of this bill apply, and expansion upon "legal liability" under employee transfer taking into account collective bargaining contract or employment contract).

Changes from Labor & Commerce CS to Finance CS

- deleted the application of medical leave for a child to whom the employee stands in loco parentis (still applies to employee's biological, adopted, or foster child, stepchild, or legal ward)

House Floor Amendments

- definition of "employer" does not include a regional Native housing authority created under AS 18.55.995 - 18.55.998
- short title amended from "Alaska Family Protection Act" to "Alaska Family Leave Act"
- Amended Section 6 of bill; Sec. 23.10.500 (b) relating to substitution of leave. Instead of specifying which type of accrued paid leave can be substituted (vacation, sick, personal or other), the bill was amended to provide 'accrued paid leave to which the employee is entitled.'
- minor changes in findings section
 - (a)(1) deleted "generally," and inserted "loving" parents are the best providers of care for their children; and
 - (b) inserted "public" before 'workplace' in (1), and before 'employees' in (2) and (3).

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. CSHB78 (FIN) AM

Revision Date: _____
 Title: Family Leave--An Act relating to employment rights based on pregnancy, childbirth and related conditions, sick leave, and family leave.
 Sponsor: Brown, Ulmer
 Requestor: _____

Department Affected: Administration
 BRU: Personnel/OEEO
 Component: Personnel/OEEO

COMPONENT SERIAL NO.

		5	6
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE:	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

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

Estimate of current year impact: 0

ANALYSIS: (Attach a separate page if necessary.)

This bill will not have a direct fiscal impact on the Division of Personnel/OEEO. Although full implementation of this legislation would result in costs throughout state government, these costs cannot be quantified accurately.

Prepared by: Robert H. King, Director *Robert P. Sullivan*
 Division: Personnel/OEEO

Phone: 465-4430
 Date: 5/3/92

Approved by Commissioner: Nancy Bear Usery *Nancy Bear Usery*
 Agency: Administration

Date: 5/12/92

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. & Impacted Agency(ies).

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. CSHB78 (FIN) AM

ANALYSIS: (continued)

Current law, AS 39.20.225(b)(4), entitles female employees to a maximum of nine weeks of leave for childbirth. Collective bargaining agreements are made consistent with this statute. CSHB 78 (FIN) would:

1. Increase the maximum leave entitlement associated with childbirth to 18 weeks;
2. Provide an 18-week leave entitlement for adoption;
3. Entitle male and female employees to take leave in association with birth or placement of a child for adoption;
4. Entitle an officer or employee to take 18 weeks of leave to care for a child, spouse, or parent who has a serious health condition.

The leave guarantees found in this legislation would result in the following costs:

1. Sick leave usage could be expected to increase because it will become available under an additional set of circumstances;
2. Training costs would increase. Employees who exercise their full rights under this legislation could be absent for 18 weeks in a 12- or 24-month period. Substitutes would be required for many of these employees. Most substitutes would require either on-the-job or outside training before they could perform the full duties of the position temporarily vacated by the absent employee. If the training is provided on the job, the cost to the employee would be reduced productivity. If the required training is provided by an outside agency, such as computer training, the costs could be measured in lost productivity, plus the direct cost of providing the training;
3. Although substitute employees could be hired and possibly trained to temporarily replace employees who take leave, they could not be expected to produce at the same level as permanent, journey level employees;
4. With the exception of leave taken for the birth or placement of a child, this legislation does not require that employees take the 18 weeks of leave consecutively. If leave is taken sporadically and in short increments, it would be difficult to plan for the effective replacement of the absent employee. In cases where a replacement could not be found, an employee's absence could result in increased overtime, reduced productivity, and/or lowered morale. These results may be most prevalent in institutions that require 24-hour coverage, such as Pioneers' Homes, correction facilities, or the Alaska Psychiatric Institute.

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. CSHB 78 (FIN) AM

Revision Date: 5/29/92
Title: Alaska Family Leave Act

Department Affected: UNIVERSITY OF ALASKA
BRU: ALL
Component: Statewide Programs and Services

Sponsor: Rep. Brown
Requestor: Rep. Brown

Component Serial No: ALL

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY93	FY94	FY95	FY96	FY97	FY98
OPERATING						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL						
REVENUE FD SOURCE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER FUNDS						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

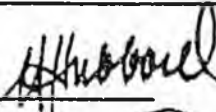
POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

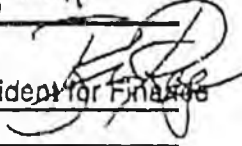
Estimate of current year impact: -0-

ANALYSIS (Attach additional pages as necessary)

The University of Alaska is of the opinion that its present employee leave regulations and financial procedures are adequate to comply with the intent of this bill without incurring significant cost increases.

Prepared by: Marsha Hubbard, Director 
Division: Statewide Budget Office

Phone: 474-7599
Date: 5/4/92

Approved by: Brian Rogers, Vice President for Finance 
Agency: University of Alaska

Date: 5/4/92

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies)

FISCAL NOTE

No. 3

Bill Version: CSHB 78(FIN)

(H). Publish Date: 2-26-92

STATE OF ALASKA
1992 LEGISLATIVE SESSION

Revision Date: _____

Title: "An Act relating to employment rights
based on ... family leave."

Sponsor: Brown, et al.

Requestor: House Finance

Department Affected: Labor

BRU: Labor Standards & Safety

Component: Wage & Hour

COMPONENT SERIAL NO. 345

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE FUND SOURCE:						
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Randy Carr, Acting Director

Division: Labor Standards & Safety

Phone: 264-2452

Date: 2/14/92

Approved by Commissioner: John Abshire, Acting Commissioner

Agency: Department of Labor

Date: 2/14/92

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMS, & Impacted Agency(ies).

COMMITTEE COPY

3/30/92
Rep. Kay Brown

CSHB 78 (Fin)
Alaska Family Protection Act

ENDORSEMENTS

Alaska Commission on Children and Youth
Alaska Family Support Group
Alaska League of Women Voters
Alaska State AFL-CIO
Alaska State District Council of Laborers
Alaska State Employees Assoc./AFSCME Local 52
Alaska Women's Commission
Alaska Women's Lobby
Alaska Women's Political Caucus
American Assoc. of University Women, Alaska
Anchorage Assoc. for the Education of Young Children
Business and Professional Women's Club
Coalition of Labor Union Women
KIDPAC
National Assoc. of Social Workers, Alaska
National Council of Children's Rights, Alaska
NEA-Alaska
Older Alaskans Commission
Older Persons Action Group, Inc.

ALASKA STATE LEGISLATURE
HOUSE BILL NO. 78

HISTORY IN THE HOUSE

1991
1/25 Read first time and referred to:
L&C, HESS, FIN

2/19 L&C RPT CS(L&C) New Title
3 DP 1 DNP NR 0 AM
FN ✓ OFN Previous FN

5/17 HES RPT CS(L&C) New Title
1 DP 0 DNP 3 NR 0 AM
FN OFN ✓ Previous FN

1992
2/26 FIN RPT CS(FIN) New Title
6 DP 1 DNP 1 NR 1 AM
FN 3 OFN Previous FN

4/27 Read second time
CS(FIN) Adopted

4/27 Amended
am 1, 2, 3

4/28 am # 1
Advanced

4/28 Read third time

4/28 Return to second for specific amendment # 6-f/d
7

PASSED	EFD Same ___ or
Yeas 26	Yeas
Nays 13	Nays
Excused 1	Excused
Absent 0	Absent

Intent adopted

4/29 Reconsideration by Taylor
4/29 Reconsideration taken up

PASSED ON RECON.	EFD Same ___ or
Yeas 40	Yeas
Nays 0	Nays
Excused 0	Excused
Absent 0	Absent

Intent adopted

4/29 Reported correctly engrossed
Signed by Speaker, to the Senate

Kurtis Gray
Chief Clerk of the House

HISTORY IN THE SENATE

1992
4/30 Read first time and referred to:
L&C

RPT() CS DP NR DNP AM
New Title Same Title Previous FN
FN OFN To

RPT() CS DP NR DNP AM
New Title Same Title Previous FN
FN OFN To

RPT() CS DP NR DNP AM
New Title Same Title Previous FN
FN OFN To

Rules Calendar() CS AM Other
New Title Same Title Previous FN
FN OFN

Read second time

CS Adopted () New Title
Amended Advanced

Read third time

Letter of Intent adopted
Return to second for specific amendment

PASSED	EFD Same ___ or
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

Reconsideration
Reconsideration not taken up

PASSED	EFD Same ___ or
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

Reported correctly engrossed
Signed by President, to the House

Secretary of the Senate

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO : CSHB 78 (Fin) am

Revision Date: _____
 Title: "An Act relating to employment rights
 based on ... family leave."
 Sponsor: Representative Brown
 Requestor: Senate Labor & Commerce

Department Affected: Labor
 BRU: Labor Standards & Safety
 Component: Wage & Hour

COMPONENT SERIAL NO. 345

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE FUND SOURCE:						
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Randy Carr, Acting Director Phone: 264-2452
 Division: Labor Standards & Safety Date: 5/5/92

Approved by Commissioner: C. W. Mahlen
 Agency: Department of Labor Date: 5/5/92

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

H B

8 3

May 11, 1991

Drue -

RE: Kachemak Bay

The Governor asked Mead to come up with alternative methods of financing the buyback so that it was not all immediate cash.

These are a list of options he developed. The general concept is to allow the Commissioner of DNR negotiation latitude based on uncertain value of the timber and/or subsurface rights.

A handwritten signature in cursive script, appearing to read "Rod", is located in the lower right quadrant of the page.

May 13, 1991

Red

Drue -

RE: HB 183 *HC-25*

Mead called and he and Harold Heinze spoke about Kachemak Land Swap.

Latest idea instead of shopping list:

Waive requirement for \$5mm legislative approval for land trade.

Commission of DNR has authorization to negotiate cash and/or land swap to make best deal for state.

25% match from private sector. Timber could be included as a portion of this match.

T Red

Alaska State Legislature

Senator Paul Fischer
Senate District D
Box 784
Soldotna, Alaska 99669
(907) 262-9420 W
262-9269



State Senate

While in Juneau
P.O. Box V
Juneau, Alaska 99811
(907) 465-3791

MEMORANDUM

TO: Senator Drue Pearce, Chairman
Senate Labor & Commerce Committee

FROM: Senator Paul Fischer *PF.*

SUBJECT: CS House Bill 83 (Finance) am
(relating to Kachemak Bay State Park
timber rights)

DATE: May 15, 1991

Now that the House version of my Senate Bill 148 has passed the House and is in the possession of the Senate, I would appreciate your scheduling the above referenced bill for a hearing before the Senate Labor & Commerce Committee at your earliest possible convenience.

Your consideration would be greatly appreciated.

PAF/sgn

cc: Representative Mike Navarre
Representative Gail Phillips

SENATE CS FOR CS FOR HOUSE BILL NO. 83 (L&C)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES NAVARRE, Brown, Davidson, Finkelstein, Parnell, G.Phillips, Ellis, Choquette,
Ulmer

A BILL

FOR AN ACT ENTITLED

1 "An Act making special appropriations to the Department of Natural Resources for the
2 purchase of the inholdings of the Seldovia Native Association and the Cook Inlet Region,
3 Inc., and the timber rights of the Timber Trading Company, within the Kachemak Bay
4 State Park; and providing for an effective date."

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

6 * Section 1. LEGISLATIVE FINDINGS. (a) The legislature finds that the Kachemak Bay State
7 Park is an important scenic and recreational area and that the inholdings within the park, if developed,
8 would seriously compromise the integrity of the existing park land. The legislature finds, therefore, that
9 it is in the interest of the state to acquire the inholdings of the Seldovia Native Association and the Cook
10 Inlet Region, Inc., and the timber rights of the Timber Trading Company, within the Kachemak Bay
11 State Park.

12 (b) The legislature further finds that the value, to the state, of the inholdings of the Seldovia
13 Native Association and the Cook Inlet Region, Inc., and the timber rights of the Timber Trading
14 Company, within the Kachemak Bay State Park does not exceed \$22,000,000.

1 * Sec. 2. The sum of \$7,000,000 is appropriated from the general fund to the Department of Natural
2 Resources for the purchase of the inholdings of the Seldovia Native Association and the timber rights
3 of the Timber Trading Company, within the Kachemak Bay State Park as identified in the Preliminary
4 Exchange Agreement dated June 30, 1989, between the state, the Seldovia Native Association, and the
5 Timber Trading Company; and for the purchase of the inholdings of the Cook Inlet Region Inc. within
6 the Kachemak Bay State Park.

7 * Sec. 3. (a) If the conditions set out in (b) - (d) of this section are met, the amount necessary to
8 pay the balance, after payment of the appropriation made in sec. 2 of this Act, of the purchase price for
9 the inholdings of the Seldovia Native Association, the timber rights of the Timber Trading Company,
10 and the inholdings of the Cook Inlet Region, Inc., not to exceed \$15,000,000, is appropriated from the
11 general fund to the Department of Natural Resources for purchase of the inholdings and timber rights
12 within Kachemak Bay State Park.

13 (b) If the agreement negotiated by the commissioner of natural resources for the purchase of
14 inholdings and timber rights within Kachemak Bay State Park requires that a portion of the purchase
15 price be paid from sources other than the state, the appropriation made by (a) of this section is
16 conditioned on the portion required as a match not exceeding 20 percent and on the agreement permitting
17 that the required match be satisfied by cash donations, the transfer of timber rights, and other means.
18

19 (c) The amount appropriated from the general fund by (a) of this section may not exceed the
20 amount deposited in the general fund or received in value by the state during the fiscal years ending
21 June 30, 1991, and 1992 as a result of the lease of recreational land, timber sales, timber rights, land
22 exchanges, and resource development leases. *EXCLUDING OIL + GAS LEASES*

23 (d) The appropriation made by (a) of this section may not be used for administrative or other
24 departmental expenses.

25 * Sec. 4. If the amount appropriated by secs. 2 and 3 of this Act is insufficient to satisfy the purchase
26 price for the inholdings and timber rights in Kachemak Bay State Park, the unexpended and unobligated
27 balances, not to exceed \$15,000,000, of the following appropriations are repealed and reappropriated to
28 the Department of Natural Resources for the purchase of the inholdings of the Seldovia Native
29 Association and the timber rights of the Timber Trading Company, within the Kachemak Bay State Park
30 as identified in the Preliminary Exchange Agreement dated June 30, 1989, between the state, the
31 Seldovia Native Association, and the Timber Trading Company; and for the purchase of the inholdings

1 of the Cook Inlet Region, Inc. within the Kachemak Bay State Park:

2 (1) that portion of the appropriation made by sec. 25, ch. 80, SLA 1979, page 66, line
3 38, as amended by sec. 448(a), ch. 105, SLA 1985, and sec. 275(a), ch. 130, SLA 1986, that is allocated
4 by sec. 25, ch. 80, SLA 1979, page 67, line 5 (Bradley Lake hydro project - \$80,000);

5 (2) that portion of the appropriation made by sec. 1(a), ch. 90, SLA 1981, as amended
6 by sec. 69, ch. 92, SLA 1981, and sec. 236, ch. 141, SLA 1982, that is allocated by sec. 1(a)(1), ch. 90,
7 SLA 1981, as amended by sec. 69, ch. 92, SLA 1981 (Bradley Lake - \$5,000,000);

8 (3) that portion of the appropriation made by sec. 1(b), ch. 90, SLA 1981, as amended
9 by sec. 69, ch. 92, SLA 1981, and sec. 236, ch. 141, SLA 1982, that is allocated by sec. 1(b)(1), ch. 90,
10 SLA 1981, as amended by sec. 69, ch. 92, SLA 1981 (Bradley Lake - \$10,000,000);

11 (4) sec. 241, ch. 141, SLA 1982 (Bradley Lake hydroelectric project - \$3,000,000);

12 (5) AS 44.83.420, repealed by sec. 318, ch. 171, SLA 1984 (Bradley Lake hydroelectric
13 project);

14 (6) sec. 5, ch. 41, SLA 1986 (Bradley Lake hydroelectric project - \$50,000,000);

15 (7) sec. 3, ch. 128, SLA 1986, page 8, line 7, as amended by sec. 1, ch. 96, SLA 1987
16 (Alaska Power Authority, Bradley Lake hydroelectric project - \$50,000,000);

17 (8) sec. 6, ch. 172, SLA 1988 (Bradley Lake power project - \$7,000,000).

18 * Sec. 5. The appropriations made by secs. 3 and 4 of this Act are for a capital project and are
19 subject to lapse under AS 37.25.020.

20 * Sec. 6. The unexpended and unobligated balance of the appropriation made by sec. 2 of this Act
21 lapses into the general fund December 31, 1991.

22 * Sec. 7. Except for secs. 3 - 5 of this Act, this Act takes effect on the later of

23 (1) the date that the Department of Natural Resources files a declaration with the
24 lieutenant governor and the revisor of statutes that the department has entered into agreements with
25 Seldovia Native Association for the sale of the inholdings of the association, the Timber Trading
26 Company for the sale of timber rights of the company, and the Cook Inlet Region, Inc., for the sale of
27 inholdings of the corporation, for a total that is equal to or less than \$22,000,000; or

28 (2) July 1, 1991.

29 * Sec. 8. Sections 3 - 5 of this Act take effect on the later of

30 (1) the date that the Department of Natural Resources files a declaration with the
31 lieutenant governor and the revisor of statutes that the department has entered into agreements with

- 1 Seldovia Native Association for the sale of the inholdings of the association, the Timber Trading
- 2 Company for the sale of timber rights of the company, and the Cook Inlet Region, Inc., for the sale of
- 3 inholdings of the corporation, for a total that is equal to or less than \$22,000,000; or
- 4 (2) the date that the Alaska Energy Authority files a declaration with the lieutenant
- 5 governor and the revisor of statutes that the Bradley Lake hydroelectric project has been completed.

SENATE COMM  REPORT

DATE: 5/15/91

FURTHER: Resources
Finance

DATE TURNED INTO OFFICE: 5-19-91

L&C Committee considered CS FOR HOUSE BILL NO. 83 (FINANCE) am

Special appropriations to the Department of Natural Resources for the purchase of the inholdings of the Seldovia Native Association and the Cook Inlet Region, Inc., and the timber rights of the Timber Trading Company, within the Kachemak Bay State Park; efd.

and recommended:

- replace with SENATE CS FOR CS FOR HB 83(L+C) same title
- or a lopt _____ CS _____ new title
- attached amendment(s) technical title change (HB only)
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):
Dept/Date:

fiscal note(s) _____

zero fiscal note(s) _____

appropriation-no fiscal note

APPROVES PREVIOUS:
Dept/Date:

fiscal note(s) _____

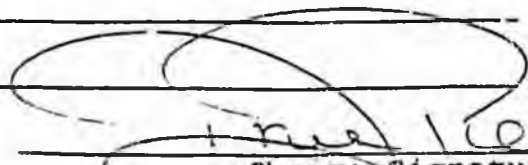
zero fiscal note(s) _____

Governor's bill w/fiscal note

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

William Do not pass
Chris Colles no rec
Rick Halford - Exxon \$


Chair: Signature and Recommendation

Alaska State Legislature

Senator Drue Pearce, Chair
Senator Virginia Collins, Vice Chair
Senator Dick Eliason
Senator Rick Halford
Senator Jay Kertula



WHILE IN JUNEAU
P.O. BOX V
JUNEAU, ALASKA 99611
(907) 465-3844

3111 C STREET, SUITE 150
ANCHORAGE, ALASKA 99504
(907) 561-2318

SENATE LABOR AND COMMERCE COMMITTEE

TO: George Utermohle, Legal Counsel
Legal Services Division

FROM: Rod Mourant, Legislative Aide
Senate Labor & Commerce Committee

DATE: May 15, 1991

RE: CSHB 83 (FIN) am

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

George, please draft a L&C CS for the subject using workdraft
7-LS0541\D.

Feel free to reword as necessary to allow the intended provisions
to fall with the allowable language of an appropriation bill.
Also, the intent of the appropriations is to prioritize in a
manner that calls for the price to be satisfied first by the
\$7,000,00 GF, then by the new negotiated language and finally by
the Bradley Lake reappropriation section.

George, we need this CS ASAP.

Thank you.

FISCHER
JONES
ELIASON
LANIER
TRADWELL
C. NELSON

-OK-

CSHB 83(FIN)am AMENDMENT

Amend Pg 1 Ln 14 as follows:

"Company, within the Kachemak Bay State Park does not exceed [is] \$22,000,000."

Insert a new section as follows:

The commissioner is authorized to negotiate cash and/or land trades not to exceed \$15,000,000 that are in the best interest of the state. The options may include but are not limited to future state income from recreational leases, timber sales and future resource development leases as well as requiring upto a 20% match from interested private sector parties. The match may include but is not limited to cash donations, and timber rights transfers.

Insert a new section as follows:

None of the funds appropriated in this legislation are to be used by the department for departmental expenses.

Insert on Pg 2 Ln 7 following "Sec. 3." as follows:

"If the amounts authorized in sections 2 and 3 are insufficient to satisfy the agreed upon purchase price, the [The] unexpended.."

Adjust section number referencing accordingly.

May 16, 1991

Drue -

RE: HB 83 - Kachemak Bay

Sec 1. Changes value upto \$22,000,000

Sec 2. \$7,000,000 GF payment subject to signed agreement by 12/31/91.

Sec 3. a) Allows upto \$15,000,000 GF from sources specified in b) and c) to be used for balance payment.

b) Allows commissioner to negotiate upto a 20% private sector match would could be cash, timber rights, land exchange.

c) Allows commissioner to use FY 91 & FY 92 proceeds from recreational land leases, timber sales, resource development leases and values of timber rights and land exchanges to satisfy the remaining balance due.

d) Prohibits DNR from using any of the GF for administrative expenses.

Sec 4. Allows use of various Bradley Lake reappropriations to pay off balance if sections 2 & 3 don't satisfy balance.

Sec 5. Sec 3 & 4 are capital appropriations.

Sec 6. Lapses GF appropriation on 12/31/91.

Sec 7. Requires signed agreement before any GF can be paid out.

Sec 8. Makes the signed agreement necessary for all other payments and APA notifies the Lt Gov that the Bradley Lake funds are available.

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

400 WILLOUGHBY AVENUE
JUNEAU, ALASKA 99801-1796
PHONE: (907) 465-2400
FACSIMILE: (907) 586-2754

May 16, 1991

The Honorable Drue Pearce, Chair
Senate Labor and Commerce Committee
P.O. Box V
Juneau, AK 99811

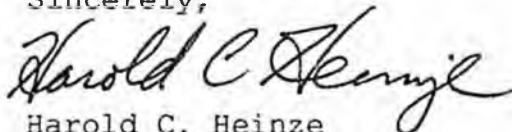
Dear Senator Pearce:

Subject: The draft Senate Labor and Commerce Committee substitute for HB 83, an appropriation bill for acquisition of Kachemak Bay State Park inholdings.

Position: The Department of Natural Resources supports the concept of a substitute bill that allows us to use land and resource revenues, land exchanges, and donations from industry and the public, as well as a monetary appropriation, for the acquisition of park inholdings.

Under this bill, we would make every effort to negotiate an agreement that is fair and equitable to all.

Sincerely,



Harold C. Heinze
Commissioner

cc: Representative Navarre
Bruce Kendall, Legislative Liaison, Office of the Governor

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR JONES

TO: SCS CSHB 83 (L&C)

Page 2, line 7:

Delete "(b) - (d)"

Insert "(b) - (e)"

Page 2, following line 12:

Insert a new subsection to read:

"(b) The appropriation made by (a) of this section is contingent upon certification by the commissioner of natural resources to the Department of Administration that the commissioner has made a good faith effort to negotiate an agreement to exchange timber rights to state land for the timber rights of the Timber Trading Company in the Kachemak Bay State Park, unless the commissioner finds that timber rights of a value comparable to those held by the Timber Trading Company are not available on state land."

Reletter the following subsections accordingly.

Page 4, line 10:

Delete "; or"

Insert ";

Page 4, line 12, following 'completed':

Insert "; or

(3) the date that the commissioner of natural resources certifies to the lieutenant governor and the revisor of statutes that the commissioner was not able to negotiate an agreement to exchange timber rights to state land for the timber rights of the Timber Trading Company in the Kachemak Bay State Park because timber rights of comparable value to those held by the

Timber Trading Company are not available on state land"

CS FOR HOUSE BILL NO. 83 (FINANCE) am
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Amended: 5/13/91
Offered: 4/24/91
Referred: Rules

Sponsor(s): REPRESENTATIVES NAVARRE, Brown, Davidson, Finkelstein, Parnell, G.Phillips, Ellis, Choquette, Ulmer

A BILL

FOR AN ACT ENTITLED

1 "An Act making special appropriations to the Department of Natural Resources for the
2 purchase of the inholdings of the Seldovia Native Association and the Cook Inlet Region,
3 Inc., and the timber rights of the Timber Trading Company, within the Kachemak Bay
4 State Park; and providing for an effective date."

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

6 * Section 1. LEGISLATIVE FINDINGS. (a) The legislature finds that the Kachemak Bay State
7 Park is an important scenic and recreational area and that the inholdings within the park, if developed,
8 would seriously compromise the integrity of the existing park land. The legislature finds, therefore, that
9 it is in the interest of the state to acquire the inholdings of the Seldovia Native Association and the Cook
10 Inlet Region, Inc., and the timber rights of the Timber Trading Company, within the Kachemak Bay
11 State Park.

12 (b) The legislature further finds that the value, to the state, of the inholdings of the Seldovia
13 Native Association and the Cook Inlet Region, Inc., and the timber rights of the Timber Trading
14 Company, within the Kachemak Bay State Park is \$22,000,000.

*22,000,000 AS HIGH AS
P. 1*

1 * Sec. 2. The sum of \$7,000,000 is appropriated from the general fund to the Department of Natural
2 Resources for the purchase of the inholdings of the Seldovia Native Association and the timber rights
3 of the Timber Trading Company, within the Kachemak Bay State Park as identified in the Preliminary
4 Exchange Agreement dated June 30, 1989, between the state, the Seldovia Native Association, and the
5 Timber Trading Company; and for the purchase of the inholdings of the Cook Inlet Region Inc. within
6 the Kachemak Bay State Park.

7 * Sec. 3. ^{DELETED} The unexpended and unobligated balances, not to exceed \$15,000,000, of the following
8 appropriations are repealed and reappropriated to the Department of Natural Resources for the purchase
9 of the inholdings of the Seldovia Native Association and the timber rights of the Timber Trading
10 Company, within the Kachemak Bay State Park as identified in the Preliminary Exchange Agreement
11 dated June 30, 1989, between the state, the Seldovia Native Association, and the Timber Trading
12 Company; and for the purchase of the inholdings of the Cook Inlet Region, Inc. within the Kachemak
13 Bay State Park:

14 (1) that portion of the appropriation made by sec. 25, ch. 80, SLA 1979, page 66, line
15 38, as amended by sec. 448(a), ch. 105, SLA 1985, and sec. 275(a), ch. 130, SLA 1986, that is allocated
16 by sec. 25, ch. 80, SLA 1979, page 67, line 5 (Bradley Lake hydro project - \$80,000);

17 (2) that portion of the appropriation made by sec. 1(a), ch. 90, SLA 1981, as amended
18 by sec. 69, ch. 92, SLA 1981, and sec. 236, ch. 141, SLA 1982, that is allocated by sec. 1(a)(1), ch. 90,
19 SLA 1981, as amended by sec. 69, ch. 92, SLA 1981 (Bradley Lake - \$5,000,000);

20 (3) that portion of the appropriation made by sec. 1(b), ch. 90, SLA 1981, as amended
21 by sec. 69, ch. 92, SLA 1981, and sec. 236, ch. 141, SLA 1982, that is allocated by sec. 1(b)(1), ch. 90,
22 SLA 1981, as amended by sec. 69, ch. 92, SLA 1981 (Bradley Lake - \$10,000,000);

23 (4) sec. 241, ch. 141, SLA 1982 (Bradley Lake hydroelectric project - \$3,000,000);

24 (5) AS 44.83.420, repealed by sec. 318, ch. 171, SLA 1984 (Bradley Lake hydroelectric
25 project);

26 (6) sec. 5, ch. 41, SLA 1986 (Bradley Lake hydroelectric project - \$50,000,000);

27 (7) sec. 3, ch. 128, SLA 1986, page 8, line 7, as amended by sec. 1, ch. 96, SLA 1987
28 (Alaska Power Authority, Bradley Lake hydroelectric project - \$50,000,000);

29 (8) sec. 6, ch. 172, SLA 1988 (Bradley Lake power project - \$7,000,000).

30 * Sec. 4. ^{FR. E. T. E.} The appropriation made by sec. 3 of this Act is for a capital project and is subject to lapse
31 under AS 37.25.020.